

**B.C. AMATEUR  
ATHLETICS ASSOCIATION  
Financial Statements  
For the year ended March 31, 2012**

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## Auditor's Report

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**To the Members  
B.C. Amateur Athletics Association**

We have audited the accompanying financial statements of the B.C. Amateur Athletics Association, which comprise the statement of financial position as at March 31, 2012, and the statement of operations and net assets (deficit), 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 generally accepted accounting principles, 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.

### **Auditor's 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 the auditor's 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, the auditor considers 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 the B.C. Amateur Athletics Association as at March 31, 2012 and the results of its operations and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

*BDO CANADA LLP*

Chartered Accountants

Penticton, British Columbia  
September 4, 2012

**B.C. Amateur Athletics Association  
Statement of Financial Position**

**As at March 31** 2012                      2011

**Assets**

**Current**

Cash	\$	349,131	\$	108,544
Accounts receivable		20,626		20,718
Inventory (Note 2)		52,581		53,803
Prepaid expenses		25,929		26,508
Reserve fund (Note 3)		28,788		26,761
		477,055		236,334

**Capital assets (Note 4)**

		5,504		10,777
		5,504		10,777

	\$	482,559	\$	247,111
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**Liabilities and Members' Equity**

**Current**


Accounts payable and accrued liabilities	\$	86,540	\$	71,987
Deferred revenue (Note 6)		176,149		37,925
		262,689		109,912


**Net Assets**

Unrestricted net assets (deficit)		79,603		(5,595)
Net assets invested in capital assets		5,504		10,777
Net assets in reserve fund		134,763		132,017
		219,870		137,199

	\$	482,559	\$	247,111
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On behalf of the Board:

  
 \_\_\_\_\_ Director

  
 \_\_\_\_\_ Director

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

**B.C. Amateur Athletics Association**  
**Statement of Operations and Net Assets (Deficit)**

<b>For the year ended March 31</b>	<b>2012</b>	<b>2011</b>
<b>Revenue</b>		
Association committee meetings	\$ 9,095	\$ 10,081
Administration	2,233	67
Memberships	329,027	281,966
Publications	248	374
Leadership	10,175	3,564
In-province competitions	107,364	129,947
Marketing, promotions and sponsorships	65,986	45,625
Grants/program revenue	409,103	402,727
Special programs	160,396	135,509
Athlete development	4,907	6,850
Awards/recognition	527	40
Run jump throw contributions	22,232	18,081
Reserve fund income	2,027	1,003
	<b>1,123,320</b>	<b>1,035,834</b>
<b>Expenditures</b>		
Administration	193,024	194,796
Association committee meetings	47,801	52,193
Athlete development	90,074	70,543
Awards/recognition	2,439	2,072
B.C. regional centres	21,288	20,000
B.C. team programs	53,558	109,724
Hosting competitions	2,500	-
In-province competitions	165,420	160,322
Leadership	31,377	19,999
Marketing and promotion	2,966	4,271
National training centres	20,000	20,000
Publications	1,797	989
Run jump throw instruction, training and delivery	84,184	73,932
Special programs (includes team uniforms)	24,562	25,010
Staffing:		
- Administration	176,827	167,224
- Programs	107,898	79,725
- Summer student/part time staff	8,984	8,043
	<b>1,034,699</b>	<b>1,008,843</b>
<b>Surplus from operations</b>	<b>88,621</b>	<b>26,991</b>
<b>Unrestricted net deficit, beginning of year</b>	<b>(5,595)</b>	<b>(31,583)</b>
<b>Transfer to Capital Fund</b>	<b>(3,423)</b>	<b>-</b>
<b>Transfer to Reserve Fund</b>	<b>-</b>	<b>(1,003)</b>
<b>Unrestricted net assets (deficit), end of year</b>	<b>\$ 79,603</b>	<b>\$ (5,595)</b>

