



**2024**

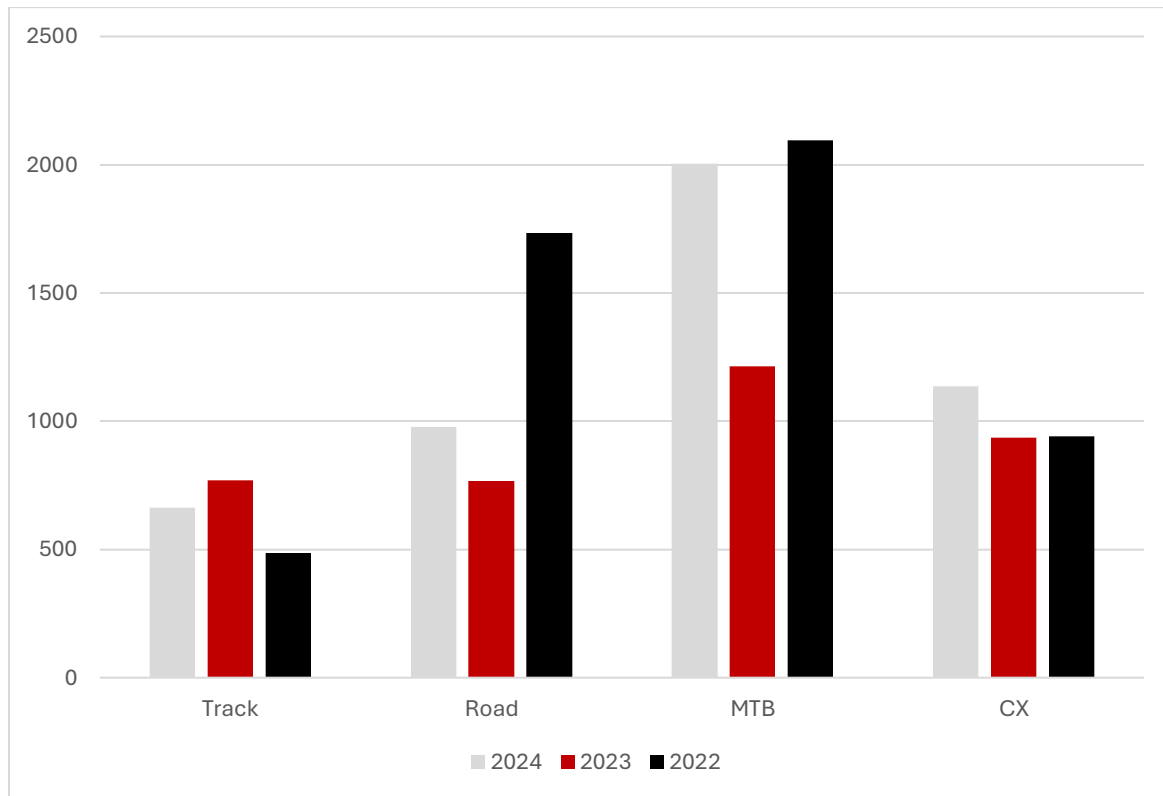
**FINANCIAL**

**STATEMENTS**

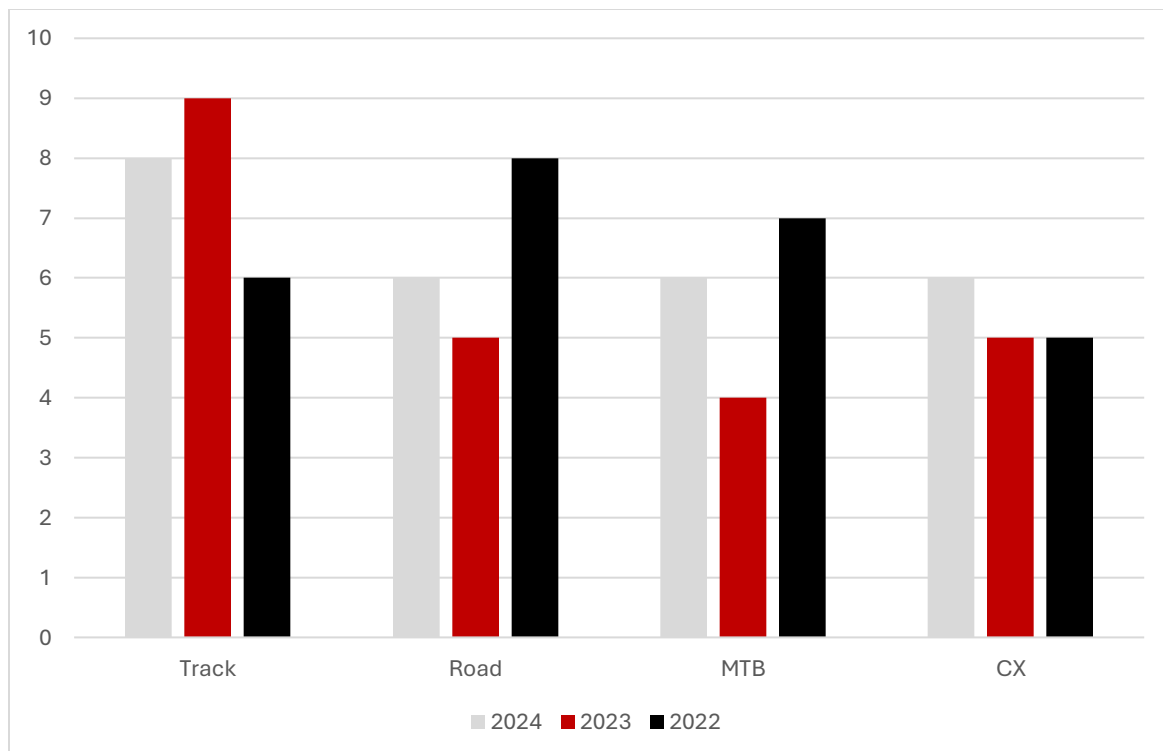
## Financial Statement Summary

- MacNeill Edmundson conducted the audit as the new auditors and conducted a thorough and intensive audit narrative on the financial processes of the organization
- The Audited financial statements for 2024 approved by the Board of Directors on recommendation by the Audit and Risk Management Committee
- Ontario Cycling had a clean audit
- Ontario Cycling is still in a healthy financial position (Ontario Cycling is a not-for-profit organization that adheres to the fund method of accounting. This means contributions are held in 'funds' and then used for the purposes intended.)
  - General Fund represents unrestricted funds available for general purposes. The General Fund balance at the end of the fiscal year was **\$331,707** which is a healthy level (defensive interval is approximately **5 months**).
- A few notes on some significant differences:
  - **Membership Registration Expenses Decrease:**
    - Membership Registration Expenses are the insurance costs that we pay to the insurance companies. With our new Community Level membership no longer having a full insurance package included. As our recreational memberships take up 67% of our registrations, this was why the decrease was so high. New this year will be a slight increase of insurance cost per membership within the Community level, as we have negotiated a \$5M GL & a \$10k sport accident clause to cover those recreational members.
  - **Office Expenses Increase:**
    - Have now pulled in all items related to running the operations of the office including rent (\$ insurance (\$33k) and have made investments in our technology/software being used by staff to improve administration processes (\$22k).
  - **Deferred Revenue:**
