

# Financial Statements

(Unaudited)

Masters Swimming Canada/Maitres Nageurs Du  
Canada

June 30, 2015

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# Review Engagement Report

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To the Members of  
Masters Swimming Canada/Maitres Nageurs Du Canada

We have reviewed the statement of financial position of Masters Swimming Canada/Maitres Nageurs Du Canada as at June 30, 2015 and the statements of operations and changes in net assets and cash flows for the year then ended. Our review was made in accordance with Canadian generally accepted standards for review engagements and, accordingly, consisted primarily of inquiry, analytical procedures and discussion related to information supplied to us by the organization.

A review does not constitute an audit and, consequently, we do not express an audit opinion on these financial statements.

Based on our review, nothing has come to our attention that causes us to believe that these financial statements are not, in all material respects, in accordance with Canadian accounting standards for not-for-profit organizations.

Fredericton, Canada

Chartered Accountants

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## Masters Swimming Canada/Maitres Nageurs Du Canada

### Statements of Operations and Changes in Net Assets

(Unaudited)

Year ended June 30

	2015	2014
<hr/>		
Revenues		
Membership fees	\$ 198,226	\$ 211,792
National championship fees	77,530	2,445
Other income	1,248	-
Interest income	<u>991</u>	<u>1,140</u>
	<u>277,995</u>	<u>215,377</u>
Program expenditures (Schedule 1)	97,283	24,308
Administrative expenditures (Schedule 1)	<u>159,733</u>	<u>130,360</u>
	<u>257,016</u>	<u>154,668</u>
Excess of revenues over expenditures	<u>\$ 20,979</u>	<u>\$ 60,709</u>
<hr/>		
Net assets, beginning of year	\$ 161,345	\$ 100,636
Excess of revenues over expenditures	<u>20,979</u>	<u>60,709</u>
Net assets, end of year	<u>\$ 182,324</u>	<u>\$ 161,345</u>

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# Masters Swimming Canada/Maitres Nageurs Du Canada

## Statement of Financial Position

(Unaudited)

June 30

	2015	2014
<b>Assets</b>		
Current		
Cash	\$ 207,325	\$ 124,259
Short term investment	30,000	30,000
Accrued interest receivable	1,636	646
Receivables	41,204	52,412
Inventory	-	6,884
Prepays	<u>790</u>	<u>752</u>
	<b><u>\$ 280,955</u></b>	<b><u>\$ 214,953</u></b>
<b>Liabilities</b>		
Current		
Payables and accruals	\$ 67,541	\$ 17,456
Deferred revenue	<u>31,090</u>	<u>36,152</u>
	<b>98,631</b>	<b>53,608</b>
<b>Net assets</b>	<b><u>182,324</u></b>	<b><u>161,345</u></b>
	<b><u>\$ 280,955</u></b>	<b><u>\$ 214,953</u></b>

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On behalf of the board

\_\_\_\_\_ Member

\_\_\_\_\_ Member

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## Masters Swimming Canada/Maitres Nageurs Du Canada

### Statement of Cash Flows

(Unaudited)

Year ended June 30

**2015**

2014

Increase (decrease) in cash and cash equivalents

**Operating**

Excess of revenues over expenditures	<b>\$ 20,979</b>	\$ 60,709
Change in non-cash working capital items		
Short term investment	-	20,000
Accrued interest receivable	<b>(990)</b>	586
Receivables	<b>11,208</b>	(19,186)
Inventory	<b>6,884</b>	(5,377)
Prepays	<b>(38)</b>	(34)
Payables and accruals	<b>50,085</b>	7,508
Deferred revenue	<b>(5,062)</b>	5,434

Increase in cash **83,066** 69,640

**Cash**

Beginning of year	<u><b>124,259</b></u>	<u>54,619</u>
End of year	<u><b>\$ 207,325</b></u>	<u>\$ 124,259</u>

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# Masters Swimming Canada/Maitres Nageurs Du Canada

## Notes to the Financial Statements

(Unaudited)  
June 30, 2015

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### 1. Nature of operations

Masters Swimming Canada/Maitres Nageurs Du Canada was incorporated under the Canada Corporations Act, Part II, on October 26, 1993 for the purpose of fostering masters swimming in Canada. The organization is exempt from tax under the Income Tax Act.