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

**B.C. Amateur Athletics Association**  
**Statement of Cash Flows**

<b>For the year ended March 31</b>	<b>2012</b>	<b>2011</b>
<b>Cash flows from operating activities</b>		
Cash received from customers and funding	\$ 1,259,609	\$ 1,090,726
Cash payments to suppliers, employees and athletes	(1,018,344)	(1,004,941)
Interest received	-	1,003
	<u>241,265</u>	<u>86,788</u>
<b>Cash flows from investing activities</b>		
Purchase of capital assets	(3,424)	-
Increase in reserve funds	-	(1,003)
	<u>(3,424)</u>	<u>(1,003)</u>
<b>Cash flows from financing activities</b>		
Track and field equipment repair fund contribution	2,746	3,711
	<u>240,587</u>	<u>89,496</u>
<b>Increase in cash during the year</b>	<b>240,587</b>	<b>89,496</b>
Cash, beginning of year	<u>108,544</u>	<u>19,048</u>
<b>Cash, end of year</b>	<b>\$ 349,131</b>	<b>\$ 108,544</b>

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

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**B.C. Amateur Athletics Association  
Operating Fund Financial Position**

<b>As at March 31</b>	<b>2012</b>	<b>2011</b>
<b>Assets</b>		
<b>Current</b>		
Cash	\$ 349,131	\$ 108,544
Accounts receivable	20,626	20,718
Inventory	52,581	53,803
Prepaid expenses	25,929	26,508
	<hr/>	<hr/>
	\$ 448,267	\$ 209,573
<hr/>		
<b>Liabilities and Net Assets (Deficit)</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	\$ 86,540	\$ 71,987
Deferred revenue	176,149	37,925
Due to reserve fund	105,975	105,256
	<hr/>	<hr/>
	368,664	215,168
<b>Net assets (deficit)</b>		
Unrestricted net assets (deficit)	79,603	(5,595)
	<hr/>	<hr/>
	\$ 448,267	\$ 209,573
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The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

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**B.C. Amateur Athletics Association  
Capital Fund Financial Position**

<b>As at March 31</b>	<b>2012</b>	<b>2011</b>
<b>Assets</b>		
Capital assets (Note 4)	\$ 5,504	\$ 10,777
<b>Liabilities and Net Assets</b>		
<b>Net assets</b>		
Net assets invested in capital assets, beginning of year	\$ 10,777	\$ 22,060
Purchase of capital assets	3,423	-
Amortization	(8,696)	(11,283)
Net assets invested in capital assets, end of year	\$ 5,504	\$ 10,777

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.



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**B.C. Amateur Athletics Association  
Reserve Fund Financial Position**

<b>As at March 31</b>	<b>2012</b>	<b>2011</b>
<b>Assets</b>		
Cash (Note 3)	\$ 28,788	\$ 26,761
Due from Operating Fund	<u>105,975</u>	<u>105,256</u>
	<b>\$ 134,763</b>	<b>\$ 132,017</b>
<b>Net Assets</b>		
Net assets in reserve funds, beginning of year	\$ 132,017	\$ 128,299
Track and field repair fund contribution	2,746	2,715
Interest income	<u>-</u>	<u>1,003</u>
Net assets in reserve funds, end of year	<b>\$ 134,763</b>	<b>\$ 132,017</b>

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

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## B.C. Amateur Athletics Association Notes to the Financial Statements

March 31, 2012

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### 1. Summary of Significant Accounting Policies

#### Nature and Purpose of Organization

B.C. Amateur Athletics Association is a not-for-profit organization incorporated under the B.C. Society Act and under an agreement with Athletics Canada coordinates cross-country running, road racing and track & field in British Columbia.

The Association is a registered not-for-profit organization and, as such, is exempt from income tax under section 149(1)(l).

#### Financial Instruments

The Association utilizes various forms of financial instruments and classifies its financial instruments into one of the following categories based on the purpose for which the asset was acquired. The Association's accounting policy for each category is as follows:

#### Held for Trading

The Association has classified cash as held for trading. This financial instrument is recorded at fair value with changes in fair value recognized in the statement of revenue and expense as incurred. Transaction costs related to instruments classified as held for trading are expensed as incurred.

