

Financial Statements of

**CANADIAN AMATEUR SYNCHRONIZED  
SWIMMING ASSOCIATION INC.  
(SYNCHRO CANADA)**

Year ended March 31, 2014



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## INDEPENDENT AUDITORS' REPORT

To the Members of Canadian Amateur Synchronized Swimming Association Inc. (Synchro Canada)

### Report on the Financial Statements

We have audited the accompanying financial statements of Canadian Amateur Synchronized Swimming Association Inc. (Synchro Canada), which comprise the statement of financial position as at March 31, 2014, 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 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 is sufficient and appropriate to provide a basis for our audit opinion.



*Opinion*

In our opinion, the financial statements present fairly, in all material respects, the financial position of Canadian Amateur Synchronized Swimming Association Inc. (Synchro Canada) as at March 31, 2014 and its results of operations, changes in net assets 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, Licensed Public Accountants

September 3, 2014

Ottawa, Canada

# CANADIAN AMATEUR SYNCHRONIZED SWIMMING ASSOCIATION INC. (SYNCHRO CANADA)

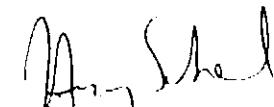
## Statement of Financial Position

March 31, 2014, with comparative information for 2013

	2014	2013
<b>Assets</b>		
<b>Current assets:</b>		
Cash and cash equivalents	\$ 432,334	\$ 265,161
Amounts receivable	141,811	95,118
Inventories	15,477	15,746
Prepaid expenses	11,559	22,568
	<hr/> \$ 601,181	<hr/> \$ 398,593
<b>Liabilities and Net Assets</b>		
<b>Current liabilities:</b>		
Accounts payable and accrued liabilities	\$ 167,003	\$ 71,124
Deferred revenue	—	5,995
	<hr/> 167,003	<hr/> 77,119
<b>Net assets (note 3):</b>		
Unrestricted	434,178	321,474
<b>Contingencies (note 4)</b>		
	<hr/> \$ 601,181	<hr/> \$ 398,593

See accompanying notes to financial statements.

Approved by the Board:

  
\_\_\_\_\_  
Director

  
\_\_\_\_\_  
Director

# CANADIAN AMATEUR SYNCHRONIZED SWIMMING ASSOCIATION INC. (SYNCHRO CANADA)

## Statement of Operations

Year ended March 31, 2014, with comparative information for 2013

	2014	2013
<b>Revenue:</b>		
Sport Canada contributions	\$ 1,521,500	\$ 1,463,000
Affiliation and registration fees	469,065	449,528
Sport Canada - OTP contribution to INS	271,000	155,000
Rebates, interest and other revenue	109,113	63,521
Donated goods and services (note 5)	65,400	45,000
Coaching Association	33,609	40,266
Competition revenue	33,542	18,000
Sale of products	17,230	42,820
Sponsorship and fundraising	4,280	24,539
	2,524,739	2,301,674
<b>Expenses:</b>		
High performance	1,235,663	1,271,162
Administration:		
Payroll and benefits	506,664	453,027
National office	99,935	113,915
Association	53,093	57,321
Planning and management	33,224	85,886
Promotion and communications	25,380	71,154
Sport development	385,279	265,290
Donated goods and services (note 5)	65,400	45,000
Cost of products sold	7,397	37,951
UANA synchro swim championships	—	(5,251)
	2,421,035	2,395,455
<b>Excess (deficiency) of revenue over expenses</b>	<b>\$ 112,704</b>	<b>\$ (93,781)</b>

See accompanying notes to financial statements.

# **CANADIAN AMATEUR SYNCHRONIZED SWIMMING ASSOCIATION INC. (SYNCHRO CANADA)**

## **Statement of Changes in Net Assets**

**Year ended March 31, 2014, with comparative information for 2013**

	<b>2014</b>	<b>2013</b>
Net assets, beginning of year	\$ 321,474	\$ 415,255
Excess (deficiency) of revenue over expenses	112,704	(93,781)
<b>Net assets, end of year</b>	<b>\$ 434,178</b>	<b>\$ 321,474</b>

See accompanying notes to financial statements.

# CANADIAN AMATEUR SYNCHRONIZED SWIMMING ASSOCIATION INC. (SYNCHRO CANADA)

## Statement of Cash Flows

Year ended March 31, 2014, with comparative information for 2013

	2014	2013
<b>Cash provided by (used in):</b>		
Operating activities:		
Excess (deficiency) of revenue over expenses	\$ 112,704	\$ (93,781)
Changes in non-cash operating working capital:		
Decrease (increase) in amounts receivable	(46,693)	112,255
Decrease in inventories	269	6,083
Decrease in prepaid expenses	11,009	129,573
Increase (decrease) in accounts payable and accrued liabilities	95,879	(15,263)
Increase (decrease) in deferred revenue	(5,995)	5,000
Increase in cash	167,173	143,867
Cash and cash equivalents, beginning of year	265,161	121,294
<b>Cash and cash equivalents, end of year</b>	<b>\$ 432,334</b>	<b>\$ 265,161</b>
 Consisting of:		
Cash on deposit	\$ 131,084	\$ 65,161
Cash equivalents	301,250	200,000
<b>Cash and cash equivalents, end of year</b>	<b>\$ 432,334</b>	<b>\$ 265,161</b>

See accompanying notes to financial statements.

