

**NEWMARKET STINGRAYS SWIM CLUB**  
**FINANCIAL STATEMENTS**  
**JULY 31, 2024**

**SMITH, SYKES, LEEPER & TUNSTALL LLP**  
**CHARTERED PROFESSIONAL ACCOUNTANTS**  
**LICENSED PUBLIC ACCOUNTANTS**

**NEWMARKET STINGRAYS SWIM CLUB**

**FINANCIAL STATEMENTS**

**JULY 31, 2024**

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## **INDEPENDENT AUDITORS' REPORT**

To the Members of,  
Newmarket Stingrays Swim Club.

### **Opinion**

We have audited the accompanying financial statements of **Newmarket Stingrays Swim Club**, which comprise the statement of financial position as at **July 31, 2024** and the statements of changes in net assets, receipts and expenditures and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of **Newmarket Stingrays Swim Club** as at **July 31, 2024** 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.

### **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 **Newmarket Stingrays Swim Club** 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.

### **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 **Newmarket Stingrays Swim Club'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 **Newmarket Stingrays Swim Club** or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing **Newmarket Stingrays Swim Club's** financial reporting process.

### **Auditors' 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 auditors' 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 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 **Newmarket Stingrays Swim Club'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 **Newmarket Stingrays Swim 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 **Newmarket Stingrays Swim 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.

***Smith, Sykes, Leeper & Tunstall LLP***

**CHARTERED PROFESSIONAL ACCOUNTANTS  
Licensed Public Accountants**

Newmarket, Ontario.  
February 6, 2025.



**NEWMARKET STINGRAYS SWIM CLUB**  
(Incorporated Under the Laws of Ontario Without Share Capital)  
**STATEMENT OF FINANCIAL POSITION**  
**JULY 31, 2024**

	2024	2023
<b><u>ASSETS</u></b>		
<b>CURRENT ASSETS</b>		
Cash	\$ 216,767	\$ 217,111
Cash - restricted (Note 3)	22,826	23,480
Term deposits - short term (Note 4)	178,781	133,565
Accounts receivable	32,507	38,216
Prepaid expenses	391	0
Inventory	<u>13,754</u>	<u>17,563</u>
	<b>465,026</b>	<b>429,935</b>
Term deposits - long term (Note 4)	0	38,612
Capital assets (Note 5)	<u>35,303</u>	<u>39,647</u>
	<b>\$ 500,329</b>	<b>\$ 508,194</b>
<b><u>LIABILITIES</u></b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 92,491	\$ 66,498
Government remittances payable	20,460	17,604
Revenue received in advance	166,740	137,211
Meet fee deposits (Note 3)	<u>22,826</u>	<u>23,480</u>
	<b>302,517</b>	<b>244,793</b>
Canada Emergency Business Account loan (Note 6)	<u>0</u>	<u>30,000</u>
	<b>302,517</b>	<b>274,793</b>
<b><u>NET ASSETS</u></b>		
Unrestricted net assets	197,812	233,401
	<b>\$ 500,329</b>	<b>\$ 508,194</b>

Approved on Behalf of the Board,

Marta Klakov, Director.

J. Briskois, Director.

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

**NEWMARKET STINGRAYS SWIM CLUB**  
**STATEMENT OF REVENUES AND EXPENSES AND CHANGES IN NET ASSETS**  
**FOR THE YEAR ENDED JULY 31, 2024**

	2024	2023
<b>REVENUES</b>		
Membership fees	\$ 449,677	\$ 433,301
Swim meet revenue (Note 7)	89,283	71,253
Bingo revenue (Note 7)	66,858	60,422
Fundraising (Note 7)	37,252	39,344
Other income	29,073	21,294
Swim-a-thon revenue	14,619	17,760
	<b>686,762</b>	<b>643,374</b>
<b>EXPENSES</b>		
Salaries and benefits - coaching	315,722	282,596
Pool rental	293,840	253,570
Office	47,008	42,092
Credit card fees (Note 7)	17,089	17,301
Coaching expenses	13,316	10,571
Professional fees	12,995	12,995
Swimmer and travel support (Note 7)	6,577	13,919
Equipment (Note 7)	6,530	2,575
Amortization expense	4,345	4,857
Insurance	2,280	2,141
Other expense	1,363	1,240
Dry land training	1,286	2,842
	<b>722,351</b>	<b>646,699</b>
(Deficit) of revenue over expenses before other items	<b>(35,589)</b>	<b>(3,325)</b>
<b>(DEFICIT) EXCESS OF REVENUES OVER EXPENSES</b>	<b>(35,589)</b>	<b>(3,325)</b>
Unrestricted net assets, beginning of the year	<u>233,401</u>	<u>236,726</u>
<b>UNRESTRICTED NET ASSETS, END OF THE YEAR</b>	<b>\$ 197,812</b>	<b>\$ 233,401</b>

