



Financial Statements

Company	International Triathlon Union
Financial year	2019
Closing date	31.12.2019

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Combined Balance sheet for the year ended

31 December 2019

(In USD)

Assets	2019	2018
Current assets		
Cash and cash equivalents	4'403'408	7'359'565
Short-term investments with a quoted market price	5'373'043	4'711'478
Trade receivables	311'290	704'921
Other current receivables	2'547	2'548
Accrued income and prepaid expenses	58'752	67'217
Total current assets	10'149'040	12'845'729
Non-current assets		
Investments	1'690	1'690
Fixed assets	197'136	199'770
Total non-current assets	198'826	201'460
Total assets	10'347'866	13'047'189
Liabilities and Funds	2019	2018
Short-term liabilities		
Trade payables	767'381	645'232
Other short-term liabilities	195'650	149'827
Accrued expenses and deferred income	197'876	82'860
Short-term provisions	1'130'783	659'954
Total short-term liabilities	2'291'690	1'537'873
Allocated Funds		
IOC Contribution Fund	3'470'113	7'042'369
Total Allocated Funds	3'470'113	7'042'369
Unallocated Funds		
Cumulated surplus of revenue over expenses	4'466'947	4'120'054
Profit for the year	119'117	346'893
Total Unallocated Funds	4'586'064	4'466'947
Total liabilities and Funds	10'347'866	13'047'189



**Combined Profit and loss statement for the year ended
31 December 2019
(in USD)**

	2019	2018
Revenue		
Revenue from IOC	3'572'256	3'815'667
Sponsorships	1'108'614	1'042'100
Television and event fees	2'374'410	2'180'520
Grants and contributions	98'182	182'385
Prize money received	460'000	410'000
Affiliation fees	30'900	32'362
Other Income	487'698	372'414
	8'132'060	8'035'448
Expenses		
Administrative expenses	-287'667	-276'079
Anti-doping related expenses	-372'671	-331'938
Bad debt	-206'000	-110'000
Committee	-343'464	-41'369
Competitions and Events	-1'621'084	-1'549'712
Contingency	-165'406	-
Depreciation of capital assets	-15'433	-14'895
Development	-1'150'827	-1'162'607
Executive Board	-264'516	-239'755
Legal and Accounting	-25'204	-32'256
Marketing	-244'443	-350'699
Media and Television	-1'121'146	-915'295
Olympic Games expenses	-265'360	-150'000
President's Honorarium	-208'765	-205'415
Salaries	-1'831'491	-1'781'689
Sport Department	-495'397	-552'334
	-8'618'877	-7'714'044
Earnings before Non-operating activities	-486'817	321'404
Financial income & change in fair-value of marketable securities	701'891	-250'589
Financial expenses	-95'958	-139'012
Gain on disposition of Fixed assets	-	415'091
Profit for the year	119'117	346'894



**Combined statement of cash flows for the year ended
31 December 2019
(In USD)**

	2019	2018
Cash from operating activities		
Profit for the year	119'117	346'893
Items not involving cash		
Depreciation	15'433	14'895
Gain on dispositions / other non-cash items	-	-416'005
Bad debt expense	206'000	110'000
	340'550	55'783
Change in non-cash operating working capital		
Accounts receivable	187'631	-74'187
Loans receivable	-	192'385
Other current receivables	1	3'640
Accrued income and Prepaid expenses	8'465	30'812
Accounts payable and accrued liabilities	167'972	-77'533
Short-term provisions	470'829	347'569
IOC Contribution Fund & other Deferred revenue	-3'457'240	-3'847'967
	-2'622'343	-3'425'281
Cash from Investing activities		
Purchase of Fixed assets	-12'800	-13'981
Disposal of Fixed assets	-	201'235
Gain on disposition of Fixed Assets	-	415'091
	-12'800	602'345
Decrease In cash and cash equivalents	-2'294'593	-2'767'153
Cash and cash equivalents and short term Investments with a quoted price - Beginning of year	12'071'043	14'838'196
Cash and cash equivalents and short term investments with a quoted price - End of year	9'776'450	12'071'043

**Notes to combined Financial Statements for the year ended December 31, 2019
(expressed in USD)**

1 Purpose of the organization

The Organization's purpose is to develop, promote and generally advance the world-wide sport of Triathlon, Duathlon and its other related multi-sports.