# **CANADIAN AMATEUR SYNCHRONIZED SWIMMING ASSOCIATION INC. (SYNCHRO CANADA)**

Notes to Financial Statements

Year ended March 31, 2014

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The Canadian Amateur Synchronized Swimming Association Inc. (Synchro Canada) (the "Association") is incorporated under the Canada Corporations Act and is a Registered Canadian Amateur Athletic Association. The objectives of the Association are to promote interest and participation in synchronized swimming. The Association is exempt from income tax and is able to issue receipts for income tax purposes for charitable donations. Effective November 20, 2013, the Association continued its articles of incorporation from the Canada Corporations Act to the Canada Not-for-profit Corporations Act.

## **1. Significant accounting policies:**

The financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

### **(a) Basis of presentation:**

The Association follows the deferral method of accounting for contributions for not-for-profit organizations.

### **(b) Revenue recognition:**

Contributions include donations and grants. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Contributions that are externally restricted for specific purposes are deferred and recognized as revenue in the period in which the related expenses are incurred.

Membership fees and sponsorships are recognized in the year to which the membership or sponsorship relates. Deferred revenue includes the portion of annual membership fees and sponsorships received in the year which relate to the subsequent fiscal year.

### **(c) Expenses:**

In the statement of operations, the Association presents its expenses by function.

Expenses are recognized in the year incurred and are recorded in the function to which they are directly related.

The Association does not allocate expenses between functions after initial recognition.

### **(d) Inventories:**

Inventories consist primarily of promotional items and educational material held for resale. Inventories are valued at the lower of cost and net realizable value.

# **CANADIAN AMATEUR SYNCHRONIZED SWIMMING ASSOCIATION INC. (SYNCHRO CANADA)**

Notes to Financial Statements (continued)

Year ended March 31, 2014

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## **1. Significant accounting policies (continued):**

### **(e) Donated goods and services:**

Donated goods and services are recorded as revenue and expenses at estimated values determined by reference to normal commercial activities. The actual value of the goods may vary from the estimated value.

### **(f) Cash and cash equivalents:**

Cash and cash equivalents include deposits with financial institutions that can be withdrawn without prior notice or penalty and short-term deposits with an original maturity of 90 days or less.

### **(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. These estimates are reviewed annually and as adjustments become necessary, they are recognized in the financial statements in the period they become known.

## **2. Line of credit:**

The Association has an operating line of credit of \$250,000. It is due on demand and bears interest at bank prime plus 1%, and is secured by a general security agreement covering all personal property of the Association. No amounts were drawn on this operating line as of March 31, 2014 nor March 31, 2013.

## **3. Net assets:**

The Association considers its capital to consist of its net assets. The Association's overall objective with its net assets is to fund capital acquisitions, future projects and ongoing operations. The Association manages its capital by monitoring the net assets balance and intends to increase the balance in future years to cover future potential cash flow requirements that cannot be funded by restricted contributions from the Association's funders.

The Association is not subject to externally imposed capital requirements and its overall strategy with respect to capital remains unchanged from the year ended March 31, 2013.

# **CANADIAN AMATEUR SYNCHRONIZED SWIMMING ASSOCIATION INC. (SYNCHRO CANADA)**

Notes to Financial Statements (continued)

Year ended March 31, 2014

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## **4. Contingencies:**

Contributions received from Sport Canada are subject to specific terms and conditions regarding the expenditure of the funds. The Association's records are subject to audit by Sport Canada to identify instances, if any, in which amounts charged against contributions, have not complied with the agreed terms and conditions and which, therefore, would be refundable to Sport Canada. Adjustments to prior years' contributions are recorded in the year in which Sport Canada requests the adjustment.

Contributions are accounted for on an accrual basis. Any portion of a contribution that has not been spent for the purpose it was intended is considered to be refundable to Sport Canada.

## **5. Donated goods and services:**

The Association received the following donated goods and services, which have been recorded as revenue and expenses on the statement of operations:

	2014	2013
Swim apparel and equipment	\$ 50,000	\$ 45,000
Make-up products and services	15,400	-
	<b>\$ 65,400</b>	<b>\$ 45,000</b>

## **6. Financial risks management:**

### **(a) 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.

### **(b) 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 the accounts receivable. The Association assesses, on a continuous basis, accounts receivable and provides for any amounts that are not collectible in the allowance for doubtful accounts. At year-end, there were no amounts allowed for in accounts receivable.

# **CANADIAN AMATEUR SYNCHRONIZED SWIMMING ASSOCIATION INC. (SYNCHRO CANADA)**

Notes to Financial Statements (continued)

Year ended March 31, 2014

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## **6. Financial risks management (continued):**

### **(c) Interest rate and foreign currency risk:**

The Association believes it is not subject to significant interest rate or foreign currency risk arising from its financial instruments.

There has been no change to the risk exposures from 2013.