

**B.C. Amateur  
Athletics Association  
Financial Statements  
For the year ended March 31, 2014**

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**Contents**

<b>Independent Auditor's Report</b>	<b>2 - 3</b>
<b>Financial Statements</b>	
Statement of Financial Position	4
Statement of Changes in Net Assets	5
Statement of Operations	6
Statement of Cash Flows	7
Notes to the Financial Statements	8 - 13
Schedule 1 - Operating Fund Financial Position	14
Schedule 2 - Capital Fund Financial Position	15
Schedule 3 - Reserve Fund Financial Position	16



Tel: 250 492 6020  
Fax: 250 492 8110  
www.bdo.ca

BDO Canada LLP  
102 - 100 Front Street  
Penticton BC V2A 1H1 Canada

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## Independent 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, 2014, and the statements of operations, changes in net assets, 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 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.

#### 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, 2014 and the results of its operations and cash flows for the year then ended in accordance with Canadian Accounting Standards for Not-for-Profit Organizations.

*BDO CANADA CPA*


Chartered Accountants

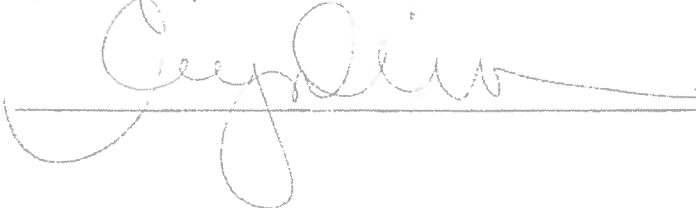
Penticton, British Columbia  
August 19, 2014

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

March 31	2014	2013
<b>Assets</b>		
<b>Current</b>		
Cash and cash equivalents (Note 2)	\$ 389,157	\$ 359,009
Accounts receivable	57,704	80,743
Inventory (Note 3)	79,034	57,368
Prepaid expenses	33,597	34,296
	559,492	531,416
Capital assets (Note 4)	52,967	10,351
	\$ 612,459	\$ 541,767
<b>Liabilities and Members' Equity</b>		
<b>Current</b>		
Accounts payable and accrued liabilities (Note 5)	\$ 54,052	\$ 98,006
Deferred revenue (Note 8)	102,883	75,562
	156,935	173,568
Deferred lease inducements (Note 9)	40,438	-
	197,373	173,568
<b>Net Assets</b>		
Operating fund	260,282	219,425
Capital fund	12,529	10,351
Reserve fund	142,275	138,423
	415,086	368,199
	\$ 612,459	\$ 541,767

On behalf of the Board:

  
\_\_\_\_\_ Director

  
\_\_\_\_\_ Director

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

**B.C. Amateur Athletics Association**  
**Statement of Changes in Net Assets**

<b>For the year ended March 31</b>	<b>Capital Fund</b>	<b>Operating Fund</b>	<b>Reserve Fund</b>		
				<b>2014</b>	<b>2013</b>
<b>Net assets, beginning of year</b>	<b>\$ 10,351</b>	<b>\$ 219,425</b>	<b>\$ 138,423</b>	<b>\$ 368,199</b>	<b>\$ 219,870</b>
<b>Surplus</b>	<b>-</b>	<b>43,035</b>	<b>3,852</b>	<b>46,887</b>	<b>148,329</b>
<b>Interfund transfers:</b>					
Capital asset purchases	<b>47,638</b>	<b>(47,638)</b>	<b>-</b>	<b>-</b>	<b>-</b>
Amortization of capital assets	<b>(5,022)</b>	<b>5,022</b>	<b>-</b>	<b>-</b>	<b>-</b>
Deferred lease inducement contribution received	<b>(41,475)</b>	<b>41,475</b>	<b>-</b>	<b>-</b>	<b>-</b>
Amortization of deferred lease inducements	<b>1,037</b>	<b>(1,037)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net assets, end of year</b>	<b>\$ 12,529</b>	<b>\$ 260,282</b>	<b>\$ 142,275</b>	<b>\$ 415,086</b>	<b>\$ 368,199</b>

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

## B.C. Amateur Athletics Association Statement of Operations

For the year ended March 31	2014	2013
<b>Revenues</b>		
Grants/program revenue	\$ 513,990	\$ 421,187
Memberships	378,059	353,282
Special programs	205,574	315,620
In-province competitions	89,701	103,378
Marketing, promotions and sponsorships	82,162	66,245
Leadership	22,642	9,200
Run jump throw contributions	14,627	28,812
Association committee meetings/banquets	9,938	10,848
Administration	4,758	1,070
Reserve fund income	2,527	3,600
Athlete development	311	10,194
Awards and publications	136	156
	<b>1,324,425</b>	<b>1,323,592</b>
<b>Expenditures</b>		
Administration	213,890	210,385
Amortization	5,022	13,001
Association committee meetings	70,127	89,573
Athlete development	131,322	98,071
Awards/recognition	1,511	1,994
B.C. Endurance project - athlete program	12,194	-
B.C. regional centres	23,904	24,577
B.C. team programs	52,870	73,198
Hosting competitions	16,000	1,000
In-province competitions	161,479	145,875
Leadership	56,669	35,020
Marketing and promotion	4,648	3,479
Pacific Canada Series	20,000	22,000
Publications	2,288	2,706
Run jump throw instruction, training and delivery	80,060	95,785
Special programs (includes team uniforms)	25,700	31,316
Staffing:		
- Administration	190,391	187,270
- Programs	192,000	130,741
- Summer student/part time staff	17,463	9,272
	<b>1,277,538</b>	<b>1,175,263</b>
<b>Surplus from operations</b>	<b>\$ 46,887</b>	<b>\$ 148,329</b>

