

Financial Statements of

**CANADA ARTISTIC
SWIMMING**

And Independent Auditor's Report thereon

Year ended March 31, 2025

DRAFT

INDEPENDENT AUDITOR'S REPORT

To the Members of Canada Artistic Swimming

Opinion

We have audited the financial statements of Canada Artistic Swimming (the "Association"), which comprise:

- the statement of financial position as at end of March 31, 2025
- the statement of operations for the year then ended
- the statement of changes in net assets for the year then ended
- the statement of cash flows for the year then ended
- and notes to financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements, present fairly, in all material respects, the financial position of the Association as at end of March 31, 2025, and its results of operations, its changes in net assets and its 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 "***Auditor's Responsibilities for the Audit of the Financial Statements***" section of our auditor's 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 other ethical responsibilities in accordance with these requirements.

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

Other Matter

We draw attention to the fact that the supplementary information included in the accompanying Schedule does not form part of the financial statements. We have not audited or reviewed this supplementary information and, accordingly, we do not express an opinion or any assurance on this supplementary information.

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 related 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.

Auditor's Responsibilities 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 auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but 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 the 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 used 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 auditor's 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 auditor's 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.
- 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.

Chartered Professional Accountants, Licensed Public Accountants

Ottawa, Canada

[DATE]

CANADA ARTISTIC SWIMMING

Statement of Financial Position

March 31, 2025, with comparative information for 2024

	2025	2024
Assets		
Current assets:		
Cash	\$ 872,579	\$ 727,820
Amounts receivable	229,072	355,067
Investments (note 2)	508,785	528,907
Inventories	23,473	17,226
Prepaid expenses	250,647	42,433
	1,884,556	1,671,453
Endowment assets	10,971	10,789
	\$ 1,895,527	\$ 1,682,242

Liabilities and Net Assets

Current liabilities:		
Accounts payable and accrued liabilities (note 4)	\$ 196,783	\$ 222,885
Deferred revenue (note 5)	283,999	61,458
	480,782	284,343
Net assets:		
Unrestricted (note 6)	1,403,774	1,387,110
Endowment	10,971	10,789
	1,414,745	1,397,899
Contingencies and commitments (note 7)		
	\$ 1,895,527	\$ 1,682,242

See accompanying notes to financial statements.

On behalf of the Board:

Director

Director

CANADA ARTISTIC SWIMMING

Statement of Operations

Year ended March 31, 2025, with comparative information for 2024

	2025	2024
Revenue:		
Registration, affiliation and entry fees	\$ 1,474,297	\$ 1,012,375
Sport Canada contributions	1,190,500	1,474,500
Rebates, interest and other revenue	289,487	150,748
Competition revenue (prize money)	123,194	161,978
Canadian Olympic Committee	107,500	208,750
Sport Canada - OTP contributions to INS	92,500	90,000
Sponsorship and fundraising	13,686	23,354
Sale of products	10,579	11,551
Coaching Association	7,200	3,864
	3,308,943	3,137,120
Expenses:		
High performance	1,439,634	1,593,683
Sport development	881,753	644,077
Cost of products sold	7,374	8,082
Administration:		
Payroll and benefits	588,304	605,264
Association	197,433	373,936
National office	82,490	91,359
Promotions and communication	71,165	76,294
Planning and management	23,944	21,548
	3,292,097	3,414,243
Excess (deficiency) of revenue over expenses	\$ 16,846	\$ (277,123)

See accompanying notes to financial statements.

CANADA ARTISTIC SWIMMING

Statement of Changes in Net Assets

Year ended March 31, 2025, with comparative information for 2024

	Unrestricted	Endowment	Total 2025	Total 2024
Balance, beginning of year	\$ 1,387,110	\$ 10,789	\$ 1,397,899	\$ 1,675,022
Excess (deficiency) of revenue over expenses	16,846	—	16,846	(277,123)
Interest earned on endowment	(182)	182	—	—
Balance, end of year	\$ 1,403,774	\$ 10,971	\$ 1,414,745	\$ 1,397,899

See accompanying notes to financial statements.

CANADA ARTISTIC SWIMMING

Statement of Cash Flows

Year ended March 31, 2025, with comparative information for 2024

	2025	2024
Cash provided by (used in):		
Operating activities:		
Excess (deficiency) of revenue over expenses	\$ 16,846	\$ (277,123)
Amortization of tangible capital and intangible assets	—	9,186
Change in non-cash operating working capital:		
Decrease in amounts receivable	125,995	129,192
Decrease (increase) in inventories	(6,247)	6,594
Increase in prepaid expenses	(208,214)	(27,605)
Decrease in accounts payable and accrued liabilities	(26,102)	(268,532)
Increase (decrease) in deferred revenue	222,541	(66,290)
	124,819	(494,578)
Investing activities:		
Decrease (increase) in investments	20,122	(20,081)
Increase in endowment assets	(182)	(365)
	19,940	(20,446)
Decrease (increase) in cash	144,759	(515,024)
Cash, beginning of year	727,820	1,242,844
Cash, end of year	\$ 872,579	\$ 727,820

See accompanying notes to financial statements.

