

# SWIM B.C.

Financial Statements

For the Year Ended March 31, 2023

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## INDEPENDENT AUDITORS' REPORT

### To the Members of Swim B.C.

### Report on Financial Statements

#### *Opinion*

We have audited the financial statements of Swim B.C. that comprise the statement of financial position as at March 31, 2023 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, 2023, and results of its operations and its cash flows for the year 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.

## 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.

## 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.
- 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.



Baker Tilly Victoria Ltd  
Chartered Professional  
Accountants  
T: 250.386.0500  
F: 250.386.6151  
btvic.com

Downtown:  
645 Fort St  
Suite 540  
Victoria, BC  
V8W 1G2

Westshore:  
967 Langford Pkwy  
Suite 218  
Victoria, BC  
V9B 0A5

Sidney:  
9764 Fifth St  
Unit 7  
Sidney, BC  
V8L 2X2

## INDEPENDENT AUDITORS' REPORT (continued)

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.

August 24, 2023

# Swim B.C.

## Statement of Financial Position

As at March 31, 2023

	2023	2022
	\$	\$
<b>Assets</b>		
Current Assets -		
Cash	1,030,892	1,005,890
Accounts receivable	22,756	12,993
Investment (note 3)	99,455	97,922
Prepaid expenses	43,637	51,218
	<b>1,196,740</b>	1,168,023
Deposit	8,000	8,000
Capital Assets (note 4)	38,739	-
Intangible Assets (note 5)	10,686	14,248
	<b>1,254,165</b>	1,190,271
<b>Liabilities</b>		
Current Liabilities -		
Accounts payable and accrued liabilities	444,373	513,799
Deferred contributions	262,234	258,567
	<b>706,607</b>	772,366
<b>Net Assets</b>		
Internally Restricted Net Assets	300,000	-
Unrestricted Net Assets	247,558	417,905
	<b>547,558</b>	417,905
	<b>1,254,165</b>	1,190,271

Commitments (note 7)

**SIGNED ON BEHALF OF THE BOARD:**

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Director

# Swim B.C.

## Statement of Operations

For the Year Ended March 31, 2023

	2023	2022
	\$	\$
<b>Revenue</b>		
Self Generated Revenue (Schedule 1)	844,798	591,551
Grants (Schedule 2)	480,336	451,187
	<b>1,325,134</b>	1,042,738
<b>Expenses</b>		
Administration Expenses (Schedule 3)	199,672	142,324
Member Services (Schedule 4)	707,510	672,944
Technical Programs (Schedule 5)	289,787	99,929
	<b>1,196,969</b>	915,197
<b>Operating Income</b>	<b>128,165</b>	127,541
Other Income -		
COVID-Related Wage Subsidies	1,488	46,212
COVID-Related Rent Subsidies	-	7,464
	<b>1,488</b>	53,676
<b>Surplus</b>	<b>129,653</b>	181,217

# Swim B.C.

## Statement of Changes in Net Assets

For the Year Ended March 31, 2023

	Unrestricted Net Assets	Internally Restricted Net Assets	2023 \$	2022 \$
<b>Net Assets - Beginning of Year</b>	417,905	-	<b>417,905</b>	236,688
Surplus	129,653	-	<b>129,653</b>	181,217
Transfer (note 9)	(300,000)	300,000	-	-
<b>Net Assets - End of Year</b>	247,558	300,000	<b>547,558</b>	417,905



# Swim B.C.

## Statement of Cash Flows

For the Year Ended March 31, 2023

	2023	2022
	\$	\$
<b>Cash Provided from (Used for):</b>		
<b>Operating Activities</b>		
Surplus	129,653	181,217
Amortization of intangible assets	3,562	3,562
Amortization of tangible assets	2,039	-
	<b>135,254</b>	184,779
Changes in non-cash working capital:		
Investment	(1,533)	(248)
Accounts receivable	(9,763)	(6,860)
Prepaid expenses	7,581	(25,252)
Accounts payable and accrued liabilities	(69,426)	195,402
Deferred contributions	3,667	(27,136)
	<b>65,780</b>	320,685
<b>Investing Activities</b>		
Purchase of capital assets	(40,778)	-
Purchase of intangible assets	-	(17,810)
<b>Net Increase in Cash</b>	<b>25,002</b>	302,875
Cash - Beginning of Year	1,005,890	703,015
<b>Cash - End of Year</b>	<b>1,030,892</b>	1,005,890

# Swim B.C.

## Notes to Financial Statements

For the Year Ended March 31, 2023

### 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.

#### 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.

# Swim B.C.

## Notes to Financial Statements

For the Year Ended March 31, 2023

### 2 Significant Accounting Policies (continued)

#### 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 accrued liabilities, 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. Significant areas requiring the use of management estimates related to the determination of the useful life of capital assets and intangible assets. Actual results could differ from those estimates.

