

SWIM ALBERTA ASSOCIATION

FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

INDEPENDENT AUDITORS' REPORT

To the Board of the Swim Alberta Association

Opinion

We have audited the financial statements of Swim Alberta Association (the "Association"), which comprise the statement of financial position as at June 30, 2024, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Association as at June 30, 2024, and the results of its operations and the changes in its net assets and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Association in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Association's financial reporting process.

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Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but it is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Association's internal control.
- Evaluate the appropriateness of accounting policies and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Association to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

METRIX GROUP LLP

Chartered Professional Accountants

Edmonton, Alberta
September 10, 2024

SWIM ALBERTA ASSOCIATION
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2024

	<u>2024</u>	<u>2023</u>
<u>ASSETS</u>		
Current Assets		
Cash	\$ 241,174	\$ 250,837
Term deposits (Note 2)	1,500,000	1,257,000
Accounts receivable	202,835	84,396
Prepaid expenses	<u>86,681</u>	<u>92,105</u>
	2,030,690	1,684,338
Tangible Capital Assets (Note 3)	<u>2,742</u>	<u>2,622</u>
	<u>\$ 2,033,432</u>	<u>\$ 1,686,960</u>
<u>LIABILITIES AND NET ASSETS</u>		
Current Liabilities		
Accounts payable and accrued liabilities (Note 4)	\$ 410,613	\$ 273,841
Deferred contributions (Note 5)	250,338	91,781
Current portion of long-term debt	<u>-</u>	<u>60,000</u>
	<u>660,951</u>	<u>425,622</u>
Net Assets		
Invested in tangible capital assets	2,742	2,622
Unrestricted	199,739	88,716
Internally restricted (Note 6)	<u>1,170,000</u>	<u>1,170,000</u>
	<u>1,372,481</u>	<u>1,261,338</u>
	<u>\$ 2,033,432</u>	<u>\$ 1,686,960</u>

APPROVED ON BEHALF OF THE BOARD:

_____ Director

_____ Director

SWIM ALBERTA ASSOCIATION
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED JUNE 30, 2024

	<u>2024</u>	<u>2023</u>
Revenue		
Affiliation and registration fees	\$ 1,154,946	\$ 1,089,406
Programs, courses and fees (Schedule 1)	690,052	585,849
Grants (Schedule 2)	212,293	265,953
Interest	92,321	59,552
CEBA loan forgiveness	20,000	-
Donations	7,500	7,500
Swim-A-Thon donations (Note 7)	<u>3,913</u>	<u>3,443</u>
	<u>2,181,025</u>	<u>2,011,703</u>
Expenses		
Program costs (Schedule 3)	1,017,596	976,846
Administration	624,465	601,597
Assessment fees (Schedule 4)	425,714	395,671
Amortization of tangible capital assets	1,673	3,218
Contributions to swim clubs	<u>434</u>	<u>3,443</u>
	<u>2,069,882</u>	<u>1,980,775</u>
Annual Surplus	<u>\$ 111,143</u>	<u>\$ 30,928</u>

SWIM ALBERTA ASSOCIATION
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2024

	Invested in			<u>2024</u>	<u>2023</u>
	Tangible Capital	Unrestricted	Internally	Total	Total
	Assets		Restricted		
			(Note 6)		
Balance, Beginning of Year	\$ 2,622	\$ 88,716	\$1,170,000	\$1,261,338	\$1,230,410
Annual surplus (deficit)	(1,673)	112,816	-	111,143	30,928
Tangible capital asset purchases	<u>1,793</u>	<u>(1,793)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Balance, End of Year	\$ <u>2,742</u>	\$ <u>199,739</u>	\$ <u>1,170,000</u>	\$ <u>1,372,481</u>	\$ <u>1,261,338</u>

