

**British Columbia Artistic Swimming Association**  
**Financial Statements**  
*For the year ended June 30, 2021*

**British Columbia Artistic Swimming Association**  
**Contents**

*For the year ended June 30, 2021*

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To the Members of British Columbia Artistic Swimming Association:

## Report on the Audit of the Financial Statements

### Opinion

We have audited the financial statements of British Columbia Artistic Swimming Association (the "Association"), which comprise the statement of financial position as at June 30, 2021, 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, 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.

### 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

November 10, 2021

*MNP LLP*

Chartered Professional Accountants

# British Columbia Artistic Swimming Association

## Statement of Financial Position

*As at June 30, 2021*

	<b>2021</b>	<b>2020</b>
<b>Assets</b>		
<b>Current</b>		
Cash and cash equivalents	237,219	176,170
Accounts receivable	1,376	7,317
Prepaid expenses	1,619	3,930
Inventory	10,999	14,301
Government receivable	16,366	12,948
	<b>267,579</b>	<b>214,666</b>
<b>Capital assets (Note 3)</b>	<b>8,060</b>	<b>3,044</b>
	<b>275,639</b>	<b>217,710</b>
<b>Liabilities</b>		
<b>Current</b>		
Accounts payable and accruals	21,782	8,998
Deferred contributions (Note 4)	108,503	98,132
	<b>130,285</b>	<b>107,130</b>
<b>Net Assets</b>		
Invested in Capital Assets	8,060	3,044
Internally Restricted Fund (Note 5)	20,340	20,340
Unrestricted Fund	116,954	87,196
	<b>145,354</b>	<b>110,580</b>
	<b>275,639</b>	<b>217,710</b>

Approved on behalf of the Board of Directors

e-Signed by Ann Stirrat  
2021-11-10 22:30:36:36 GMT

Finance Committee Chair

*The accompanying notes are an integral part of these financial statements*

**British Columbia Artistic Swimming Association**  
**Statement of Operations**  
*For the year ended June 30, 2021*

	<b>2021</b>	<b>2020</b>
<hr/>		
<b>Revenue</b>		
Government funding	248,916	243,014
Affiliation fees (Provincial and National)	39,012	49,471
Competition operations	29,322	23,120
Coaching development	2,475	6,066
Fundraising	1,003	4,745
Supplies	739	1,259
Athlete development	-	13,500
<b>Total revenue</b>	<b>321,467</b>	<b>341,175</b>
<hr/>		
<b>Expenses</b>		
Human resources (Note 7)	150,797	154,649
Association operations (Note 6)	105,556	88,849
Sport development	11,350	3,702
Athlete development	9,704	45,698
Competition operations	8,050	29,878
Coach development	1,236	6,469
Member support programs	-	500
<b>Total expenses</b>	<b>286,693</b>	<b>329,745</b>
<hr/>		
<b>Excess of revenue over expenses</b>	<b>34,774</b>	<b>11,430</b>
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*The accompanying notes are an integral part of these financial statements*

## British Columbia Artistic Swimming Association Statement of Changes in Net Assets

*For the year ended June 30, 2021*

	<i>Invested in Capital Assets</i>	<i>Internally Restricted Fund</i>	<i>Unrestricted Fund</i>	<b>2021</b>	<i>2020</i>
<b>Balance, beginning of year, current year</b>	<b>3,044</b>	<b>20,340</b>	<b>87,196</b>	<b>110,580</b>	99,413
<b>Excess of revenue over expenses,</b>	<b>(2,777)</b>	-	<b>37,551</b>	<b>34,774</b>	11,430
<b>Bursaries disbursed (Note 5)</b>	-	-	-	-	(263)
<b>Purchase of capital assets (Note 3)</b>	<b>7,793</b>	-	<b>(7,793)</b>	-	-
<b>Net assets, end of year</b>	<b>8,060</b>	<b>20,340</b>	<b>116,954</b>	<b>145,354</b>	110,580

*The accompanying notes are an integral part of these financial statements*

**British Columbia Artistic Swimming Association**  
**Statement of Cash Flows**  
*For the year ended June 30, 2021*

	<b>2021</b>	<b>2020</b>
<b>Cash provided by (used for) the following activities</b>		
<b>Operating</b>		
Excess of revenue over expenses	34,774	11,430
Amortization	2,777	2,552
Bursaries disbursements	-	(263)
	<b>37,551</b>	13,719
Changes in working capital accounts		
Accounts receivable	5,941	1,082
Government receivable	(3,418)	-
Prepaid expenses	2,311	(228)
Inventory	3,302	(11,020)
Accounts payable and accruals	12,784	(6,579)
Deferred contributions	10,371	39,179
	<b>68,842</b>	36,153
<b>Investing</b>		
Purchase of capital assets	(7,793)	-
<b>Increase in cash resources</b>	<b>61,049</b>	36,153
<b>Cash resources, beginning of year</b>	<b>176,170</b>	140,017
<b>Cash resources, end of year</b>	<b>237,219</b>	176,170

*The accompanying notes are an integral part of these financial statements*

# British Columbia Artistic Swimming Association

## Notes to the Financial Statements

For the year ended June 30, 2021

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### 1. Nature of the association

British Columbia Artistic Swimming Association (the "Association") changed its name from British Columbia Synchronized Swimming Association on November 25, 2019. The former 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 artistic swimming, the regulation of amateur artistic swimming and the establishment and maintenance of standards of certification of coaches and officials in British Columbia.

