

EDMONTON KEYANO SWIM CLUB

FINANCIAL STATEMENTS

FOR THE YEAR ENDED AUGUST 31, 2024

INDEPENDENT AUDITORS' REPORT

To the Board of the Edmonton Keyano Swim Club

Opinion

We have audited the financial statements of Edmonton Keyano Swim Club (the "Club"), which comprise the statement of financial position as at August 31, 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 Club as at August 31, 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 Club 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.

Other Matter

The financial statements of the Club for the year ended August 31, 2023 were audited by another auditor who expressed a qualified opinion on those financial statements on May 31, 2024.

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 Club'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 Club or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Club'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 Club'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 Club'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 Club 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
March 10, 2025

EDMONTON KEYANO SWIM CLUB
STATEMENT OF FINANCIAL POSITION
AS AT AUGUST 31, 2024

	<u>2024</u>	<u>2023</u>
<u>ASSETS</u>		
Current Assets		
Cash	\$ 688,964	\$ 693,588
Term deposits (Note 2)	100,000	-
Accounts receivable	76,730	136,944
Prepaid expenses	<u>23,027</u>	<u>38,928</u>
	888,721	869,460
Tangible Capital Assets (Note 3)	2,504	3,135
Intangible Assets (net of accumulated amortization)	<u>480</u>	<u>577</u>
	<u>\$ 891,705</u>	<u>\$ 873,172</u>
<u>LIABILITIES AND NET ASSETS</u>		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 10,064	\$ 30,225
Deferred revenue (Note 4)	249,098	221,158
Deferred contributions (Note 5)	<u>138,601</u>	<u>139,403</u>
	<u>397,763</u>	<u>390,786</u>
Net Assets		
Unrestricted	491,438	479,251
Invested in tangible capital assets	<u>2,504</u>	<u>3,135</u>
	<u>493,942</u>	<u>482,386</u>
	<u>\$ 891,705</u>	<u>\$ 873,172</u>

APPROVED ON BEHALF OF THE BOARD:

_____ Director

_____ Director

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

EDMONTON KEYANO SWIM CLUB
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED AUGUST 31, 2024

	<u>2024</u>	<u>2023</u>
Revenue		
Member fees: training	\$ 926,875	\$ 812,811
Member fees: swim meets, travel and other	561,807	540,295
Member fees: annual registration	<u>91,794</u>	<u>79,440</u>
	1,580,476	1,432,546
 AGLC gaming proceeds	 418,777	 378,644
University of Alberta	82,123	86,117
YMCA	63,727	73,724
Grants	42,110	37,800
Sponsorship and donations	<u>21,440</u>	<u>21,293</u>
	<u>2,208,653</u>	<u>2,030,124</u>
 Expenses		
Salaries and benefits	1,034,296	789,736
Pool rental	547,531	511,611
Swim meets, travel and other	396,437	497,350
Registration fees	141,341	120,887
Payment administration fees	48,522	43,022
Office supplies	27,819	23,143
Professional fees	11,998	12,256
Office rent	9,148	9,148
Advertising and promotion	8,537	6,356
Coaching	7,772	3,489
Insurance	3,251	2,121
Amortization of tangible capital assets	632	784
Bank charges	207	505
Amortization of intangible assets	97	97
Sub-contracts	-	13,000
Bad debts	<u>-</u>	<u>2,449</u>
	<u>2,237,588</u>	<u>2,035,954</u>
 Annual Surplus (Deficit) Before Other Income (Expense)	 (28,935)	 (5,830)
 Other Income (Expense)		
Interest income	40,491	27,271
Loss on disposal of tangible capital assets	<u>-</u>	<u>(7,056)</u>
 Annual Surplus	 <u>\$ 11,556</u>	 <u>\$ 14,385</u>

EDMONTON KEYANO SWIM CLUB
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED AUGUST 31, 2024

	Unrestricted	Invested in Tangible Capital Assets	<u>2024</u> Total	<u>2023</u> Total
Balance, Beginning of Year	\$ 479,251	\$ 3,135	\$ 482,386	\$ 468,001
Annual surplus	<u>12,187</u>	<u>(631)</u>	<u>11,556</u>	<u>14,385</u>
Balance, End of Year	<u>\$ 491,438</u>	<u>\$ 2,504</u>	<u>\$ 493,942</u>	<u>\$ 482,386</u>

EDMONTON KEYANO SWIM CLUB
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED AUGUST 31, 2024

