

**British Columbia Amateur Synchronized Swimming Association**  
**Financial Statements**  
*For the year ended June 30, 2018*

# British Columbia Amateur Synchronized Swimming Association

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*For the year ended June 30, 2018*

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# Independent Auditors' Report

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To the Members of British Columbia Amateur Synchronized Swimming Association:

## Report on the Financial Statements

We have audited the accompanying financial statements of British Columbia Amateur Synchronized Swimming Association, which comprise the statement of financial position as at June 30, 2018, 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.

### *Auditors' Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the 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 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 financial statements.

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

### *Opinion*

In our opinion, the financial statements present fairly, in all material respects, the financial position of British Columbia Amateur Synchronized Swimming Association as at June 30, 2018 and the results of its operations, changes in net assets and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

### *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 8, 2018

*MNP LLP*

Chartered Professional Accountants

**MNP**

# British Columbia Amateur Synchronized Swimming Association

## Statement of Financial Position

*As at June 30, 2018*

	<b>2018</b>	<b>2017</b>
<b>Assets</b>		
<b>Current</b>		
Cash and cash equivalents	124,841	147,528
Restricted cash	22,603	27,103
Accounts receivable	31,223	7,358
Prepaid expenses	5,146	3,059
Inventory	4,475	4,271
	<b>188,288</b>	189,319
<b>Capital assets (Note 3)</b>	<b>5,717</b>	8,476
<b>Intangible assets (Note 4)</b>	<b>1,989</b>	431
	<b>195,994</b>	198,226
<b>Liabilities</b>		
<b>Current</b>		
Accounts payable and accruals	28,666	16,747
Deferred contributions (Note 5)	38,186	38,186
	<b>66,852</b>	54,933
<b>Commitment (Note 6)</b>		
<b>Net Assets</b>		
Invested in capital and intangible assets	7,706	8,907
Internally restricted (Note 7)	22,603	27,103
Unrestricted	98,833	107,283
	<b>129,142</b>	143,293
	<b>195,994</b>	198,226

Approved on behalf of the Board of Directors

  
President

**British Columbia Amateur Synchronized Swimming Association**  
**Statement of Operations**  
*For the year ended June 30, 2018*

	2018	2017
<b>Revenue</b>		
Affiliation fees (Provincial and National)	44,344	46,008
B.C. Summer Games	13,625	10,500
Competition operations	71,248	67,525
Direct access program grant (Gaming)	70,000	70,000
Fundraising	29,785	21,904
High performance programs	42,350	26,800
Interest	70	50
National Coaching Certification Program fees	300	5,562
Provincial government grant	152,745	145,995
Supplies	915	2,979
<b>Total revenue</b>	<b>425,382</b>	<b>397,323</b>
<b>Expenses</b>		
Amortization	4,816	7,481
B.C. competition expenses	49,455	21,571
B.C. Summer Games	3,011	11,838
Executive Director and clerical salaries	95,261	85,189
High performance programs	55,457	18,608
Insurance liability	5,593	5,482
Kits, manuals and supplies	318	452
Medals, ribbons and awards	-	119
Membership and fees	19,762	18,936
National Coaching Certification Program	-	4,824
National meetings	638	7,839
Office	7,774	11,944
Officials	10,383	19,998
Other	10,267	6,532
Postage and courier	467	351
Professional fees	17,202	11,235
Provincial meetings	39,183	34,941
Rent and utilities	14,018	14,018
Technical salaries	80,987	43,310
Telephone	2,251	2,148
Training and development camps	22,690	67,448
<b>Total expenses</b>	<b>439,533</b>	<b>394,264</b>
<b>Excess (deficiency) of revenue over expenses</b>	<b>(14,151)</b>	<b>3,059</b>

*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, 2018*

	<i>Invested in Capital and Intangible Assets</i>	<i>Internally Restricted Fund</i>	<i>Unrestricted Fund</i>	<b>2018</b>	2017
<b>Balance, beginning of year</b>	8,907	27,103	107,283	<b>143,293</b>	140,234
<b>Excess (deficiency) of revenue over expenses</b>	(4,816)	-	(9,335)	<b>(14,151)</b>	3,059
	<b>4,091</b>	<b>27,103</b>	<b>97,948</b>	<b>129,142</b>	143,293
<b>Bursaries disbursed (Note 7)</b>	-	(4,500)	4,500	-	-
<b>Purchase of capital assets and intangible assets</b>	3,615	-	(3,615)	-	-
<b>Net assets, end of year</b>	<b>7,706</b>	<b>22,603</b>	<b>98,833</b>	<b>129,142</b>	143,293

