

Financial Statements of

SWIM ALBERTA ASSOCIATION

Year ended June 30, 2016

SWIM ALBERTA ASSOCIATION

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Year ended June 30, 2016

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INDEPENDENT AUDITORS' REPORT

To the Members of Swim Alberta Association

We have audited the accompanying financial statements of Swim Alberta Association, which comprise the statement of financial position as at June 30, 2016, the statements of operations, changes in net assets and cash flows for the year then ended, and notes, comprising 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our audit opinion.



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Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Swim Alberta Association as at June 30, 2016, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

KPMG LLP

Chartered Professional Accountants

September 12, 2016

Edmonton, Canada

SWIM ALBERTA ASSOCIATION

Statement of Financial Position

June 30, 2016, with comparative information for June 30, 2015

	2016	2015
Assets		
Current assets:		
Cash	\$ 524,621	\$ 538,340
Term deposits (note 2)	826,100	817,369
Accounts receivable	47,654	51,631
Prepaid expenses and deposits	39,664	52,228
	<u>1,438,039</u>	<u>1,459,568</u>
Investment in Limited Partnership (note 3)	-	-
Capital assets (note 4)	10,747	14,117
	<u>\$ 1,448,786</u>	<u>\$ 1,473,685</u>

Liabilities and Net Assets

Current liabilities:		
Accounts payable and accrued liabilities (note 5)	\$ 208,323	\$ 354,498
Deferred contributions (note 6)	37,000	84,086
	<u>245,323</u>	<u>438,584</u>
Net assets:		
Investment in capital assets	10,747	14,117
Athlete Development Fund (note 7)	611,195	562,233
Unrestricted	581,521	458,751
	<u>1,203,463</u>	<u>1,035,101</u>
Commitments (note 8)		
	<u>\$ 1,448,786</u>	<u>\$ 1,473,685</u>

See accompanying notes to financial statements.

On behalf of the Board:

signed Lloyd Schoepp - Treasurer Director

signed Dean Schultz - President Director

SWIM ALBERTA ASSOCIATION

Statement of Operations

Year ended June 30, 2016, with comparative information for 2015

	2016	2015
Revenues:		
Affiliation and registration fees	\$ 960,288	\$ 896,606
Programs, courses and fees	308,242	154,822
Grant revenue (Schedule 1)	288,261	283,517
Olympic bonus	107,716	106,781
Swim-A-Thon donations (note 9)	17,830	36,239
Donations and corporate sponsorships	9,013	11,138
Interest income	5,730	8,897
Sale of supplies	709	1,462
	<u>1,697,789</u>	<u>1,499,462</u>
Expenditures:		
Program costs (Schedule 2)	777,143	621,011
Administration	419,509	435,876
Assessment fees (Schedule 3)	329,405	327,903
Amortization of capital assets	3,370	3,734
Grants contributed to swim clubs	-	11,500
	<u>1,529,427</u>	<u>1,400,024</u>
Excess of revenues over expenditures	<u>\$ 168,362</u>	<u>\$ 99,438</u>

See accompanying notes to financial statements.

SWIM ALBERTA ASSOCIATION

Statement of Changes in Net Assets

Year ended June 30, 2016, with comparative information for 2015

	Investment in capital assets	Athlete Development Fund	Unrestricted	Total 2016	Total 2015
Balance, beginning of year	\$ 14,117	\$ 562,233	\$ 458,751	\$ 1,035,101	\$ 935,663
Excess (deficiency) of revenues over expenses	(3,370)	-	171,732	168,362	99,438
Internally imposed restrictions	-	48,962	(48,962)	-	-
Balance, end of year	\$ 10,747	\$ 611,195	\$ 581,521	\$ 1,203,463	\$ 1,035,101

See accompanying notes to financial statements.

SWIM ALBERTA ASSOCIATION

Statement of Cash Flows

Year ended June 30, 2016, with comparative information for 2015

	2016	2015
Cash provided by (used in):		
Operations:		
Excess of revenues over expenses	\$ 168,362	\$ 99,438
Items not involving cash:		
Amortization of capital assets	3,370	3,734
	171,732	103,172
Change in non-cash operating working capital:		
Decrease (increase) in accounts receivable	3,977	(26,445)
Decrease (increase) in prepaid expenses and deposits	12,564	(16,335)
Increase in accounts payable and accrued liabilities	(146,175)	13,217
Decrease in contributions repayable	-	(92,729)
(Decrease) increase in deferred contributions	(47,086)	22,411
	(4,988)	3,291
Investments:		
Proceeds on disposal of term deposits	817,369	809,933
Purchases of term deposits	(826,100)	(817,369)
	(8,731)	(7,436)
Decrease in cash	(13,719)	(4,145)
Cash, beginning of year	538,340	542,485
Cash, end of year	\$ 524,621	\$ 538,340

See accompanying notes to financial statements.

