

B.C. SUMMER SWIMMING ASSOCIATION

FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021

(Unaudited)

DRAFT

B.C. SUMMER SWIMMING ASSOCIATION

INDEX TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021

(Unaudited)

REVIEW ENGAGEMENT REPORT	1
FINANCIAL STATEMENTS	
Statement of Financial Position	2
Statement of Changes in Net Assets	3
Statement of Operations	4
Statement of Cash Flows	5
Notes to Financial Statements	6

DRAFT

INDEPENDENT PRACTITIONERS' REVIEW ENGAGEMENT REPORT

To the Members of the B.C. Summer Swimming Association,

We have reviewed the accompanying financial statements of the B.C. Summer Swimming Association that comprise the statement of financial position as at March 31st, 2021 and the statements of operations, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

Practitioner's Responsibility

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical standards.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others with the society, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in the nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of the B.C. Summer Swimming Association as at March 31st, 2021, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Langley, British Columbia

July 20th, 2021

PACIFIC CHARTERED ADVISORS LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

B.C. SUMMER SWIMMING ASSOCIATION

STATEMENT OF FINANCIAL POSITION

AS OF MARCH 31, 2021

With comparative figures for 2020

(Unaudited)

	2021	2020
ASSETS		
CURRENT ASSETS		
Cash	\$ 56,559	\$ 138,990
Term deposits	237,479	234,105
Accounts receivable	40,940	48,197
Prepaid expenses and deposits	20,593	24,618
	355,571	445,910
CAPITAL ASSETS (Note 3)	99,408	101,604
	\$ 454,979	\$ 547,514
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities	\$ 7,578	\$ 16,539
Held for synchro – provincials	8,495	8,495
Held for waterpolo – provincials	6,328	6,628
Unearned revenue	4,368	-
	26,769	31,662
NET ASSETS		
Invested in capital assets	99,408	101,604
Internally restricted	189,708	189,708
Unrestricted	137,743	223,165
Restricted by gaming	1,351	1,375
	428,210	515,852
	\$ 454,979	\$ 547,514

ON BEHALF OF THE BOARD OF DIRECTORS

DIRECTOR

DIRECTOR

See accompanying notes to unaudited financial statements.

B.C. SUMMER SWIMMING ASSOCIATION

STATEMENT OF CHANGES IN NET ASSETS

FOR THE YEAR ENDED MARCH 31, 2021

With comparative figures for 2020
(Unaudited)

	Invested in Capital Assets	Internally Restricted	Restricted by Gaming	Unrestricted	2021 Total	2020 Total
BALANCE, BEGINNING OF YEAR	\$ 101,604	\$ 189,708	\$ 1,375	\$ 223,165	\$ 515,852	\$ 514,549
Deficiency of revenue over expenses for the year	-	-	-	(87,642)	(87,642)	1,303
Adjustment to gaming	-	-	(24)	24	-	-
Strategic plan disbursements	-	-	-	-	-	-
Capital funding disbursements	-	-	-	-	-	-
Capital equipment purchased	1,020	-	-	(1,020)	-	-
Amortization	(3,216)	-	-	3,216	-	-
BALANCE, END OF YEAR	\$ 99,408	\$ 189,708	\$ 1,351	\$ 137,743	\$ 428,210	\$ 515,852

See accompanying notes to unaudited financial statements.

B.C. SUMMER SWIMMING ASSOCIATION

STATEMENT OF OPERATIONS

FOR THE YEAR ENDED MARCH 31, 2021

with comparative figures for 2020
(Unaudited)

	2021	2020
REVENUE		
Registration and affiliation fees	\$ 55,805	\$ 253,153
Provincial championships (Note 5)	4,200	65,351
Coaches conference	775	18,752
Interest income	3,374	4,427
Fundraising and sales	-	152
	64,154	341,835
EXPENSES		
PROGRAM OPERATIONS		
Provincial championships (Note 5)	1,086	81,002
Grants and club reimbursements (Note 6)	11,993	35,611
Coaches conference	1,119	34,574
Board and committee meetings	-	13,455
Scholarships	4,500	2,000
	18,698	166,642
GENERAL ADMINISTRATION		
Provincial office expenses and salaries	71,375	88,401
Insurance	41,313	52,450
Occupancy costs and utilities	14,640	11,582
Marketing	1,589	8,190
Professional fees	965	9,896
Amortization	3,216	3,371
	133,098	173,890
	151,796	340,532
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES FOR THE YEAR	\$ (87,642)	\$ 1,303

See accompanying notes to unaudited financial statements.