#### **Impact on operations of COVID-19 (coronavirus):**

In early March 2020 the impact of the global outbreak of COVID-19 (coronavirus) began to have a significant impact on businesses through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders. The Association operations were impacted by COVID-19 due to restrictions implemented surrounding organized team sports. The Association had to cease hosting events and competitions in-person and transition to virtual events, and as a result, the Association experienced a decrease in registrations. However, this was offset by a reduction in expenses associated with hosting in-person competitions. The impact of COVID-19 has been partially offset by Government programs for which the Association is eligible. The Association has received wage subsidies from March 2020 to March 2021. Further details of this program is described in Note 9 *Government assistance*. Eligibility requirements under the Canada Emergency Wage Subsidy has evolved since it was first announced and can be subject to changes in legislation or administrative positions, further, there is significant uncertainty of the period of time into the future that the Government will continue these programs.

At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the Association as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus. While the extent of the impact is unknown, we anticipate this outbreak may cause a decrease in registrations and increased government orders, all of which may negatively impact the Association's business and financial condition.

### 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.

#### **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.

	<b>Rate</b>
Computer hardware and software	40%
Furniture and equipment	40%

# British Columbia Artistic Swimming Association

## Notes to the Financial Statements

For the year ended June 30, 2021

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

#### **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.

#### **Government assistance**

Government assistance is recognized when there is reasonable assurance that the Company has complied and will continue to comply with all conditions of the assistance. Government assistance towards current expenses is recognized in income for the period as other income.

#### **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.

#### **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.

Management has estimated and calculated the amount of Canada Emergency Wage Subsidy based upon their assessment of qualifying expenditures. The variability between actual subsidy received has not varied from the estimated subsidy.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in excess 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.

# British Columbia Artistic Swimming Association

## Notes to the Financial Statements

*For the year ended June 30, 2021*

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

#### **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

	<b>Cost</b>	<b>Accumulated amortization</b>	<b>2021 Net book value</b>	<b>2020 Net book value</b>
Computer hardware and software	10,980	10,252	728	1,214
Furniture and equipment	49,987	42,655	7,332	1,830
	<b>60,967</b>	<b>52,907</b>	<b>8,060</b>	<b>3,044</b>

Amortization of \$2,777 (2020 - \$1,934) related to capital assets is included in the excess of revenues over expenditures.

### 4. 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:

	<b>2021</b>	<b>2020</b>
Balance, beginning of the year	98,132	58,953
Add: Provincial Government Core Grant (viaSport B.C.)	78,359	195,899
Add: Direct Access Program Grant (Gaming)	72,500	72,500
Add: Canadian Centre for Ethics in Sport	16,836	-
Add: Sport Relief Funding (viaSport B.C.)	46,875	-
Add: BC Games Partner Fund	10,750	-
Less: Amounts recognized as revenue during the year	(214,949)	(229,220)
Balance, end of year	<b>108,503</b>	<b>98,132</b>

# British Columbia Artistic Swimming Association

## Notes to the Financial Statements

*For the year ended June 30, 2021*

#### 4. Deferred contributions *(Continued from previous page)*

Ending deferred contributions consist of the following balances:

	2021	2020
Sport Canada Relief Funding (viaSport B.C.)	46,875	-
Provincial Government Core Grant (viaSport B.C.)	-	78,359
Enhanced Excellence Funding (viaSport B.C.)	40,000	-
Capital Gaming Grant	11,616	19,773
B.C. Games Society	10,012	-
	108,503	98,132

#### 5. 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 approved \$NIL (2020 - \$263) of internally restricted bursaries to be disbursed. These internally restricted amounts are not available for other purposes without the approval of the Board of Directors.

	2021	2020
Athlete Hardship Bursary Award	4,997	4,997
Charlotte Tutte Memorial Bursary Award	3,000	3,000
Coaching Bursary Award	2,000	2,000
Donalda Smith Bursary Award	5,343	5,343
Officials Bursary Award	5,000	5,000
	20,340	20,340

#### 6. Association Operations

	2021	2020
Accounting, audit and legal fees	36,291	16,706
Annual summit	3,893	-
Bad debt	287	-
Bank fees	202	589
Computer	3,546	2,482
Depreciation	2,777	2,552
Insurance	9,323	7,239
Marketing	469	3,666
Meetings and awards ceremonies	645	7,459
Membership fees (SOCAN & Canada Artistic Swimming)	14,272	19,015
Office	5,443	3,247
Organizational development	13,063	5,779
Professional development	380	1,489
Rent	9,671	13,472
Supplies	5,294	5,154
	105,556	88,849

# British Columbia Artistic Swimming Association

## Notes to the Financial Statements

For the year ended June 30, 2021

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### 7. Salaries and benefits

No directors received remuneration for their contribution to the governance or operations of the Association. During the year, the Association paid \$88,594 (2020 - \$78,625) to one employee (2020 - one employee).

### 8. 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, 2021, the Association believes that it's in compliance with the guidelines.

### 9. Government assistance

During the year, the Company recognized \$34,404 (2020 - \$NIL) in Canada Emergency Wage Subsidy ("CEWS") as other income. CEWS, introduced in response to the COVID-19 pandemic, provides eligible employers with a subsidy to cover a portion of wage costs paid to eligible employees during prescribed claim periods. There are no unfulfilled conditions related to amounts recognized. However, amounts claimed under these programs are subject to validation and detailed verification by the Federal Government. Due to the nature of the eligibility requirements and related calculations judgment is applied in assessing compliance. Management believes there is reasonable assurance that the Association has complied with all conditions.

### 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.