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### 2. Summary of significant accounting policies

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations. The significant policies are detailed as follows:

#### Revenue recognition

Membership fees are deferred and recognized as income over the membership year which ends on August 31st.

All other revenues and expenditures are recorded using the accrual basis, whereby they are reflected in the accounts in the period in which they have been earned and incurred respectively, whether or not such transactions have been finally settled by the receipt or payment of cash.

#### Cash and cash equivalents

Cash and cash equivalents consist of balances with bank and short term investments with maturities of twelve months or less.

#### Financial instruments

The Organization considers any contract creating a financial asset, liability or equity instrument as a financial instrument, except in certain limited circumstances. The Organization accounts for the following as financial instruments:

- Cash
- Short term investment
- Receivables
- Payables and accruals

A financial asset or liability is recognized when the Organization becomes party to contractual provisions of the instrument.

Financial assets or liabilities obtained in arm's length transactions are initially measured at their fair value. In the case of a financial asset or liability not being subsequently measured at fair value, the initial fair value will be adjusted for financing fees and transaction costs that are directly attributable to its origination, acquisition, issuance or assumption.

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# Masters Swimming Canada/Maitres Nageurs Du Canada

## Notes to the Financial Statements

(Unaudited)  
June 30, 2015

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### 2. Summary of significant accounting policies (continued)

#### Use of estimates

Management reviews the carrying amounts of items in the financial statements at each balance sheet date to assess the need for revision or any possibility of impairment. Many items in the preparation of these financial statements require management's best estimate. Management determines these estimates based on assumptions that reflect the most probable set of economic conditions and planned courses of action.

These estimates are reviewed periodically and adjustments are made to net income as appropriate in the year they become known.

Items subject to significant management estimates include allowance for doubtful accounts and deferred revenue.

#### Deferred revenue

Deferred revenue represents the portion of membership fees received at the fiscal year end which apply to the remainder of the membership year ending August 31, 2015. These amounts will be recorded as income in the following fiscal year.

#### Contributed services

The Organization is dependent on the work of many volunteers to fulfil its mission. Due to the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

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### 3. Financial instruments

Transactions in financial instruments may result in an entity assuming or transferring to another party one or more of the financial risks described below. The required disclosures provide information that assists users of financial statements in assessing the extent of risk related to financial instruments.

#### (a) 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 Organization's main credit risks relate to its accounts receivable. The entity provides credit to its clients in the normal course of its operations. There was no significant change in exposure from the prior year.

#### (b) Liquidity risk

Liquidity risk is the risk that the Organization will encounter difficulty in meeting the obligations associated with its financial liabilities. The Organization is exposed to this risk mainly in respect of its accounts payable and accrued liabilities. There was no significant change in exposure from the prior year.



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# **Masters Swimming Canada/Maitres Nageurs Du Canada**

## **Notes to the Financial Statements**

(Unaudited)  
June 30, 2015

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### **3. Financial instruments (continued)**

(c) Market risk

Market risk is the risk that the fair value or expected future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The Organization is mainly exposed to other price risk.

(i) Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices of securities held. The Organization is exposed to this risk mainly in respect of its short term investments. There was no significant change in exposure from the prior year.

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### **4. Comparative figures**

Comparative figures have been adjusted to conform to changes in the current year presentation.

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## Masters Swimming Canada/Maitres Nageurs Du Canada Schedule of Expenditures

(Unaudited)

Year ended June 30

	2015	2014
<b>Program expenditures</b>		
Awards	\$ 3,044	\$ -
Event services	72,181	13,505
Memberships	12,740	10,803
Organizational Fees	170	-
Sponsorship & Alliances	5,650	-
Strategic Plan	<u>3,498</u>	<u>-</u>
	<b><u>\$ 97,283</u></b>	<b><u>\$ 24,308</u></b>
<b>Administrative expenditures</b>		
Directors' insurance	\$ 815	\$ 778
Equipment maintenance	1,489	-
Interest and bank charges	3,019	318
Meetings	28,515	13,223
National Office	108,264	103,378
Professional fees	9,863	8,150
Supplies and postage	5,477	682
Telephone	<u>2,291</u>	<u>3,831</u>
	<b><u>\$ 159,733</u></b>	<b><u>\$ 130,360</u></b>