



# **DIVING PLONGEON CANADA**

**Financial Statements**  
For the year ended August 31, 2021

# Diving Plongeon Canada

## Financial Statements

For the year ended August 31, 2021

---

### Contents

<b>Independent Auditor's Report</b>	1
<b>Financial Statements</b>	
Statement of Financial Position	3
Statement of Changes in Net Assets	4
Statement of Operations	5
Statement of Cash Flows	6
Summary of Significant Accounting Policies	7
Notes to Financial Statements	9
<b>Supplementary Financial Information</b>	
Schedule 1 - Athletes Expenses	12
Schedule 2 - Coaches Expenses	13
Schedule 3 - Events/Competitions Expenses	14
Schedule 4 - Clubs/Sections Expenses	15
Schedule 5 - Officials Expenses	16
Schedule 6 - Planning and Management	17

## Independent Auditor's Report

### To the Members of the 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, 2021, 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 association as at August 31, 2021, and its results of 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 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 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.

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

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 3, 2021  
Ottawa, Ontario

## Diving Plongeon Canada Statement of Financial Position

August 31	2021	2020
<b>Assets</b>		
<b>Current</b>		
Cash (Note 1)	\$ 1,561,939	\$ 1,913,686
Accounts receivable	479,881	404,530
Government remittances receivable	126,908	133,891
Prepaid expenses	305,010	75,509
	2,473,738	2,527,616
<b>Tangible capital assets</b> (Note 2)	111,858	54,627
	\$ 2,585,596	\$ 2,582,243

### Liabilities and Net Assets

<b>Current</b>		
Accounts payable and accrued liabilities	\$ 374,596	\$ 215,733
Deferred revenue (Note 3)	130,800	308,250
	505,396	523,983
<b>Long-term debt</b> (Note 4)	30,000	30,000
	535,396	553,983
<b>Contingency liability</b> (Note 5)		
<b>Net assets</b>		
Unrestricted	2,050,200	2,028,260
	\$ 2,585,596	\$ 2,582,243

On behalf of the Board:

\_\_\_\_\_ Director

\_\_\_\_\_ Director

---

**Diving Plongeon Canada**  
**Statement of Changes in Net Assets**

<b>For the year ended August 31</b>	<b>2021</b>	<b>2020</b>
<b>Balance, beginning of year</b>	<b>\$ 2,028,260</b>	<b>\$ 1,978,084</b>
<b>Excess of revenue over expenses for the year</b>	<b>21,940</b>	<b>50,176</b>
<b>Balance, end of year</b>	<b>\$ 2,050,200</b>	<b>\$ 2,028,260</b>

## Diving Plongeon Canada Statement of Operations

For the year ended August 31	2021	2020
<b>Revenue</b>		
Sport Canada	\$ 3,785,897	\$ 3,452,822
Canada Cup	124,750	72,000
Clinic fees	-	750
Coaching Association of Canada	9,000	3,000
Diving World Series	45,000	735,747
Donations	800	43,040
Events	58,963	5,662
FINA	-	46,365
Gain on disposal of tangible capital asset	-	-
Insurance premiums	38,776	35,128
International team fees	-	7,000
Membership fees	24,423	24,423
Sales	-	25
Sponsorships	39,883	48,551
Training Camp Management	9,045	27,100
Toronto Diving Academy	128,125	237,551
Miscellaneous	35,148	158,810
Government assistance (Note 4 and Note 7)	543,265	364,594
	<b>4,843,075</b>	<b>5,262,568</b>
<b>Expenses</b>		
Amortization of tangible capital assets	39,195	19,227
Athletes (Schedule 1)	1,255,020	953,215
Coaches (Schedule 2)	970,393	986,304
Events/competitions (Schedule 3)	525,656	940,985
Clubs/sections (Schedule 4)	680,465	903,240
Officials (Schedule 5)	124,030	97,779
Planning and Management (Schedule 6)	1,017,956	1,061,324
Toronto Diving Academy	208,420	250,318
	<b>4,821,135</b>	<b>5,212,392</b>
<b>Excess of revenue over expenses for the year</b>	<b>\$ 21,940</b>	<b>\$ 50,176</b>