*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, 2018

	2018	2017
<b>Cash provided by (used for) the following activities</b>		
<b>Operating</b>		
Excess (deficiency) of revenue over expenses	(14,151)	3,059
Amortization	4,816	7,481
	(9,335)	10,540
Changes in working capital accounts		
Accounts receivable	(23,865)	(3,407)
Inventory	(204)	3,407
Prepaid expenses	(2,087)	(140)
Accounts payable and accruals	11,918	(2,850)
Deferred contributions	-	(68,313)
	(23,573)	(60,763)
<b>Investing</b>		
Purchase of capital assets and development of intangible assets	(3,614)	-
	(3,614)	-
<b>Decrease in cash resources</b>	<b>(27,187)</b>	<b>(60,763)</b>
<b>Cash resources, beginning of year</b>	<b>174,631</b>	<b>235,394</b>
<b>Cash resources, end of year</b>	<b>147,444</b>	<b>174,631</b>
<b>Cash resources are composed of:</b>		
Cash and cash equivalents	124,841	147,528
Restricted cash	22,603	27,103
	147,444	174,631

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, 2018

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### 1. Nature of the organization

British Columbia Amateur Synchronized Swimming Association (the "Organization") 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 Organization'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.

#### **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 %

#### **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, 2018

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

At initial recognition, the Organization may irrevocably elect to subsequently measure any financial instrument at fair value. The Organization has not made such an election during the year. The Organization 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 Organization assesses impairment of all of its financial assets measured at cost or amortized cost. When there is an indication of impairment, the Organization 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 Organization 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 Organization 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>2018 Net book value</b>	<b>2017 Net book value</b>
Computer hardware and software	9,097	8,235	862	1,437
Furniture and equipment	42,023	37,168	4,855	7,039
	<b>51,120</b>	<b>45,403</b>	<b>5,717</b>	<b>8,476</b>

### 4. Intangible assets

Amortization of \$1,186 (2017 – \$1,830) 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, 2018*

### 5. Deferred contributions

Deferred contributions consist of unspent contributions 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>2018</b>	2017
Balance, beginning of the year	<b>38,186</b>	106,499
Add: Provincial Government Core Grant (viaSport B.C.)	<b>152,745</b>	152,745
Add: Direct Access Program Grant (Gaming)	<b>70,000</b>	-
Less: Amounts recognized as revenue during the year	<b>(222,745)</b>	(221,058)
Balance, end of the year	<b>38,186</b>	38,186

Ending deferred contributions of \$38,186 (2017 - \$38,186) are related to Provincial Government Core Grants (viaSport B.C.).

### 6. Commitment

The Organization has entered into a lease agreement for its office premise expiring in May 31, 2019. The minimum lease payments required on the remainder of this lease are \$13,613.

### 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 (2017 - \$3,000) to be restricted for future bursary disbursement, and \$4,500 (2017 - \$9,000) of internally restricted bursaries were disbursed. These internally restricted amounts are not available for other purposes without the approval of the Board of Directors.

	<b>2018</b>	2017
Athlete Hardship Bursary Award	<b>5,997</b>	6,997
Charlotte Tutte Memorial Bursary Award	<b>3,200</b>	3,400
Coaching Bursary Award	<b>3,000</b>	5,000
Donalda Smith Bursary Award	<b>5,906</b>	6,206
Officials Bursary Award	<b>5,500</b>	5,500
	<b>23,603</b>	27,103

### 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, 2018, 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, 2018

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### 9. Financial instruments

The Organization, as part of its operations, carries a number of financial instruments. It is management's opinion that the Organization 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 Organization will encounter difficulty in meeting obligations associated with financial liabilities. The Organization 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 Organization is exposed to interest rate cash flow risk with respect to its cash and cash equivalents.

### 10. Comparative figures

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