

**BIATHLON CANADA**  
**FINANCIAL STATEMENTS**  
**APRIL 30, 2023**

**Baker Tilly Rockies LLP**

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## INDEPENDENT AUDITORS' REPORT

To the Directors of Biathlon Canada:

### *Opinion*

We have audited the financial statements of Biathlon Canada (the Organization), which comprise the statement of financial position as at April 30, 2023 and the statements of operations, changes in net assets, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at April 30, 2023, and results of its operations and its cash flows for the year then ended in accordance with Canadian Accounting Standards for Not-for-Profit Organizations.

### *Basis for Opinion*

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Responsibilities of Management and Those Charged with Governance for the Financial Statements*

Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing the Organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization's financial reporting process.

## *Auditor's Responsibility for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair representation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Canmore, Alberta  
September 13, 2023

  
CHARTERED PROFESSIONAL ACCOUNTANTS

**BIATHLON CANADA**  
(Incorporated under the Canada Not-for-Profit Corporations Act)

**STATEMENT OF FINANCIAL POSITION**

**APRIL 30, 2023**

<b>ASSETS</b>		<b>2023</b>	<b>2022</b>
Current assets			
Cash		\$ 683,011	\$ 833,807
Accounts receivable (note 2)		202,867	104,653
Prepaid expenses		48,869	944
		<u>934,747</u>	<u>939,404</u>
Property and equipment (note 3)		12,755	14,560
		<u>\$ 947,502</u>	<u>\$ 953,964</u>
<b>LIABILITIES</b>			
Current liabilities			
Accounts payable and accrued liabilities (note 4)		\$ 213,539	\$ 156,696
Deferred contributions (note 5)		80,020	46,784
		<u>293,559</u>	<u>203,480</u>
<b>NET ASSETS</b>			
Invested in property and equipment		12,755	14,560
Unrestricted equity in net assets		641,188	735,924
		<u>653,943</u>	<u>750,484</u>
		<u>\$ 947,502</u>	<u>\$ 953,964</u>

Approved on behalf of the Board:

Michael Waller, Director

Mandy Kwan, Director

**BIATHLON CANADA**

**STATEMENT OF OPERATIONS**

**YEAR ENDED APRIL 30, 2023**

	<b>2023</b>	<b>2022</b>
Revenues		
Contributions		
Government of Canada (note 7)	\$ 832,720	\$ 889,151
Own The Podium - Sport Canada	149,625	112,600
Own The Podium - Canadian Olympic Foundation	241,875	187,600
Canadian Olympic Committee	67,769	79,278
International Biathlon Union	292,861	170,843
International event hosting	17,000	-
Coaching Association of Canada	4,000	3,500
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	1,605,850	1,442,972
Membership and program fees	138,732	116,659
International Biathlon Union competition subsidies	537,976	339,534
Donations	52,456	60,199
Fundraising, sponsorship and other revenue	8,225	5,480
Investment income	10,217	1,912
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	2,353,456	1,966,756
Expenses		
Administration		
General	192,768	205,985
Meetings	43,091	11,312
Salaries and benefits	267,905	224,490
Amortization	4,820	5,771
Domestic program		
Athlete development	69,228	29,642
Coaching	55,913	38,617
Officiating and events	57,624	57,445
High performance		
National coach and technicians salaries	380,123	244,267
National team competitions	907,548	728,408
National team training and program expenses	453,277	361,622
Marketing and promotion	17,700	11,910
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	2,449,997	1,919,469
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Excess (deficiency) of revenues over expenses	\$ (96,541)	\$ 47,287
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**BIATHLON CANADA**

**STATEMENT OF CHANGES IN NET ASSETS**

**YEAR ENDED APRIL 30, 2023**

	<b>Invested in Property and Equipment</b>	<b>Unrestricted</b>	<b>2023</b>	<b>2022</b>
Balance, beginning of year	\$ 14,560	\$ 735,924	\$ 750,484	\$ 703,197
Excess (deficiency) of revenues over expenses	(4,820)	(91,721)	(96,541)	47,287
Investment in property and equipment	3,015	(3,015)	-	-
Balance, end of year	<u>\$ 12,755</u>	<u>\$ 641,188</u>	<u>\$ 653,943</u>	<u>\$ 750,484</u>

