
SWIM NOVA SCOTIA ASSOCIATION

FINANCIAL STATEMENTS
MARCH 31, 2022

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INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

**Levy
Casey
Carter
MacLean**

Chartered Professional
Accountants

TO THE BOARD OF DIRECTORS OF SWIM NOVA SCOTIA ASSOCIATION:

We have reviewed the accompanying financial statements of Swim Nova Scotia Association that comprise the statement of financial position as at March 31, 2022 and the statements of operations and changes in fund balances 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 the 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 these financial statements do not present fairly, in all material respects, the financial position of Swim Nova Scotia Association as at March 31, 2022, 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.

Levy Casey Carter Maclean

Chartered Professional Accountants

Halifax, Nova Scotia
August 23, 2022

211 Horseshoe Lake Drive
Suite 310
Halifax, NS B3S 0B9
Canada
Phone: (902) 445-4446
Fax: (902) 443-4846
www.lccm.ca

SWIM NOVA SCOTIA ASSOCIATION

STATEMENT OF FINANCIAL POSITION MARCH 31, 2022

ASSETS

	General <u>Fund</u>	Bursary <u>Fund</u>	Reserve <u>Fund</u>	Total <u>2022</u>	Total <u>2021</u>
Current					
Cash	\$ 12,656	\$ -	\$ -	\$ 12,656	\$ 123,422
Guaranteed Investment Certificates (note 4)	65,260	14,185	100,235	179,680	79,184
Receivables	6,127	-	-	6,127	-
HST Public Service Bodies' Rebate receivable	-	-	-	-	2,637
Inventory	8,084	-	-	8,084	4,959
Prepaid expenses	7,153	-	-	7,153	10,109
Interfund balance (note 5)	<u>(1,066)</u>	<u>1,066</u>	<u>-</u>	<u>-</u>	<u>-</u>
	98,214	15,251	100,235	213,700	220,311
Capital assets (note 6)	<u>2,113</u>	<u>-</u>	<u>-</u>	<u>2,113</u>	<u>3,325</u>
	<u>\$ 100,327</u>	<u>\$ 15,251</u>	<u>\$ 100,235</u>	<u>\$ 215,813</u>	<u>\$ 223,636</u>

LIABILITIES

Current					
Payables and accruals, trade	\$ 45,078	\$ -	\$ -	\$ 45,078	\$ 44,799
Deferred revenue (note 7)	<u>2,500</u>	<u>-</u>	<u>-</u>	<u>2,500</u>	<u>27,820</u>
	47,578	-	-	47,578	72,619
CEBA loan (note 8)	<u>40,000</u>	<u>-</u>	<u>-</u>	<u>40,000</u>	<u>40,000</u>
	<u>87,578</u>	<u>-</u>	<u>-</u>	<u>87,578</u>	<u>112,619</u>

FUND BALANCES

Unrestricted	12,749	-	-	12,749	92,737
Externally restricted (note 2 (b))	-	15,251	-	15,251	18,280
Internally restricted (note 2 (b))	<u>-</u>	<u>-</u>	<u>100,235</u>	<u>100,235</u>	<u>-</u>
	<u>12,749</u>	<u>15,251</u>	<u>100,235</u>	<u>128,235</u>	<u>111,017</u>
	<u>\$ 100,327</u>	<u>\$ 15,251</u>	<u>\$ 100,235</u>	<u>\$ 215,813</u>	<u>\$ 223,636</u>

On Behalf of the Board

Director

Director

SWIM NOVA SCOTIA ASSOCIATION

STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCES YEAR ENDED MARCH 31, 2022

