
**SASKATCHEWAN TRIATHLON
ASSOCIATION CORPORATION**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2016

Heagy Altrogge Matchett & Partners LLP

CHARTERED PROFESSIONAL ACCOUNTANTS

SASKATCHEWAN TRIATHLON ASSOCIATION CORPORATION
MANAGEMENT'S REPORT

To the Members of

Saskatchewan Triathlon Association Corporation


Management is responsible for the preparation and presentation of the accompanying financial statements including responsibility for significant accounting judgments and estimates in accordance with Canadian accounting standards for not-for-profit organizations. This responsibility includes selecting appropriate accounting principles and methods and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial reports are properly maintained to provide reliable information for the preparation of financial statements.

The board is responsible for overseeing management in the performance of its financial reporting responsibilities and for approving the financial information included in the financial statements. The board fulfills these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and the external auditors. The board is also responsible for recommending the appointment of the organization's external auditors.

The financial statements have been audited by Heagy Altrogge Matchett & Partners LLP, Chartered Professional Accountants in accordance with Canadian generally accepted auditing standards on behalf of the members. Heagy Altrogge Matchett & Partners LLP, Chartered Professional Accountants have full and free access to the board and management to discuss their audit findings.

 _____ President

 _____ Treasurer

Heagy Altrogge Matchett & Partners LLP

CHARTERED PROFESSIONAL ACCOUNTANTS

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INDEPENDENT AUDITORS' REPORT

To the Members of
Saskatchewan Triathlon Association Corporation

We have audited the accompanying financial statements of Saskatchewan Triathlon Association Corporation, which comprise the statement of financial position as at December 31, 2016 and the statements of revenue and expenditures, changes in net assets and cash flows and schedule of expenditures for the year then ended, along with the summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the association's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the association's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Saskatchewan Triathlon Association Corporation as at December 31, 2016 and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

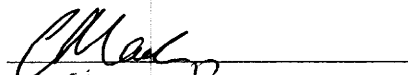
A handwritten signature in black ink, reading "Heagy Altrogge Matchett & Partners LLP". The signature is written in a cursive, flowing style.


CHARTERED PROFESSIONAL ACCOUNTANTS
March 26, 2017

SASKATCHEWAN TRIATHLON ASSOCIATION CORPORATION**STATEMENT OF FINANCIAL POSITION****AS AT DECEMBER 31**

	2016	2015
	\$	\$
ASSETS		
CURRENT ASSETS		
Cash	27,985	58,931
Term deposits (note 7)	30,569	45,310
Accounts receivable (note 3)	23,029	23,988
Accrued interest receivable	191	150
Inventory	5,106	2,060
Prepaid expenses	9,778	6,242
	96,658	136,681
LEGACY FUND OF EXCELLENCE FUNDS ON DEPOSIT (note 4)	26,001	24,732
TANGIBLE CAPITAL ASSETS (note 5)	21,653	10,714
	144,312	172,127
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	11,374	8,747
Deferred membership fee revenue	10,538	13,961
Deferred grant revenue	63,670	87,830
	85,582	110,538
LEGACY FUND OF EXCELLENCE DEFERRED CONTRIBUTIONS (note 4)	26,001	24,732
	111,583	135,270
NET ASSETS		
NET ASSETS INVESTED IN TANGIBLE CAPITAL ASSETS	21,653	10,714
UNRESTRICTED NET ASSETS	11,076	26,143
	32,729	36,857
	144,312	172,127

SIGNED ON BEHALF OF THE BOARD

 Director

 Director

SASKATCHEWAN TRIATHLON ASSOCIATION CORPORATION**STATEMENT OF CHANGES IN NET ASSETS****FOR THE YEAR ENDED
DECEMBER 31**

	Invested in tangible capital assets \$	Unrestricted \$	2016 \$	2015 \$
BALANCE - BEGINNING OF YEAR	10,714	26,143	36,857	37,210
Deficiency of revenue over expenditures for the year	(3,926)	(202)	(4,128)	(353)
Purchase of tangible capital assets	14,865	(14,865)	-	-
BALANCE - END OF YEAR	21,653	11,076	32,729	36,857

