

SWIM B.C.
COMBINED FINANCIAL STATEMENTS
FOR THE YEARS ENDED JULY 31, 2018 AND 2017
(Expressed in Canadian Dollars)



DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Members of Swim B.C.

We have audited the accompanying combined financial statements of Swim B.C., which comprise the combined statements of financial position as at July 31, 2018 and 2017 and the combined statements of operations, changes in net assets and cash flows for the years then ended and other explanatory information.

Management's Responsibility for the Combined Financial Statements

Management is responsible for the preparation and fair presentation of these combined 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 combined financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these combined financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the combined financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the combined financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the combined financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the combined financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the combined financial statements present fairly, in all material respects, the financial position of Swim B.C. as at July 31, 2018 and 2017 and the results of its operations and its cash flows for the years then ended in accordance with Canadian accounting standards for not-for-profit organizations.

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

Vancouver, Canada
September 19, 2018

SWIM B.C.
COMBINED STATEMENTS OF FINANCIAL POSITION
(Expressed In Canadian Dollars)

	Notes	July 31, 2018	July 31, 2017
ASSETS			
<i>Current</i>			
Investment	3	\$ 94,713	\$ 93,867
Accounts receivable		35,281	95,687
Grants receivable		-	9,850
GST receivable		30,182	25,363
Inventory		11,773	10,783
Prepaid expenses		7,578	6,353
		179,527	241,903
Deposit		8,000	8,000
		\$ 187,527	\$ 249,903
LIABILITIES			
<i>Current</i>			
Bank indebtedness		\$ 98,338	\$ 46,799
Accounts payable and accrued liabilities		22,785	9,005
		121,123	55,804
NET ASSETS			
Internally restricted assets	4	93,002	93,002
Unrestricted net assets (liabilities)		(26,598)	101,097
		66,404	194,099
		\$ 187,527	\$ 249,903

The accompanying notes are an integral part of these combined financial statements.

SWIM B.C.
COMBINED STATEMENTS OF OPERATIONS
(Expressed In Canadian Dollars)

	Years Ended July 31,	
	2018	2017
REVENUE		
Fees and other grants (Schedule 1)	\$ 1,199,405	\$ 1,233,776
Province of British Columbia grant	276,255	283,454
	1,475,660	1,517,230
EXPENSES		
Organizational development (Schedule 2)	259,799	279,740
Administration (Schedules 3)	90,559	65,962
Member services (Schedule 4)	460,406	405,468
Excellence development (Schedule 5)	279,538	277,053
Special projects (Schedule 6)	513,053	488,270
	1,603,355	1,516,493
SURPLUS (DEFICIT)	\$ (127,695)	\$ 737

The accompanying notes are an integral part of these combined financial statements.

SWIM B.C.
COMBINED STATEMENTS OF CHANGES IN NET ASSETS
(Expressed In Canadian Dollars)

	Year Ended July 31, 2018			Year Ended July 31, 2017	
	Internally Restricted	Unrestricted	Total	Total	
Balance, beginning of year	\$ 93,002	\$ 101,097	\$ 194,099	\$	193,362
Surplus (deficit)	-	(127,695)	(127,695)		737
Balance, end of year	\$ 93,002	\$ 26,598	\$ 66,404	\$	194,099

The accompanying notes are an integral part of these combined financial statements.

SWIM B.C.
COMBINED STATEMENTS OF CASH FLOWS
(Expressed In Canadian Dollars)

	Years Ended July 31,	
	2018	2017
Operating Activities		
Surplus (deficit)	\$ (127,695)	\$ 737
Net changes in non-cash working capital items		
Increase in investment	(846)	(453)
Decrease (increase) in accounts receivable	70,256	(46,649)
Decrease (increase) in HST receivable	(4,819)	1,807
Increase in Inventory	(990)	(443)
Decrease (increase) in prepaid expenses	(1,225)	2,110
Decrease (increase) in accounts payable & accruals	13,782	(33,005)
Decrease in deferred contributions	-	(160,000)
Cash provided in operating activities	(51,539)	(235,896)
Decrease in cash	(51,539)	(235,896)
Cash (Bank indebtedness), beginning	(46,799)	189,097
Bank indebtedness, ending	\$ (98,338)	\$ (46,799)

The accompanying notes are an integral part of these combined financial statements.