    - Deferred revenue, as per Note 5, included the Tony Osborne Fund, Program Fees, Cycling Canada and Event Fees. The Program & Event fees were early registrations for 2025. The Cycling Canada funds were monies from the CSAI grant we received from Cycling Canada that were for HopOn programming
- **Membership & Event Revenue Decreases:**
  - Due to membership restructuring which provided more flexibility at lower costs, specifically with the two-tiered racing license, with many not needing a full provincial level racing license
  - Event revenues decreased as in 2024 we stepped back from running the MTB and CX OCups and passed them back over to clubs and organizers and thus are no longer collecting that revenue. However, we are still investing in these events by providing medals, equipment and having 2 staff per event in attendance to support.

## EVENT REGISTRATION/DISCIPLINE



## # OF OCUPS & PROVINCIALS/DISCIPLINE



**ONTARIO CYCLING ASSOCIATION INCORPORATED**  
**Financial Statements**  
**Year Ended December 31, 2024**

**ONTARIO CYCLING ASSOCIATION INCORPORATED**  
**Index to Financial Statements**  
**Year Ended December 31, 2024**

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## INDEPENDENT AUDITOR'S REPORT

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To the Members of Ontario Cycling Association Incorporated

### *Opinion*

We have audited the financial statements of Ontario Cycling Association Incorporated (the Association), which comprise the statement of financial position as at December 31, 2024, and the statements of changes in fund balances, revenues and expenses 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 December 31, 2024, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

### *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 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 ASNPO, 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.