#### Loans and Receivables

The Association has classified accounts receivable as loans and receivables. These financial instruments are non-derivative financial assets resulting from the delivery of cash or other assets by a lender to a borrower in return for a promise to repay on a specified date or dates, or on demand. They are initially recognized at fair value and are subsequently measured at the amortized cost using the effective interest rate method. Gains and losses arising from changes in fair value are recognized as incurred.

#### Other Financial Liabilities

The Association has classified accounts payable and accrued liabilities as other financial liabilities. These financial instruments are initially recognized at fair value and are subsequently measured at the amortized cost using the effective interest rate method. Gains and losses arising from changes in fair value are recognized as incurred.

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## **B.C. Amateur Athletics Association Notes to the Financial Statements**

**March 31, 2012**

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### **1. Summary of Significant Accounting Policies (continued)**

#### **Financial Instruments (continued)**

##### **Measuring Fair Value**

The fair value of a financial instrument is the amount of consideration that would be agreed upon in an arm's-length transaction between knowledgeable, willing parties who are under no compulsion to act. Fair values are determined by reference to quoted bid or asking prices as appropriate, in the most advantageous active market for that instrument to which the Association has immediate access.

Fair values determined using valuation models require the use of assumptions concerning the amount and timing of estimated future cash flows and discounted rates. In determining those assumptions, external readily observable market inputs including interest rate yield curves, currency rates and price and rate volatilities are considered as applicable.

#### **Financial Instruments Risk Exposure and Management**

In common with all other businesses, the Association is exposed to risks that arise from its use of financial instruments. This note describes the Association's objectives, policies and processes for managing those risks and methods used to measure them.

There have been no substantive changes in the Association's exposure to financial instruments risks, its objectives, policies and processes for managing those risks or methods used to measure them from previous periods unless otherwise stated in this note.

##### **Principal Financial Instruments**

The principal financial instruments used by the Association, from which financial instrument risk arises, are as follows:

- cash;
- accounts receivable;
- investments; and
- accounts payable and accrued liabilities

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## **B.C. Amateur Athletics Association Notes to the Financial Statements**

**March 31, 2012**

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### **1. Summary of Significant Accounting Policies (continued)**

#### **Financial Instruments Risk Exposure and Management (continued)**

##### **General Objectives, Policies, and Processes**

The Board has overall responsibility for the determination of the Association's risk management objectives and policies and, while retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Association's administration function. The Board receives financial statements through which it reviews the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets.

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Association's competitiveness and flexibility. Further details regarding these policies are set out below.

##### ***Credit Risk***

Credit risk arises principally from the Association's accounts receivable. It is the risk that the counterparty fails to discharge its obligation in respect of the instrument. In respect of trade and other receivable, the Association is not exposed to any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. Based on historical information about customer default rates, management considers the credit quality of trade receivables that are not past due or impaired to be good.

The credit risk for cash and investments is considered negligible since the counterparties are reputable banks with high quality external credit ratings.

##### ***Liquidity Risk***

Liquidity risk arises from the Association's management of working capital and the finance charges. It is the risk that the Association will encounter difficulty in meeting its financial obligations as they fall due.

The Association's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due. At the balance sheet date, the Association expected to have sufficient liquid resources to meet its obligations under all reasonably expected circumstances.

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**B.C. Amateur Athletics Association**  
**Notes to the Financial Statements**

**March 31, 2012**

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**1. Summary of Significant Accounting Policies (continued)**

**Financial Instruments Risk  
Exposure and Management  
(continued)**

***Interest Rate Risk***

Fixed rate debt and fixed rate investments are subject to interest rate price risk, as the value will fluctuate as a result of changes in market rates. Floating rate debt is subject to interest rate cash flow risk, as the required cash flows to service the debt will fluctuate as a result of changes in market rates.

**Capital Assets**

Capital assets are recorded at cost. The capital purchases which are not funded by the Capital Fund are charged to the Operations Fund in the year of acquisition. The Capital Fund reports the assets, liabilities, revenues and expenses related to the Association's capital assets. Amortization based on the estimated useful life of the asset is expensed in the Capital Fund and calculated as follows:

Equipment	-	3 & 5 years straight line basis
Computer equipment	-	5 years straight line basis
Computer software	-	2 years straight line basis
Leasehold improvements	-	5 years straight line basis

**Use of Estimates**

The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of 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 management's best estimates as additional information becomes available in the future.