SWIM ALBERTA ASSOCIATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2024

	<u>2024</u>	<u>2023</u>
Operating Activities		
Cash from operations		
Annual surplus	\$ 111,143	\$ 30,928
Items not affecting cash:		
Amortization of tangible capital assets	1,673	3,218
CEBA loan forgiveness	<u>(20,000)</u>	<u>-</u>
	92,816	34,146
Change in non-cash working capital:		
Accounts receivable	(118,439)	(14,216)
Prepaid expenses	5,424	9,396
Accounts payable and accrued liabilities	136,772	11,019
Deferred contributions	<u>158,557</u>	<u>10,100</u>
	<u>275,130</u>	<u>50,445</u>
Financing Activities		
Repayment of long-term debt	<u>(40,000)</u>	<u>-</u>
Investing Activities		
Purchase of term deposits	(243,000)	(147,066)
Purchase of tangible capital assets	<u>(1,793)</u>	<u>-</u>
	<u>(244,793)</u>	<u>(147,066)</u>
Change in Cash During the Year	(9,663)	(96,621)
Cash, Beginning of Year	<u>250,837</u>	<u>347,458</u>
Cash, End of Year	<u>\$ 241,174</u>	<u>\$ 250,837</u>

SWIM ALBERTA ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations.

Tangible Capital Assets

Tangible capital assets are recorded at cost less accumulated amortization. Contributed tangible capital assets are recorded at fair value at the date of contribution. When a tangible capital asset no longer contributes to the Association's ability to provide services or the value of future economic benefits associated with the tangible capital asset is less than its net book value, the carrying value of the tangible capital asset is reduced to reflect the decline in the asset's value. Any net write-downs are accounted for as expenses in the statement of operations.

Tangible capital assets are amortized over their estimated useful lives at the following rates and methods:

Office equipment	20 - 55%	Declining balance basis
Website	5 years	Straight-line basis

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.

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.

Use of Estimates

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the recorded amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

SWIM ALBERTA ASSOCIATION
NOTES TO FINANCIAL STATEMENTS (CONT'D)

JUNE 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial Instruments

Measurement of financial instruments

The Association initially measures its financial assets and financial liabilities at fair value and subsequently measures all financial assets and financial liabilities at amortized cost.

Financial assets measured at amortized cost include cash, term deposits and accounts receivable.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

Impairment

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in the statement of operations. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in the statement of operations.

2. TERM DEPOSITS

The term deposits mature between July 2024 and September 2024 (2023 - July 2023 and October 2023) and bear interest at 4.85% - 5.12% (2023 - 4.51% - 4.85%)

3. TANGIBLE CAPITAL ASSETS

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	
			<u>2024</u>	<u>2023</u>
Office equipment	34,926	32,184	2,742	2,622
Website	<u>3,700</u>	<u>3,700</u>	-	-
	<u>\$ 38,626</u>	<u>\$ 35,884</u>	<u>\$ 2,742</u>	<u>\$ 2,622</u>

4. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Included in accounts payable and accrued liabilities are government remittances payable of \$1,065 (2023 - \$1,037) relating to good and services tax.

SWIM ALBERTA ASSOCIATION

NOTES TO FINANCIAL STATEMENTS (CONT'D)

JUNE 30, 2024

5. DEFERRED CONTRIBUTIONS

Deferred contributions represent restricted operating funding received or receivable in the current year for which the corresponding expenses have not yet been incurred. Changes in the deferred contributions balance are as follows:

	<u>2023</u>	Contributions received and <u>receivable</u>	Amounts recognized as <u>revenue</u>	<u>2024</u>
Government of Alberta Grants				
Every Kid Can Play Program \$	-	\$ 200,000	\$ -	\$ 200,000
Canada Summer Games	43,000	-	(21,500)	21,500
Other Grants	29,881	11,750	(22,293)	19,338
Other Fees	<u>18,900</u>	<u>9,500</u>	<u>(18,900)</u>	<u>9,500</u>
	<u>\$ 91,781</u>	<u>\$ 221,250</u>	<u>\$ (62,693)</u>	<u>\$ 250,338</u>

6. INTERNALLY RESTRICTED NET ASSETS

	<u>2024</u>	<u>2023</u>
Sustainability reserve fund	\$ 870,000	\$ 870,000
Operating reserve fund	<u>300,000</u>	<u>300,000</u>
	<u>\$ 1,170,000</u>	<u>\$ 1,170,000</u>

The purpose of the sustainability reserve fund is to ensure long-term financial stability of the Association, to ensure the Association can respond to changes in its economic environment and to continually carry out its mandate. The Association will maintain the fund at a level relative to four (4) years of annual program operating core-funding, which has been targeted at \$870,000.