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

**NEWMARKET STINGRAYS SWIM CLUB  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JULY 31, 2024**

	2024	2023
<b>CASH (USED FOR) PROVIDED BY OPERATIONS</b>		
Excess of (expenses over revenues) revenues over expenses for the year	\$ (35,589)	\$ (3,325)
Items not requiring an outlay of cash:		
Amortization	<u>4,345</u>	<u>4,857</u>
	<b>(31,244)</b>	<b>1,532</b>
<b>Changes in operating working capital</b>		
Term deposits (Note 4)	(6,604)	(3,194)
Accounts receivable	5,709	(20,625)
Inventory	3,809	(9,074)
Prepaid expenses	(391)	640
Accounts payable and accrued expenses	25,992	24,976
Government remittances	2,856	2,073
Revenue received in advance	29,529	18,227
Meet fee deposits (Note 3)	<u>(654)</u>	<u>(29,174)</u>
	<b>60,246</b>	<b>(16,151)</b>
<b>FINANCING</b>		
(Decrease) in Canada Emergency Business Account loan	<u>(30,000)</u>	<u>0</u>
<b>INVESTING</b>		
Decrease in cash - restricted (Note 3)	654	29,174
Additions to capital assets	<u>0</u>	<u>(1,549)</u>
<b>CASH PROVIDED BY INVESTING</b>	<b>654</b>	<b>27,625</b>
<b>NET CHANGE IN CASH POSITION</b>	<b>(344)</b>	<b>13,006</b>
Cash position, beginning of the year	<u>217,111</u>	<u>204,105</u>
<b>CASH POSITION, END OF THE YEAR</b>	<b>\$ 216,767</b>	<b>\$ 217,111</b>

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

**NEWMARKET STINGRAYS SWIM CLUB  
NOTES TO THE FINANCIAL STATEMENTS  
JULY 31, 2024**

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The Newmarket Stingrays Swim Club is a not-for-profit organization incorporated under the laws of Ontario without share capital.

The objective of the Swim Club is to develop, promote, improve and organize competitive swimmers in Newmarket and surrounding district.

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO) and include the following significant accounting policies:

**Estimates and assumptions -**

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions. The estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at July 31, 2024 and the reported amounts of the revenues and expenses for the year ended July 31, 2024. Significant items subject to such estimates and assumptions include the estimated useful lives of capital assets. These estimates are reviewed periodically, and, as adjustments are necessary, they are reported in earnings in the period in which they become known. Actual results could differ from those estimates.

**Financial instruments -**

The Swim Club initially measures its financial assets and liabilities at fair value, except for certain non arm's length transactions.

The Swim Club subsequently measures its financial assets and liabilities at amortized cost, except for investments which are measured at fair value. Changes in fair value are recognized in net income.

Financial assets and liabilities measured at amortized cost include cash, term deposits, accounts payable and accrued expenses and meet fee deposits.

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of any write-down is recognized in net income. Any 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. Any reversal is recognized in net income.

**Cash -**

This balance represents the amount of unrestricted cash on hand at July 31, 2024.

**Inventory -**

Inventory is stated at the lower of cost and net realizable value. Market value is considered as replacement value or estimated realizable value, whichever is lower.



**NEWMARKET STINGRAYS SWIM CLUB  
NOTES TO THE FINANCIAL STATEMENTS  
JULY 31, 2024**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Revenue received in advance -**

Revenue received in advance includes Fund from the heart, fee credits and membership fees received in the current period that relate to the subsequent year. The amount will be recognized as revenue according to the revenue recognition policies adopted by the Swim Club.