SWIM ALBERTA ASSOCIATION

Notes to Financial Statements

Year ended June 30, 2016

Swim Alberta Association (the "Association") is a not-for-profit organization incorporated under the Societies Act of Alberta. Its primary activity is to promote amateur swimming in Alberta. The Association is exempt from income taxes under Section 149(1) of the Income Tax Act.

1. Significant accounting policies:

(a) Basis of presentation:

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations in Part III of the CPA Canada Handbook.

(b) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Freestanding derivative instruments that are not in a qualifying hedging relationship and equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. The Association has not elected to carry any such financial instruments at fair value.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the effective interest rate method.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the Association determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the Association expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

(c) Contributed services:

A substantial number of volunteers contribute a significant amount of their time each year. Due to the difficulty of determining the fair value, contributed services are not recognized in the financial statements. Accommodation and certain overhead costs incurred in the administration of the Association, borne by the Province of Alberta, are not reasonably estimable and consequently are not reflected in these financial statements.

SWIM ALBERTA ASSOCIATION

Notes to Financial Statements (continued)

Year ended June 30, 2016

1. Significant accounting policies (continued):

(d) Revenue recognition:

The Association follows the deferral method of accounting for contributions which includes donations and government grants. Restricted contributions are recognized as revenue in the year the related expenses are incurred, or, for fixed period restricted government grants, based on the period in which the grant relates. Unrestricted contributions are recognized as revenue when received or receivable if the amount can be reasonably estimated and collection is reasonably assured. Contributed materials and services are recognized in the financial statements when their fair value is reasonably estimable.

Affiliation and registration fees, donations (including Swim-A-Thon donations), programs, courses and fees, Olympic bonus, and interest income are recognized as revenue when earned.

(e) Capital assets:

Capital assets are stated at cost, less accumulated amortization. Amortization is provided using the following methods and annual rates:

Asset	Basis	Rate
Office equipment	Declining balance	20 - 55%
Website	Straight-line	5 years

(f) Investment in Limited Partnership:

Investment in Limited Partnership is recorded at cost. If the recoverable value of an investment declines below cost and this decline in value is considered to be other than temporary, the investment is written down to recoverable value.

(g) Use of estimates:

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. Actual results could differ from those estimates.

SWIM ALBERTA ASSOCIATION

Notes to Financial Statements (continued)

Year ended June 30, 2016

2. Term deposits:

The term deposits mature between August 2016 and June 2019 (2015 - July 2015 and June 2019) and bear interest at 0.7% to 1.17% (2015 - 0.5% to 1.25%).

3. Investment in Limited Partnership:

	2016		2015	
5 Units of Alberta Satellite Bingo Limited Partnership, at cost	\$	15,000	\$	15,000
Less: Provision for impairment		(15,000)		(15,000)
	\$	-	\$	-

In 2010, the Association determined that the carrying value of its investment in Alberta Satellite Bingo had been impaired. Accordingly, a provision for impairment of \$15,000 was recognized in the statement of operations.

4. Capital assets:

	2016		2015	
	Cost	Accumulated amortization	Net book value	Net book value
Office equipment	\$ 20,648	\$ 16,988	\$ 3,660	\$ 4,667
Website	11,813	4,726	7,087	9,450
	\$ 32,461	\$ 21,714	\$ 10,747	\$ 14,117

SWIM ALBERTA ASSOCIATION

Notes to Financial Statements (continued)

Year ended June 30, 2016

5. Accounts payable and accrued liabilities:

Included in accounts payable and accrued liabilities as at June 30, 2016 are government remittances payable of \$1,878 (2015 - \$642) relating to federal and provincial sales taxes and payroll taxes.