## Diving Plongeon Canada Statement of Cash Flows

For the year ended August 31	2021	2020
<b>Cash from (used in) operating activities</b>		
Excess of revenue over expenses for the year	\$ 21,940	\$ 50,176
Items not affecting cash		
Amortization of tangible capital assets	39,195	19,227
Forgivable portion of loan payable	-	(10,000)
	61,135	59,403
Net change in non-cash working capital items		
Accounts receivable	(75,351)	1,010,693
Government remittances receivable	6,983	(38,580)
Prepaid expenses	(229,501)	(9,737)
Accounts payable and accrued liabilities	158,863	(371,579)
Deferred revenue	(177,450)	259,734
	(255,321)	909,934
<b>Cash used in investing activities</b>		
Acquisition of tangible capital assets	(96,426)	(24,350)
<b>Cash from (used in) financing activities</b>		
Additions to loan payable	-	40,000
<b>Increase (decrease) in cash during the year</b>	(351,747)	925,584
<b>Cash, beginning of year</b>	1,913,686	988,102
<b>Cash, end of year</b>	\$ 1,561,939	\$ 1,913,686



---

## Diving Plongeon Canada

### Summary of Significant Accounting Policies

August 31, 2021

---

<b>Nature of Business</b>	<p>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.</p> <p>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.</p>
<b>Basis for Presentation</b>	<p>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.</p>
<b>Use of Estimates</b>	<p>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 and estimated useful life of tangible capital assets. Actual results could differ from management's best estimates as additional information becomes available in the future.</p>
<b>Financial Instruments</b>	<p><u>Measurement of financial instruments</u></p> <p>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 asset.</p> <p>The association initially measures its financial assets and liabilities at fair value.</p> <p>The association subsequently measures all its financial assets and financial liabilities at amortized cost.</p> <p>Financial assets and financial liabilities measured at amortized cost include cash, accounts receivable, government remittances receivable and accounts payable and accrued liabilities.</p> <p><u>Impairment</u></p> <p>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.</p>

---

## Diving Plongeon Canada

### Summary of Significant Accounting Policies

August 31, 2021

---

**Financial Instruments  
(continued)**

Transaction costs

The association recognizes its transaction costs in excess of revenue over expenses in the period incurred. However, 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. The association receives Government of Canada contributions for the purpose of sponsoring specific activities during the year. Expenses are applied against contributions on the accrual basis. Unexpended portions of Government of Canada 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.

Other revenues are recorded when earned.

**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:

Computers	33.3%	straight-line basis
Event equipment	33.3%	straight-line basis
Furniture and equipment	20%	straight-line basis
Leasehold improvements	20%	straight-line basis
Vehicle	16.6%	straight-line basis

**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 August 31, 2021. 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.

## Diving Plongeon Canada Notes to Financial Statements

**August 31, 2021**

**1. Cash**

The company's bank accounts are held at one chartered bank. Bank balances include \$3,105 (2020 - \$61,118) denominated in U.S. dollars.

**2. Tangible Capital Assets**

	2021			2020		
	Cost	Accumulated Amortization	Net Book Value	Cost	Accumulated Amortization	Net Book Value
Computers	\$ 49,725	\$ 39,243	\$ 10,482	\$ 40,161	\$ 28,049	\$ 12,112
Furniture and equipment	98,894	22,185	76,709	12,031	2,406	9,625
Vehicle	49,335	24,668	24,667	49,335	16,445	32,890
	<b>\$ 197,954</b>	<b>\$ 86,096</b>	<b>\$ 111,858</b>	<b>\$ 101,527</b>	<b>\$ 46,900</b>	<b>\$ 54,627</b>

**3. Deferred Revenue**

Deferred revenue represents funds received in the current year that relate to operations of the subsequent fiscal year.

	2021	2020
Balance, beginning of year	\$ 308,250	\$ 48,516
Additions during the year	800	308,250
Recognized as revenue during the year	(178,250)	(48,516)
Balance, end of year	<b>\$ 130,800</b>	<b>\$ 308,250</b>

**4. Loan Payable**

Canadian Emergency Business Account loan payable is in the amount of \$40,000. As long as the amount is repaid by December 31, 2022, \$10,000 of the loan amount will be forgiven. As allowed by Canadian accounting standards for not-for-profit organizations, the \$10,000 expected to be forgiven was recorded as part of government assistance revenue in the 2020 fiscal year. As a result, the payable balance at year end is presented as \$30,000.

---

## Diving Plongeon Canada Notes to Financial Statements

**August 31, 2021**

---

**5. Contingent Liability**

There is a lawsuit filed against the association for incidents which arose in the ordinary course of business. In the opinion of management, the outcome of the lawsuit, now pending, is not determinable. The association has insurance coverage to deal with such incidents. Should any additional losses result from the resolution of these claims, such loss will be accounted for in the period of settlement.

