

British Columbia Amateur Synchronized Swimming Association
Financial Statements
For the year ended June 30, 2019

British Columbia Amateur Synchronized Swimming Association

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For the year ended June 30, 2019

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Independent Auditor's Report

To the Members of British Columbia Amateur Synchronized Swimming Association:

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of British Columbia Amateur Synchronized Swimming Association (the "Association"), which comprise the statement of financial position as at June 30, 2019, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Association as at June 30, 2019, 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.

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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Association 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.

Responsibilities of Management 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 Association'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 Association or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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 auditor's 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.

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 Association'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 Association'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 auditor's report. However, future events or conditions may cause the Association 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.

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 Society Act of British Columbia, we report that, in our opinion, these principles have been applied on a basis consistent with that of the previous year.

Surrey, British Columbia

October 31, 2019

MNP LLP

Chartered Professional Accountants

British Columbia Amateur Synchronized Swimming Association

Statement of Financial Position

As at June 30, 2019

	2019	2018
Assets		
Current		
Cash and cash equivalents	119,414	124,841
Restricted cash	20,603	22,603
Accounts receivable	8,399	31,223
Government receivable	12,948	-
Prepaid expenses	3,702	5,146
Inventory	3,281	4,475
	168,347	188,288
Capital assets (Note 3)	4,979	5,717
Intangible assets (Note 4)	617	1,989
	173,943	195,994
Liabilities		
Current		
Accounts payable and accruals	15,577	28,666
Deferred contributions (Note 5)	39,180	38,186
	54,757	66,852
Commitment (Note 6)		
Net Assets		
Invested in capital and intangible assets	5,596	7,706
Internally restricted (Note 7)	20,603	23,603
Unrestricted	92,987	97,833
	119,186	129,142
	173,943	195,994

Approved on behalf of the Board of Directors



R.R.

President

The accompanying notes are an integral part of these financial statements

British Columbia Amateur Synchronized Swimming Association
Statement of Operations
For the year ended June 30, 2019

	2019	2018
Revenue		
Affiliation fees (Provincial and National)	49,344	44,344
B.C. Summer Games	-	13,625
Competition operations	62,744	71,248
Direct access program grant (Gaming)	75,000	70,000
Capital gaming grant	20,000	-
Fundraising	19,465	29,785
High performance programs	59,948	42,350
Interest	80	70
National Coaching Certification Program fees	6,225	300
Provincial government grant	152,745	152,745
Supplies	2,218	915
Total revenue	447,769	425,382
Expenses		
Amortization	4,164	4,816
B.C. competition expenses	42,463	49,455
B.C. Summer Games	11,275	3,011
High performance programs	99,889	63,825
Insurance liability	5,692	5,593
Kits, manuals and supplies	2,089	1,150
Medals, ribbons and awards	278	-
Membership and fees	21,508	19,762
National Coaching Certification Program	4,533	-
National meetings	5,524	638
Office	1,359	6,942
Officials	16,439	10,383
Other	13,330	10,267
Postage and courier	431	467
Professional fees	14,390	17,202
Provincial meetings	22,487	39,183
Rent and utilities	15,248	14,018
Salaries and benefits <i>(Note 8)</i>	178,047	176,248
Telephone	3,206	2,251
Training and development camps	5,121	14,322
Total expenses	467,473	439,533
Deficiency of revenue over expenses before other items	(19,704)	(14,151)
Prior year GST rebates	12,748	-
Deficiency of revenue over expenses	(6,956)	(14,151)

The accompanying notes are an integral part of these financial statements

British Columbia Amateur Synchronized Swimming Association Statement of Changes in Net Assets

For the year ended June 30, 2019

	<i>Invested in Capital and Intangible Assets</i>	<i>Internally Restricted Fund</i>	<i>Unrestricted Fund</i>	2019	2018
Balance, beginning of year	7,706	23,603	97,833	129,142	143,293
Deficiency of revenue over expenses	(4,164)	-	(2,792)	(6,956)	(14,151)
	3,542	23,603	95,041	122,186	129,142
Bursaries disbursed (Note 7)	-	(3,000)	-	(3,000)	-
Purchase of capital assets and intangible assets	2,054	-	(2,054)	-	-
Net assets, end of year	5,596	20,603	92,987	119,186	129,142