**Revenue Recognition**

Revenue received are of three types: a) grants and incomes which relate to the fiscal period; b) membership fees which are collected throughout the year and are non-refundable; and c) grants and incomes that relate to specific events or projects. Those revenues received or earned that relate to the fiscal period are recognized when received or earned. Those revenues received or earned that relate to membership fees are recognized when received or earned. Those revenues received or earned that relate to specific events or projects are deferred until the event or project is complete.

**Cash and Cash Equivalents**

Cash and cash equivalents consist of bank balances and investments in money market instruments with maturities of three months or less.

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## B.C. Amateur Athletics Association Notes to the Financial Statements

**March 31, 2012**

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### 1. Summary of Significant Accounting Policies (continued)

**Inventory**

Inventory is stated at the lower of cost and net realizable value. Cost is generally determined on the first-in, first-out basis. Included in inventory are items that are held for resale and those that are consumable and used as prizes and uniforms.

**Accounting Framework**

For year ends beginning on or after January 1, 2012, non-for-profit organizations (NPO) will have the option of adopting IFRS or accounting standards for NPOs. The existing standards NPO standards in the CICA Handbook will continue to be available until 2012, at which time they will cease to be an authoritative source of Canadian GAAP. Accordingly, an NPO that wishes to adopt accounting standards for NPOs will be able to adopt the new standards early. The Association is currently monitoring changes to the standards to determine the potential impact on its financial statements.

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### 2. Inventory

The following table summarizes the Association's inventory held at year end:

	2012	2011
Inventory held for resale	\$ 8,602	\$ 8,408
Inventory held for event prizes and uniforms	43,979	45,395
	\$ 52,581	\$ 53,803

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### 3. Reserve Fund

The Reserve Fund represents appropriated Operating Fund surplus, the revenue and capital of which will be used to fund specific activities of the Association or to supplement Operating Fund sources.

	2012	2011
Cash	\$ 24,894	\$ 22,880
Treasury bill	3,894	3,881
	\$ 28,788	\$ 26,761

**B.C. Amateur Athletics Association**  
**Notes to the Financial Statements**

**March 31, 2012**

**4. Capital Assets**

	2012		2011	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Equipment	\$ 334,728	\$ 333,014	\$ 334,728	\$ 330,631
Computer equipment	33,133	29,343	29,710	23,030
Leasehold improvements	4,606	4,606	4,606	4,606
	<b>\$ 372,467</b>	<b>\$ 366,963</b>	<b>\$ 369,044</b>	<b>\$ 358,267</b>
Net book value		<b>\$ 5,504</b>		<b>\$ 10,777</b>

**5. Capital Fund**

The Capital Fund reports the assets, liabilities, and sources and uses of capital financing related to the Association's capital assets.

**6. Deferred Revenue**

Deferred revenue represents funding received for programs that were not completed during the year, or cash/inventory received in advance.

	2012	2011
B.C. Gaming - direct access	\$ 100,228	\$ -
Coaching seminar L1	-	775
Coaching seminar L2	-	900
Gaming - WCG grant	-	16,800
1st Contact Grassroots Travel & Expenses	1,843	-
Legacies Now - RJT After School Grant	-	2,203
RJT certification training session	22,871	561
Sanction fees	4,695	1,064
Sport BC - In province travel assistance	20,500	-
Timex watches received	17,758	480
Western Canada Summer Games	-	8,850
Donations	8,254	6,292
	<b>\$ 176,149</b>	<b>\$ 37,925</b>

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**B.C. Amateur Athletics Association**  
**Notes to the Financial Statements**

**March 31, 2012**

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**7. Capital Management**

The Association's objectives when managing capital are:

1. To safeguard the Association's ability to continue to operate as a going concern, and
2. To maintain a flexible capital structure

The Association's credit facilities are reviewed annually to ensure sufficient funds are available to meet operational and business needs.

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**8. Comparative Figures**

The comparative amounts presented in the financial statements have been restated to conform to the current year's presentation.