2 Principles of combination

These combined financial statements have been prepared from the financial statements of the International Triathlon Union offices. All balances and transactions between these entities have been eliminated. Entities included in the combined financial statements for the year ended 31 December 2018 and 2019 for the organization are summarized as follows :

ITU office of Vancouver
ITU office of Madrid
ITU Headquarters of Lausanne

3 Significant accounting policies

The International Triathlon Union (the Organization) is a not for profit association governed by the provisions of the Swiss Civil Code.

These financial statements have been prepared in accordance with the provisions of commercial accounting as set out in the Swiss Code of Obligations (Art. 957 to 963b CO). The significant accounting policies are summarized below:

3.1 Revenue recognition

The Organization follows the deferral method of accounting for contributions. Restricted contributions are initially deferred and recognized as revenue when the related expenses are incurred or the restrictions have been met. Revenue for services provided is recorded when earned and collection is reasonably assured. Sponsorship revenue is recorded in the period the amounts relate to or the sponsorship requirements are met.

The contribution received every four years from the International Olympic Committee (IOC) is based on a formula determined by the IOC for sharing television rights revenue from the Olympic Games. This contribution is unrestricted.

3.2 Cash and cash equivalents and short term Investments

Cash and cash equivalents consist of cash and highly liquid investments with terms to maturity of three months or less at the date of acquisition, such as a money market fund.

International Triathlon Union

**Notes to combined Financial Statements for the year ended December 31, 2019
(expressed in USD)**

3.3 Deferred revenue

Deferred revenue represents advance receipt of sponsorship revenue, event and affiliation fees. The revenue from event and affiliation fees is recognized in the year in which the event is held or to which the fees relate. Sponsorship revenue is restricted for specific use and is recognized in the year the related expenses are incurred, as required under the agreement. In 2016, the year of the RIO Olympics, it was decided to defer the IOC contribution funds over a 4 year cycle.

3.4 Property, Plant and equipment

Land and building comprise a strata title in a multi-unit commercial complex. Property, Plant and equipment are recorded at cost. Betterments that extend or enhance the estimated life or service potential of an asset are capitalized. When a capitalized asset no longer contributes to the Organization's ability to provide services, its carrying amount is written down to its residual value.

Property, Plant and equipment are amortized on a straight-line basis over the following periods:

Building	30 years
Furniture and fixtures	5 years
Computer and TV equipment	3 years

3.5 Contributed services

A number of volunteers contribute a significant amount of time to the Organization each year. The value of certain services donated to the Organization by its members and others is not recognized or disclosed in the financial statements and related notes due to the difficulty of determining the fair value.

3.6 Foreign currency

Monetary assets and liabilities denominated in other than US dollars are translated at the rate in effect at the date of the balance sheet. Transactions in currencies other than US dollars are translated at the rate in effect at the transaction date. Gains and losses resulting from fluctuations in the exchange rate associated with these transactions are recorded in the period they arise. Non-monetary assets are recorded at the historical rate of exchange in effect at the date of acquisition.

**Notes to combined Financial Statements for the year ended December 31, 2019
(expressed in USD)**

3.7 Use of estimates

The preparation of combined financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Significant areas requiring the use of management estimates include valuation of accounts receivable and the determination of the useful lives of capital assets for purposes of amortization. Actual results may ultimately differ from those estimates.

4 Declaration to the fact that the number of full-time equivalents, averaged over the year, did not exceed 10, 50 or 250

The number of full-time equivalents did not exceed 50 on an annual average basis.