6. Deferred contributions:

Deferred contributions represent unspent resources for general operations that are related to a subsequent period. Changes in the deferred contribution balance are as follows:

	Balance, beginning of year	Add: amounts received and receivable during the year	Less: amounts recognized as revenue during the year	Deferred contribution balance, end of year
Alberta Sport Connection:				
Association Development Program	\$ 54,175	\$ 162,524	\$ (216,699)	\$ -
Canada Summer Games High Performance Coaching Grant	9,000	37,000	(9,000)	37,000
Western Canada Summer Games	-	30,000	(30,000)	-
	20,911	6,000	(26,911)	-
Other Grants:				
Province of Alberta - STEP Zone Development Program	-	3,901	(3,901)	-
	-	1,750	(1,750)	-
	\$ 84,086	\$ 241,175	\$ (288,261)	\$ 37,000

7. Athlete Development Fund:

By resolution of the 1998 Annual General Meeting, incremental revenues generated from a \$0.25 increase in the Olympic Bonus fee have been set aside to be utilized toward programs for athlete development on an annual basis.

SWIM ALBERTA ASSOCIATION

Notes to Financial Statements (continued)

Year ended June 30, 2016

8. Commitments:

The Association is committed to provide two annual athletic bursaries of \$1,000 per year up to 2017. The commitments outstanding as of June 30, 2016 are \$2,000 (2015 - \$19,000).

9. Swim-A-Thon donations:

Together with Swimming Canada, the Association arranges to have a Swim-A-Thon each year whereby individual swim clubs seek donations from the general public which are collected by Swimming Canada. A portion of these donations are remitted back to the swim clubs. Swimming Canada is responsible for the financial aspects of the program with the Association responsible for the administrative duties, for which the Association is paid an administrative commission. The Swim-A-Thon administrative commission is equal to the amount of the donations received from the Swim-A-Thon that are allocated to the Association to cover administrative costs of the program. This represented approximately 4% of total donations in 2016 (2015 - 4%). The Swim-A-Thon assessment fee is earned from the swim clubs and individual swimmers participating in the Swim-A-Thon as they are required to pay a fee to the Association in order to participate. Other expenses include administration expenses directly attributable to the Swim-A-Thon. Transactions under this program during the year were as follows:

	2016	2015
Swim-A-Thon contributions received	\$ 188,775	\$ 242,032
Swim-A-Thon administrative commission	8,390	10,691
Swim-A-Thon assessment fee	9,440	34,829
	206,605	287,552
Grants contributed to swim clubs	(188,775)	(240,557)
Other expenses	-	(10,756)
Net revenues	\$ 17,830	\$ 36,239

SWIM ALBERTA ASSOCIATION

Notes to Financial Statements (continued)

Year ended June 30, 2016

10. Financial risks and concentration of risk:

(a) Credit risk:

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in a financial loss. The Association is exposed to credit risk with respect to grants and accounts receivable and term deposits. The Association assesses these items on a continuous basis and provides for any amounts that are not collectible in the allowance for doubtful accounts.

(b) Liquidity risk:

Liquidity risk is the risk that the Association will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The Association manages its liquidity risk by monitoring its operating requirements. The Association prepares budget and cash forecasts to ensure it has sufficient funds to fulfill its obligations. There has been no change to the risk exposures from 2015.

11. Comparative information:

Certain comparative information has been reclassified to conform with the financial statement presentation adopted for the current fiscal year.

SWIM ALBERTA ASSOCIATION

Schedule 1 - Grant Revenue

Year ended June 30, 2016, with comparative information for 2015

	2016	2015
Alberta Sport Connection grants:		
Association Development Program	\$ 216,699	\$ 216,699
High Performance Coaching Grant	30,000	30,000
Western Canada Summer Games	26,911	3,089
Canada Summer Games	9,000	-
International Sport Exchange	-	10,729
Event Support Grant Program	-	7,500
Donation Fund Program	-	4,000
Other grants:		
Province of Alberta - STEP	3,901	-
Zone Development Program	1,750	-
Para Swimming	-	7,500
City of Edmonton	-	4,000
	\$ 288,261	\$ 283,517

Schedule 2 - Program Costs

Year ended June 30, 2016, with comparative information for 2015

	2016	2015
Program:		
Athlete Technical and Funding Programs	\$ 339,145	\$ 275,356
Coach Technical and Funding Programs	127,533	99,985
Club Development and Membership Support Services	126,810	131,287
Provincial Championship Meets	122,445	59,825
Other Programs	30,672	22,253
Officials Programs	30,538	32,305
	\$ 777,143	\$ 621,011

SWIM ALBERTA ASSOCIATION

Schedule 3 - Assessment Fees

Year ended June 30, 2016, with comparative information for 2015

	2016		2015
Assessment Fee:			
SNC National Assessment	\$ 246,353	\$	243,468
ASSA Fees and ASSA Coaches	83,052		84,435
	\$ 329,405	\$	327,903