The Association maintains an operating reserve fund, for the general purpose of assisting the Association to develop operating budgets that provide for planned growth and financial change in the Association's funding that may result in deficits to the Association. The operating reserve fund will be maintained at an amount no greater than \$300,000.

SWIM ALBERTA ASSOCIATION

NOTES TO FINANCIAL STATEMENTS (CONT'D)

JUNE 30, 2024

7. 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. The donations are collected by Swimming Canada and a portion of these donations are remitted back to the swim clubs. Swimming Canada is responsible for the financial aspects of the program and the Association is 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 3% of total donations in 2024 (2023 - 3%). In 2024, the 3% (2023 - 3%) administrative commission was contributed to the participating swim clubs. The related expense has been recorded within contributions to swim clubs within the statement of operations. 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. The full assessment fee collected is used by the Association to pay administration expenses directly attributable to the Swim-A-Thon. Transactions under this program during the year were as follows:

	<u>2024</u>	<u>2023</u>
Swim-A-Thon contributions received	\$ 117,396	\$ 103,260
Swim-A-Thon administrative commission	<u>3,913</u>	<u>3,443</u>
	<u>121,309</u>	<u>106,703</u>
Grants contributed to swim clubs	<u>(117,830)</u>	<u>(103,260)</u>
Net revenues	\$ <u>3,479</u>	\$ <u>3,443</u>

8. FINANCIAL INSTRUMENTS

It is management's opinion that the Association is not exposed to significant credit, liquidity, market, currency, interest rate or other price risk through its financial instruments which include cash, term deposits, accounts receivable and accounts payable and accrued liabilities.

SWIM ALBERTA ASSOCIATION

SCHEDULE 1 - PROGRAMS, COURSES AND FEES

FOR THE YEAR ENDED JUNE 30, 2024

	<u>2024</u>	<u>2023</u>
Provincial meets fees	\$ 265,830	\$ 179,579
Olympic bonus	232,282	236,210
Technical programs	133,827	134,588
AGM and other income	<u>58,113</u>	<u>35,472</u>
	<u>\$ 690,052</u>	<u>\$ 585,849</u>

SCHEDULE 2 - GRANT REVENUE

FOR THE YEAR ENDED JUNE 30, 2024

	<u>2024</u>	<u>2023</u>
Government of Alberta Grants:		
Association Development Program	\$ 168,500	\$ 168,453
Canada Summer Games	21,500	1,881
Other Grants:		
Swimming Canada Partnership	10,662	75,000
InMotion Network	9,881	10,119
Canadian Swimming Coaches and Teachers Association	1,750	-
City of Edmonton	-	5,500
CSI	<u>-</u>	<u>5,000</u>
	<u>\$ 212,293</u>	<u>\$ 265,953</u>

SWIM ALBERTA ASSOCIATION
SCHEDULE 3 - PROGRAM COSTS
FOR THE YEAR ENDED JUNE 30, 2024

	<u>2024</u>	<u>2023</u>
Athlete technical and funding programs & provincial championships meets	\$ 661,189	\$ 663,009
Club development and membership support services	166,028	143,303
Coach technical and funding programs	154,910	148,436
Officials programs	<u>35,469</u>	<u>22,098</u>
	<u>\$ 1,017,596</u>	<u>\$ 976,846</u>

SCHEDULE 4 - ASSESSMENT FEES
FOR THE YEAR ENDED JUNE 30, 2024

	<u>2024</u>	<u>2023</u>
Swimming Canada National Assessment	\$ 343,783	\$ 316,290
Alberta Summer Swim Association Fees and Coaches	<u>81,931</u>	<u>79,381</u>
	<u>\$ 425,714</u>	<u>\$ 395,671</u>