B.C. SUMMER SWIMMING ASSOCIATION

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2021

with comparative figures for 2020

(Unaudited)

	2021	2020
CASH PROVIDED BY (USED IN):		
OPERATING ACTIVITIES:		
Excess (deficiency) of revenues over expenses	\$ (87,642)	\$ 1,303
Items not involving cash:		
Amortization	3,216	3,371
Changes in non-cash operating working capital:		
Accounts receivable	7,256	(7,321)
Prepaid expenses and deposits	4,025	(20,472)
Accounts payable and accrued liabilities	(8,960)	9,769
Held for synchro – provincials	-	760
Held for waterpolo – provincials	(300)	(2,778)
Unearned revenue	4,368	(15,550)
	9,605	(30,918)
INVESTMENT ACTIVITIES:		
Purchase of capital equipment	(1,020)	-
Reinvestment of interest earned on term deposits	(3,374)	(4,427)
	(4,394)	(4,427)
CHANGE IN CASH POSITION	(82,431)	(35,345)
CASH – BEGINNING OF YEAR	138,990	174,335
CASH – END OF YEAR	\$ 56,559	\$ 138,990

See accompanying notes to unaudited financial statements.

B.C. SUMMER SWIMMING ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021

With comparative figures for 2020
(Unaudited)

1. PURPOSE OF ORGANIZATION

The B.C. Summer Swimming Association (the "Association") is incorporated under the Society Act of British Columbia. The Association transitioned on October 6th, 2018 to the new Societies Act of British Columbia. The Association is a provincial organization operating and regulating summer aquatic sports in British Columbia. The primary objective of the Association is to promote the development of its athletes through participation in competitive aquatic sports and to provide opportunities for training, competition and related activities in communities throughout British Columbia and surrounding areas.

The Association does not consolidate the financial results of the participating regions as these entities are not considered to be subsidiaries of the Association and the Association does not have direct financial control over these regions.

The Association is a not-for-profit organization as defined under the Income Tax Act and is exempt from income tax.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO") under Part III of the CPA Canada Handbook - Accounting. Financial statements prepared in accordance with ASNPO are also in accordance with Canadian generally accepted accounting principles ("GAAP").

These financial statements have, in management's opinion, been prepared within reasonable limits of materiality using the significant accounting policies noted below:

a) *Cash and Cash Equivalents*

The Association's policy is to disclose bank balances under cash and cash equivalents, including bank overdrafts with balances that fluctuate frequently from being positive to overdrawn and term deposits with a maturity period of three months or less from the date of acquisition. Bank balances and term deposits that the Association cannot use for current transactions, because they are pledged as security or otherwise restricted, are also excluded from cash and cash equivalents.

b) *Inventory*

Supplies (rulebooks and officials pins etc.) purchased are capitalized as inventory using the weighted average cost method. As of March 31st, 2021, \$Nil (2020 – \$Nil) of these supplies have been capitalized on the balance sheet as the net realizable value of the inventory has been determined to be \$Nil as inventory is provided to members free of charge.

(continues)

B.C. SUMMER SWIMMING ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021

With comparative figures for 2020
(Unaudited)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

c) Capital Assets

Purchased fixed assets are capitalized at cost and donated fixed assets are recorded at fair market value at the date of gift. Capital assets are stated at cost less accumulated amortization.

Amortization is provided over the estimated useful lives of the assets using a declining balance basis and the following rates:

Asset	Method	Rate
Buildings	Declining balance	4%
Computer Equipment	Straight-line	50%
Fixtures and Equipment	Straight-line	12.5%

In the year of acquisition, amortization is recorded at 50% of the amounts calculated using the above rates. Tangible capital assets exceeding \$1,000 are capitalized in the year of purchase.

d) Impairment of Long-lived Assets

A long-lived asset is tested for impairment whenever events or changes in circumstances indicate that its carrying amount may not be recoverable. An impairment loss is recognized when the carrying amount of the asset is not recoverable and exceeds its fair market value. The impairment loss is measured as the amount by which the carrying amount of the long-lived asset exceeds its fair value. Impairment losses are not reversed if fair value subsequently increases. As of March 31st, 2021, no impairment of assets has been noted.

e) Revenue Recognition

The Association follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year when the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

The Association uses the accrual method of accounting for interest income.

f) Donated Services and Supplies

The Association benefits from the donated services of time from volunteers for the various activities conducted on its behalf and donated supplies from various sources. These donated services and supplies are not recognized in the financial statements.

