



# **DIVING PLONGEON CANADA**

**Financial Statements**  
For the year ended August 31, 2023

**Diving Plongeon Canada**  
**Financial Statements**  
For the year ended August 31, 2023

---

**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
Notes to the Financial Statements	7
Schedule 1 - Athletes Expenses	14
Schedule 2 - Clubs/Sections Expenses	14
Schedule 3 - Coaches Expenses	15
Schedule 4 - Events/Competitions Expenses	15
Schedule 5 - Officials Expenses	16
Schedule 6 - Planning and Management	16

**Baker Tilly Ottawa LLP**  
Chartered Professional Accountants  
400-301 Moodie Drive  
Ottawa, ON  
Canada K2H 9C4

**T:** +1 613.820.8010  
**F:** +1 613.820.0465

ottawa@bakertilly.ca  
**www.bakertilly.ca**

## 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, 2023, 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, 2023, 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 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.

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  
November 24, 2023  
Ottawa, Ontario

## Diving Plongeon Canada Statement of Financial Position

August 31	2023	2022
<b>Assets</b>		
<b>Current</b>		
Cash (Note 2)	\$ 1,394,204	\$ 2,297,668
Accounts receivable (Notes 4 and 9)	1,282,200	386,936
Government remittances receivable	90,012	83,653
Prepaid expenses	148,274	204,601
	2,914,690	2,972,858
<b>Tangible capital assets (Note 3)</b>	<b>79,482</b>	<b>82,173</b>
	<b>\$ 2,994,172</b>	<b>\$ 3,055,031</b>

### Liabilities and Net Assets

<b>Current</b>		
Accounts payable and accrued liabilities (Note 2)	\$ 631,674	\$ 322,539
Deferred revenue	76,341	65,525
Deferred contributions (Note 4)	-	475,891
	708,015	863,955
<b>Long-term debt (Note 5)</b>	<b>30,000</b>	<b>30,000</b>
	<b>738,015</b>	<b>893,955</b>
<b>Net assets - unrestricted</b>	<b>2,256,157</b>	<b>2,161,076</b>
	<b>\$ 2,994,172</b>	<b>\$ 3,055,031</b>

Approved 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>2023</b>	<b>2022</b>
<b>Balance, beginning of year</b>	<b>\$ 2,161,076</b>	<b>\$ 2,050,200</b>
<b>Excess of revenues over expenditures for the year</b>	<b>95,081</b>	<b>110,876</b>
<b>Balance, end of year</b>	<b>\$ 2,256,157</b>	<b>\$ 2,161,076</b>

## Diving Plongeon Canada Statement of Operations

**For the year ended August 31**

**2023**

**2022**

### Revenue

Sport Canada - core	\$ 3,749,521	\$ 3,730,711
Canadian Olympic organizations	360,000	368,525
World Cup	1,227,094	-
Canada Cup	-	472,447
Clinic fees	-	1,250
Coaching Association of Canada	3,000	3,000
Donations	1,609	345
Events	187,708	109,341
FINA prize money and travel assistance	208,316	79,640
FINA World Junior Champs	1,870,152	139,609
Insurance premiums	101,354	60,349
International team fees	89,689	20,500
Membership fees	24,180	24,180
Miscellaneous	269,116	209,222
Sales	1,170	932
Sponsorships (Note 6)	71,974	71,250
Training camp management	74,283	32,750
Toronto Diving Academy	343,476	195,919
Wage subsidy	-	20,887
Gain on foreign exchange	86,234	35,269
	<b>8,668,876</b>	<b>5,576,126</b>

### Expenditures

Amortization of tangible capital assets	35,256	35,295
Athletes (Schedule 1) (Note 6)	1,957,631	1,442,094
Clubs/sections (Schedule 2)	558,400	712,529
Coaches (Schedule 3)	1,089,654	978,521
Events/competitions (Schedule 4)	3,079,900	808,253
Officials (Schedule 5)	230,080	148,586
Planning and management (Schedule 6)	1,197,210	1,057,058
Toronto Diving Academy	425,219	282,914
	<b>8,573,350</b>	<b>5,465,250</b>

