

**B.C. AMATEUR  
ATHLETICS ASSOCIATION  
Financial Statements  
For the year ended March 31, 2011**

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## Auditors' 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 balance sheet as at March 31, 2011, and the statement of operations and members' equity, 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.

### 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 the auditors' 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, 2011 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  
August 30, 2011

**B.C. Amateur Athletics Association**  
**Consolidated Financial Position**

**As at March 31** 2011 2010

**Assets**

**Current**

Cash	\$	108,544	\$	19,048
Accounts receivable		20,718		66,633
Inventory (Note 1)		53,803		63,626
Prepaid expenses		26,508		29,639
Reserve fund (Note 2)		26,761		26,752

236,334 205,698

**Capital assets (Note 3)**

10,777 22,060

**\$ 247,111** **\$ 227,758**

**Liabilities and Members' Equity**

**Current**

Accounts payable and accrued liabilities	\$	71,988	\$	81,038
Deferred revenue (Note 5)		37,925		27,944

109,913 108,982

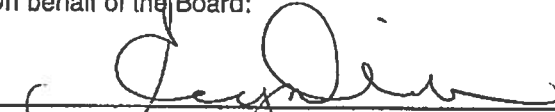
**Net Assets (Deficit)**


Unrestricted net assets (deficit)	(5,596)		(31,583)
Net assets invested in capital assets	10,777		22,060
Net assets in reserve fund	132,017		128,299

137,198 118,776

**\$ 247,111** **\$ 227,758**

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**  
**Operating Fund Statement of Operations and Net Assets (Deficit)**

<b>For the year ended March 31</b>	<b>2011</b>	<b>2010</b>
<b>Revenue</b>		
Association committee meetings	\$ 10,081	\$ 6,542
Administration	841	837
Memberships	288,816	282,808
Publications	374	248
Leadership	8,064	4,721
In-province competitions	122,654	138,790
Marketing, promotions and sponsorships	45,625	46,425
BC government block contribution	182,000	185,729
Grants	171,227	153,130
BC regional centres	20,000	30,000
Special programs	61,071	41,069
Direct charitable access	82,347	71,353
Athlete development	17,091	7,347
Run jump throw contributions	24,639	26,050
Reserve fund income	1,003	491
	<b>1,035,833</b>	<b>995,540</b>
<b>Expenditures</b>		
Athlete development	70,543	95,515
Administration	214,976	208,317
Association committee meetings	52,193	44,045
Awards/recognition	2,072	2,020
B.C. regional centres	20,000	30,289
B.C. team programs	109,001	136,577
Hosting competitions	723	1,500
In-province competitions	160,322	145,215
Leadership	19,999	23,733
Marketing and promotion	4,271	4,113
National training centres	20,000	21,068
Publications	989	1,672
Run jump throw instruction, training and delivery	73,932	61,401
Special programs (includes team uniforms)	25,010	25,194
Staffing:		
- Administration	147,044	165,612
- Programs	79,725	77,204
- Summer student/part time staff	8,043	9,418
	<b>1,008,843</b>	<b>1,052,893</b>
<b>Surplus (Deficit) from operations</b>	<b>26,990</b>	<b>(57,353)</b>
<b>Unrestricted net assets (deficit), beginning of year</b>	<b>(31,583)</b>	<b>30,997</b>
<b>Transfer to capital fund</b>	<b>-</b>	<b>(4,736)</b>
<b>Transfer to reserve fund</b>	<b>(1,003)</b>	<b>(491)</b>
<b>Unrestricted net assets (deficit), end of year</b>	<b>\$ (5,596)</b>	<b>\$ (31,583)</b>

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

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

<b>For the year ended March 31</b>	<b>2011</b>	<b>2010</b>
<b>Cash flows from operating activities</b>		
Cash received from customers and funding	\$ 1,090,726	\$ 983,414
Cash payments to suppliers, employees and athletes	(1,004,941)	(1,159,459)
Interest received	1,003	491
	<u>86,788</u>	<u>(175,554)</u>
<b>Cash flows from investing activities</b>		
Purchase of capital assets	-	(9,863)
Increase in reserve funds	(1,003)	(491)
	<u>(1,003)</u>	<u>(10,354)</u>
<b>Cash flows from financing activities</b>		
Track and field equipment repair fund contribution	3,711	1,815
<b>Increase (decrease) in cash during the year</b>	<b>89,496</b>	<b>(184,093)</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>19,048</b>	<b>203,141</b>
<b>Cash and cash equivalents, end of year</b>	<b>\$ 108,544</b>	<b>\$ 19,048</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>2011</b>	<b>2010</b>
<b>Assets</b>		
<b>Current</b>		
Cash	\$ 108,544	\$ 19,048
Accounts receivable	20,718	66,633
Inventory	53,803	63,626
Prepaid expenses	26,508	29,639
	<hr/>	<hr/>
	\$ 209,573	\$ 178,946
<hr/>		
<b>Liabilities and Net Assets (Deficit)</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	\$ 71,988	\$ 80,786
Deferred revenue	37,925	27,944
Due to reserve fund	105,256	101,799
	<hr/>	<hr/>
	215,169	210,529
<b>Net Assets (Deficit)</b>		
Unrestricted net assets (deficit)	(5,596)	(31,583)
	<hr/>	<hr/>
	\$ 209,573	\$ 178,946
<hr/>		