# Swim B.C.

## Notes to Financial Statements

For the Year Ended March 31, 2023

### 2 Significant Accounting Policies (continued)

#### Capital Assets

Capital assets are stated at cost less accumulated amortization. Capital assets are amortized over their estimated useful lives on a straight-line basis at the following rates:

Leasehold improvements	10 years
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#### Intangible assets

Intangible assets consist of website enhancements that are carried at cost less accumulated amortization. Amortization is charged against income using the straight-line method over their estimated useful life of 5 years.

### 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, 2023, the Society earned \$1,532 (2022 - \$248) in interest income (Schedule 1).

### 4 Capital Assets

	Cost \$	Accumulated amortization \$	2023 Net \$	2022 Net \$
Leasehold improvements	40,778	2,039	38,739	-

### 5 Intangible Assets

	Cost \$	Accumulated amortization \$	2023 Net \$	2022 Net \$
Website	17,810	7,124	10,686	14,248

# Swim B.C.

## Notes to Financial Statements

For the Year Ended March 31, 2023

### 6 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 \$391,139 (2022 - \$434,013) were collected. As at March 31, 2023 the outstanding balance due to Swimming Canada was \$340,641 (2022 - \$398,919).

### 7 Commitments

The Society has entered into an operating lease for its premises. Future minimum lease payments are as follows:

	\$
Year ending March 31, 2024	37,704
2025	37,704
2026	38,620
2027	39,275
2028	16,365

### 8 Employee Remuneration

The British Columbia Societies Act requires the disclosure of remuneration paid to all directors, the ten highest paid employees and all contractors who are paid over \$75,000 annually. During the year the Society paid annual remuneration greater than \$75,000 to two employees. The total paid to these employees was \$252,771.

### 9 Internally Restricted Net Assets

During the year, the Board approved the restriction of \$300,000 to be used for the development of a new internal program, Los Angeles 2028 (LA28). LA28 is intended to send coaches and athletes to attend out of country swim meets to prepare them for the Los Angeles Olympic Trials.

# Swim B.C.

## Notes to Financial Statements

For the Year Ended March 31, 2023

### 10 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.

### 11 Comparative Figures

Certain comparative figures have been reclassified to conform with the presentation adopted for the current year.

# Swim B.C.

## Schedule 1 - Self Generated Revenue

For the Year Ended March 31, 2023

	2023	2022
	\$	\$
Swim-a-thon	6,283	5,099
National Coaching Certification Program	46,075	52,125
Sale of technical supplies/awards	4,613	1,750
Investment income	29,353	2,584
Registration fees - coaches	26,409	21,278
Registration fees - swimming	567,936	423,506
Registration fees - clubs	23,990	21,685
Sanctions and time trials	8,000	6,560
Sponsorships	8,265	-
Competition Surcharge	115,064	54,464
Program fees	8,810	2,500
	<b>844,798</b>	<b>591,551</b>

# Swim B.C.

## Schedule 2 - Grants

For the Year Ended March 31, 2023

	2023	2022
	\$	\$
Province of British Columbia - Grant (viasport)	299,168	289,168
Community Gaming Grant	171,611	100,576
Swimming Canada Grant	-	57,000
Miscellaneous Grants	9,557	4,443
	<b>480,336</b>	<b>451,187</b>



# Swim B.C.

## Schedule 3 - Administration Expenses

For the Year Ended March 31, 2023

	2023	2022
	\$	\$
Amortization of intangible assets	3,562	3,562
Amortization of tangible assets	2,039	-
Postage / Courier / Printing	557	1,119
Office Rent & Utilities	49,092	48,000
Office Supplies	4,515	1,530
Telecom (Phone/Fax/Internet)	8,988	9,102
Audit & Legal	15,965	27,001
Bank Charges	939	2,585
Office Information Technology	6,265	2,981
Organization Expenses	105,062	45,359
Repairs & Maintenance	1,280	-
Payment Processing Fees	1,408	1,085
	<b>199,672</b>	<b>142,324</b>

# Swim B.C.

## Schedule 4 - Member Services

For the Year Ended March 31, 2023

	2023	2022
	\$	\$
Board Expenses	2,997	3,126
BC Swimming Congress	61,595	33,862
Officials Development	24,117	11,362
Coaching Development - NCCP	14,543	22,279
Coaching Development - Mentor & WIC	15,250	66,787
Insurance	36,342	26,090
Salaries	514,172	464,865
Staff Expenses	26,621	12,934
Professional Development (Staff)	1,079	193
Data Management	1,050	6,900
Learning Hub	9,744	24,546
	<b>707,510</b>	<b>672,944</b>

# Swim B.C.

## Schedule 5 - Technical Programs

For the Year Ended March 31, 2023

	2023	2022
	\$	\$
Provincial Development - Advance	66,822	78,304
Provincial Development - Prospects	56,791	14,125
Provincial Development - Pacific Wave	15,813	7,500
Regional Development	13,643	-
Challenge Program	88	-
BC / Canada Games	47,992	-
Provincial Championships	88,638	-
	<b>289,787</b>	<b>99,929</b>