SASKATCHEWAN TRIATHLON ASSOCIATION CORPORATION**STATEMENT OF REVENUE AND EXPENDITURES****FOR THE YEAR ENDED****DECEMBER 31**

	2016	2015
	\$	\$
REVENUE		
<i>Saskatchewan Lotteries Trust Fund -</i>		
Annual funding	118,700	115,200
Membership assistance program	24,700	22,000
High performance coach capacity grant	21,200	20,600
	164,600	157,800
<i>Self Help - Internal -</i>		
Membership fees	45,589	48,947
Clinic fees	2,650	3,961
Sanctioning fees	1,125	510
	49,364	53,418
<i>Self Help - External -</i>		
Event timing	6,500	-
Sales	5,371	2,641
Interest	377	613
Fundraising	270	-
Sponsorships	-	200
	12,518	3,454
<i>National Sport Organization -</i>		
Triathlon Canada LST	-	4,000
<i>Other -</i>		
Saskatchewan Triathlon Centre coaching fees	34,229	39,444
Saskatchewan Tourism grant - Subaru Saskatoon Triathlon	32,000	-
Future Best	1,500	1,500
Canada Summer Games Foundation grant	1,260	1,260
Sask Sport LTAD program funding	-	7,650
National hosting grant - City of Saskatoon	-	6,570
	68,989	56,424
TOTAL REVENUE	295,471	275,096
EXPENDITURES (schedule)		
Administration	81,861	80,192
Capacity/Interaction	5,506	11,323
Participation	26,947	23,715
Excellence	56,076	58,680
Categorical Grants - Membership Assistance Program	24,700	22,000
Categorical Grants - High Performance Coach Capacity	21,200	20,600
Other	83,309	58,939
TOTAL EXPENDITURES	299,599	275,449
DEFICIENCY OF REVENUE OVER EXPENDITURES FOR THE YEAR	(4,128)	(353)

SASKATCHEWAN TRIATHLON ASSOCIATION CORPORATION**STATEMENT OF CASH FLOWS****FOR THE YEAR ENDED
DECEMBER 31**

	2016	2015
	\$	\$
OPERATING ACTIVITIES		
Deficiency of revenue over expenditures for the year	(4,128)	(353)
Item not affecting cash -		
Depreciation	3,926	2,517
	(202)	2,164
Changes in non-cash working capital items -		
Accounts receivable	959	(3,253)
Accrued interest receivable	(41)	50
Inventory	(3,046)	3,128
Prepaid expenses	(3,536)	(467)
Accounts payable and accrued liabilities	2,627	5,237
Deferred membership fee revenue	(3,423)	263
Deferred grant revenue	(24,160)	(3,660)
Legacy Fund of Excellence deferred contributions	1,269	1,204
Cash Provided By (Used In) Operating Activities	(29,553)	4,666
INVESTING ACTIVITIES		
Purchase of tangible capital assets	(14,865)	(2,682)
Interest reinvested in Legacy Fund of Excellence funds on deposit	(1,269)	(1,204)
Purchase of term deposits	(30,569)	(80,310)
Redemption of term deposits	45,310	85,000
Cash Provided By (Used In) Investing Activities	(1,393)	804
INCREASE (DECREASE) IN CASH POSITION	(30,946)	5,470
CASH POSITION - BEGINNING OF YEAR	58,931	53,461
CASH POSITION - END OF YEAR	27,985	58,931