SWIM B.C.
NOTES TO COMBINED FINANCIAL STATEMENTS
Years Ended July 31, 2018 and 2017
(Expressed In Canadian Dollars)

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.

These combined financial statements also include the accounts of I CAN SWIM. I CAN SWIM was incorporated on September 19, 2014 under the Societies Act of British Columbia. The primary purpose of the I CAN SWIM is to provide a safe and enjoyable environment to teach the fundamentals of swimming.

As a registered not-for-profit organization, the Society is dependent on government funding to subsidize operations. The Board of Directors is confident that this support will continue throughout the year.

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 year 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.

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 combined financial statements.

Inventory

Inventory consists of instructional items, stickers and labels. Inventory is measured at the lower of cost and current replacement cost.

Financial instruments

Measurement of financial instruments

The Society initially recognizes its financial assets and liabilities at fair value, except for financial assets and financial liabilities acquired in related party transactions. Investments, which consist of high interest savings account, are subsequently measured at fair value. All other financial instruments, which include cash, accounts receivable, grants receivable, prepaid expenses, bank indebtedness and accounts payable, 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.

SWIM B.C.
NOTES TO COMBINED FINANCIAL STATEMENTS
Years Ended July 31, 2018 and 2017
(Expressed In Canadian Dollars)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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 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 amount of revenues and expenses during the period. Actual results could differ from those estimates.

Significant judgments

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgment required in preparing the Society's financial statements is the assessment of the Society's ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty.

3. INVESTMENT

Investment is in a high interest savings account and is recorded at fair value, which is equal to the book value. During the year ended July 31, 2018, the Company earned \$846 (July 31, 2017 - \$453) in interest income.

4. INTERNALLY RESTRICTED ASSETS

Funds internally restricted have been designated by the Board of Directors to account for fluctuations in the grants received in the future years.

5. RELATED PARTY TRANSACTIONS

Transactions with key management and directors

During the year ended July 31, 2018, the Society paid their former Executive Director \$59,583 (July 31, 2017 - \$110,000) in salaries and wages.

During the year ended July 31, 2018, the Society paid their Executive Director \$32,506 (July 31, 2017 - \$nil) in salaries and wages.

6. EMPLOYEE REMUNERATION

During the year ended July 31, 2018, the Society paid \$95,156 (July 31, 2017: \$75,000) to an employee.

SWIM B.C.
NOTES TO COMBINED FINANCIAL STATEMENTS
Years Ended July 31, 2018 and 2017
(Expressed In Canadian Dollars)

7. FINANCIAL INSTRUMENTS

Fair value

As at July 31, 2018, the Society's financial instruments consisted of cash, bank indebtedness, investments, accounts receivable and accounts payable. The fair values of cash, investments, accounts receivables, grants receivable, bank indebtedness and accounts payable approximate their carrying values because of their current nature.

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 primary exposure to credit risk is on its cash held and bank indebtedness. The majority of cash is deposited in bank accounts held with one major bank in Canada so there is a concentration of credit risk. This risk is managed by using a major bank that is a high credit quality financial institution as determined by rating agencies.

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 rate. The Society's exposure to interest rate risk relates to its ability to earn interest income on its mutual funds at variable rates.

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.

8. COMMITMENT

On July 19, 2018, the Society renewed the lease for one year expiring on July 31, 2019. The total amount of lease payments for the year will be \$10,800.

