



DIVING PLONGEON CANADA

Financial Statements For the year ended August 31, 2024

Diving Plongeon Canada
Financial Statements
For the year ended August 31, 2024

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Independent Auditor's Report

**To the Members of
Diving Plongeon Canada**

Opinion

We have audited the financial statements of Diving Plongeon Canada (the "association") which comprise the statement of financial position as at August 31, 2024, and the statements of changes in net assets, operations 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 association as at August 31, 2024, and the 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 association 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 , 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 association'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 association or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities 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 judgment 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 association'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 association'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 association 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 presentation.

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.

Baker Tilly Ottawa LLP

Chartered Professional Accountants, Licensed Public Accountants
December 6, 2024
Ottawa, Ontario

Diving Plongeon Canada Statement of Financial Position

August 31

2024

2023

Assets

Current

Cash (Note 2)	\$ 1,897,480	\$ 1,394,204
Accounts receivable (Notes 4 and 8)	1,350,948	1,282,200
Government remittances receivable	108,542	90,012
Prepaid expenses	98,265	148,274

	3,455,235	2,914,690
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Tangible capital assets (Note 3)

	57,521	79,482
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	\$ 3,512,756	\$ 2,994,172
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Liabilities and Net Assets

Current

Accounts payable and accrued liabilities (Note 2)	\$ 346,823	\$ 631,674
Deferred revenue	24,893	11,341
Deferred contributions (Note 4)	799,493	65,000

	1,171,209	708,015
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Long-term debt

	-	30,000
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	1,171,209	738,015
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Net assets - unrestricted

	2,341,547	2,256,157
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	\$ 3,512,756	\$ 2,994,172
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Approved on behalf of the board:

_____ Director

_____ Director

Diving Plongeon Canada Statement of Changes in Net Assets

<u>For the year ended August 31</u>	<u>2024</u>	<u>2023</u>
Balance, beginning of year	\$ 2,256,157	\$ 2,161,076
Excess of revenues over expenditures for the year	<u>85,390</u>	<u>95,081</u>
Balance, end of year	\$ 2,341,547	\$ 2,256,157

Diving Plongeon Canada Statement of Operations

For the year ended August 31

2024

2023

Revenue

Sport Canada - core (Note 4)	\$ 3,404,076	\$ 3,749,521
Sport Canada - project funding (Note 4)	274,000	-
Canadian Olympic Committee (Note 4)	461,625	360,000
World Cup (Note 4)	1,198,058	1,227,094
Canada Cup (Note 4)	457,704	-
Clinic fees	5,895	-
Coaching Association of Canada	3,000	3,000
Donations	130	1,609
Events (Note 4)	289,588	187,708
FINA prize money and travel assistance	143,941	208,316
FINA World Junior Champs	-	1,870,152
International team fees	45,600	89,689
Miscellaneous	290,470	270,286
Red Bull Montreal High Diving (Note 4)	435,050	-
Registration fees	115,847	125,534
Sponsorships (Note 5)	91,724	71,974
Training camp management	471,026	74,283
Toronto Diving Academy	178,295	343,476
	<u>7,866,029</u>	<u>8,582,642</u>

Expenditures

Amortization of tangible capital assets	32,369	35,256
Athletes (Schedule 1) (Notes 5 and 7)	1,709,199	1,963,350
Clubs/sections (Schedule 2) (Note 7)	1,142,820	768,391
Coaches (Schedule 3) (Note 7)	1,084,657	1,089,654
Events/competitions (Schedule 4)	2,181,739	3,079,900
Officials (Schedule 5)	180,526	230,080
Planning and management (Schedule 6) (Note 7)	1,314,282	1,197,210
Toronto Diving Academy (Note 7)	231,898	209,509
	<u>7,877,490</u>	<u>8,573,350</u>

Excess (deficiency) of revenues over expenditures before undernoted items

<u>(11,461)</u>	<u>9,292</u>
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Other income (expenses)

Insurance proceeds	145,334	-
Loss on sale of tangible capital assets	-	(445)
Gain (loss) on foreign exchange	(48,483)	86,234
	<u>96,851</u>	<u>85,789</u>

Excess of revenues over expenditures for the year

<u>\$ 85,390</u>	<u>\$ 95,081</u>
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Diving Plongeon Canada Statement of Cash Flows