The accompanying notes are an integral part of these financial statements

British Columbia Amateur Synchronized Swimming Association

Statement of Cash Flows

For the year ended June 30, 2019

	2019	2018
Cash provided by (used for) the following activities		
Operating		
Deficiency of revenue over expenses	(6,956)	(14,151)
Amortization	4,164	4,816
Bursaries disbursements	(3,000)	-
	(5,792)	(9,335)
Changes in working capital accounts		
Accounts receivable	22,824	(23,865)
Prepaid expenses	1,444	(2,087)
Government receivable	(12,948)	-
Inventory	1,194	(204)
Accounts payable and accruals	(13,087)	11,918
Deferred contributions	994	-
	(5,371)	(23,573)
Investing		
Purchase of capital assets	(2,056)	(3,614)
Decrease in cash resources	(7,427)	(27,187)
Cash resources, beginning of year	147,444	174,631
Cash resources, end of year	140,017	147,444
Cash resources are composed of:		
Cash and cash equivalents	119,414	124,841
Restricted cash	20,603	22,603
	140,017	147,444

The accompanying notes are an integral part of these financial statements

British Columbia Amateur Synchronized Swimming Association

Notes to the Financial Statements

For the year ended June 30, 2019

1. Nature of the association

British Columbia Amateur Synchronized Swimming Association (the "Association") was incorporated under the Society Act of British Columbia as a registered not-for-profit organization and thus is exempt from income taxes under the Income Tax Act ("the Act").

The Association's primary scope of operations involves the promotion, improvement and development of synchronized swimming, the regulation of amateur synchronized swimming and the establishment and maintenance of standards of certification of coaches and officials in British Columbia.

2. Significant accounting policies

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations set out in Part III of the CPA Canada Handbook - Accounting, as issued by the Accounting Standards Board in Canada, which are part of Canadian generally accepted accounting principles, and include the following significant accounting policies:

Cash and cash equivalents

Cash and cash equivalents include cash and short-term investments with maturities of three months or less. Cash subject to restrictions that prevent its use for current purposes is included in restricted cash.

Inventory

Inventory held for distribution at no charge or for a nominal charge are recognized at the lower of cost and current replacement cost. Cost is determined by the first in, first out method.

Capital assets

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution, if fair value can be reasonably determined. When fair value cannot be determined, capital assets are recorded at nominal value.

Amortization is provided using the declining balance method at rates intended to amortize the cost of assets over their estimated useful lives.

	Rate
Computer hardware and software	40 %
Furniture and equipment	40 %

Intangible assets

Intangible assets, comprised of website costs, subject to amortization are recorded at cost and amortized using the declining balance method at a rate of 50%, which is intended to amortize the cost of the intangible assets over their estimated useful life.

Revenue recognition

The Association follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which 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 recognizes revenue from affiliation fees, swim meet entry fees, course fees, and conference admission fees when the services are provided, if the amount to be received can be reasonably estimated and collection is reasonably assured.

Contributed materials and services

Contributions of materials and services are recognized both as contributions and expenses in the statement of operations when a fair value can be reasonably estimated and when the materials or services are used in the normal course of the Association's operations and would otherwise have been purchased. If the fair value of contributed materials or services are not determinable, the contributions are not reflected in the financial statements.

British Columbia Amateur Synchronized Swimming Association

Notes to the Financial Statements

For the year ended June 30, 2019

2. Significant accounting policies *(Continued from previous page)*

Measurement uncertainty (use of estimates)

The preparation of financial statements in conformity 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 and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful life of capital assets and intangible assets.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in excess (deficiency) of revenues and expenses in the periods in which they become known.

Financial instruments

The Association recognizes its financial instruments when the Association becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at their fair value.

At initial recognition, the Association may irrevocably elect to subsequently measure any financial instrument at fair value. The Association has not made such an election during the year. The Association subsequently measures financial assets and liabilities at amortized cost, with transaction costs and financing fees added to the carrying amount of the financial instruments.

Financial asset impairment

The Association assesses impairment of all of its financial assets measured at cost or amortized cost. When there is an indication of impairment, the Association determines whether it has resulted in a significant adverse change in the expected timing or amount of future cash flows during the year. If so, the Association reduces the carrying amount of any impaired financial assets to the highest of: the present value of cash flows expected to be generated by holding the assets; the amount that could be realized by selling the assets; and the amount expected to be realized by exercising any rights to collateral held against those assets. Any impairment, which is not considered temporary, is included in excess of revenues over expenses in the periods in which they become known.