**BIATHLON CANADA**

**STATEMENT OF CASH FLOWS**

**YEAR ENDED APRIL 30, 2023**

	<b>2023</b>	<b>2022</b>
Cash provided for (used by)		
Operating activities		
Grants - Government of Canada	\$ 804,687	\$ 889,151
Fundraising, grants, sponsorship, and other	1,419,557	979,534
Fees	40,682	82,478
Operating expenditures	(2,422,925)	(1,825,590)
Investment income	10,218	2,123
	<u>(147,781)</u>	<u>127,696</u>
Investing activities		
Purchase of property and equipment	(3,015)	(2,197)
Purchase of short-term investments	(300,000)	-
Proceeds on sale of short-term investments	300,000	300,000
	<u>(3,015)</u>	<u>297,803</u>
Cash inflow (outflow)	(150,796)	425,499
Cash, beginning of year	<u>833,807</u>	<u>408,308</u>
Cash, end of year	<u><u>\$ 683,011</u></u>	<u><u>\$ 833,807</u></u>

**BIATHLON CANADA**  
**NOTES TO FINANCIAL STATEMENTS**

**APRIL 30, 2023**

Biathlon Canada ("the Organization") is a not-for-profit organization incorporated under Part II of the Canada Corporations Act and received its continuance under the Canada Not-for-profit Corporations Act. The Organization serves as the governing body of Biathlon in Canada, and represents Canadian interests in the International Biathlon Union.

The Organization is a not-for-profit organization under Section 149 of the Income Tax Act (Canada) and is exempt from income taxes. On April 1, 2019, Biathlon Canada acquired status as a Registered Canadian Amateur Athletic Association.

The accompanying financial statements reflect the assets, liabilities and operating results of Biathlon Canada. These statements do not reflect the assets, liabilities or operating results of any of the Provincial Divisions of Biathlon Canada.

1. Significant accounting policies

The financial statements have been prepared in accordance with Canadian Accounting Standards for Not-for-Profit Organizations and include the following significant accounting policies:

a) Revenue recognition

The Organization follows the deferral method of accounting for contributions. Under this method, contributions and sponsorship revenue restricted for future period expenses are deferred and are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions and sponsorship revenue are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Membership revenue and program fees are recognized as revenue when the service has been performed, the amount to be received can be reasonably estimated and collection is reasonably assured.

Competition subsidies, donations, fundraising and other revenue is recognized as revenue only when contributions are received due to uncertainty surrounding the amount and timing of receipt of these types of contributions.

Investment income is recognized as revenue when earned.

b) Property and equipment

Property and equipment is recorded at cost.

Amortization is provided over the estimated useful lives using the declining balance method at the following annual rates:

Ski equipment	30%
Automotive equipment	30%
Computer equipment	30%



**BIATHLON CANADA**  
**NOTES TO FINANCIAL STATEMENTS**

**APRIL 30, 2023**

1. Significant accounting policies (cont'd)

c) In-kind contributions

In-kind contributed goods and services are recorded when the estimated fair value can be reasonably determined and would otherwise be purchased by the Organization.

Volunteers contribute a large number of hours every year to assist the Organization in carrying out its service delivery activities. Because of difficulty of determining their fair value, contributed services are not recorded in the statement of operations.

d) Financial instruments

The Organization's financial instruments consist of cash, accounts receivable and accounts payable and accrued liabilities.

The Organization initially measures its financial assets and liabilities at fair value. Subsequently it measures its financial instruments at amortized cost.

Financial instruments measured at amortized cost are evaluated for impairment at each balance sheet date with the write-down recorded to the statement of operations. Impairment reversals may occur and the asset can be written up to its original cost. Changes in fair value are recognized in the statement of operations.

Unless otherwise noted, it is management's opinion that the Organization is not exposed to significant interest, currency, market, or liquidity risks arising from these financial instruments.

e) Measurement uncertainty

The preparation of the financial statements in accordance 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 statement and the reported amounts of revenue and expenses for the reporting period. Significant items subject to such estimates and assumptions include the carrying amount of accounts payable and accrued liabilities and the useful life of property and equipment. Actual results may differ from those estimates.