(continues)

*Jeremy A. Giles CPA, CA      Lissa Savage CPA, CA, CPA (Illinois)*

*Mark Snyders CPA, CA      Dillon O'Henly CPA, CA*

*James B. MacNeill FCPA, FCA, CFP (Counsel)      Robert F. Edmundson CPA, CA (Retired)*

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**INDEPENDENT AUDITOR'S REPORT *(continued)***

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*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.

London, Ontario  
May 14, 2025

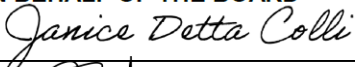
*MacNeill Edmundson*  
PROFESSIONAL CORPORATION  
CHARTERED PROFESSIONAL ACCOUNTANTS  
Authorized to practise public accounting by the  
Chartered Professional Accountants of Ontario


*Jeremy A. Giles CPA, CA      Lissa Savage CPA, CA, CPA (Illinois)*  
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**ONTARIO CYCLING ASSOCIATION INCORPORATED**  
**Statement of Financial Position**  
**December 31, 2024**

	2024	2023
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 128,981	\$ 91,605
Restricted cash (Note 5)	64,550	61,123
Term deposits (Note 2)	223,363	356,099
Accounts receivable	2,382	8,585
Interest receivable (Note 2)	7,495	12,286
Harmonized sales tax recoverable	933	-
Prepaid expenses	34,398	122,644
	<u>462,102</u>	652,342
CAPITAL ASSETS (Note 3)	22,316	20,546
INTANGIBLES (Note 4)	-	6,874
	<u>\$ 484,418</u>	<u>\$ 679,762</u>
<b>LIABILITIES AND FUND BALANCES</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities	\$ 12,356	\$ 28,679
Harmonized sales tax payable	-	7,232
Deferred income (Note 5)	140,355	92,806
	<u>152,711</u>	128,717
<b>FUND BALANCES</b>		
General fund	309,391	523,625
Capital assets	22,316	27,420
	<u>331,707</u>	551,045
	<u>\$ 484,418</u>	<u>\$ 679,762</u>

ON BEHALF OF THE BOARD

  
 Director

  
 Director

**ONTARIO CYCLING ASSOCIATION INCORPORATED**  
**Statement of Changes in Fund Balances**  
**Year Ended December 31, 2024**

	General Fund	Capital Assets	2024	2023
<b>FUND BALANCES - BEGINNING OF YEAR</b>	\$ 523,625	\$ 27,420	<b>\$ 551,045</b>	\$ 798,396
DEFICIENCY OF REVENUES OVER EXPENSES	(202,001)	(17,337)	<b>(219,338)</b>	(247,351)
TRANSFERS	(12,233)	12,233	-	-
<b>FUND BALANCES - END OF YEAR</b>	<b>\$ 309,391</b>	<b>\$ 22,316</b>	<b>\$ 331,707</b>	<b>\$ 551,045</b>

**ONTARIO CYCLING ASSOCIATION INCORPORATED**  
**Statement of Revenues and Expenses**  
**Year Ended December 31, 2024**

	2024	2023
<b>REVENUES</b>		
Membership	\$ 602,817	\$ 647,128
Grants	572,584	692,357
Events	253,235	325,677
Personal medical insurance	79,011	54,534
High performance	72,880	62,280
Club and team affiliation	41,930	41,230
Sponsorship	26,465	16,000
Grass roots and community development	24,120	28,710
Other	17,127	15,199
Interest income	17,110	13,329
	<u>1,707,279</u>	<u>1,896,444</u>
<b>EXPENSES</b>		
Salaries and wages	757,982	836,451
Events	364,836	386,725
High performance	298,082	284,927
Membership registration	143,214	363,450
Office	141,475	88,364
Professional fees	63,752	64,529
Grassroots	58,669	37,707
CCA affiliation	49,253	42,603
Communication	15,574	8,303
Professional development	10,405	12,023
Membership costs	2,480	-
Club support	990	300
Insurance	879	-
Annual meeting	785	785
Para project	678	-
Board of directors	226	3,447
	<u>1,909,280</u>	<u>2,129,614</u>
<b>DEFICIENCY OF REVENUES OVER EXPENSES FROM OPERATIONS</b>	<u>(202,001)</u>	<u>(233,170)</u>
<b>CAPITAL FUND ACTIVITY</b>		
Loss on disposal of capital assets	(2,276)	-
Amortization of intangible assets	(6,874)	(6,875)
Amortization of capital assets	(8,187)	(7,306)
	<u>(17,337)</u>	<u>(14,181)</u>
<b>DEFICIENCY OF REVENUES OVER EXPENSES</b>	<u>\$ (219,338)</u>	<u>\$ (247,351)</u>

