

**TORONTO HARRIERS
FINANCIAL INFORMATION
YEAR ENDED DECEMBER 31, 2023**

TORONTO HARRIERS
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YEAR ENDED DECEMBER 31, 2023

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COMPILATION ENGAGEMENT REPORT

To the Members of Toronto Harriers

On the basis of information provided by management, we have compiled the statement of financial position of Toronto Harriers as at December 31, 2023, and the statements of changes in net assets, earnings and cash flows for the year then ended, and Note 1, which describes the basis of accounting applied in the preparation of the compiled financial information ("financial information").

Management is responsible for the accompanying financial information, including the accuracy and completeness of the underlying information used to compile it and the selection of the basis of accounting.

We performed this engagement in accordance with Canadian Standard on Related Services (CSRS) 4200, *Compilation Engagements*, which requires us to comply with relevant ethical requirements. Our responsibility is to assist management in the preparation of the financial information.

We have not performed an audit engagement or a review engagement, nor were we required to perform procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an audit opinion or a review conclusion, or provide any form of assurance on the financial information.

Readers are cautioned that the financial information may not be appropriate for their purposes.

Markham, Ontario
February 2, 2024

Applebaum, Commisso LLP
Applebaum, Commisso LLP
Chartered Professional Accountants
Licensed Public Accountants

TORONTO HARRIERS
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2023

	2023	2022
ASSETS		
Current Assets		
Cash	\$ 37,502	\$ 44,852
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	\$ 2,466	\$ 1,965
Harmonized sales tax payable	4,421	2,155
Deferred revenue	13,912	26,644
	20,799	30,764
Net Assets		
General fund	16,703	14,088
	\$ 37,502	\$ 44,852

ON BEHALF OF THE BOARD

Gila Ossip

Director

TORONTO HARRIERS
STATEMENT OF CHANGES IN NET ASSETS
YEAR ENDED DECEMBER 31, 2023

	2023	2022
NET ASSETS - BEGINNING OF YEAR	\$ 14,088	\$ 15,234
Excess (Deficiency) of revenues over operating expenses	2,615	(1,146)
NET ASSETS - END OF YEAR	\$ 16,703	\$ 14,088

TORONTO HARRIERS
STATEMENT OF EARNINGS
YEAR ENDED DECEMBER 31, 2023

	2023	2022
REVENUES		
Membership fees	\$ 16,430	\$ 13,000
Coaching services	34,145	31,628
Merchandise sales	3,007	3,154
	53,582	47,782
OPERATING EXPENSES		
Coaching services	32,050	25,635
Merchandise	7,276	8,083
Insurance	4,517	3,985
Advertising and promotion	3,991	6,317
Professional fees	1,715	1,865
Dues and subscriptions	774	220
General club expenses	569	581
Interest and bank charges	75	2,242
	50,967	48,928
EXCESS (DEFICIENCY) OF REVENUES OVER OPERATING EXPENSES	\$ 2,615	\$ (1,146)

TORONTO HARRIERS
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2023

	2023	2022
Cash flows from operating activities		
Excess (deficiency) of revenues over operating expenses	\$ 2,615	\$ (1,146)
Changes in non-cash working capital:		
Accounts payable	501	-
Deferred revenue	(12,732)	9,126
Harmonized sales tax payable	2,266	(996)
	(9,965)	8,130
INCREASE (DECREASE) IN CASH FLOW	(7,350)	6,984
CASH - BEGINNING OF YEAR	44,852	37,868
CASH - END OF YEAR	\$ 37,502	\$ 44,852

TORONTO HARRIERS
NOTES TO FINANCIAL INFORMATION
YEAR ENDED DECEMBER 31, 2023

1. BASIS OF ACCOUNTING

The basis of accounting applied in the preparation of the statement of financial position of Toronto Harriers as at December 31, 2023, and the statements of changes in net assets, earnings and cash flows for the year then ended is the historical cost basis and reflects cash transactions with the addition of:

- accounts receivable
- Unearned revenue
- accounts payable and accrued liabilities



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February 2, 2024
Confidential

Toronto Harriers
81 Helena Avenue
Toronto ON M6G 2H3

Attention: Mrs. Gila Ossip, Director

Dear Gila:

The Objective and scope of the compilation engagement

You have requested that, on the basis of information that you will provide, we assist you in the preparation of the compiled financial information for Toronto Harriers, which comprise the statement of financial position as at December 31, 2024, and the statements of changes in net assets, earnings and cash flows for the year then ended, and Note 1, which describes the basis of accounting to be applied in the preparation of the compiled financial information.

The intended use of the compiled financial information

The compiled financial information is intended to be used by management of Toronto Harriers and third parties, being [e.g., *current or potential lenders, suppliers, stakeholders*]. Those parties are in a position to request and obtain further information from the entity.

We are pleased to confirm our acceptance and understanding of this compilation engagement by means of this letter.

The practitioner's responsibilities

We will perform the compilation engagement in accordance with Canadian Standard on Related Services (CSRS) 4200, *Compilation Engagements*, which requires us to comply with relevant ethical requirements.