**Contributed services -**

Volunteers contribute time to assist the Swim Club in carrying out its services. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

**Government assistance -**

Government assistance is recognized as revenue in the same period as the related expenditures.

**Revenue recognition -**

The Swim Club recognizes membership fees as revenue in the period to which they relate.

The Swim Club recognizes fundraising, swim meet, swim-a-thon and Bingo revenue when the event has taken place and collection is reasonably assured.

Other income is recognized on an accrual basis in the period earned.

Interest income is recognized with the passage of time, and accrued accordingly.

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**2. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**

The Swim Club is exposed to the following risks related to its financial assets and liabilities:

**Credit risk -**

Credit risk arises from the possibility that the families to which the Swim Club provides services may experience financial difficulty and be unable to fulfill their contractual obligations. This risk is mitigated by proactive credit management policies that include regular monitoring of the families' payment history. There has been no change to the risk exposure from 2023.

**Liquidity risk -**

Liquidity risk is the risk that an organization will encounter difficulty in meeting obligations associated with financial liabilities. The Swim Club has low liquidity risk given the makeup of its accounts payable and accrued expenses. There has been no change to the risk exposure from 2023.

**NEWMARKET STINGRAYS SWIM CLUB  
NOTES TO THE FINANCIAL STATEMENTS  
JULY 31, 2024**

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**2. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)**

**Market risk -**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: foreign currency risk, interest rate risk and other price risk. Currently, the Swim Club is not exposed to foreign currency and other price risks.

**Interest rate risk -**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Swim Club is exposed to interest rate risk on its fixed interest rate financial instruments. The value of the Swim Club's short term and long term investments could fluctuate with a change in the interest rate. There has been no change to the risk exposure from 2023.

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**3. CASH - RESTRICTED**

The Swim Club has set up a bank account to manage receipts and disbursements pertaining to meet fees. The amount on hand at any point is owing to individual parents which is used by the club to pay meet expenses on behalf of their children.

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**4. TERM DEPOSITS**

The investments consist of two Guaranteed Investment Certificates (GIC). These investments are reported at fair value at each balance sheet date, and any change in fair value is recognized in the net income (loss) in the period in which the change occurs. The first GIC of \$134,527 matures on October 7, 2024 and has a yield of 4%. The second GIC of \$38,479 matures on June 23, 2025, has a yield of 3.20% and provides security for the Club's credit card.

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**NEWMARKET STINGRAYS SWIM CLUB**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JULY 31, 2024**

**5. CAPITAL ASSETS**

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net 2024</u>	<u>Net 2023</u>
Equipment	\$ 84,553	\$ 52,457	\$ 32,096	\$ 36,539
Computer equipment	<u>4,282</u>	<u>1,075</u>	<u>3,207</u>	<u>3,108</u>
	\$ 88,835	\$ 53,532	\$ 35,303	\$ 39,647

Capital assets are recorded at cost. Amortization is provided annually at rates calculated to write-off the assets over their estimated useful lives as follows:

Equipment	- 20 years straight line
Computer equipment	- 10 years straight line

**6. CANADA EMERGENCY BUSINESS ACCOUNT LOAN**

The Organization had received \$40,000 in Canada Emergency Business Account loans. During the current year \$30,000 was repaid and the remaining \$10,000 was forgiven.

**7. NET REVENUES AND EXPENSES**

Some amounts on the statement of revenue and expense are shown on a net basis to simplify the financial statement presentation. The following are the gross amounts for the related items.

	<u>Fundraising Revenue</u>	<u>Swim Meet Revenue</u>	<u>Bingo Revenue</u>
Gross receipts	\$ 61,351	\$ 150,457	\$ 72,618
Expenses	<u>24,099</u>	<u>61,174</u>	<u>5,760</u>
Net revenue	\$ <u>37,252</u>	\$ <u>89,283</u>	\$ <u>66,858</u>

	<u>Swimmer and Travel Support Expense</u>	<u>Credit Card Fees</u>	<u>Equipment Expense</u>
Disbursements	\$ 84,600	\$ 30,773	\$ 10,687
Receipts	<u>78,023</u>	<u>4,416</u>	<u>4,157</u>
Net expense	\$ <u>6,577</u>	\$ <u>26,357</u>	\$ <u>6,530</u>