



# **MASTERS SWIMMING ONTARIO**

**FINANCIAL STATEMENTS**

**AUGUST 31, 2011**

**(Unaudited)**



# MASTERS SWIMMING ONTARIO

## FINANCIAL STATEMENTS

AUGUST 31, 2011

(Unaudited)

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# Schwartz Levitsky Feldman Iip

CHARTERED ACCOUNTANTS  
LICENSED PUBLIC ACCOUNTANTS  
TORONTO • MONTREAL



## REVIEW ENGAGEMENT REPORT

To the Members of  
Masters Swimming Ontario

We have reviewed the statement of financial position of Masters Swimming Ontario as at August 31, 2011 and the statement of operations and 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 generally accepted accounting principles.

A handwritten signature in black ink that reads 'Schwartz Levitsky Feldman Iip'.

Toronto, Ontario  
May 17, 2013

Chartered Accountants  
Licensed Public Accountants

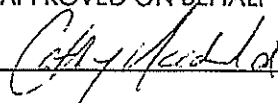
**MASTERS SWIMMING ONTARIO**  
**Statement of Financial Position**  
**As at August 31, 2011**  
**(Unaudited)**



	<u>2011</u>	<u>2010</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	\$ 164,518	\$ 145,316
Membership dues receivable	2,555	3,855
Inventory (note 4)	1,145	2,603
	<u>168,218</u>	<u>151,774</u>
<b>EQUIPMENT (note 5)</b>	<u>-</u>	<u>120</u>
	<u>\$ 168,218</u>	<u>\$ 151,894</u>
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued liabilities	\$ 14,721	\$ 20,264
<b>NET ASSETS</b>		
<b>UNRESTRICTED FUND</b>	<u>153,497</u>	<u>131,630</u>
	<u>\$ 168,218</u>	<u>\$ 151,894</u>

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

APPROVED ON BEHALF OF THE BOARD

 Director

\_\_\_\_\_  
 Director

**MASTERS SWIMMING ONTARIO**  
**Statement of Operations and Net Assets**  
**For the year ended August 31, 2011**  
**(Unaudited)**



	<u>2011</u>	<u>2010</u>
<b>REVENUE</b>		
Income from sale of medals and ribbons	\$ 7,862	\$ 4,353
Club swimmers fees	121,796	124,518
Club registration fees	4,095	4,095
Unattached swimmers fees	2,600	2,450
Interest income	637	519
	<u>136,990</u>	<u>135,935</u>
<b>EXPENSES</b>		
Affiliation fees	60,420	64,484
Insurance	12,068	11,986
Administration	11,257	12,914
Travel expenses	10,118	5,027
Cost of sales of medals and ribbons	7,900	4,324
Awards and competition expenses	5,992	1,765
Professional fees	4,983	6,153
Communications	2,265	2,264
Inventory write-down	-	637
Amortization	120	239
	<u>115,123</u>	<u>109,793</u>
<b>EXCESS OF REVENUE OVER EXPENSES</b>	<b>21,867</b>	<b>26,142</b>
Net assets, beginning of year	<u>131,630</u>	<u>105,488</u>
<b>NET ASSETS, END OF YEAR</b>	<b>\$ 153,497</b>	<b>\$ 131,630</b>

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

**MASTERS SWIMMING ONTARIO**  
**Statement of Cash Flows**  
**For the year ended August 31, 2011**  
**(Unaudited)**



	<u>2011</u>	<u>2010</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Excess of revenue over expenses	\$ 21,867	\$ 26,142
Adjustment for non cash items:		
Amortization	120	239
Net changes in non-cash working capital items		
Inventory	1,300	(867)
Accounts payable and accrued liabilities	(5,543)	16,264
Membership dues receivable	1,458	(3,855)
Prepaid expenses	-	265
	<u>19,202</u>	<u>38,188</u>
NET INCREASE IN CASH		
Cash, beginning of year	<u>145,316</u>	<u>107,128</u>
CASH, END OF YEAR	<u>\$ 164,518</u>	<u>\$ 145,316</u>

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

# MASTERS SWIMMING ONTARIO

## Notes to Financial Statements

August 31, 2011

(Unaudited)



### 1. NATURE OF THE ORGANIZATION

Masters Swimming Ontario was incorporated as a not-for-profit corporation under the Ontario Corporation Act on January 11, 1989. The mission of the organization is to promote life-long fitness through the sport of swimming.

The organization is a member of Masters Swimming Canada and an affiliate member of Swim Ontario.