5 Olympic Games Expenses and Short-term provisions

In 2019 ITU incurred a total of USD 265K expenses related to the Olympic Games 2020 (mainly flight tickets and accomodation). Those should be recorded as prepaid expenses in 2019 but because of the uncertainty on the recouvrability of all costs, ITU has decided to be prudent and to keep it as 2019 expenses. Additional provisions were recorded in 2019 for expenses that will likely occur in 2020, mainly Congress provisions in Paris (USD 250K) and Contingency for COVID-19 (USD 165K).

6 Property, Plant and Equipment

	2019			2018		
	Cost	Depreciation	Net	Cost	Depreciation	Net
	USD	USD	USD	USD	USD	USD
Land	140'431	-	140'431	140'431	-	140'431
Building	66'085	32'675	33'410	66'085	30'473	35'612
Furniture and fixtures	23'084	21'112	1'972	23'084	20'574	2'510
Computer equipment	127'437	107'539	19'898	116'129	94'913	21'216
TV equipment	69'836	68'410	1'424	67'444	67'444	-
	<u>426'873</u>	<u>229'736</u>	<u>197'136</u>	<u>413'173</u>	<u>213'404</u>	<u>199'769</u>

7 Allocated Funds - IOC Contribution Fund

	2019	2018
Balance at January 1st	7'042'369	10'858'036
Revenue recognised	-3'572'256	-3'815'667
Balance at December 31st	<u>3'470'113</u>	<u>7'042'369</u>

USD 13,500,000 (CHF 13'765'950) was received from the IOC in 2016 related to the 2016 RIO Olympics. In 2017 a third instalment of 1,644,048 USD (CHF 1,602,782) was received.

International Triathlon Union

Notes to combined Financial Statements for the year ended December 31, 2019 (expressed in USD)

8 Financial instruments

Foreign currency risk

The Organization faces foreign currency risk on its cash and cash equivalents and Other financial assets denominated in currencies other than US dollars. These foreign currency balances are as follows:

	2019	2018
	USD	USD
Canadian dollars	9'410	37'330
Euros	299'775	171'840
Swiss francs	309'250	1'200'087
	<u>618'435</u>	<u>1'409'256</u>

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. It arises primarily on interest-bearing financial instruments held in the mutual funds account. The Organization does not use derivative financial instruments to manage the effects of this risk.

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 Organization is exposed to credit risk in the event of non-performance by counterparties in connection with its accounts receivable.

Liquidity risk

Liquidity risk is the risk that the Organization cannot meet the demand for cash or fund its obligations as they become due. Management minimizes its exposure to liquidity risk by regularly monitoring cash flows. The Organization is not exposed to significant liquidity risk.

9 Commitments

Lease payments - Lausanne

The Organization is committed to making minimum annual rental payments for their leased premise in Lausanne, Switzerland. The lease payments are as follows:

	2019	2018
	USD	USD
Lease payments - Lausanne	38'169	38'496

Commitments are in Swiss francs; however, the table presents the commitments in US dollar equivalents at the December 31, 2019 year-end date.

Agreement with World Triathlon Corporation

The Organization has an ongoing agreement with World Triathlon Corporation until 2020. The World Triathlon Corporation acquired the agreement from Lagadere Unlimited in April 2016. According to the agreement a minimum of seven events should comprise the ITU Triathlon World Series (WTS), under the governance of the Organization. Under the terms of the agreement, World Triathlon Corporation has the right and the obligation to organise a maximum of five WTS events as well as to manage the marketing of certain WTS international contractual TV rights.

**Notes to combined Financial Statements for the year ended December 31, 2019
(expressed in USD)**

10 Conversion rate

The following exchange rates have been used in order to convert the combined financial statements from USD to CHF :

2018: 0.9877

2019: 0.9712

11 Risk Assessment

The Executive Board has periodically carried out reasonable risk assessments and introduced any resulting measures in order to guarantee that the risk of material misstatement in the accounts can be classified as low.