A compilation engagement involves us assisting you in the preparation of compiled financial information. Since a compilation engagement is not an assurance engagement, We are not required to perform procedures to verify the accuracy or completeness of the information you provide to us for the compilation engagement. Accordingly, we will not express an audit opinion or a review conclusion, or provide any form of assurance on the compiled financial information.

Management's responsibilities

The compilation engagement is performed on the basis that you acknowledge that:

- a. The third party that intends to use the compiled financial information is in a position to request and obtain further information from the entity;
- b. A compilation engagement is appropriate for the intended use;
- c. You understand that a compilation engagement will not fulfill the entity's legal, regulatory or contractual provisions, if any, for an audit engagement or a review engagement; and
- d. You understand that the compiled financial information should not be used by third parties other than those who are in a position to request or obtain further information from the entity, or have agreed with you the basis of accounting to be applied in the preparation of the compiled financial information.

Further, you acknowledge that you are responsible for:

- a. The compiled financial information;
- b. Selecting the basis of accounting to be applied in the preparation of the compiled financial information that is appropriate for the intended use;
- c. The accuracy and completeness of the information provided to us; and
- d. Attaching the compilation engagement report when distributing or reproducing the compiled financial information.

Confidentiality

One of the underlying principles of the profession is a duty of confidentiality with respect to client affairs. Each professional accountant must preserve the secrecy of all confidential information that becomes known during the practice of the profession. Accordingly, we will not provide any third party with confidential information concerning the affairs of Toronto Harriers unless:

- a. We have been specifically authorized with prior consent;
- b. We have been ordered or expressly required by law or by the Ontario *Code of Professional Conduct/Code of Ethics*; or
- c. The information requested is (or enters into) public domain.

Communications

In performing our services, we will send messages and documents electronically. As such communications can be intercepted, misdirected, infected by a virus or otherwise used or communicated by an unintended third party, we cannot guarantee or warrant that communications from us will be properly delivered only to the addressee. Therefore, we specifically disclaim, and you release us from any liability or responsibility whatsoever for interception or unintentional disclosure of communications transmitted by us in connection with the performance of this Engagement. In that regard, you agree that we shall have no liability for any loss or damage to any person or entity resulting from such communications, including any that are consequential, incidental, direct, indirect, punitive, exemplary or special damages (such as loss of data, revenues, or anticipated profits).

If you do not consent to our use of electronic communications, please notify us in writing.

Use of Information

It is acknowledged that we will have access to all information about identified individuals ("personal information") in your custody that we require to complete our Engagement. Our services are provided on the basis that:

- a. You represent to us that management has obtained any required consents for our collection, use, disclosure, storage, transfer and process of personal information required under applicable privacy legislation and professional regulation; and
- b. We will hold all personal information in compliance with our Privacy Statement.

Use and Distribution of Our Communication

The compilation of the financial statements and the issuance of our *Notice to Reader* communication are solely for the use of Toronto Harriers and those to whom our report is specifically addressed by us. We make no representations, or warranties of any kind to any third party in respect of these financial statements or our *Notice to Reader* communication and we accept no responsibility for their use by any third party or any liability to anyone other than Toronto Harriers.

For greater clarity, our *Compilation Engagement Report* will not be planned or conducted for any third party or for any specific transaction. Accordingly, items of possible interest to a third party may not be addressed and matters may exist that would be assessed differently by a third party, including, without limitation, in connection with a specific transaction. Our communication should not be circulated (beyond Toronto Harriers) or relied upon by any third party for any purpose, without our prior written consent.

You agree that our name may be used only with our prior written consent and that any information to which we have attached a communication be issued with that communication, unless otherwise agreed to by us in writing.

Ownership

The working papers, files, other materials, reports and work created, developed or performed by us during the course of the Engagement are the property of our firm, constitute our confidential information and will be retained by us in accordance with our firm's policies and procedures.

During the course of our work, we may provide, for your own use, certain software, spreadsheets and other intellectual property to assist with the provision of our services. Such software, spreadsheets and other intellectual property must not be copied, distributed or used for any other purpose. We also do not provide any warranties in relation to these items and will not be liable for any lost or corrupted data or other damage or loss suffered or incurred by you in connection with your use of them.

We retain the copyright and all intellectual property rights in any original materials provided to you.

File Inspections

In accordance with professional regulations (and by our firm's policy), our client files must periodically be reviewed by practice inspectors and by other firm personnel to ensure that we are adhering to professional and firm standards. File reviewers are required to maintain confidentiality of client information.

Accounting Advice

Except as outlined in this letter, this Engagement does not contemplate the provision of specific accounting advice or opinions or the issuance of a written report on the application of accounting standards to specific transactions and to the facts and circumstances of the entity. Such services, if requested, would be provided under a separate engagement letter.

Dispute Resolution

You agree that any dispute that may arise regarding the meaning, performance or enforcement of this Engagement will, prior to resorting to litigation, be submitted to mediation.

