

Masters Swimming Canada/Maitres Nageurs Du Canada
Financial Statements
June 30, 2018
(Unaudited)

To the Directors of Masters Swimming Canada/Maitres Nageurs Du Canada:

We have reviewed the accompanying financial statements of Masters Swimming Canada/Maitres Nageurs Du Canada that comprise the statement of financial position as at June 30, 2018, and the statements of operations and 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.

Practitioner's Responsibility

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of Masters Swimming Canada/Maitres Nageurs Du Canada as at June 30, 2018, 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.

Toronto, Ontario

September 28, 2018



Chartered Professional Accountants

Licensed Public Accountants

Masters Swimming Canada/Maitres Nageurs Du Canada

Statement of Financial Position

As at June 30, 2018
(Unaudited)

	2018	2017
Assets		
Current		
Cash	99,837	64,612
Investments (Note 4)	69,438	115,811
Accounts receivable	15,883	30,601
Inventory	8,603	7,742
Prepays	886	886
	194,647	219,652
Liabilities		
Current		
Accounts payable and accrued liabilities	55,440	8,087
Deferred revenue	26,328	32,915
	81,768	41,002
Net Assets	112,879	178,650
	194,647	219,652

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, 2018
(Unaudited)

	2018	2017
Revenues		
Membership fees	159,343	224,920
National championship fees	57,177	75,229
Sponsorship revenue	500	9,500
Merchandise revenue	10,559	10,624
Interest Income	688	427
	228,267	320,700
Program Expenditures (Schedule 1)	102,578	140,488
Administrative Expenditures (Schedule 2)	191,460	201,896
Deficiency of revenue over expenses	(65,771)	(21,684)
Net assets beginning of year	178,650	200,334
Net assets, end of year	112,879	178,650

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, 2018

(Unaudited)

	2018	2017
Cash provided by (used for) the following activities		
Operating		
Deficiency of revenue over expenses	(65,771)	(21,684)
Changes in non-cash working capital accounts		
Accounts receivable	14,718	23,585
Inventory	(861)	(7,742)
Prepays	-	(104)
Accounts payable and accrued liabilities	47,353	(57,496)
Deferred revenue	(6,587)	(724)
	(11,148)	(64,165)
Investing		
Net decrease (increase) in investments	46,373	(15,418)
Increase (decrease) in cash	35,225	(79,583)
Cash, beginning of year	64,612	144,195
Cash, end of year	99,837	64,612

The accompanying notes are an integral part of these financial statements

Masters Swimming Canada/Maitres Nageurs Du Canada

Notes to the Financial Statements

For the year ended June 30, 2018
(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. 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 ratably 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
- Investments
- Accounts receivable
- Accounts payable and accrued liabilities

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, 2018
(Unaudited)

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. 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, 2018. 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.

\$11,544 (2017 - \$12,964) 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 a significant increase in accounts payable from the previous year due to not receiving a finalized bill for an account representing the majority of the June 30, 2018 balance. The Organization is confident they will be able to pay their obligations and are awaiting a finalized bill.

Masters Swimming Canada/Maitres Nageurs Du Canada

Notes to the Financial Statements

For the year ended June 30, 2018
(Unaudited)

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 Canadian equities. 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

	2018	2017
Guaranteed Investment Certificates	39,763	83,447
Canadian Equities- at fair value	19,539	22,337
Money Market Investment	10,136	10,027
	69,438	115,811

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

For the year ended June 30, 2018
(Unaudited)

	2018	2017
Program Expenditures		
Event services	57,377	62,065
Communications	31,753	60,769
Merchandise and apparel	11,544	12,964
Awards	1,529	1,662
Sponsorships and alliances	375	251
Organizational fees	-	2,777
	102,578	140,488

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

For the year ended June 30, 2018
(Unaudited)

	2018	2017
Administrative Expenditures		
Salaries, wages and benefits	145,901	136,302
Meetings	24,040	33,843
Professional fees	8,017	11,102
Supplies and postage	6,691	10,539
Telephone	2,812	3,229
Interest and bank charges	2,381	2,803
Directors' insurance	1,051	(104)
Equipment maintenance	317	2,857
Miscellaneous expense	250	1,325
	191,460	201,896