**Excess of revenues over expenditures before undernoted item** **95,526** **110,876**

### Other income (expense)

Loss on sale of tangible capital assets	(445)	-
---	-------	---

**Excess of revenues over expenditures for the year** **\$ 95,081** **\$ 110,876**

## Diving Plongeon Canada Statement of Cash Flows

For the year ended August 31	2023	2022
<b>Cash flows from (used in) operating activities</b>		
Excess of revenues over expenditures for the year	\$ 95,081	\$ 110,876
Adjustments for non-cash items		
Amortization of tangible capital assets	35,256	35,295
Loss on sale of tangible capital assets	445	-
	130,782	146,171
Change in non-cash working capital items		
Accounts receivable	(895,264)	92,945
Government remittances receivable	(6,359)	43,255
Prepaid expenses	56,327	100,409
Accounts payable and accrued liabilities	309,135	(52,057)
Deferred revenue	10,816	(65,275)
Deferred contributions	(475,891)	475,891
	(870,454)	741,339
<b>Cash flows from (used in) investing activities</b>		
Purchase of tangible capital assets	(49,010)	(5,610)
Proceeds on disposal of tangible capital assets	16,000	-
	(33,010)	(5,610)
<b>Increase (decrease) in cash during the year</b>	<b>(903,464)</b>	<b>735,729</b>
<b>Cash, beginning of year</b>	<b>2,297,668</b>	<b>1,561,939</b>
<b>Cash, end of year</b>	<b>\$ 1,394,204</b>	<b>\$ 2,297,668</b>



---

# Diving Plongeon Canada

## Notes to the Financial Statements

August 31, 2023

---

### 1. Significant Accounting Policies

<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 of 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, 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.</p> <p>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.</p>
<b>Financial Instruments</b>	<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 assets.</p> <p><u>Measurement of arm's length financial instruments</u></p> <p>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.</p>

---

# Diving Plongeon Canada

## Notes to the Financial Statements

August 31, 2023

---

### 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, accounts payable and accrued liabilities, and long-term debt. 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. 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.

---

# Diving Plongeon Canada

## Notes to the Financial Statements

August 31, 2023

---

### 1. Significant Accounting Policies (continued)

<b>Tangible Capital Assets</b>	<p>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:</p> <table><tr><td>Vehicle</td><td>Straight-line</td><td>33.3%</td></tr><tr><td>Furniture and equipment</td><td>Straight-line</td><td>20%</td></tr><tr><td>Computer equipment</td><td>Straight-line</td><td>16.6%</td></tr></table>	Vehicle	Straight-line	33.3%	Furniture and equipment	Straight-line	20%	Computer equipment	Straight-line	16.6%
Vehicle	Straight-line	33.3%								
Furniture and equipment	Straight-line	20%								
Computer equipment	Straight-line	16.6%								
<b>Foreign Currency</b>	<p>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.</p>									
<b>Contributed Materials and Services</b>	<p>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.</p>									
<b>Allocation of Costs</b>	<p>The association engages in programs and events funded by the government. 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.</p>									
<b>Government Contributions</b>	<p>The association's records are subject to audit by the government 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 government. Adjustments to prior years' contributions are recorded in the year in which the government requests the adjustment.</p>									

---

## Diving Plongeon Canada Notes to the Financial Statements

**August 31, 2023**

### 2. Cash

The association's bank accounts are held at one chartered bank. Bank balances include \$289,855 (2022 - \$115,337) 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 (2022 - \$50) 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 \$5,003 (2022 - \$39,545) was utilized at year end and is included in the balance of accounts payable and accrued liabilities.

### 3. Tangible Capital Assets

	<b>2023</b>		
	<b>Cost</b>	<b>Accumulated Amortization</b>	<b>Net Book Value</b>
Vehicle	\$ 46,724	\$ 7,787	\$ 38,937
Furniture and equipment	98,894	61,743	37,151
Computer equipment	57,621	54,227	3,394
	<b>\$ 203,239</b>	<b>\$ 123,757</b>	<b>\$ 79,482</b>
	<b>2022</b>		
	<b>Cost</b>	<b>Accumulated Amortization</b>	<b>Net Book Value</b>
Vehicle	\$ 49,335	\$ 32,890	\$ 16,445
Furniture and equipment	98,894	41,964	56,930
Computer equipment	55,335	46,537	8,798
	<b>\$ 203,564</b>	<b>\$ 121,391</b>	<b>\$ 82,173</b>

---

## Diving Plongeon Canada Notes to the Financial Statements

**August 31, 2023**

---

#### 4. Deferred Contributions

Deferred contributions represent restricted funds received from government organizations 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, World Cup, FINA World Junior Champs, and events revenues to the extent the funding was restricted for that purpose.