**ONTARIO CYCLING ASSOCIATION INCORPORATED**  
**Statement of Cash Flows**  
**Year Ended December 31, 2024**

	2024	2023
<b>OPERATING ACTIVITIES</b>		
Deficiency of revenues over expenses	\$ (219,338)	\$ (247,351)
Items not affecting cash:		
Amortization of capital assets	8,187	7,306
Amortization of intangible assets	6,874	6,874
Loss on disposal of capital assets	2,276	-
	<u>(202,001)</u>	<u>(233,171)</u>
Changes in non-cash working capital:		
Accounts receivable	6,203	9,311
Interest receivable	4,791	(10,812)
Accounts payable and accrued liabilities	(16,324)	(6,373)
Prepaid expenses	88,246	(119,315)
Harmonized sales tax payable	(8,165)	4,623
Deferred income	47,549	21,415
	<u>122,300</u>	<u>(101,151)</u>
Cash flow used by operating activities	<u>(79,701)</u>	<u>(334,322)</u>
<b>INVESTING ACTIVITY</b>		
Purchase of capital assets	<u>(12,232)</u>	<u>(9,076)</u>
<b>DECREASE IN CASH FLOW</b>	<b>(91,933)</b>	<b>(343,398)</b>
Cash - beginning of year	<u>508,827</u>	<u>852,225</u>
<b>CASH - END OF YEAR</b>	<b><u>\$ 416,894</u></b>	<b><u>\$ 508,827</u></b>
<b>CASH CONSISTS OF:</b>		
Cash	\$ 128,981	\$ 91,605
Term deposits	223,363	356,099
Restricted cash	<u>64,550</u>	<u>61,123</u>
	<b><u>\$ 416,894</u></b>	<b><u>\$ 508,827</u></b>

**ONTARIO CYCLING ASSOCIATION INCORPORATED**  
**Notes to Financial Statements**  
**Year Ended December 31, 2024**

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**PURPOSE OF THE ASSOCIATION**

Ontario Cycling Association Incorporated (the "Association"), a not-for-profit organization, was incorporated without share capital in 1973 under the laws of the Province of Ontario. The Association is exempt from income taxes under paragraph 149(1)(l) of the Income Tax Act.

The objectives of the Association are:

- a) to encourage and promote competitive cycling and organized cycling events in Ontario;
  - b) to help ensure an accessible, safe, and fair environment for competitive cyclists and organized cycling events;
  - c) to encourage youth and adults to participate in cycling as a sport;
  - d) to establish and regulate cycling championships among its members in Ontario;
  - e) to facilitate development of athletes from the novice to national level;
  - f) to carry on these objectives in affiliation with the Union Cyclist Internationale and the Canadian Cycling Association ("CCA").
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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO).

Fund Accounting

The Association maintains the following funds:

*General Fund*

The general fund accounts for the unrestricted contributions and other unrestricted revenue and the cost of most of the activities of the Association including counselling and services fees and rental income.

*Capital Asset Fund*

The capital asset fund reports the assets and expenses related to the Organization's capital assets.

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**ONTARIO CYCLING ASSOCIATION INCORPORATED**  
**Notes to Financial Statements**  
**Year Ended December 31, 2024**

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

Revenue recognition

The Association follows the deferral method of accounting for revenues. Restricted contributions including external grants and funding 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.

Income from membership fees, licenses, event levies, sponsorships and other income is recognized as revenue in the period earned. Government grants are recognized as revenue over the period being funded.