CANADA ARTISTIC SWIMMING

Notes to Financial Statements

Year ended March 31, 2025

Canada Artistic Swimming (the "Association") was originally incorporated under the Canada Corporations Act on November 14, 1969. Effective November 20, 2013, the Association continued its Articles of Incorporation under the Canada Not-for-Profit Corporations Act.

The Association is a Registered Canadian Amateur Athletic Association is exempt from income tax under paragraph 149(1)(l) of the Income Tax Act (Canada) and is able to issue receipts for income tax purposes for charitable donations.

The objectives of the Association are to promote interest and participation in artistic swimming.

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) Revenue recognition:

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

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. Contributions to endowment funds are recognized as direct increases in net assets and any disbursements of interest earned on the principal are recognized as revenue when the related disbursement is made.

Membership fees and sponsorships are recognized in the year to which the membership or sponsorship relates.

(b) Tangible capital and intangible assets:

Tangible capital and intangible assets are stated at cost, net of accumulated amortization. When an asset no longer contributes to the Association's ability to provide services, it is written down to its residual value.

Amortization is calculated using the straight-line method at the following annual rates:

Asset	Rates
Tangible capital assets:	
Furniture and equipment	20%
Intangible assets:	
Computer software	20%

CANADA ARTISTIC SWIMMING

Notes to Financial Statements (continued)

Year ended March 31, 2025

1. Significant accounting policies (continued):

(c) Fund accounting:

The Association uses fund accounting. The unrestricted fund accounts for the general operations of the Association. The endowment fund supports swimmers in the Junior Duet chosen to represent Canada at the Junior World or World Youth championships. The total amount, normally awarded biennially, shall be an amount equal to the annual interest earned on the capital in this fund, subject to such adjustments as is necessary to preserve the capital and offer a suitable bursary. This amount will be divided equally between two duet swimmers (one duet) who meet the specified qualifications, to a maximum amount of \$1,000 per athlete.

(d) 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.

(e) Inventories:

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

(f) 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.

(g) 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.

(h) Use of estimates:

The preparation of the financial statements in conformity with Canadian accounting standards for not-for-profit organizations 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.

CANADA ARTISTIC SWIMMING

Notes to Financial Statements (continued)

Year ended March 31, 2025

2. Investments:

The Association has invested in non-redeemable guaranteed investment certificates with maturity dates between August 2025 and February 2026 and interest rate ranges of between 2.75% and 3.65%.

3. 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, 2025.

4. Accounts payable and accrued liabilities:

There are no amounts payable for government remittances as at years ended 2025 and 2024 for payroll or sales tax related items.

5. Deferred revenue:

Deferred revenue of \$283,999 (2024 - \$61,458) comprises 2025 World Cup contribution and 2025 National Team tryout registrations for the subsequent year.

6. Net assets:

The Association considers its capital to consist of its unrestricted 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, 2024.

CANADA ARTISTIC SWIMMING

Notes to Financial Statements (continued)

Year ended March 31, 2025

7. 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.

In the normal course of its operations, the Association is party to claims and legal proceedings. The Association makes provisions when it deems appropriate. In the opinion of management, the total amount of potential liability, net of amount accrued, if any, will not have any significant unfavourable impact on the Association's financial position.

8. Financial risks and concentration of risk:

The Association is subject to the following financial risks from its financial instruments:

(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.

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 its 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.

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Notes to Financial Statements (continued)

Year ended March 31, 2025

8. Financial risks and concentration of risk (continued):

(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 its 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.

(c) Market risk:

Market risk is the risk that the fair value of future cash flows of a financial instrument fluctuate because of changes in market prices. Market risk comprises currency risk, interest rate risk and other price risk.

(i) Foreign currency risk:

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Association is not subject to currency risk as it does not hold financial instruments in foreign currencies.

(ii) Interest rate risk:

Interest rate risk arises when the fair value or future cash flows of a financial instrument fluctuates because of changes in market interest rates. The Association is exposed to interest rate risk on its credit facilities and investments as disclosed in note 2. The risk arises from changes in interest rates and the degree of volatility of these rates.

(iii) Other pricing risk:

Other price risk refers to the risk that the fair value of financial instruments or future cash flows associated with the instruments will fluctuate because of changes in market prices (other than those arising from currency risk or interest rate risk), whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all similar instruments traded in the market. The Association is not subject to other pricing risk as it does not hold equity investments.

There have been no changes from the prior year in the Association's risk exposures from its financial instruments or the policies, procedures and methods used to manage these risks.

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Schedule of Revenue and Expenses – Sports Canada Contribution
(Unaudited)

Year ended March 31, 2025

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