The Association reverses impairment losses on financial assets when there is a decrease in impairment and the decrease can be objectively related to an event occurring after the impairment loss was recognized. The amount of the reversal is recognized in the excess of revenues over expenses in the year the reversal occurs.

3. Capital assets

	Cost	Accumulated amortization	2019 Net book value	2018 Net book value
Computer hardware and software	10,980	8,956	2,024	862
Furniture and equipment	42,194	39,239	2,955	4,855
	53,174	48,195	4,979	5,717

Amortization of \$2,792 (2018 - \$3,630) related to capital assets is included in current year's excess of revenues over expenditures.

4. Intangible assets

Amortization of \$1,372 (2018 – \$1,186) related to intangible assets with definite lives is included in current year's excess of revenue over expenditures.

British Columbia Amateur Synchronized Swimming Association

Notes to the Financial Statements

For the year ended June 30, 2019

5. Deferred contributions

Deferred contributions consist of unspent contributions which are externally restricted for specific purposes to be carried out by the Association. Recognition of these amounts as revenue is deferred to periods when the specified expenditures are made. Changes in the deferred contribution balance are as follows:

	2019	2018
Balance, beginning of the year	38,186	38,186
Add: Provincial Government Core Grant (viaSport B.C.)	152,745	152,745
Add: Direct Access Program Grant (Gaming)	75,000	70,000
Add: Capital Gaming Grant	20,000	-
Less: Amounts recognized as revenue during the year	(246,751)	(222,745)
Balance, end of the year	39,180	38,186

Ending deferred contributions of \$39,180 (2018 - \$38,186) are related to Provincial Government Core Grants (viaSport B.C.).

6. Commitment

The Association has entered into a lease agreement for its office premise expiring in April 30, 2020. The minimum lease payments required on the remainder of this lease are \$10,735.

7. Internally restricted net assets

Internally restricted net assets are comprised of bursaries not yet distributed by the Association. During the year, the Association's Board of Directors internally restricted \$Nil (2018 - \$Nil) to be restricted for future bursary disbursement, and \$3,000 (2018 - \$4,500) of internally restricted bursaries were disbursed. These internally restricted amounts are not available for other purposes without the approval of the Board of Directors.

	2019	2018
Athlete Hardship Bursary Award	4,997	5,997
Charlotte Tutte Memorial Bursary Award	3,000	3,200
Coaching Bursary Award	2,000	3,000
Donalda Smith Bursary Award	5,606	5,906
Officials Bursary Award	5,000	5,500
	20,603	23,603

8. Salaries and benefits

No directors received remuneration for their contribution to the governance or operations of the Association. During the year, the Association paid \$80,000 (2018 - \$NIL) to one employee (2018 - no employees).

9. Government funding and economic dependence

The Association's primary source of revenue is funding of the Provincial Government Core Grant and the Direct Access Program Grant. The funding can be withheld or cancelled if the Association does not observe certain established guidelines. The Association's ability to continue viable operations is dependent upon operating within the agreement guidelines. As at June 30, 2019, the Association believes that it's in compliance with the these guidelines.

British Columbia Amateur Synchronized Swimming Association

Notes to the Financial Statements

For the year ended June 30, 2019

10. Financial instruments

The Association, as part of its operations, carries a number of financial instruments. It is management's opinion that the Association is not exposed to significant interest, currency, credit, liquidity or other price risks arising from these financial instruments except as otherwise disclosed.

Liquidity risk

Liquidity risk is the risk that the Association will encounter difficulty in meeting obligations associated with financial liabilities. The Association enters into transactions to purchase goods and services for which repayment is required at various maturity dates.

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 Association's main credit risk relates to its accounts receivable. Accounts receivable are continuously monitored, and an allowance is provided for potentially uncollectible accounts receivable.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. Changes in market interest rates may have an effect on the cash flows associated with some financial assets and liabilities, known as cash flow risk, and on the fair value of other financial assets or liabilities, known as price risk. The Association is exposed to interest rate cash flow risk with respect to its cash and cash equivalents.

11. Comparative figures

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