Capital assets

Capital assets are stated at cost or deemed cost less accumulated amortization. Capital assets are amortized over their estimated useful lives at the following rates and methods:

Office equipment	30%	declining balance method
Motor vehicles	30%	declining balance method
Computer equipment	30%	declining balance method
Leasehold improvements	4 years	straight-line method
Cycling equipment	3 years	straight-line method

The Association regularly reviews its capital assets to eliminate obsolete items. Government grants are treated as a reduction of capital assets cost.

Capital assets acquired during the year but not placed into use are not amortized until they are placed into use.

Intangible assets

Intangible assets represents the website development costs and are stated at cost or deemed cost less accumulated amortization. The website development costs are being amortized on a straight-line basis over their estimated useful life of three years.

Contributed goods and services

Because of the difficulty of determining their fair value, contributed goods and services are not recognized in these financial statements.

(*continues*)

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**ONTARIO CYCLING ASSOCIATION INCORPORATED**  
**Notes to Financial Statements**  
**Year Ended December 31, 2024**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

Financial instruments policy

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

Measurement uncertainty

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

2. TERM DEPOSITS

Term deposits consist of a guaranteed investment certificate (GIC) that bears interest at prime less 2.25% (3.2% as of December 31, 2024) and matures March 25, 2025.

\$7,495 (2023 - \$12,286) of interest has been accrued as receivable as at December 31, 2024.

3. CAPITAL ASSETS

	Cost	Accumulated amortization	2024 Net book value	2023 Net book value
Office equipment	\$ 20,581	\$ 13,143	\$ 7,438	\$ 5,321
Computer equipment	52,740	44,693	8,047	11,495
Leasehold improvements	3,270	3,040	230	1,046
Cycling equipment	81,082	74,481	6,601	2,684
	<u>\$ 157,673</u>	<u>\$ 135,357</u>	<u>\$ 22,316</u>	<u>\$ 20,546</u>

4. INTANGIBLE ASSETS

	2024	2023
Website development costs	\$ 20,623	\$ 20,623
Accumulated amortization	(20,623)	(13,749)
	<u>\$ -</u>	<u>\$ 6,874</u>

**ONTARIO CYCLING ASSOCIATION INCORPORATED**  
**Notes to Financial Statements**  
**Year Ended December 31, 2024**

**5. DEFERRED REVENUES AND GRANTS**

Deferred revenues and grants represent unspent operating funds received in the current period that are related to a subsequent period and consist of the following:

	<u>2024</u>	<u>2023</u>
Youth Cycling Development Fund	\$ 64,550	\$ 61,123
Program Fees	56,652	8,845
Cycling Canada	17,593	-
Event fees	1,560	-
Quest for Gold	-	22,838
	<u>\$ 140,355</u>	<u>\$ 92,806</u>

Restricted cash represents the deferred revenue balance for the Youth Cycling Development Fund.

**6. LEASE COMMITMENTS**

The Association leases premises under a long term lease that expires on September 30, 2027. Under the lease, total future minimum lease payments are as follows:

2025	\$ 38,930
2026	39,708
2027	<u>30,226</u>
	<u>\$ 108,864</u>

**7. FINANCIAL INSTRUMENTS**

The Association is exposed to various risks through its financial instruments and has a comprehensive risk management framework in place to monitor, evaluate and manage these risks. The following analysis provides information about the Association's risk exposure and concentration. There have been no significant change to the nature or concentration of these risks from the prior year, unless otherwise noted.

In the opinion of management, the company is not exposed to significant currency, interest rate, or other price risks arising from its financial instruments.

***Credit risk***

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Association is mainly exposed to credit risk from receivables from its members. The Association has a significant number of members which minimizes concentration of credit risk.

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**ONTARIO CYCLING ASSOCIATION INCORPORATED**  
**Notes to Financial Statements**  
**Year Ended December 31, 2024**

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7. FINANCIAL INSTRUMENTS *(continued)*

***Liquidity risk***

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Association is exposed to this risk mainly in respect of its receipt of funds from its members and other related sources, and accounts payable and accrued liabilities.

The company mitigates this risk through projecting its cash flow needs on a short term and long term basis.

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8. COMPARATIVE FIGURES

Some of the prior figures have been reclassified to conform to current year presentation.

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