

SWIM B.C.

Financial Statements

For the Period Ended March 31, 2021



Baker Tilly Victoria Ltd
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INDEPENDENT AUDITORS' REPORT

To the Members of Swim B.C.

Opinion

We have audited the financial statements of Swim B.C. that comprise the statement of financial position as at March 31, 2021 and the statements of operations, changes in net assets, and cash flows for the period then ended, and a summary of significant accounting policies and other explanatory information and schedules 1 to 5.

In our opinion, the accompanying financial statements present fairly in all material respects, the financial position of the Society as at March 31, 2021, and results of its operations and its cash flows for the period 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Society 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.

Emphasis of Matter - Restated Comparative Information

We draw attention to Note 10 to the financial statements, which explains that certain comparative information presented for the year ended July 31, 2020 has been restated. Our opinion is not modified in respect of this matter.



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INDEPENDENT AUDITORS' REPORT (continued)

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 Society'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 Society or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Society's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statement

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 auditors' 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.



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INDEPENDENT AUDITORS' REPORT (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 Society'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 Society'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 auditors' report. However, future events or conditions may cause the Society to cease to continue as a going concern.



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INDEPENDENT AUDITORS' REPORT (continued)

- 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.

Report on Other Legal and Regulatory Requirements

As required by the British Columbia Societies Act, we report that, in our opinion, the accounting standards for not-for-profit organizations have been applied on a consistent basis.

Baker Tilly Victoria Ltd.

CHARTERED PROFESSIONAL ACCOUNTANTS

Victoria, B.C.

October 1, 2021

Swim B.C.

Statement of Financial Position

As at March 31, 2021

(With Comparative Figures as at July 31, 2020)

	March 31, 2021	July 31, 2020
	\$	\$
Assets		
Current Assets -		
Cash	703,015	434,638
Accounts receivable	6,133	47,707
Investment (note 3)	97,674	97,501
Prepaid expenses	25,966	14,237
	832,788	594,083
Deposit	8,000	8,000
	840,788	602,083
Liabilities		
Current Liabilities -		
Accounts payable and accrued liabilities	318,397	393,871
Deferred contributions	285,703	48,645
	604,100	442,516
Net Assets		
Internally Restricted Net Assets (note 5)	79,250	-
Unrestricted Net Assets	157,438	159,567
	236,688	159,567
	840,788	602,083

Commitments (note 6)

SIGNED ON BEHALF OF THE BOARD:



Director

Swim B.C.

Statement of Operations

For the Period from August 1, 2020 to March 31, 2021

(With Comparative Figures for the Year Ended July 31, 2020)

	March 31, 2021	July 31, 2020
	\$	\$
Revenue		
Self Generated Revenue (Schedule 1)	292,739	714,212
Grants (Schedule 2)	192,779	420,368
	485,518	1,134,580
Expenses		
Administration Expenses (Schedule 3)	76,771	134,868
Member Services (Schedule 4)	359,382	486,415
Technical Programs (Schedule 5)	128,650	337,511
	564,803	958,794
Operating Income (Loss)	(79,285)	175,786
Other Income -		
COVID-Related Wage Subsidies	70,845	50,669
COVID-Related Rent Subsidies	6,311	-
viaSport Heritage Canada Grant	79,250	-
	156,406	50,669
Surplus	77,121	226,455

Swim B.C.

Statement of Changes in Net Assets

For the Period from August 1, 2020 to March 31, 2021

(With Comparative Figures for the Year Ended July 31, 2020)

	March 31, 2021	July 31, 2020
	\$	\$
Net Assets - Beginning of Year	159,567	(66,888)
Surplus	77,121	226,455
Net Assets - End of Year	236,688	159,567

Swim B.C.

Combined Statement of Cash Flows

For the Period from August 1, 2020 to March 31, 2021

(With Comparative Figures for the Year Ended July 31, 2020)

	March 31, 2021	July 31, 2020
	\$	\$
Cash Provided from (Used for):		
Operating Activities		
Surplus	77,121	226,455
Changes in non-cash working capital:		
Investment	(173)	(1,330)
Accounts receivable	41,574	(3,547)
GST payable	-	(1,130)
Prepaid expenses	(11,729)	(924)
Accounts payable and accrued liabilities	(75,474)	22,513
Deferred contributions	237,058	43,945
	268,377	285,982
Net Increase in Cash	268,377	285,982
Cash - Beginning of Year	434,638	148,656
Cash - End of Year	703,015	434,638

Swim B.C.

Notes to Non-Consolidated Financial Statements

For the Period from August 1, 2020 to March 31, 2021

(With Comparative Figures for the Year Ended July 31, 2020)

1 Statement of Purpose

Swim B.C. (the "Society") is incorporated under the Societies Act of British Columbia. The primary objective of the Society is to promote, foster, teach and develop the art and science of swimming. The Society governs the sport of swimming in British Columbia and represents and conducts the affairs of the national governing body in the province. The Society is exempt from income taxation under Section 149 of the Income Tax Act.