For the year ended August 31

2024

2023

Cash flows from (used in) operating activities

Excess of revenues over expenditures for the year	\$ 85,390	\$ 95,081
Adjustments for non-cash items		
Amortization of tangible capital assets	32,369	35,256
Loss on sale of tangible capital assets	-	445
	<u>117,759</u>	<u>130,782</u>
Change in non-cash working capital items		
Accounts receivable	(68,748)	(895,264)
Government remittances receivable	(18,530)	(6,359)
Prepaid expenses	50,009	56,327
Accounts payable and accrued liabilities	(284,851)	309,135
Deferred revenue	13,552	(54,184)
Deferred contributions	734,493	(410,891)
	<u>543,684</u>	<u>(870,454)</u>

Cash flows from (used in) investing activities

Purchase of tangible capital assets	(10,408)	(49,010)
Proceeds on disposal of tangible capital assets	-	16,000
	<u>(10,408)</u>	<u>(33,010)</u>

Cash flows from (used in) financing activity

Repayment of long-term debt	(30,000)	-
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Increase (decrease) in cash during the year

503,276 (903,464)

Cash, beginning of year

1,394,204 2,297,668

Cash, end of year

\$ 1,897,480 \$ 1,394,204

Diving Plongeon Canada Notes to the Financial Statements

August 31, 2024

1. Significant Accounting Policies

Nature of Business

The association was incorporated as a not-for-profit organization under Part II of the Canada Corporations Act with federal letters patent dated November 25, 1968, and was continued under the Canada Not-for-profit Corporations Act on June 26, 2014.

The association is a registered Canadian Amateur Athletics Association. Under the Income Tax Act, the association is a registered charity and is exempt from income taxes.

Basis of Presentation

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations which are part of Canadian generally accepted accounting principles and include the following significant accounting policies.

Use of Estimates

The preparation of 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 statements, and the reported amounts of revenues and expenses during the reporting period. The association's estimates relate to provision for doubtful receivables, estimated useful life of tangible capital assets, and accruals for certain liabilities. Actual results could differ from management's best estimates as additional information becomes available in the future.

Significant estimates include assumptions used in estimating the collectability of accounts receivable, useful lives and amortization rates of tangible capital assets, provisions for certain accrued liabilities and the allocation of personnel costs to programs and events.

Financial Instruments

Financial instruments are financial assets or liabilities of the association where, in general, the association has the right to receive cash or another financial asset from another party or the association has the obligation to pay another party cash or other financial assets.

Measurement of arm's length financial instruments

The association initially measures its arm's length financial assets and liabilities at fair value. The association subsequently measures arm's length 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 operations.

Diving Plongeon Canada Notes to the Financial Statements

August 31, 2024

1. Significant Accounting Policies (continued)

Financial Instruments (continued)

Measurement of arm's length financial instruments (continued)

Arm's length financial assets and financial liabilities measured at amortized cost include cash, accounts receivable, and accounts payable and accrued liabilities. There are no arm's length financial instruments measured at fair value.

Impairment

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in excess of revenue over expenses. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the 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 excess of revenue over expenses.

Transaction costs

The association recognizes its transaction costs in excess of revenue over expenses in the period incurred. However, the arm's length financial instruments that will not be subsequently measured at fair value are adjusted by the transaction costs that are directly attributable to their origination, issuance or assumption.

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 expenses 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.

The association receives contributions from Sport Canada and the Canadian Olympic Committee for the purpose of sponsoring specific activities during the year. Expenses are applied against contributions on the accrual basis. Unexpended portions of the contributions as at August 31 are deferred to the next fiscal year and are recorded as current liabilities. Funds which have been granted for projects but not received as at August 31 are recorded as accounts receivable, to the extent that grantable expenses have been incurred.

Diving Plongeon Canada Notes to the Financial Statements

August 31, 2024

1. Significant Accounting Policies (continued)

**Revenue Recognition
(continued)**

Revenue from Canada Cup, World Cup, events, FINA World Junior Champs, Training camp management, Toronto Diving Academy and Red Bull Montreal High Diving is recognized in the period in which the event, camp, or competition occurs.

Revenue from registration fees is recognized in the period to which it pertains.

Miscellaneous revenues are recognized as revenue when received or receivable if the amounts can be reasonably estimated and collection is reasonably assured.