Indemnity

Toronto Harriers hereby agrees to indemnify, defend (by counsel retained and instructed by us) and hold harmless our firm (and its partners, agents and employees) from and against any and all losses, costs (including solicitors' fees), damages, expenses, claims, demands and liabilities arising out of (or in consequence of):

- a. The breach by Toronto Harriers, or its directors, officers, agents or employees, of any of the covenants or obligations of Toronto Harriers herein, including, without restricting the generality of the foregoing, the misuse of, or the unauthorized dissemination of, our engagement report or the financial information in reference to which the engagement report is issued, or any other work product made available to you by our firm.
- b. A misrepresentation by a member of your management or the board of directors.

Limitation of Liability

Our aggregate liability for all claims, losses, liabilities and damages in connection with this Engagement, whether as a result of breach of contract, tort (including negligence), or otherwise, regardless of the theory of liability, is limited to \$10,000. Our liability shall be several and not joint and several. We shall only be liable for our proportionate share of any loss or damage, based on our contribution relative to the others' contributions and only if your claim is commenced within 24 months or less of the date Toronto Harriers should have been aware of the potential claim. In addition, we will not be liable in any event for consequential, incidental, indirect, punitive, exemplary, aggravated or special damages, including any amount for loss of profit, data or goodwill, whether or not the likelihood of such loss or damage was contemplated.

Time Frames

We will use all reasonable efforts to complete the Engagement as described in this letter within the agreed upon time frames.

However, we shall not be liable for failures or delays in performance that arise from causes beyond our reasonable control, including any delays in the performance by Toronto Harriers of its obligations.

Concerns

If at any time you would like to discuss our services or make a complaint, please contact your engagement partner. We will listen to your concerns and investigate any complaint on a timely basis.

Fees at Regular Billing Rate

Our professional fees will be based on our regular billing rates, plus direct out-of-pocket expenses and applicable HST, and are due when rendered. Fees for any additional services will be established separately.

Billing

Our fees and costs will be billed and are payable upon receipt. Invoices unpaid 30 days past the billing date may be deemed delinquent and are subject to an interest charge of 1.50% per month or 18.00% (APR) per annum. We reserve the right to suspend our services or to withdraw from this Engagement in the event that any of our invoices are deemed delinquent. In the event that any collection action is required to collect unpaid balances due to us, you agree to reimburse us for our costs of collection, including lawyers' fees.

Costs of Responding to Government or Legal Processes

In the event we are required to respond to a subpoena, court order, government agency or other legal process for the production of documents and/or testimony relative to information we obtained and/or prepared during the course of this Engagement, you agree to compensate us at our normal hourly rates for the time we expend in connection with such response and to reimburse us for all of our out-of-pocket costs (including applicable HST) incurred.

Termination

Management acknowledges and understands that failure to fulfill its obligations as set out in this engagement letter will result, upon written notice, in the termination of the Engagement.

Either party may terminate this agreement for any reason upon providing written notice to the other party [*not less than 30 calendar days before the effective date of termination*]. If early termination takes place, Toronto Harriers shall be responsible for all time and expenses incurred up to the termination date.

If we are unable to complete the Engagement we may withdraw from the Engagement before issuing a *Compilation Engagement Report* communication or compiling the financial information. If this occurs, we will communicate the reasons and provide details.

Survival of Terms

This engagement letter will continue in force for subsequent Engagements unless terminated by either party by written notice prior to the commencement of the subsequent Engagement.

Other Terms of Engagement

Subject to management review and approval, we will carry out such bookkeeping as we find necessary prior to the preparation of the financial statements, prepare the necessary federal and provincial income tax returns and prepare any special reports as required. Management will provide the information necessary to complete the returns/reports and will file them with the appropriate authorities on a timely basis.

It should be noted that our accounting work in the area of HST and other commodity taxes is limited to that appropriate to complete the financial information. Accordingly, we may not detect situations where you are incorrectly collecting HST or incorrectly claiming input tax credits. As you are aware, failure to properly account for the HST could result in you or your company becoming liable for tax, interest or penalties. These situations may also arise for provincial sales tax, custom duties and excise taxes.

We will also be pleased to provide additional services upon request. Such services include income tax planning, HST advice, business financing, management consulting and valuations.

Conclusion

This engagement letter includes the relevant terms that will govern the Engagement for which it has been prepared. The terms of this letter supersede any prior oral or written representations or commitments by or between the parties. Any material changes or additions to the terms set forth in this letter will only become effective if evidenced by a written amendment to this letter, signed by all of the parties.

If you have any questions about the contents of this letter, please raise them with us. If the services outlined are in accordance with your requirements, and if the above terms are acceptable to you, please sign the attached copy of this letter in the space provided and return it to us.

We appreciate the opportunity of continuing to be of service to your organization.

Yours truly,

Applebaum, Commisso LLP

APPLEBAUM, COMMISSO LLP

Chartered Professional Accountants

The services and terms set out above are as agreed to on behalf of Toronto Harriers by:

Gila Ossip

Mrs. Gila Ossip, Director

2024-02-02

Date signed

Appendix A - Expected Form of Report

To the Members of Toronto Harriers

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