---

**6. Contributed Clothing**

Contributions recognized in the year ended August 31, 2021 include contributed clothing having a fair value of \$10,000 (2020 - \$15,000). This amount has been recorded as revenue and expensed in these financial statements.

---

**7. Government Assistance**

The association qualified for the Canadian Emergency Wage Subsidy that was created to subsidize Canadian organizations in response to the COVID-19 pandemic. Government assistance may be subject to audit under the terms and conditions of the wage subsidy program. Should an audit reveal that any of the qualifying criteria or expenses incurred are not in accordance with program guidelines, the federal government may require the association to reimburse a portion of the assistance.

---

**8. Commitments**

As part of its normal operations, the association has various commitments with various expiry dates related to the rental of equipment, vehicles and premises for its 2021 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 operating costs and applicable taxes.

The estimated total payment for the next five fiscal years are approximately:

2022	\$	28,875
2023		28,875
2024		28,875
2025		<u>28,875</u>
	\$	<u>115,500</u>

---

---

## Diving Plongeon Canada Notes to Financial Statements

**August 31, 2021**

---

### 9. Risk 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, 2021.

#### 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 and government remittances 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.

#### Changes in risk

There have been no significant changes in the association's risk exposures from the 2020 fiscal year.

---

### 10. COVID-19

On March 11, 2020, the World Health Organization categorized COVID-19 as a pandemic. The potential economic effects within the organization's environment and in the global markets, possible disruption in supply chains, and measures being introduced at various levels of government to curtail the spread of the virus (such as travel restrictions, closures of non-essential municipal and private operations, imposition of quarantines and social distancing) could have a material impact on the association's operations. The extent of the impact of this outbreak and related containment measures on the association's operations cannot be reliably estimated at this time.

---

---

**Diving Plongeon Canada**  
**Schedule 1 - Athletes Expenses**

<b>For the year ended August 31</b>	<b>2021</b>	<b>2020</b>
Senior National Team	\$ 706,864	\$ 496,887
Junior High Performance	239,689	272,073
Performance Monitoring and Enhancements	107,130	125,149
Administration	11,133	18,820
Integrated Support Team	190,204	40,286
	<hr/>	
	<b>\$ 1,255,020</b>	<b>\$ 953,215</b>

---

---

**Diving Plongeon Canada**  
**Schedule 2 - Coaches Expenses**

<b><u>For the year ended August 31</u></b>	<b><u>2021</u></b>	<b><u>2020</u></b>
Senior Performance Incentives	\$ 880,789	\$ 884,835
Meetings	23,684	30,389
Development and Succession	28,023	41,870
National Coaching Certification Program	37,897	29,210
	<hr/>	<hr/>
	<b>\$ 970,393</b>	<b>\$ 986,304</b>

---

---

**Diving Plongeon Canada**  
**Schedule 3 - Events/Competitions Expenses**

<b>For the year ended August 31</b>	<b>2021</b>	<b>2020</b>
Promotion	\$ 88,544	\$ 58,152
National Competitions	273,416	19,833
Canada Cup	54,072	72,209
Marketing	34,992	58,740
Diving World Series	74,632	732,051
	<b>\$ 525,656</b>	<b>\$ 940,985</b>

---



---

**Diving Plongeon Canada**  
**Schedule 4 - Clubs/Sections Expenses**

<b>For the year ended August 31</b>	<b>2021</b>	<b>2020</b>
Club Funding Assistance	\$ 12,571	\$ 71,960
Club Performance Incentives	40,000	40,000
World Class Program Support	247,532	270,289
Other Clubs/Provinces	45,006	52,968
Safe Sport & Equity	133,176	201,877
Training Centres	202,180	266,146
	<hr/>	
	<b>\$ 680,465</b>	<b>\$ 903,240</b>

---

---

**Diving Plongeon Canada**  
**Schedule 5 - Officials Expenses**

<b>For the year ended August 31</b>	<b>2021</b>	<b>2020</b>
Domestic	\$ 48,975	\$ 32,667
Grand Prix	-	5,021
Major Competitions	6,155	2,772
Junior International	-	-
Development	<u>68,900</u>	<u>57,319</u>
	<b>\$ 124,030</b>	<b>\$ 97,779</b>

---

---

**Diving Plongeon Canada**  
**Schedule 6 - Planning and Management**

<b>For the year ended August 31</b>	<b>2021</b>	<b>2020</b>
Human Resources	\$ 780,386	\$ 781,096
Travel	43,644	24,256
Administration	174,400	214,998
Governance	19,526	40,974
	<hr/>	
	\$ 1,017,956	\$ 1,061,324

---