12 Deviations from the principle of consistency in presentation

Certain prior year balances have been reclassified in order to conform with the presentation of the current year. In accordance with Swiss Code of Obligations financial income and expenses have been presented separately from the operational result.

13 Subsequent events

In light of the ongoing coronavirus outbreak that occurred in China and has now been spread to Europe and other regions, and after consultations with the medical experts, International Triathlon Union have taken the decision to postpone all international competitions planned to be held until the end of June 30, 2020. This is impacting the federation's business operation to a certain extent. The actual financial impact, in particular linked to the postponement of the Olympic Games in Japan, will depend on the situation and duration of coronavirus outbreak, which is hard to estimate now. Nevertheless, the Board believes that there is no material uncertainty that may cast significant doubt upon the federation's ability to continue as a going concern. Further to this decision the ITU Board will closely follow the situation and will continue to review. ITU still focus to deliver the majority of the Triathlon Events when possible.





**Combined Balance sheet for the year ended
31 December 2019
(in CHF)**

Assets	2019	2018
Current assets		
Cash and cash equivalents	4'276'589	7'269'042
Short-term investments with a quoted market price	5'218'299	4'653'527
Trade receivables	302'325	696'251
Other current receivables	2'474	2'517
Accrued income and prepaid expenses	57'060	66'390
Total current assets	9'866'746	12'687'727
Non-current assets		
Investments	1'642	1'669
Fixed assets	191'459	197'313
Total non-current assets	193'100	198'982
Total assets	10'049'847	12'886'709
Liabilities and Funds	2019	2018
Short-term liabilities		
Trade payables	745'281	637'296
Other short-term liabilities	190'015	147'984
Accrued expenses and deferred income	192'177	81'841
Short-term provisions	1'098'216	651'837
Total short-term liabilities	2'225'689	1'518'968
Allocated Funds		
IOC Contribution Fund	3'370'174	6'955'748
Total Allocated Funds	3'370'174	6'955'748
Unallocated Funds		
Cumulated surplus of revenue over expenses	3'113'388	2'770'761
Profit for the year	115'687	342'627
Translation adjustment	1'224'910	1'298'615
Total unallocated funds	4'453'985	4'412'003
Total liabilities and Funds	10'049'847	12'886'709



**Combined Profit and loss statement for the year ended
31 December 2019
(in CHF)**

	2019	2018
Revenue		
Revenue from IOC	3'469'375	3'768'734
Sponsorships	1'076'686	1'029'282
Television and event fees	2'306'027	2'153'699
Grants and contributions	95'355	180'142
Prize money received	446'752	404'957
Affiliation fees	30'010	31'964
Other Income	473'652	367'833
	7'897'857	7'936'611
Expenses		
Administrative expenses	-279'382	-272'683
Amortization of capital assets	-14'989	-14'712
Anti-doping related expenses	-361'938	-327'855
Bad debt	-200'067	-108'647
Committee	-333'572	-40'860
Competitions and Events	-1'574'397	-1'530'651
Contingency	-160'642	-
Development	-1'117'683	-1'148'307
Executive Board	-256'898	-236'806
Legal and Accounting	-24'478	-31'859
Media and Television	-1'088'857	-904'037
Olympic Games expenses	-257'718	-148'155
President's Honoarium	-202'753	-202'888
Marketing	-237'403	-346'385
Salaries	-1'778'744	-1'759'774
Sport Department	-481'129	-545'541
	-8'370'652	-7'619'160
Earnings before Non-operating activities	-472'795	317'451
Financial income & change in fair-value of marketable securities	681'676	-247'507
Financial expenses	-93'194	-137'302
Gain on disposition of Fixed assets	-	409'985
Profit for the year	115'687	342'627