	General Fund	Bursary Fund	Reserve Fund	Total <u>2022</u>	Total <u>2021</u>
Revenues					
Government grants	\$ 149,554	\$ -	\$ -	\$ 149,554	\$ 160,732
Grants and subsidies - COVID-19 (note 9)	36,379	-	-	36,379	172,261
Registration fees	79,512	-	-	79,512	48,946
Clinics and courses	-	-	-	-	4,050
Donations - David Fry Memorial Bursary Fund	-	200	-	200	1,025
Donations and swim supplies	1,945	-	-	1,945	394
Swim-a-thon	1,175	-	-	1,175	394
Meets	28,110	-	-	28,110	-
Gold bonus	1,299	-	-	1,299	-
Sanction fees	200	-	-	200	-
Interest income	344	77	235	656	184
	<u>298,518</u>	<u>277</u>	<u>235</u>	<u>299,030</u>	<u>387,986</u>
Expenditures					
Amortization	1,213	-	-	1,213	1,333
Board functions and annual general meeting	5,232	-	-	5,232	2,519
Board travel	373	-	-	373	845
Bursary - David Fry Memorial Bursary Fund	-	3,306	-	3,306	-
Clinics	450	-	-	450	6,366
Coaches registration and conferences	11,513	-	-	11,513	4,133
Computer and software	4,886	-	-	4,886	3,614
Donations and swim supplies	15,205	-	-	15,205	9,360
High performance athlete funding	2,386	-	-	2,386	9,540
Insurance	5,868	-	-	5,868	6,033
Meets	57,356	-	-	57,356	18,781
Office and telephone	7,542	-	-	7,542	8,819
Professional fees	18,908	-	-	18,908	15,825
Provincial team	7,398	-	-	7,398	618
Rent and parking	3,823	-	-	3,823	3,322
Wages and benefits	136,353	-	-	136,353	126,789
	<u>278,506</u>	<u>3,306</u>	<u>-</u>	<u>281,812</u>	<u>217,897</u>
Excess (deficiency) of revenues over expenditures before other income	20,012	(3,029)	235	17,218	170,089
Other income					
HST Public Service Bodies' Rebate	-	-	-	-	22,459
Excess (deficiency) of revenues over expenditures	20,012	(3,029)	235	17,218	192,548
Fund balances, beginning of year	92,737	18,280	-	111,017	(81,531)
Internal restriction (note 3)	<u>(100,000)</u>	<u>-</u>	<u>100,000</u>	<u>-</u>	<u>-</u>
Fund balances, end of year	<u>\$ 12,749</u>	<u>\$ 15,251</u>	<u>\$ 100,235</u>	<u>\$ 128,235</u>	<u>\$ 111,017</u>

SWIM NOVA SCOTIA ASSOCIATION

STATEMENT OF CASH FLOWS
YEAR ENDED MARCH 31, 2022

	<u>2022</u>	<u>2021</u>
Operating activities		
Excess of revenues over expenditures	\$ 17,218	\$ 192,548
Non-cash items:		
Amortization	<u>1,213</u>	<u>1,333</u>
	18,431	193,881
Net change in non-cash working capital balances related to operations:		
Receivables	(6,127)	567
HST Public Service Bodies' Rebate receivable	2,637	(2,637)
Prepaid expenses	2,956	2,406
Inventory	(3,125)	(353)
Payables and accruals, trade	278	(17,351)
Deferred revenue	<u>(25,320)</u>	<u>23,570</u>
	<u>(10,270)</u>	<u>200,083</u>
Financing Activities		
Proceeds from CEBA loan	<u>-</u>	<u>40,000</u>
Investing activities		
Purchase of Guaranteed Investment Certificates	<u>(100,496)</u>	<u>(79,184)</u>
Increase (decrease) in cash during year	(110,766)	160,899
Cash (bank indebtedness), beginning of year	<u>123,422</u>	<u>(37,477)</u>
Cash, end of year	<u>\$ 12,656</u>	<u>\$ 123,422</u>

SWIM NOVA SCOTIA ASSOCIATION

NOTES TO FINANCIAL STATEMENTS MARCH 31, 2022

1. Nature of operations

Swim Nova Scotia Association (the Association) was incorporated under the Societies Act of Nova Scotia on June 10, 1996. The purpose of the Association is to enhance the swimming experience in Nova Scotia both competitively and non-competitively. This is achieved through swimming meets and accreditations. Under the Income Tax Act of Canada, the Association qualifies as a not-for-profit organization and is exempt from income taxes.

2. Significant accounting policies

The Association has applied the following significant accounting policies:

(a) Basis of presentation

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations.

(b) Fund accounting

The General Fund reports the revenues and expenditures related to operations as well as unrestricted grants and donations.

The Bursary Fund reports donations received, interest income and bursaries awarded for the David Fry Memorial Bursary Fund.

The Reserve Fund reports interest income and specific expenditures as approved by the board of directors.

(c) Revenue recognition

The Association follows the restricted fund method for accounting for restricted contributions. Unrestricted grants are recognized as revenue in the period which the related costs are recognized. Registration fees are recorded in the swim season to which they relate. Swim-a-thon, swim meet, clinic and course fee revenues are recorded when the event occurs. Interest income is recorded as earned. Unrestricted donations are recorded as received.

Government wage subsidies related to the COVID-19 pandemic response have been recognized in income based on the claim period. Forgivable government loans are recognized as income when the Association becomes entitled to receive the loan.

(d) Cash and cash equivalents

Cash and cash equivalents consists of cash on hand and balances with banks less outstanding cheques.

(e) Inventory

Inventory is measured at the lower of cost and replacement value. Cost is determined using the first-in, first-out method.

SWIM NOVA SCOTIA ASSOCIATION

NOTES TO FINANCIAL STATEMENTS MARCH 31, 2022

2. Significant accounting policies (continued)

(f) Contributed goods and services

Contributed goods are recognized in the financial statements when a fair value can be reasonably estimated and when the items are used by the Association in the normal course of operations and would otherwise be purchased.