SWIM B.C.
SCHEDULE 1 – FEES AND OTHER GRANTS
Years Ended July 31, 2018 and 2017
(Expressed In Canadian Dollars)

	Years Ended July 31,	
	2018	2017
Casino	\$ 160,000	\$ 160,000
Clinics and workshops	46,948	43,492
I CAN SWIM	66,780	79,611
Investment income	1,763	453
Provincial team fees	92,380	90,808
Registration fees – clubs	13,756	13,400
Registration fees – coaches	31,623	30,290
Registration fees – swimming	768,068	740,895
Sale of goods	6,632	22,942
Sanctions, time trials and transfers	7,140	7,220
SNC Grant	-	25,000
Sponsorships	1,472	18,000
Swim-a-thon	2,843	1,665
	\$ 1,199,405	\$ 1,233,776

SWIM B.C.
SCHEDULE 2 – ORGANIZATIONAL DEVELOPMENT EXPENSES
Years Ended July 31, 2018 and 2017
(Expressed In Canadian Dollars)

	Years Ended July 31,	
	2018	2017
Annual general meeting	\$ 23,365	\$ 18,221
Board of directors meetings	13,559	8,193
Executive committee meetings	-	112
Organization expenses and professional development	75	2,116
Salaries and wages	222,800	248,472
Swimming/Natation Canada – annual general meeting	-	2,626
	\$ 259,799	\$ 279,740

SWIM B.C.
SCHEDULE 3 – ADMINISTRATION EXPENSES
Years Ended July 31, 2018 and 2017
(Expressed In Canadian Dollars)

	Years Ended July 31,	
	2018	2017
Audit and legal	\$ 23,579	\$ 18,355
Bad debt expense (recovery)	16,304	(5,173)
Bank charges	865	937
Computer software and maintenance	5,163	5,421
Credit card transactions	10,746	11,234
Fax	443	430
Internet	1,055	776
Marketing	2,549	2,162
Office supplies	1,818	3,441
Postage	1,533	1,316
Rent	19,866	19,625
Telephone	6,638	7,438
	\$ 90,559	\$ 65,962

SWIM B.C.
SCHEDULE 4 – MEMBER SERVICES EXPENSES
Years Ended July 31, 2018 and 2017
(Expressed In Canadian Dollars)

	Years Ended July 31,	
	2018	2017
B.C. Swim Coaches Association	\$ 15,340	\$ 15,342
Executive director expenses	13,734	9,497
Insurance	36,732	9,336
National coaching certification program	38,835	29,669
Provincial officials development	23,114	24,161
Sport BC dues	1,538	1,538
Staff expenses	11,268	11,500
Strategic Planning / Fundraising	10,757	12,369
Supplies	13,244	22,005
Swimming Natation Canada dues	295,844	270,051
	\$ 460,406	\$ 405,468

SWIM B.C.
SCHEDULE 5 – EXCELLENCE DEVELOPMENT EXPENSES
Years Ended July 31, 2018 and 2017
(Expressed In Canadian Dollars)

	Years Ended July 31,	
	2018	2017
Athlete international incentive	\$ 71,878	\$ 75,000
Athlete support – high performance	124,625	119,750
Coach – professional development	14,795	6,303
Coordinator travel	4,329	3,415
National placing incentive	40,091	40,000
Regional athlete development	2,000	2,000
Senior circuit prizes	-	6,520
SNC coaching initiative	20,000	20,000
Technical advisory committee – meetings and travel	1,820	4,065
	\$ 279,538	\$ 277,053

SWIM B.C.
SCHEDULE 6 – SPECIAL PROJECTS
Years Ended July 31, 2018 and 2017
(Expressed In Canadian Dollars)

	Years Ended July 31,	
	2018	2017
British Columbia Athlete Assistance Program	\$ 52,460	\$ 54,776
B.C. Games	1,370	-
I CAN SWIM	50,154	48,266
Provincial coach – salaries and expenses	151,936	135,266
Provincial coach expenses	35,360	32,753
Provincial team programs	170,190	118,087
Regional team program	28,738	47,528
Rio 2016	-	50,000
Canada Games	22,845	1,594
	\$ 513,053	\$ 488,270