

**MASTERS SWIMMING ONTARIO**

**FINANCIAL STATEMENTS**

**AUGUST 31, 2019**

**(Unaudited)**

# MASTERS SWIMMING ONTARIO

## FINANCIAL STATEMENTS

AUGUST 31, 2019

(Unaudited)

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## INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Members of  
Masters Swimming Ontario

We have reviewed the accompanying financial statements of Masters Swimming Ontario that comprise the statement of financial position as at August 31, 2019, 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.

## INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT (cont'd)

**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 Ontario as at August 31, 2019, 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  
February 26, 2020

Chartered Professional Accountants  
Licensed Public Accountants

# MASTERS SWIMMING ONTARIO

## Statement of Financial Position

As at August 31, 2019


(Unaudited)



	2019	2018
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 27,798	\$ 101,389
Short term investments (note 3)	66,000	-
Other receivable	271	1,710
Inventory (note 4)	274	-
	94,343	103,099
<b>NON-CURRENT</b>		
Investment (note 3)	10,000	-
	\$ 104,343	\$ 103,099
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities	\$ 14,306	\$ 14,975
Deferred revenue (note 5)	2,415	-
	16,721	14,975
<b>NET ASSETS</b>		
Unrestricted	87,622	88,124
	\$ 104,343	\$ 103,099

On behalf of the Board

  
\_\_\_\_\_  
Director

  
\_\_\_\_\_  
Director

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

**MASTERS SWIMMING ONTARIO**  
**Statement of Operations and Changes in Net Assets**  
**For the year ended August 31, 2019**  
*(Unaudited)*



	2019	2018
<b>REVENUE</b>		
Swimmers' fees	\$ 29,225	\$ 28,330
Club registration fees	2,610	2,835
Interest and other income	2,189	1,510
	<b>34,024</b>	<b>32,675</b>
<b>EXPENDITURES</b>		
Insurance	12,733	8,790
Professional fees	8,588	14,993
Communications	6,927	7,115
Awards and program expenses	3,308	1,741
Administration	1,374	3,120
Travel	853	980
Bank charges	743	808
	<b>34,526</b>	<b>37,547</b>
<b>DEFICIENCY OF REVENUE OVER EXPENDITURES</b>	<b>(502)</b>	<b>(4,872)</b>
<b>NET ASSETS, BEGINNING OF YEAR</b>	<b>88,124</b>	<b>92,996</b>
<b>NET ASSETS, END OF YEAR</b>	<b>\$ 87,622</b>	<b>\$ 88,124</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, 2019

(Unaudited)



	2019	2018
<b>OPERATING ACTIVITIES</b>		
Deficiency of revenue over expenditures	\$ (502)	\$ (4,872)
Change in non-cash working capital items:		
Decrease in other receivable	1,439	4,632
Increase in inventory	(274)	-
Decrease in accounts payable and accrued liabilities	(669)	(15,120)
Increase in deferred revenue	2,415	-
	2,409	(15,360)
<b>INVESTING ACTIVITY</b>		
Investments acquired	(76,000)	-
<b>NET DECREASE IN CASH, DURING THE YEAR</b>	<b>(73,591)</b>	<b>(15,360)</b>
<b>CASH, BEGINNING OF YEAR</b>	<b>101,389</b>	<b>116,749</b>
<b>CASH, END OF YEAR</b>	<b>\$ 27,798</b>	<b>\$ 101,389</b>

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

# MASTERS SWIMMING ONTARIO

## Notes to Financial Statements

August 31, 2019

(Unaudited)

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### 1. STATUS AND PURPOSE OF THE ORGANIZATION

Masters Swimming Ontario, (the "Organization") was incorporated as a not-for-profit organization 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 not-for-profit organization as defined by the Federal and Ontario Income Tax Acts and, as such, is not subject to federal and provincial income taxes.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Organization's financial statements are prepared in accordance with Canadian Accounting Standards for Not-For-Profit Organizations ("ASNPO") and include the following significant accounting policies:

#### (a) Revenue Recognition

The Organization follows the deferral method of accounting for contributions. Under this method, unrestricted contributions from club registration fees, swimmers' fees and ancillary sales are recognized as revenue in the period the related activities and events are held. The Organization did not receive any restricted contributions in the year.

Interest and other income are recognized in the period in which it is earned.

#### (b) Contributed Services

Directors, committee members and others volunteer their time to assist in the Organization's activities. Since these services are not normally purchased by the Organization and due to the difficulty of determining the fair value of such services, they are not recognized in these financial statements.

#### (c) Inventory

Inventory comprising shirts and hats, are valued at the lower of cost and net realizable value. Cost is determined using the weighted average cost method. Net realizable value is the estimated selling price to swimmers less any related selling costs.

#### (d) Capital Assets

The Organization did not receive any contributed equipment during the year.



# MASTERS SWIMMING ONTARIO

## Notes to Financial Statements

August 31, 2019

(Unaudited)

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

#### (e) Use of Estimates

The preparation of financial statements in accordance with ASNPO requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the year. Significant items requiring estimates and assumptions include the recording of accrued liabilities. These estimates are reviewed periodically and adjustments made to income in the period such adjustments occur.

#### (f) Measurement of Financial Instruments

The Organization initially measures its financial assets and liabilities at fair value. The Organization subsequently measures all its financial assets and financial liabilities at amortized cost. Financial assets measured at amortized cost include cash, other receivable and investments. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

### 3. INVESTMENTS

Investments classified as current, comprise two guaranteed investment certificates bearing interest at 1.7% and 1.4% per annum, maturing in June 2020. These investments may be liquidated in the short-term depending on the Organization's operating cash requirements.

Investment classified as non-current, comprises a guaranteed investment certificate, bears interest at 2% per annum and matures in December 2020.

### 4. INVENTORY

Inventory consists of shirts and hats held for the purpose of selling to swimmers.

### 5. DEFERRED REVENUE

Deferred revenue represents swimmer and club registration fees that are received in advance of the membership term.

# MASTERS SWIMMING ONTARIO

## Notes to Financial Statements

August 31, 2019

*(Unaudited)*

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### 6. FINANCIAL INSTRUMENTS

#### Risks and Concentration

Unless otherwise noted, the Organization does not have any significant exposure to risks and concentrations affecting its financial instruments held at the year-end.

#### 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 is primarily exposed to credit risk from its bank account and investments held at one financial institution. The Organization banks at an established Canadian financial institution and accordingly management believes the risk is minimal.

### 7. CONTINGENT LIABILITY

On January 18, 2018, the Organization received a legal notice from Masters Swimming Canada claiming that certain programs of the Organization are being designed and marketed with a view towards harming Master Swimming Canada's goodwill. Management believes that the claim has no merit, the outcome of this claim is uncertain and the monetary impact cannot be reasonably determined at this time.