SASKATCHEWAN TRIATHLON ASSOCIATION CORPORATION**SCHEDULE OF EXPENDITURES****FOR THE YEAR ENDED
DECEMBER 31**

	2016	2015
	\$	\$
ADMINISTRATION		
Audit	5,805	5,509
Insurance	5,843	5,847
Office operations	8,634	7,504
Salaries and benefits	60,379	60,584
Staff travel	1,200	748
	81,861	80,192
CAPACITY/INTERACTION		
Awards and recognition	843	884
Communications and website	786	960
Conferences and symposiums	-	2,000
Marketing and promotions	457	1,345
Meetings -		
Annual general meeting	263	676
Board and committee meetings	1,894	3,224
National committee meetings	1,063	1,884
Professional leadership development	200	350
	5,506	11,323
PARTICIPATION		
Athlete development -		
Competitions	9,066	5,437
Introduction and participation programs	8,742	8,381
Under-represented population	2,128	5,125
Coaches development	3,806	837
Officials development	3,205	3,935
	26,947	23,715
EXCELLENCE		
Athlete development -		
Athlete assistance	1,801	2,740
Competitions	18,238	19,181
Talent identification	1,804	1,255
Training	1,166	730
Coaches development and administrative support	32,067	33,774
Officials development	1,000	1,000
	56,076	58,680

SASKATCHEWAN TRIATHLON ASSOCIATION CORPORATION

SCHEDULE OF EXPENDITURES (continued)

FOR THE YEAR ENDED
DECEMBER 31

	2016	2015
	\$	\$
CATEGORICAL GRANTS - MEMBERSHIP ASSISTANCE PROGRAM		
<i>Saskatoon Triathlon Club -</i>		
Living Sky Triathlon	4,143	4,189
Support for equipment and supplies	1,485	1,791
Bridge City Duathlon	700	643
Brainsport Kids of Steel Triathlon	400	400
Moe's Triathlon	400	-
Pike Lake summer clinic	-	515
<i>Regina Multisport Club -</i>		
Support for equipment and supplies	3,473	2,793
Youth Program	1,463	-
Spoke and Hot Triathlon	1,400	1,300
Echo Lake Triathlon	1,400	1,271
Rise and Tri	1,400	-
Kids of Steel Ice Breaker Triathlon	1,150	400
Ice Breaker Triathlon	1,150	400
See Dick Tri Triathlon	-	2,125
Coaching clinic	-	1,469
<i>Prince Albert Roadrunner Triathlon Society -</i>		
Frank Dunn Triathlon	3,576	2,304
Crown the King	800	-
Spring Fun Run	300	300
PA Winter Triathlon	260	946
<i>Other -</i>		
Saskatchewan Summer Games	1,200	-
Pike Lake School	-	400
U of S Triathlon Club swim clinic	-	400
Pedal Wenches Club	-	354
	24,700	22,000
CATEGORICAL GRANTS - HIGH PERFORMANCE COACH CAPACITY		
High performance coach capacity wages	21,200	20,600
OTHER		
Saskatchewan Triathlon Centre	41,496	46,746
Saskatchewan Tourism grant - Subaru Saskatoon Triathlon	33,577	-
Depreciation	3,926	2,517
National dues and affiliations	2,161	1,248
Future Best	1,500	1,500
Miscellaneous	599	248
Sask Sport dues	50	50
National hosting grant - Saskatoon Triathlon Club	-	6,570
Sask Sports Hall of Fame	-	60
	83,309	58,939

1. DESCRIPTION OF ASSOCIATION

The association, incorporated under the Non-Profit Corporations Act of Saskatchewan, administers the athletic affairs of Saskatchewan triathletes. As a Non-Profit Corporation it is not subject to income tax under the Canadian Income Tax Act.

2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

Financial Instruments

The association initially measures its financial assets and liabilities at fair value adjusted by, in the case of a financial instrument that will not be measured subsequently at fair value, the amount of transaction costs directly attributable to the instrument.

The association subsequently measures all financial assets and financial liabilities at amortized cost except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in deficiency of revenue over expenditures for the year.

Financial assets measured at amortized cost include cash, term deposits, accounts receivable, accrued interest receivable and Legacy Fund of Excellence funds on deposit.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of any write-down is recognized in deficiency of revenue over expenditures for the year. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting an allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in deficiency of revenue over expenditures for the year.