2 Significant Accounting Policies

Statement of Compliance

These financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations in Part III of the CPA Canada Handbook and include the following accounting policies:

Revenue Recognition

The Society follows the deferral method of accounting for contributions received, whereby revenues are matched with expenses. Externally restricted contributions, if any, are recognized as revenue in the period in which the related expenses are incurred. Unrestricted contributions are recognized revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Fee revenue is recognized once registrations from swim clubs are received from Swimming Canada's Registration Tracking and Results ("RTR") system. Registration on the system provides persuasive evidence that an arrangement exists between Swim B.C. and its members. Registration fees are fixed on an annual basis and therefore determinable at the time of registration. Registrations received mid-season are subject to prorated fees based on the annual registration period. Revenue from the sale of goods is recognized at the time of sale. Revenue from clinics and workshops is recognized once the clinic or workshop is completed. Investment income is recognized as revenue is earned.

Swim B.C.

Notes to Non-Consolidated Financial Statements

For the Period from August 1, 2020 to March 31, 2021

(With Comparative Figures for the Year Ended July 31, 2020)

2 Significant Accounting Policies (continued)

Contributed Services

The Society and its members benefit greatly from contributed services in the form of volunteer time for various committees. Due to the difficulty in determining their fair value, contributed services are not recognized in these financial statements.

Financial instruments

Measurement of financial instruments

The Society initially recognizes its financial assets and liabilities at fair value. Investments, which consist of high interest savings account, are subsequently measured at fair value. All other financial instruments, which include cash, accounts receivable, accounts payable, and deferred contributions are subsequently measured at amortized cost.

Transaction costs related to the acquisition of financial instruments subsequently measured at fair value are recognized in the statement of operations when incurred. The carrying amounts of financial instruments not subsequently measured at fair value are adjusted by the amount of the transaction costs directly attributable to the acquisition of the instrument.

Impairment

Financial assets measured at amortized cost are assessed for indicators of impairment at the end of each reporting period. If impairment is identified, the amount of the write-down is recognized as an impairment loss in the statement of operations. Previously recognized impairment losses are reversed when the extent of the impairment decreases, provided that the adjusted carrying amount is no greater than the amount that would have been reported at the date of the reversal had the impairment not been previously recognized. The amount of the reversal is recognized in surplus.

Significant estimates and assumptions

The preparation of the 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 period. Actual results could differ from those estimates.

Swim B.C.

Notes to Non-Consolidated Financial Statements

For the Period from August 1, 2020 to March 31, 2021

(With Comparative Figures for the Year Ended July 31, 2020)

3 Investment

The investment is in a high interest savings account and is recorded at fair value, which is equal to book value. During the period ended March 31, 2021, the Company earned \$1,152 (2020 - \$4,524) in interest income (Schedule 1).

4 Swimming Canada Fees

The Society collects Swimming Canada fees from their members on behalf of Swimming Canada and remits them bi-annually. During the fiscal year fees of \$158,522 (2020 - \$346,906) were collected. As at March 31, 2021 the outstanding balance due to Swimming Canada was \$218,849 (2020 - \$327,046).

5 Internally Restricted Net Assets

During the year the Society received emergency financial relief from the viaSport Heritage Canada Grant. These funds have been internally restricted by the board to subsidize the membership for attendance at the BC Swimming Congress.

6 Commitments

On September 23, 2020, the Society signed a sublease agreement for offices located in Victoria, BC. The lease agreement has a term of one year and eleven months expiring August 30, 2022. Total commitments are as follows:

	\$
Year ending March 31, 2022	48,000
2023	20,000

7 Employee Remuneration

On November 28, 2016 the new British Columbia Societies Act came into force. Included in the new Act is a requirement to disclose the remuneration paid to all directors, the ten highest paid employees and all contractors who are paid at least \$75,000 annually. During the applicable period one employee's remuneration was at least \$75,000.

Swim B.C.

Notes to Non-Consolidated Financial Statements

For the Period from August 1, 2020 to March 31, 2021

(With Comparative Figures for the Year Ended July 31, 2020)

8 Financial Instruments

The Society is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the Society's risk exposure and concentration.

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Society's main credit risks relate to its accounts receivable. The Society routinely assesses the collectability of its receivables and, as a consequence, believes that its accounts receivable credit risk exposure is limited.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flow of a financial instrument will fluctuate because of changes in market interest rates. The Society's exposure to interest rate risk relates to interest earned on its investment. It is management's opinion that, under normal circumstances, the Society is not exposed to significant interest rate risk.

Liquidity risk

Liquidity risk is the risk that the Society will not be able to meet its financial obligations as they fall due. The Society has a planning and budgeting process in place to help determine the funds required to support the Society's normal operating requirements on an ongoing basis. The Society attempts to ensure there is sufficient access to funds to meet on-going operations' requirements, taking into account its current cash position and potential funding sources.