Volunteer services contributed on behalf of the Association in carrying out its operating activities are not recognized in these financial statements due to difficulty in determining their value.

(g) Financial instruments

The Association initially measures its financial assets and financial liabilities at fair value, adjusted by the amount of transaction costs directly attributable to the instrument. The Association subsequently measures all of its financial assets and financial liabilities at amortized cost. Transaction costs are amortized on the straight line basis over the term of the instrument.

For financial assets measured at cost or amortized cost, the Association determines whether there are indications of possible impairment. Where there is an indication of impairment, and the Association determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows, a write-down is recognized in excess revenues over expenditures. A previously recognized impairment loss may be reversed to the extent of the improvement. The carrying amount of the financial asset may not be 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 excess revenues over expenditures.

(h) Capital assets

Capital assets are recorded at cost and amortized using the straight line method, at rates based on the estimated useful life of the assets, as indicated in note 6. Amortization is calculated at one-half of the annual rate in the year of acquisition. No amortization is recorded in the year of disposal.

(i) Impairment of long-lived assets

Capital assets are tested for impairment when the asset no longer has long-term service potential to the Association. The impairment loss is measured as the amount by which the carrying amount of the capital asset exceeds its residual value. Impairment losses are recognized as an expenditure in the statement of operations and are not subsequently reversed.

(j) Use of estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported 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 NOVA SCOTIA ASSOCIATION

NOTES TO FINANCIAL STATEMENTS MARCH 31, 2022

3. Internal restriction

On October 13, 2021, the board of directors of the Association resolved to restrict \$100,000 for reserve purposes to manage unexpected expenditures, a temporary loss of funding, and assist with management of cash flow requirements. The Executive Director of the Association must receive prior approval from members of the board of directors to use these funds.

4. Guaranteed Investment Certificates

	<u>2022</u>	<u>2021</u>
<u>General Fund</u>		
RBC GICs, bearing interest at 0.6%, maturing May 2022	\$ 25,202	\$ 25,052
RBC GICs, bearing interest at 0.95%, maturing February 2023	40,058	-
RBC GICs, bearing interest at 0.4%, maturing February 2022	<u>-</u>	<u>40,024</u>
	<u>\$ 65,260</u>	<u>\$ 65,076</u>
<u>Bursary Fund</u>		
RBC GIC, bearing interest at 0.4%, maturing June 2022	\$ 14,185	\$ -
RBC GIC, bearing interest at 1%, maturing June 2021	<u>-</u>	<u>14,108</u>
	<u>\$ 14,185</u>	<u>\$ 14,108</u>
<u>Reserve Fund</u>		
RBC GIC, bearing interest at 0.55%, maturing October 2022	<u>\$ 100,235</u>	<u>\$ -</u>

5. Interfund balance

The interfund balance is non-interest bearing and has no set terms of repayment. The interfund balance consists of bursary fund donations, net of bursaries paid out, that have been deposited into the general fund.

6. Capital assets

	2022			2021	
	<u>Rate</u>	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
Computer equipment	3 yrs	\$ 9,228	\$ 9,228	\$ -	\$ 120
Equipment	5 yrs	<u>32,772</u>	<u>30,659</u>	<u>2,113</u>	<u>3,205</u>
		<u>\$ 42,000</u>	<u>\$ 39,887</u>	<u>\$ 2,113</u>	<u>\$ 3,325</u>

SWIM NOVA SCOTIA ASSOCIATION

NOTES TO FINANCIAL STATEMENTS MARCH 31, 2022

7. Deferred revenue

Deferred revenue represents amounts received that relate to subsequent years. Changes in deferred revenue are as follows:

	<u>2022</u>	<u>2021</u>
Balance, beginning of year	\$ <u>27,820</u>	\$ <u>4,250</u>
Add: amounts received		
Registration fees	-	8,320
Swimming Canada - NextGen Olympic/Paralympic grant	-	19,500
Support 4 Sport grant	<u>2,500</u>	<u>-</u>
	<u>2,500</u>	<u>27,820</u>
Less: amounts recognized as revenue	<u>(27,820)</u>	<u>(4,250)</u>
Balance, end of year	<u>\$ 2,500</u>	<u>\$ 27,820</u>

8. Canada Emergency Business Account ("CEBA") loan

The CEBA loan balance is reported net of \$20,000 forgivable portion which is contingent on repayment of the \$40,000 loan balance by December 31, 2023.

9. Grants and subsidies - COVID-19

To assist with maintaining operations during the COVID-19 pandemic the Association obtained Federal government wage subsidies of \$36,379 (2021 - \$43,580), funding from the Province of Nova Scotia of \$Nil (2021 - \$92,278), forgivable loans of \$Nil (2021 - \$20,000) related to the Canada Business Account Loan, funding from Sport Nova Scotia of \$Nil (2021 - \$6,403), and \$Nil (2021 - \$10,000) from Jumpstart.
