

Masters Swimming Canada/Maitres Nageurs Du Canada
Financial Statements
June 30, 2017
(Unaudited)

Masters Swimming Canada/Maitres Nageurs Du Canada

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For the year ended June 30, 2017

(Unaudited)

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Review Engagement Report

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, 2017 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.

Toronto, Ontario
September 30, 2017



Chartered Professional Accountants

Licensed Public Accountants

Masters Swimming Canada/Maitres Nageurs Du Canada

Statement of Financial Position

As at June 30, 2017
(Unaudited)

	2017	2016
Assets		
Current		
Cash	64,612	144,195
Investments (Note 4)	115,811	100,393
Receivables	30,601	54,186
Inventory	7,742	-
Prepays	886	782
	219,652	299,556
Liabilities		
Current		
Payables and accruals	8,087	65,583
Deferred revenue	32,915	33,639
	41,002	99,222
Net assets	178,650	200,334
	219,652	299,556

Approved on behalf of the Board

[signed] _____
Director

[signed] _____
Director

Masters Swimming Canada/Maitres Nageurs Du Canada

Statement of Operations and Changes in Net Assets

For the year ended June 30, 2017
(Unaudited)

	2017	2016
Revenues		
Membership fees	224,920	206,743
National championship fees	75,229	75,460
Sponsorship revenue	9,500	-
Merchandise revenue	10,624	-
Interest income	427	761
Other income	-	639
	320,700	283,603
Program Expenditures <i>(Schedule 1)</i>	140,488	104,548
Administrative Expenditures <i>(Schedule 2)</i>	201,896	161,045
Excess (Deficiency) of revenues over expenditures	(21,684)	18,010
Net assets, beginning of year	200,334	182,324
Net assets, end of year	178,650	200,334

The accompanying notes are an integral part of these financial statements

Masters Swimming Canada/Maitres Nageurs Du Canada

Statement of Cash Flows

For the year ended June 30, 2017

(Unaudited)

	2017	2016
Increase (decrease) in cash and cash equivalents		
Operating		
Excess (Deficiency) of revenues over expenditures	(21,684)	18,010
Changes in non-cash working capital items:		
Receivables	23,585	(11,346)
Inventory	(7,742)	-
Prepays	(104)	8
Payables and accruals	(57,496)	(1,958)
Deferred revenue	(724)	2,549
	(64,165)	7,263
Investing activities		
Net increase in investments	(15,418)	(70,393)
Decrease in cash	(79,583)	(63,130)
Cash, beginning of year	144,195	207,325
Cash, end of year	64,612	144,195

Masters Swimming Canada/Maitres Nageurs Du Canada

Notes to the Financial Statements

For the year ended June 30, 2017
(Unaudited)

1. Nature of operations

Masters Swimming Canada/Maitres Nageurs Du Canada (the "Organization") 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.

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 when membership information is received from the provincial organizations and collectability is reasonably assured. They are then recognized as income as services are rendered over the membership year which ends on August 31st.

All other revenue is recognized when persuasive evidence of an arrangement exists, the services have been rendered and there are no significant obligations remaining, the price is fixed or determinable and collectability is reasonably assured.

Cash

Cash consists of balances with bank.

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 investments
- Receivables
- Payables and accruals

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, including financial assets and liabilities originated and issued in a related party transaction with management. Financial assets and liabilities originated and issued in all other related party transactions are initially measured at their carrying or exchange amount in accordance with Section 3840 Related Party Transactions.

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 investments in equity instruments quoted in an active market and all derivative instruments, except those designated in a qualifying hedging relationship or that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, at fair value. Fair value is determined by published price quotations. Investments in equity instruments not quoted in an active market and derivatives that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, are subsequently measured at cost less impairment. With the exception of financial liabilities indexed to a measure of the Organization's performance or value of its equity and those instruments designated at fair value, all other financial assets and liabilities are subsequently measured at amortized cost.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in excess (deficiency) of revenues over expenditures. Conversely, transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

Masters Swimming Canada/Maitres Nageurs Du Canada

Notes to the Financial Statements

For the year ended June 30, 2017
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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, 2017. 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.

Investments

Investments with prices quoted in an active market are measured at fair value while those that are not quoted in an active market are measured at cost less impairment.

Inventory

Inventory is valued at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and selling costs.

\$12,963 of inventory was expensed in program expenditures in the fiscal year.

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.

Masters Swimming Canada/Maitres Nageurs Du Canada

Notes to the Financial Statements

For the year ended June 30, 2017
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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. The Organization has acquired large publicly traded Canadian equity securities which can fluctuate in their fair value in the fiscal year. The Organization monitors this risk by diversifying its portfolio and selecting established Canadian companies which pay dividends.

4. Short term investments

	2017	2016
Guaranteed Investment Certificate	83,447	100,393
Money Market Investment	10,027	-
Canadian Equities- at fair value	22,337	-
	115,811	100,393

Masters Swimming Canada/Maitres Nageurs Du Canada
Schedule 1 - Schedule of Program Expenditures

For the year ended June 30, 2017
(Unaudited)

	2017	2016
Program Expenditures		
Awards	1,662	1,955
Event services	62,065	68,209
Memberships	73,733	34,384
Organizational fees	2,777	-
Sponsorships and alliances	251	-
	140,488	104,548

Masters Swimming Canada/Maitres Nageurs Du Canada
Schedule 2 - Schedule of Administrative Expenditures

For the year ended June 30, 2017
(Unaudited)

	2017	2016
Administrative Expenditures		
Directors' insurance	(104)	861
Equipment maintenance	2,857	3,952
Interest and bank charges	2,803	2,565
Meetings	33,843	22,739
Miscellaneous expense	1,325	389
National office	136,302	116,869
Professional fees	11,102	3,995
Supplies and postage	10,539	7,076
Telephone	3,229	2,599
	201,896	161,045