(continues)

B.C. SUMMER SWIMMING ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021

With comparative figures for 2020
(Unaudited)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

g) *Financial Instruments*

Measurement

The Association initially measures all financial assets and liabilities at fair value. The Association subsequently measures all equity investments that are quoted in an active market at fair value. All other financial instruments are measured at cost or amortized cost, unless management had elected to carry the financial instruments at fair value. All changes to financial instruments measured at fair market value are recognized in net income.

Free standing derivative instruments, such as forward exchange contracts, that are not in a qualified hedging relationship are subsequently measure at fair market value.

Financial assets measured at cost or amortized cost includes cash, restricted cash, and accounts receivable.

Financial liabilities measured at cost or amortized cost includes, accounts payable, long-term debt, and unearned revenues.

Impairment

Financial assets measured at cost are tested for impairment when there are indicators of impairment. If there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the Association expects to realize by exercising its right to any collateral. The impairment provision may be reversed to the extent of any improvement, not exceeding the initial carrying value of the financial asset. The amount of any write-down or reversal is recognized in net income.

Derecognition

A financial asset is derecognized when the contractual rights to its cash flows expire, or the economic rights to substantially all rights and rewards have been transferred.

Transaction costs

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair market value are expensed as incurred. All other financial instruments are adjusted by transactions costs incurred on acquisition and financing costs, which are amortized using the straight-line method or effective interest rate method.

(continues)

B.C. SUMMER SWIMMING ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021

With comparative figures for 2020
(Unaudited)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

h) Fund Accounting

The funds of the Association consist of the following:

- I. Coaches conference fund is internally restricted for the coaches conference in the event that revenues and budget are not able to sustain a conference when one is scheduled to occur, these funds can offset the costs to ensure that the event can continue as planned.
- II. Insurance fund is internally restricted for the annual insurance payment. In the event that the organization suffers a significant loss or decrease in revenue, these funds can still be directed to cover the annual insurance payment for all clubs and the Association.
- III. Provincial championships fund is internally restricted to ensure that the Provincials could occur for a single year under circumstances where revenues are not enough to cover the event or where the budgeted loss is not planned for.
- IV. Building repairs fund is internally restricted to ensure that funds are available in the event of a significant strata assessment or special levy for the Association's office, which it owns.
- V. Strategic planning fund is internally restricted covering grants to clubs and regions for expenses which align with the Association's strategic plan.
- VI. Capital fund is internally restricted covering grants to clubs and regions for expenses which align with the expectation and allowable purchase outline for capital purchases to support the regions and clubs.
- VII. Unrestricted is the unrestricted net assets fund.
- VIII. Gaming fund is regulated by the BC Gaming Policy and Enforcement Branch.
- IX. Invested in tangible capital assets fund agrees to the net book value of the tangible capital assets owned by the Association.

i) Use of Estimates

The preparation of these financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expense during the current year. These estimates are reviewed periodically and adjustments are made to income as appropriate in the year they become known.

Significant areas requiring the use of management estimates relate to the useful lives of assets for amortization and the amounts recorded as accrued liabilities. Actual results could differ from those estimates.

B.C. SUMMER SWIMMING ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021

With comparative figures for 2020
(Unaudited)

3. CAPITAL ASSETS

				2021		2020
	Cost	Accumulated Amortization		Net Book Value		Net Book Value
Land	\$ 56,500	\$ -	\$	56,500	\$	56,500
Building	114,867	(73,167)		41,700		43,437
Computer Equipment	4,936	(4,171)		765		-
Fixtures and Equipment	12,490	(12,047)		443		1,667
	\$ 188,793	\$ (89,385)	\$	99,408	\$	101,604

4. VANCOUVER FOUNDATION ENDOWMENT FUNDS

The Vancouver Foundation holds two endowment funds, the capital of which is not represented on these financial statements. Income from the endowment funds is disbursed at the discretion of the Vancouver Foundation upon the recommendations made by the Association and is designated, on an annual basis, to the Association's scholarships. The fund was established on March 29th, 2017 with an initial capital contribution of \$200,000. The fair value as of March 31st, 2021 is \$XX (2020 - \$184,659). Income available for distribution as at March 31st, 2021 is \$XX (2020 - \$12,838). Total disbursements from the fund during the year ended March 31st, 2021 is \$XX (2020 - \$7,000).