The corporation qualifies as a tax-exempt non-profit organization and is not liable for income taxes.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### a) Fund Accounting

The organization follows the restricted fund method of accounting for contributions. Under this method, the organization reports its program activities and unrestricted contributions under a general fund and externally restricted contributions under a restricted fund. The organization did not have restricted funds in 2011 and 2010.

#### b) Revenue Recognition

Revenue from sale of medals and ribbons is recognized when there is persuasive evidence that an arrangement exists which is when an invoice is signed by both parties, delivery has occurred, ownership has been transferred to the customer, price is fixed or determinable and ultimate collection is reasonably assured at the time of delivery.

Revenue from fees is recognized when fees are due and collection is reasonably assured.

Interest income is recognized when earned.

#### c) Donated Services

The work of the organization is dependent on the voluntary services of many members. The value of the donated services is not reflected in these financial statements.

#### d) Inventory

Inventory is valued at the lower of cost and net realizable value. Cost is determined using substantially the weighted average cost method. Net realizable value is the estimated selling price in the ordinary course of operations less the estimated selling costs.

# MASTERS SWIMMING ONTARIO

## Notes to Financial Statements

August 31, 2011

(Unaudited)



### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### e) Equipment

Purchased equipment is recorded at cost. Contributed equipment is recorded at fair value at the date of contribution and corresponding revenue is recognized. Amortization is provided on the straight-line basis over their estimated useful lives:

Computer equipment	3 years
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Computer software costs are expensed as incurred.

#### f) Use of Estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual amounts could differ from these estimates. These estimates are reviewed periodically and as adjustments become necessary, they are reported in operations in the period in which they become known. Significant estimates include, but are not limited to, provision for inventory obsolescence.

#### g) Financial instruments

Financial assets and liabilities are recorded initially at fair market value. After initial recognition, the financial assets are measured according to the following guidelines. Financial assets that are classified as available-for-sale or held-for-trading must be measured at fair value. Any gain or loss on a financial asset held-for-trading is recorded in the statements of operations in the period in which it occurs. Any gain or loss on a financial asset that is available-for-sale is recorded directly as an increase or decrease in the fund balance. Financial assets that are classified as held-to-maturity are measured at amortized cost using the effective interest method. After initial recognition, all financial liabilities are measured at amortized cost using the effective interest rate method.



# MASTERS SWIMMING ONTARIO

## Notes to Financial Statements

August 31, 2011

(Unaudited)



### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### g) Financial instruments (cont'd)

The organization has elected to apply the following classifications to each of its significant categories of financial instruments:

<u>Asset/Liability</u>	<u>Category</u>	<u>Measurement</u>
Cash	Held for trading	Fair value
Membership dues receivable	Loans and receivables	Amortized cost
Accounts payable and accrued liabilities	Other liabilities	Amortized cost

The organization has chosen to apply CICA Handbook Section 3861 – Disclosure and Presentation, for its financial instruments. See note 7.

### 3. FUTURE REPORTING STANDARDS

The Accounting Standards Board of the Canadian Institute of Chartered Accountants has issued new accounting standards for not-for-profit organizations applicable for fiscal years beginning on or after January 1, 2012. The organization has not yet determined the impact of the new standards on its financial statements.

### 4. INVENTORY

Inventory consists of medals and ribbons that are sold to a club hosting provincial championships.

### 5. EQUIPMENT

	<u>2011</u>			<u>2010</u>
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net</u>	<u>Net</u>
Computer equipment	\$ 718	\$ 718	\$ -	\$ 120

Amortization for the year amounted to \$120 (\$239 in 2010).

# MASTERS SWIMMING ONTARIO

## Notes to Financial Statements

August 31, 2011

(Unaudited)



### 6. CAPITAL MANAGEMENT

The organization has adopted CICA Handbook Section 1535, Capital Disclosures, which establishes standards for the disclosure of information about an organization's capital and how it is managed. The organization's capital is comprised of its fund balance totaling \$153,497 (\$131,630 in 2010). The organization manages its funds in accordance with its mission statement and program objectives. The organization does not have any externally imposed capital restrictions.

### 7. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The organization is exposed to risks of varying degrees of significance which could affect its ability to achieve its strategic objectives. The main objective of the organization's risk management process is to ensure that risks are properly identified, mitigated and managed. The principal financial risks to which the organization is exposed to are described below:

#### a) Fair Value of Financial Instruments

The carrying amounts of membership dues receivable and accounts payable and accrued liabilities approximate their fair values because of the short-term maturities of these items.

#### b) Risk Concentration

Concentration risk exists in cash because significant balances are maintained with two financial institutions. This risk is mitigated because the financial institutions are reputable Canadian banks.