The changes in the deferred contributions balance for the year ended August 31, 2023 were as follows:

	Balance, beginning of year	Received during the year	Revenue recognized	Receivable at year-end	<b>Balance, end of year</b>
Sport Canada	\$ 475,891	\$ 3,300,583	\$ (4,209,912)	\$ 433,438	\$ -
Other government funding	-	288,025	(712,125)	424,100	-
	<u>\$ 475,891</u>	<u>\$ 3,588,608</u>	<u>\$ (4,922,037)</u>	<u>\$ 857,538</u>	<u>\$ -</u>

Included in accounts receivable is \$857,538 related to government funding receivable.

---

#### 5. Long-term Debt

Canadian Emergency Business Account loan payable is in the amount of \$40,000. As long as the amount is repaid by December 31, 2023, \$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.

---

#### 6. Contributed Clothing

Contributions recognized in the year ended August 31, 2023 include contributed clothing having a fair value of \$30,500 (2022 - \$28,500). This amount has been recorded in Sponsorship revenue and Athletes expenses - Administration in these financial statements.

---

---

## Diving Plongeon Canada Notes to the Financial Statements

**August 31, 2023**

---

### 7. 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 2023 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 2023 were \$38,838.

The estimated total payment of base rent for the next two fiscal years are approximately:

2024		\$	28,875
2025			<u>28,875</u>
		\$	<u><u>57,750</u></u>

---

### 8. 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:

	<u>2023</u>	<u>2022</u>
Athletes	\$ 45,280	\$ 67,933
Coaches	879,402	678,783
Events/Competitions	-	12,500
Clubs/Sections	183,189	205,285
Officials	25,000	-
Planning and Management	1,081,907	1,036,296
Toronto Diving Academy	<u>72,444</u>	<u>-</u>
	<u>\$ 2,287,222</u>	<u>\$ 2,000,797</u>

---

---

## Diving Plongeon Canada Notes to the Financial Statements

**August 31, 2023**

---

### 9. 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, 2023.

#### 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 and long-term debt.

#### 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. Accounts receivable and accounts payable and accrued liabilities balances include \$238,700 (2022 - \$58,600) and \$325,261 (2022 - \$47,467) respectively, denominated in U.S. dollars.

#### Changes in risk

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

---

### 10. 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	2023	2022
Senior National Team	\$ 1,086,138	\$ 755,918
Junior High Performance	533,080	427,064
Performance Monitoring and Enhancements	156,646	135,869
Administration (Note 6)	45,118	40,969
Integrated Support Team	136,649	82,274
	\$ 1,957,631	\$ 1,442,094

---



---

## Diving Plongeon Canada Schedule 2 - Clubs/Sections Expenses

For the year ended August 31	2023	2022
Club Funding Assistance	\$ 25,867	\$ 39,622
Club Performance Incentives	40,000	39,000
World Class Program Support	231,713	260,185
Other Clubs/Provinces	67,275	81,076
Safe Sport/Equity	66,263	79,894
Training Centres	127,282	212,752
	\$ 558,400	\$ 712,529

---



---

**Diving Plongeon Canada  
Schedule 3 - Coaches Expenses**

<b>For the year ended August 31</b>	<b>2023</b>	<b>2022</b>
Senior Performance Incentives	\$ 966,729	\$ 863,585
Meetings	31,722	28,919
Development and Succession	55,695	50,823
National Coaching Certification Program	35,508	35,194
	<b>\$ 1,089,654</b>	<b>\$ 978,521</b>

---



---

**Diving Plongeon Canada  
Schedule 4 - Events/Competitions Expenses**

<b>For the year ended August 31</b>	<b>2023</b>	<b>2022</b>
Promotion	\$ 93,940	\$ 69,546
National Competitions	209,246	136,535
Canada Cup	-	414,958
Marketing	31,604	47,605
Diving World Cup	1,090,666	139,609
FINA World Junior Championships	1,654,444	-
	<b>\$ 3,079,900</b>	<b>\$ 808,253</b>

---

---

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

<b>For the year ended August 31</b>	<b>2023</b>	<b>2022</b>
Domestic	\$ 120,056	\$ 94,026
International Circuits	27,148	9,582
Major Competitions	13,500	8,591
Junior International	16,701	9,931
Development	52,675	26,456
	<hr/>	<hr/>
	\$ 230,080	\$ 148,586

---

---

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

<b>For the year ended August 31</b>	<b>2023</b>	<b>2022</b>
Human Resources	\$ 860,533	\$ 796,745
Travel	62,153	53,033
Administration	232,556	183,115
Governance	41,968	24,165
	<hr/>	<hr/>
	\$ 1,197,210	\$ 1,057,058

---