Tangible Capital Assets

Tangible capital assets are recorded at cost. Assets with a cost less than \$2,000 are expensed in the year of acquisition. Amortization is based on the estimated useful life of the asset and is provided as follows:

Vehicle	Straight-line	6 years
Furniture and equipment	Straight-line	5 years
Computer equipment	Straight-line	3 years

Foreign Currency

Transactions during the year in foreign currencies have been translated in the accounts to Canadian dollars at the exchange rate effective on the transaction date. All monetary assets in foreign currencies have been translated to Canadian dollars at the exchange rates in effect at the year end date. Gains or losses resulting therefrom are included in the determination of excess of revenue over expenses for the year except for the foreign currency gains and losses on long-term monetary items which are deferred and amortized over the remaining terms of the related items.

Contributed Materials and Services

Contributed materials and services which are used in the normal course of the association's operations and would otherwise have been purchased are recorded at their fair value at the date of contribution if fair value can be reasonably estimated.

Allocation of Costs

The association engages in programs and events covered under certain funding agreements. The costs of these programs and events include the costs of personnel that are directly attributable to the program or event. These expenses are tracked and allocated to each program or event on the basis of time spent in the respective area.

Diving Plongeon Canada Notes to the Financial Statements

August 31, 2024

1. Significant Accounting Policies (continued)

**Sport Canada and
Canadian Olympic
Committee Contributions**

Contributions received from Sport Canada and the Canadian Olympic Committee are subject to specific terms and conditions regarding the expenditure of the funds. The association's records are subject to audit by the funder to identify instances, if any, in which amounts charged against contributions have not complied with the agreed terms and conditions and which therefore would be refundable to the funder. Adjustments to prior years' contributions are recorded in the year in which the funder requests the adjustment.

2. Cash

The association's bank accounts are held at one chartered bank. Bank balances include \$128,985 (2023 - \$289,855) denominated in U.S. dollars.

The association has available to it a line of credit with a limit of \$500,000 with a chartered bank. The line is secured by a general security agreement constituting a first rank security interest in all property of the association and bears interest at bank prime plus 2%. Any amounts drawn on this facility are due on demand. \$nil (2023 - \$nil) was outstanding at year end.

The association also has available to it a credit card with Scotiabank which has a limit of \$50,000, none of which was utilized at year end, as well as credit cards with BMO which have an aggregate credit limit of \$317,667, of which \$14,382 (2023 - \$5,003) was utilized at year end and is included in the balance of accounts payable and accrued liabilities.

3. Tangible Capital Assets

	2024		
	Cost	Accumulated Amortization	Net Book Value
Vehicle	\$ 46,724	\$ 14,276	\$ 32,448
Furniture and equipment	98,894	81,521	17,373
Computer equipment	68,028	60,328	7,700
	<u>\$ 213,646</u>	<u>\$ 156,125</u>	<u>\$ 57,521</u>

Diving Plongeon Canada Notes to the Financial Statements

August 31, 2024

3. Tangible Capital Assets (continued)

	2023		
	Cost	Accumulated Amortization	Net Book Value
Vehicle	\$ 46,724	\$ 7,787	\$ 38,937
Furniture and equipment	98,894	61,743	37,151
Computer equipment	57,621	54,227	3,394
	\$ 203,239	\$ 123,757	\$ 79,482

4. Deferred Contributions

Deferred contributions represent restricted funds received in the current year that relate to operations of the subsequent fiscal year. Contributions recognized in revenue in the current year have been included in Sport Canada - core, Sport Canada - project funding, Canadian Olympic organizations, World Cup, Canada Cup, events, and Red Bull High Diving revenues to the extent the funding was restricted for that purpose.

The changes in the deferred contributions balance for the year ended August 31, 2024 were as follows:

	Balance, beginning of year	Received during the year	Revenue recognized	Receivable at year-end	Balance, end of year
Sport Canada	\$ -	\$ 4,706,519	\$ (3,978,076)	\$ 25,775	\$ 754,218
Canadian Olympic Committee	-	493,900	(461,625)	13,000	45,275
Other government funding	65,000	315,210	(722,210)	342,000	-
	\$ 65,000	\$ 5,515,629	\$ (5,161,911)	\$ 380,775	\$ 799,493

In addition to the government receivables above totaling \$380,775 (2023 - \$857,538), there is \$326,250 (2023 - \$nil) included in accounts receivable which relates to government receivables from prior years.

Diving Plongeon Canada

Notes to the Financial Statements

August 31, 2024

5. Contributed Clothing

Contributions recognized in the year ended August 31, 2024 include contributed clothing having a fair value of \$30,500 (2023 - \$30,500). This amount has been recorded in Sponsorship revenue and Athletes expenses - Administration in these financial statements.