Inventory

Inventory is valued at the lower of cost and net realizable value using the first-in, first-out method. The value of inventory is regularly reviewed and written down when necessary. If inventory write-downs are subsequently determined recoverable, inventory is written up to its previous cost value, provided the realizable value exceeds its original cost. Otherwise, inventory is written up to its new realizable value. Any write-downs or subsequent reversals of these write-downs are to be disclosed in the financial statements in the period such adjustment is determined.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)***Tangible Capital Assets and Depreciation***

Tangible capital assets are recorded at cost and amortized over their estimated useful lives. This requires estimation of the useful life of the asset and its salvage and residual value. When management considers that a tangible capital asset no longer contributes to the association's ability to provide services, its carrying amount is written down to its residual value. As is true of all accounting estimates, it is possible that changes in future conditions could require changes in the recognized amounts for accounting estimates. Should an adjustment become necessary, it would be reported in earnings in the period in which it became known.

Depreciation of tangible capital assets is calculated using the declining balance method at the following annual rates:

Triathlon equipment	20%
Computer equipment	30%

Depreciation on assets acquired during the year is recorded at one-half the normal annual rate.

Revenue Recognition

The association follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenditures are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Grants from Saskatchewan Lotteries Trust Fund for Sport, Culture & Recreation are received out of the net proceeds of lottery ticket sales in Saskatchewan. These grants have been recorded as revenue by the association as approved by Saskatchewan Lotteries Trust Fund for Sport, Culture & Recreation for the year ended December 31, 2016. Accordingly, any amounts not received by year end are shown as grants receivable and any amounts received relating to the next fiscal year are shown as deferred grant revenue.

Membership fees are recognized as revenue based on the membership period, which differs from the fiscal year. The portion paid that relates to the next fiscal year is included in deferred membership fee revenue. If membership fees are received in a fiscal year relating to a renewal for a subsequent fiscal year, the full amount of the fees are recognized as deferred membership fee revenue.

Donated Materials and Services

The association benefits from the donation of materials and services from its members. These financial statements do not reflect the value of donations in kind received in the year since a fair value cannot be reasonably estimated.

SASKATCHEWAN TRIATHLON ASSOCIATION CORPORATION

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED
DECEMBER 31, 2016

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Use of Estimates

The preparation of the financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditures during the year. Significant items subject to estimate and assumption include valuation of accounts receivable, net realizable value of inventory and the estimated useful lives of tangible capital assets. Actual results could differ from estimates.

3. ACCOUNTS RECEIVABLE

	2016	2015
	\$	\$
Trade receivables	19,683	23,881
GST receivable	5,283	3,607
Grants receivable	500	-
Less: allowance for doubtful accounts	(2,437)	(3,500)
	<u>23,029</u>	<u>23,988</u>

4. LEGACY FUND OF EXCELLENCE

The Legacy Fund of Excellence has been created to manage funds donated to the association for the purpose of providing bursaries and general funding to athletes and provincial team representatives and to provide funding to the Saskatchewan Triathlon Centre to assist in the programming of triathlon activities within Saskatchewan. Funds are held and managed by the National Sport Trust Fund in Saskatchewan. Upon request to the National Sport Trust Fund in Saskatchewan, the association is entitled to receive funds for purposes outlined in the fund agreement.

5. TANGIBLE CAPITAL ASSETS

	Cost	Accumulated Depreciation	Net Book Value	
	\$	\$	2016	2015
	\$	\$	\$	\$
Triathlon equipment	47,949	29,016	18,933	8,397
Computer equipment	3,974	1,254	2,720	2,317
	<u>51,923</u>	<u>30,270</u>	<u>21,653</u>	<u>10,714</u>

6. ECONOMIC DEPENDENCE

Saskatchewan Triathlon Association Corporation receives significant grant revenue from Saskatchewan Lotteries Trust Fund for Sport, Culture & Recreation. As a result, the association is dependent upon the continuance of these grants to maintain operations at their current level.

7. TERM DEPOSITS

The term deposits mature beginning in 6 months and bear interest at fixed rates between 0.5% and 0.95% (2015 - 1% and 1.55%).

8. LIQUIDITY RISK

Liquidity risk is the risk that the association will not be able to meet its financial obligations as they become due. Liquidity risk also includes the risk of not being able to liquidate assets in a timely manner at a reasonable price. The association is subject to liquidity risk mainly with respect to its accounts payable and accrued liabilities. There has been no change in risk exposure from the prior year.