	<u>2024</u>	<u>2023</u>
Operating Activities		
Cash from operations		
Annual surplus	\$ 11,556	\$ 14,385
Items not affecting cash:		
Amortization of tangible capital assets	632	784
Amortization of intangible assets	97	97
Loss on disposal of tangible capital assets	<u>-</u>	<u>7,056</u>
	12,285	22,322
Change in non-cash working capital:		
Accounts receivable	60,214	30,571
Prepaid expenses	15,901	(38,928)
Accounts payable and accrued liabilities	(20,162)	(30,375)
Deferred revenue	27,940	34,431
Deferred contributions	<u>(802)</u>	<u>(17,274)</u>
	<u>95,376</u>	<u>747</u>
Financing Activities		
Repayment of long-term debt	<u>-</u>	<u>(40,000)</u>
Investing Activities		
Purchase of term deposits	<u>(100,000)</u>	<u>-</u>
Change in Cash During the Year	(4,624)	(39,253)
Cash, Beginning of Year	<u>693,588</u>	<u>732,841</u>
Cash, End of Year	\$ <u>688,964</u>	\$ <u>693,588</u>

EDMONTON KEYANO SWIM CLUB
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2024

Edmonton Keyano Swim Club (the "Club") is a not-for-profit organization incorporated under the Societies Act of Alberta. The Club is exempt from income taxes under Section 149(1) of the Income Tax Act. The Club's purpose is to support the development of it's members as a competitive swim club.

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. When a tangible capital asset no longer contributes to the Club'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:

Computer equipment	20%	Declining balance method
Equipment	20%	Declining balance method
Furniture and fixtures	20%	Declining balance method
Leasehold improvements	5 years	Straight-line method

Intangible Assets

Intangible assets, comprised of a trademark, are being amortized on a straight-line basis over its license term of fifteen years.

Revenue Recognition

The Club follows the deferral method of accounting for contributions which includes donations and grants. Restricted contributions are recognized as revenue in the year the related expenses are incurred. 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.

Annual registration fee revenues are recognized on a straight-line basis over the term of the membership.

Member fee revenues are recognized when the event occurs or services are delivered.

Contributed Services and Materials

Due to the difficulty of determining the fair value, contributed services and materials are not recognized in the 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.

EDMONTON KEYANO SWIM CLUB
NOTES TO FINANCIAL STATEMENTS (CONT'D)
AUGUST 31, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial Instruments

Measurement of financial instruments

The Club 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 bear interest at rates ranging from 5.15% - 5.25% and mature in December 2024.

3. TANGIBLE CAPITAL ASSETS

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	
			<u>2024</u>	<u>2023</u>
Computer equipment	\$ 6,793	\$ 4,289	\$ 2,504	\$ 3,130
Equipment	395	395	-	1
Furniture and fixtures	478	478	-	4
Leasehold improvements	<u>4,062</u>	<u>4,062</u>	<u>-</u>	<u>-</u>
	<u>\$ 11,728</u>	<u>\$ 9,224</u>	<u>\$ 2,504</u>	<u>\$ 3,135</u>

EDMONTON KEYANO SWIM CLUB
NOTES TO FINANCIAL STATEMENTS (CONT'D)
AUGUST 31, 2024

4. DEFERRED REVENUE

	<u>2024</u>	<u>2023</u>
Membership deposits	\$ 153,318	\$ 142,333
Annual registration fees	<u>95,780</u>	<u>78,825</u>
	<u>\$ 249,098</u>	<u>\$ 221,158</u>

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 receivable	Amounts recognized as revenue	<u>2024</u>
AGLC gaming proceeds	\$ 134,813	\$ 405,075	\$ (418,703)	\$ 121,185
University of Alberta	4,590	92,077	(85,251)	11,416
Swim Alberta Association	<u>-</u>	<u>41,000</u>	<u>(35,000)</u>	<u>6,000</u>
	<u>\$ 139,403</u>	<u>\$ 538,152</u>	<u>\$ (538,954)</u>	<u>\$ 138,601</u>

6. RELATED PARTY TRANSACTIONS

The Club received \$52,218 (2023 - \$41,825) from members of the Board of Directors for member fees and annual registration fees. The amounts were charged under the same rates and terms available to the Club's members.

7. LEASE COMMITMENTS

The Club has a long term office lease that expires on August 31, 2026, with annual lease payments of \$8,012.

8. FINANCIAL INSTRUMENTS

It is management's opinion that the Club 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.