9 COVID-19 Pandemic

In March 2020 the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak has adversely affected workforces, customers, economies, and financial markets globally, potentially leading to an economic downturn. It has also disrupted the normal operations of many businesses. This outbreak could adversely impact the Society's operations. It is not possible for the Society to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Society's business or results of operations at this time.

Swim B.C.

Notes to Non-Consolidated Financial Statements

For the Period from August 1, 2020 to March 31, 2021

(With Comparative Figures for the Year Ended July 31, 2020)

10 Prior Period Adjustments

In order to comply with Section 3400 of the Chartered Professional Accountants of Canada Handbook, the Society corrected an error in presentation related to the collection and remittance of Swimming Canada Fees. The Society historically presented revenues and expenses on a gross basis under the position that they were acting as a principal in the transactions. During the year it was determined that the Society is acting as an agent in the collection of these fees which should be presented on a net basis. The following adjustments were made by the Society to correct the comparative figures:

	August 1, 2019 Unadjusted \$	Adjustments \$	August 1, 2019 Restated \$
Net Assets	243,430	(310,318)	(66,888)

	July 31, 2020 Unadjusted \$	Adjustments \$	July 31, 2020 Restated \$
Accounts payable and accrued liabilities	66,825	327,046	393,871
Registration fees - swimming	859,203	(333,541)	525,662
Swimming Canada dues	330,178	(330,178)	-
Registration fees - coaches	39,064	(13,365)	25,699
National Coaching Certification Program	62,900	(8,175)	54,725
Coaching Development - NCCP	45,619	(8,175)	37,444
Surplus	243,183	(16,728)	226,455

11 Comparative Financial Statements

The comparative financial statements have been restated to conform with current year financial statement presentation.

Swim B.C.

Schedule 1 - Self Generated Revenue

For the Period from August 1, 2020 to March 31, 2021

(With Comparative Figures for the Year Ended July 31, 2020)

	March 31, 2021	July 31, 2020
	\$	\$
Swim-a-thon	-	(21)
National Coaching Certification Program	25,900	54,725
Sale of Technical Supplies/Awards	25	4,919
Investment income	1,152	4,524
Registration fees - coaches	11,673	25,699
Registration fees - swimming	237,489	525,662
Registration fees - clubs	15,400	24,000
Sanctions and time trials	1,100	5,470
Sponsorships	-	8,216
Competition Surcharge	-	60,548
Program fees	-	470
	292,739	714,212

Swim B.C.

Schedule 2 - Grants

For the Period from August 1, 2020 to March 31, 2021

(With Comparative Figures for the Year Ended July 31, 2020)

	March 31, 2021	July 31, 2020
	\$	\$
Province of British Columbia - Grant (viasport)	192,779	289,168
Community Gaming Grant	-	130,000
Miscellaneous Grants	-	1,200
	192,779	420,368

Swim B.C.

Schedule 3 - Administration Expenses

For the Period from August 1, 2020 to March 31, 2021

(With Comparative Figures for the Year Ended July 31, 2020)

	March 31, 2021	July 31, 2020
	\$	\$
Postage / Courier	914	1,865
Courier	-	113
Printing	26	71
Office Rent & Utilities	37,780	39,353
Office Supplies	2,137	3,716
Telephone, Fax and Internet	6,152	8,085
Audit & Legal	17,719	12,475
Bank Charges	793	358
Office Information Technology	7,819	55,035
Organization Expenses	1,950	1,280
Repairs & Maintenance	235	-
Payment Processing Fees	1,246	2,973
Bad Debt expense	-	9,544
	76,771	134,868

Swim B.C.

Schedule 4 - Member Services

For the Period from August 1, 2020 to March 31, 2021

(With Comparative Figures for the Year Ended July 31, 2020)

	March 31, 2021	July 31, 2020
	\$	\$
Board Expenses	937	5,970
BC Swimming Congress	-	31,222
Officials Development	-	15,498
Coaching Development - NCCP	7,632	37,444
Coaching Development - BCSCA Fees	15,400	26
Coaching Development - Mentor & WIC	-	7,000
Provincial championships	-	18,136
Technical Supplies	1,930	2,762
Master Swimming Association BC Fees	14,658	23,996
Insurance	15,856	24,267
Salaries and wages	297,487	307,087
Staff expenses	3,457	11,159
Professional development (Staff)	2,025	1,740
I CAN SWIM	-	108
	359,382	486,415

Swim B.C.

Schedule 5 - Technical Programs

For the Period from August 1, 2020 to March 31, 2021

(With Comparative Figures for the Year Ended July 31, 2020)

	March 31, 2021	July 31, 2020
	\$	\$
Club grant	105,000	150,319
Technical Director	-	6,941
Provincial ID Team Programs	7,900	156,285
Provincial Development Programs	15,750	23,966
	128,650	337,511