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**

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**As at March 31** 2011 2010

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**Assets**

Capital assets (Note 3) \$ 10,777 \$ 22,060

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**Liabilities and Net Assets**

**Net assets**

Net assets invested in capital assets, beginning of year	\$ 22,060	\$ 28,721
Purchase of capital assets	-	9,861
Disposal of capital assets	-	(5,125)
Amortization	(11,283)	(11,397)
	<hr/>	<hr/>
Net assets invested in capital assets, end of year	\$ 10,777	\$ 22,060

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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**  
**Reserve Fund Financial Position**

<b>As at March 31</b>	<b>2011</b>	<b>2010</b>
<b>Assets</b>		
Cash (Note 2)	\$ 26,761	\$ 26,752
Due from operating fund	<u>105,256</u>	<u>101,547</u>
	<b>\$ 132,017</b>	<b>\$ 128,299</b>
<b>Net Assets</b>		
Net assets in reserve funds, beginning of year	\$ 128,299	\$ 126,488
Track and field repair fund contribution	2,715	1,320
Interest income	<u>1,003</u>	<u>491</u>
Net assets in reserve funds, end of year	<b>\$ 132,017</b>	<b>\$ 128,299</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 Summary of Significant Accounting Policies**

**March 31, 2011**

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### **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. 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.

#### **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.

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## B.C. Amateur Athletics Association Summary of Significant Accounting Policies

**March 31, 2011**

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<b>Capital Assets</b>	<p>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 organization's capital assets. Amortization based on the estimated useful life of the asset is expensed in the Capital Fund and calculated as follows:</p> <table><tr><td>Equipment</td><td>-</td><td>3 &amp; 5 years straight line basis</td></tr><tr><td>Computer equipment</td><td>-</td><td>5 years straight line basis</td></tr><tr><td>Computer software</td><td>-</td><td>2 years straight line basis</td></tr><tr><td>Leasehold improvements</td><td>-</td><td>5 years straight line basis</td></tr></table>	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
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											
<b>Use of Estimates</b>	<p>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.</p>												
<b>Revenue Recognition</b>	<p>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. Those revenues that relate to specific events or projects are deferred until the event or project is complete.</p>												
<b>Cash and Cash Equivalents</b>	<p>Cash and cash equivalents consist of bank balances and investments in money market instruments with maturities of three months or less.</p>												
<b>Inventory</b>	<p>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</p>												
<b>Accounting Framework</b>	<p>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.</p>												

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

**March 31, 2011**

### 1. Inventory

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

	2011	2010
Inventory held for resale	\$ 8,408	\$ 8,463
Inventory held for event prizes and uniforms	45,395	55,163
	\$ 53,803	\$ 63,626

### 2. 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.

	2011	2010
Cash	\$ 22,880	\$ 22,880
Treasury bill	3,881	3,872
	\$ 26,761	\$ 26,752

### 3. Capital Assets

	2011		2010	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Equipment	\$ 334,728	\$ 330,631	\$ 334,728	\$ 324,976
Computer equipment	29,710	23,030	29,710	17,402
Leasehold improvements	4,606	4,606	4,606	4,606
	\$ 369,044	\$ 358,267	\$ 369,044	\$ 346,984
Net book value		\$ 10,777		\$ 22,060

### 4. Capital Fund

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

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

**March 31, 2011**

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### 5. Deferred Revenue

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

	<u>2011</u>	<u>2010</u>
B.C. Gaming - direct access	\$ -	\$ 388
Coaching seminar L1	775	-
Coaching seminar L2	900	-
Gaming - WCG grant	16,800	-
Legacies Now - RJT After School Grant	2,203	-
RJT certification training session	561	-
Sanction fees	1,064	1,104
Sport BC - In province travel assistance	-	12,750
Timex watches received	480	9,799
Western Cda Summer Games	8,850	-
Donations	6,292	3,903
	<u>\$ 37,925</u>	<u>\$ 27,944</u>

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### 6. 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.