6. Commitments

As part of its normal operations, the association has various commitments with various expiry dates related to the rental of equipment and premises for its 2024 fiscal year and thereafter.

The most significant agreement is for the lease of office space under agreement expiring August 31, 2025. The annual rent includes additional rent representing base rent, operating costs, and applicable taxes. Total operating costs in 2024 were \$40,353 (2023 - \$38,838).

The estimated total payment of base rent for the next fiscal year is approximately \$28,875.

7. Cost Allocation

As outlined in the Summary of Significant Accounting Policies, the association allocates personnel costs to its programs and events. During the year, personnel costs were allocated as follows:

	2024	2023
Athletes	\$ 54,569	\$ 45,280
Clubs/sections	272,220	183,189
Coaches	902,351	879,402
Officials	-	25,000
Planning and management	1,081,134	1,081,907
Toronto Diving Academy	133,196	72,444
	\$ 2,443,470	\$ 2,287,222

8. Financial Instruments Risks and Concentrations

The association is exposed to various risks through its financial instruments. The following analysis provides a measure of the association's risk exposure and concentrations as at August 31, 2024.

Diving Plongeon Canada Notes to the Financial Statements

August 31, 2024

8. Financial Instruments Risks and Concentrations (continued)

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The association is exposed to this credit risk mainly in respect of its accounts receivable.

Liquidity risk

Liquidity risk is the risk that the association will encounter difficulty in meeting obligations associated with financial liabilities. The association is exposed to this risk mainly in respect of its accounts payable and accrued liabilities.

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The association is exposed to this risk mainly in respect of cash held in U.S. dollars as disclosed in Note 1 and its accounts receivable and accounts payable and accrued liabilities balances held in U.S. dollars. The accounts receivable balance includes \$83,870 (2023 - \$238,700) denominated in U.S. dollars, and the accounts payable and accrued liabilities balance includes \$nil (2023 - \$325,261) denominated in U.S. dollars at August 31, 2024.

Changes in risk

There have been no significant changes in the association's risk exposures from the previous fiscal year.

9. Comparative Amounts

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year.

Diving Plongeon Canada Schedule 1 - Athletes Expenses

For the year ended August 31	2024	2023
Senior National Team	\$ 948,351	\$ 1,091,857
Junior High Performance	409,379	533,080
Performance Monitoring and Enhancements	164,301	156,646
Administration (Note 5)	40,500	45,118
Integrated Support Team	100,990	136,649
High Diving Program Management	45,678	-
	\$ 1,709,199	\$ 1,963,350

Diving Plongeon Canada Schedule 2 - Clubs/Sections Expenses

For the year ended August 31	2024	2023
Club Funding Assistance	\$ -	\$ 20,148
Club Performance Incentives	40,000	40,000
World Class Program Support	540,940	230,046
Other Clubs/Provinces	100,040	68,942
Safe Sport/Equity	57,196	66,263
Training Centres	404,644	342,992
	\$ 1,142,820	\$ 768,391

Diving Plongeon Canada Schedule 3 - Coaches Expenses

For the year ended August 31	2024	2023
Senior Performance Incentives	\$ 985,788	\$ 966,729
Meetings	36,710	31,722
Development and Succession	15,757	55,695
National Coaching Certification Program	46,402	35,508
	\$ 1,084,657	\$ 1,089,654

Diving Plongeon Canada

Schedule 4 - Events/Competitions Expenses

For the year ended August 31	2024	2023
Promotion	\$ 108,252	\$ 93,940
National Competitions	316,283	209,246
Canada Cup	440,476	-
Marketing	44,347	31,604
Diving World Cup	1,140,421	1,090,666
FINA World Junior Championships	-	1,654,444
Red Bull Montreal High Diving	131,960	-
	\$ 2,181,739	\$ 3,079,900

Diving Plongeon Canada

Schedule 5 - Officials Expenses

For the year ended August 31	2024	2023
Domestic	\$ 109,060	\$ 120,056
International Circuits	30,771	27,148
Major Competitions	4,970	13,500
Junior International	6,879	16,701
Development	28,846	52,675
	\$ 180,526	\$ 230,080

Diving Plongeon Canada

Schedule 6 - Planning and Management

For the year ended August 31	2024	2023
Human Resources	\$ 927,769	\$ 860,533
Travel	78,641	62,153
Administration	242,539	232,556
Governance	65,333	41,968
	\$ 1,314,282	\$ 1,197,210