2. Accounts receivable	<b>2023</b>	<b>2022</b>
Grant and membership revenue receivables	\$ 174,712	\$ 83,618
G.S.T. recoverable	28,155	21,035
	<u>\$ 202,867</u>	<u>\$ 104,653</u>

**BIATHLON CANADA**  
**NOTES TO FINANCIAL STATEMENTS**

**APRIL 30, 2023**

3. Property and equipment

<b>2023</b>	<b>Cost</b>	<b>Accumulated Amortization</b>	<b>Net Carrying Amount</b>
Ski equipment	\$ 139,553	\$ 134,643	\$ 4,910
Automotive equipment	82,019	78,837	3,182
Computer equipment	35,500	30,837	4,663
	<u>\$ 257,072</u>	<u>\$ 244,317</u>	<u>\$ 12,755</u>

<b>2022</b>	<b>Cost</b>	<b>Accumulated Amortization</b>	<b>Net Carrying Amount</b>
Ski equipment	\$ 139,553	\$ 132,539	\$ 7,014
Automotive equipment	82,019	77,474	4,545
Computer equipment	32,485	29,484	3,001
	<u>\$ 254,057</u>	<u>\$ 239,497</u>	<u>\$ 14,560</u>

4. Accounts payable and accrued liabilities

	<b>2023</b>	<b>2022</b>
Trade payables and accrued liabilities	\$ 197,358	\$ 146,243
Government remittances payable	16,181	10,453
	<u>\$ 213,539</u>	<u>\$ 156,696</u>

5. Deferred contributions

Deferred contributions of \$ 80,020 (2022 - \$ 46,784) includes contributions that have been externally restricted as described below and are therefore not generally available to pay for operating expenses of the organization.

	Canadian Olympic Committee Enhancement grant	Sport Canada COVID-19 travel support grant	NWSDA Biathlon Development Support	<b>2023</b>	<b>2022</b>
Balance beginning of year	\$ 18,750	\$ 28,034	\$ -	\$ 46,784	\$ 28,034
Contributions received	-	-	80,020	80,020	37,500
	<u>18,750</u>	<u>28,034</u>	<u>80,020</u>	<u>126,804</u>	<u>65,534</u>
Deferred contributions recognized as revenue	<u>18,750</u>	<u>28,034</u>	<u>-</u>	<u>46,784</u>	<u>18,750</u>
Balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 80,020</u>	<u>\$ 80,020</u>	<u>\$ 46,784</u>

The deferred contributions recognized as revenue are included in Canadian Olympic Committee revenue and Own the Podium revenue on the statement of operations.

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6. Related party transactions

Biathlon Canada was assigned the rights to the 2023 and 2024 Canadian Biathlon World Cup events. As the rights holder, the Organization executes all agreements pertaining to these events. The Organization has assigned the responsibility of the execution of the events to the Alberta Event Hosting Society for Biathlon (AEHSB). The two organizations are related as the president of the board of directors of AEHSB is related to a member of management. The memorandum of understanding with AEHSB dated February 9, 2023, provides that all amounts received by Biathlon Canada in relation to the events, net of expenditures, are due to the AEHSB. Should there be an operating deficit associated with the events, it will be the responsibility of AEHSB.

During the fiscal year, Biathlon Canada collected \$ 1,112,671 (2022 - \$ nil) in connection with these World Cup Events. All amounts received were transferred to AEHSB except for \$ 38,487 (2022 - \$ nil), which is included in accounts payable at year-end and \$ 17,000 (2022 - \$ nil), which was withheld and recorded as revenue, to cover expenditures directly incurred by Biathlon Canada.

Subsequent to year-end, Biathlon Canada received additional funding of \$ 285,000 in relation to the 2024 World Cup event. The full amount was transferred to AEHSB in accordance with the terms of the above noted agreement.

7. COVID-19

On March 11, 2020, the World Health Organization characterized COVID-19 as a pandemic which has resulted in a series of public health and emergency measures to curtail the spread of the virus. These measures resulted in decreased fundraising revenue and increased operational costs for Biathlon Canada.

Total support received in relation to ongoing COVID-19 assistance is below.

	2023	2022
Government of Canada		
COVID-19 Sports Canada Recovery Fund	\$ 332,720	\$ 350,151

Management continues to actively monitor the situation and will adjust operations to comply with all government and health recommendations, guidelines and practices.

8. Financial instrument risk disclosure

The Organization is exposed to various risks through its financial instruments. The following analysis provides a measure of the Organization's risk exposure and concentration at April 30, 2023.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party in failing to discharge an obligation. The Organization's main credit risk relates to its cash and accounts receivable.

The Organization mitigates its exposure by placing its cash with major financial institutions. The Organization also routinely assesses the financial strength of its customers and as such believes its credit risk exposure is low.