5. PROVINCIAL CHAMPIONSHIPS

Due to the circumstances surrounding the COVID-19 pandemic, the Provincial Championships for 2020 were cancelled and subsequently have been postponed.

	2020		2019
	<i>(Cancelled)</i>		<i>(Kamloops)</i>
REVENUE			
Entry fees	\$ (800)	\$	46,439
Sponsorship	5,000		7,566
Program sales	-		6,090
Waterpolo/synchro judge fees	-		5,256
TOTAL REVENUES	\$ 4,200	\$	65,351

(continues)

B.C. SUMMER SWIMMING ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021

With comparative figures for 2020
(Unaudited)

5. PROVINCIAL CHAMPIONSHIPS (continued)

	2020 (Cancelled)	2019 (Kamloops)
EXPENSES		
Facilities	\$ -	\$ 11,209
Board expenses	-	23,168
Officials apparel	971	11,516
Supplies	-	5,532
Deck food	-	4,346
Water polo/synchro judge expense	-	5,256
Awards	115	13,369
Video production	-	6,606
TOTAL EXPENSES	\$ 1,086	\$ 81,002
EVENT INCOME (LOSS)	\$ 3,114	\$ (15,651)

6. GRANTS & CLUB REIMBURSEMENTS

The Association granted funds and reimbursed certain expenses of member clubs and regions as approved by the Board of Directors. This data relates to any grants or reimbursements paid in the fiscal year.

Capital Funding and Strategic Plan Grant Program

Grants were paid to both clubs and regions for capital and/or strategic plan related expenditures. Clubs and regions were required to apply for funds through an application and review process. Data below is broken out regionally, but some member clubs received grants directly.

	2021	2020
REGION		
Cariboo	\$ -	-
Fraser South	-	1,020
Fraser Valley	-	8,064
Okanagan	-	4,958
Simon Fraser	-	2,395
Vancouver and District	-	1,275
	\$ 11,993	\$ 17,712

(continues)

B.C. SUMMER SWIMMING ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021

With comparative figures for 2020
(Unaudited)

6. GRANTS & CLUB REIMBURSEMENTS *(continued)*

Club Reimbursement – Hy-Tek Sports Software

The Association continued with reimbursing clubs and regions for the upgrade cost of the Hy-Tek Sports Software program as required. For the year ended March 31st, 2021, the total reimbursement was \$Nil (2020 - \$7,791).

Club Reimbursement – Officials Name Tags/Rulebooks

The Association reimbursed clubs and regions through a direct rebate to cover the cost of name badges, rulebooks and pins. For the year ended March 31st, 2021, the total cost absorbed by the Association was \$Nil (2020 – \$6,838).

Financial Aid – Club Membership Fee Assistance

The Association provided financial assistance directly to clubs who applied on behalf of athlete families who were not able to afford the full amount of clubs fees for the 2020 summer swim season. Financial assistance was no more than 50% of the total fee charged by the member club. For the year ended March 31st, 2021 the total assistance provided was \$Nil (2020 - \$3,269).

7. FINANCIAL RISKS & CONCENTRATION OF RISKS

Financial instruments are subject to risk and uncertainties such as credit risk, currency risk, market risk, interest rate risk, liquidity risk, other price risk and concentration of any risks. In management's opinion the Association is exposed to the following risks:

Credit risk

Credit risk is the risk that one party to a financial asset will cause a financial loss for the Association by failing to discharge an obligation. The Association's credit risk is mainly related to accounts receivable. There has been no change to the risk exposure from the prior year.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rate. The Association's interest rate risk is mainly on the term deposits. There has been no change to the risk exposure from the prior year.

Liquidity risk

Liquidity risk is the risk that the Association will encounter difficulty in meeting obligations associated with financial liabilities. The Association's liquidity risk is mainly related to accounts payable and accrued liabilities, held for synchro - provincials, held for waterpolo - provincials, and unearned revenue. There has been no change to the risk exposure from the prior year.

B.C. SUMMER SWIMMING ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021

With comparative figures for 2020
(Unaudited)

8. DIRECTOR REMUNERATION

The Association's directors do not receive remuneration.

DRAFT