The accompanying 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>2014</b>	<b>2013</b>
<b>Cash flows from operating activities</b>		
Cash received from members, grants and funding	\$ 1,412,415	\$ 1,159,204
Cash paid to suppliers, employees and athletes	(1,335,968)	(1,163,939)
Interest received	1,339	13
	<u>77,786</u>	<u>(4,722)</u>
<b>Cash flows from investing activities</b>		
Purchase of capital assets	<u>(47,638)</u>	<u>(17,848)</u>
<b>Cash flows from financing activities</b>		
Track and field equipment repair fund contribution	<u>-</u>	<u>3,660</u>
<b>Increase (decrease) in cash and cash equivalent during the year</b>	<b>30,148</b>	<b>(18,910)</b>
<b>Cash and cash equivalents, beginning of year</b>	<u><b>359,009</b></u>	<u><b>377,919</b></u>
<b>Cash and cash equivalents, end of year</b>	<u><b>\$ 389,157</b></u>	<u><b>\$ 359,009</b></u>

The accompanying 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, 2014

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### 1. Summary of Significant Accounting Policies

#### Nature and Purpose of Organization

B.C. Amateur Athletics Association ("the 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).

#### Basis of Accounting

The financial statements have been prepared using Canadian accounting standards for not-for-profit organizations.

#### Financial Instruments

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods financial instruments are reported at cost or amortized cost less impairment, if applicable. Financial assets are tested for impairment when changes in circumstances indicate the asset could be impaired. Transaction costs on the acquisition, sale or issue of financial instruments are expensed for those items remeasured at fair value at each financial statement date and charged to the financial instrument for those measured at amortized cost.

#### Capital Assets

Capital assets are recorded at cost. 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
Leasehold improvements	-	10 years straight line basis

#### Net Assets

The Operating Fund represents the excess of contribution that are available to fund the day-to-day operations of the Association.

The Reserve Fund represent internally restricted assets which management has set aside for future purposes.

The Capital Fund represents the monies which have been invested in tangible property and are unavailable for general purposes.



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

**March 31, 2014**

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

#### **Use of Estimates**

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organization 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**

The Association follows the deferral method of accounting for contributions. 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. Revenues are recognized when earned and are recorded when they are deemed collectable.

#### **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.

#### **Inventory**

Inventory is stated at the lower of cost and net realizable value. Cost is 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.

#### **Contributed Materials**

Contributed materials which are used in the normal course of the operations and would otherwise have been purchased are recorded at their fair value at the date of contribution if fair value can be reasonably estimates.

#### **Contributed Services**

Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

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

**March 31, 2014**

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**2. Cash and Cash Equivalents**

	<b>2014</b>	<b>2013</b>
<u>Operating Fund Accounts:</u>		
Petty Cash	\$ 200	\$ 200
General Account	277,479	282,014
Gaming Account	64,600	-
Business Account	16,244	47,500
Mutual Fund Account	494	493
	<b>359,017</b>	<b>330,207</b>
 <u>Reserve Fund Accounts:</u>		
Cash	26,219	24,894
Treasury bill	3,921	3,908
	<b>30,140</b>	<b>28,802</b>
	<b>\$ 389,157</b>	<b>\$ 359,009</b>

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.

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**3. Inventory**

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

	<b>2014</b>	<b>2013</b>
Inventory held for resale	\$ 10,699	\$ 7,359
Inventory held for event prizes and uniforms	68,335	50,009
	<b>\$ 79,034</b>	<b>\$ 57,368</b>

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

**March 31, 2014**

**4. Capital Assets**

	2014		2013	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Equipment	\$ 334,728	\$ 334,728	\$ 334,728	\$ 334,724
Computer equipment	22,632	14,785	50,981	40,634
Leasehold improvements	46,277	1,157	4,606	4,606
	<b>\$ 403,637</b>	<b>\$ 350,670</b>	<b>\$ 390,315</b>	<b>\$ 379,964</b>
Net book value		<b>\$ 52,967</b>		<b>\$ 10,351</b>

**5. Accounts Payable and Accrued Liabilities**

	2014		2013	
Accounts payable	\$ 16,665		\$ 15,487	
Accrued liabilities	35,322		77,154	
Government remittances payable	1,540		4,824	
Miscellaneous	525		541	
	<b>\$ 54,052</b>		<b>\$ 98,006</b>	

**6. Contingent Liabilities**

During the 2010 Vancouver Sun Run, a runner was injured and has sued for damages in which the Association has been named as a defendant. The Association feels no damages will be awarded and anything awarded will be covered by insurance. No amount has been accrued in these financial statements for this contingent liability as the amount and outcome are not reasonably determinable at this time.

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

**March 31, 2014**

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**7. Commitment**

The Association signed a 10 year office lease agreement on September 1, 2013. The expected minimum lease payments over the next five years is as follows:

Year	Amount
2015	24,885
2016	24,885
2017	24,885
2018	24,885
2019	26,268
Thereafter	<u>120,376</u>
	<u>\$ 246,184</u>

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**8. Deferred Revenue**

Deferred revenue represents funding received for programs that were not completed during the year and were received in advance.

	2014	2013
Gaming - WCG grant	\$ 64,599	\$ -
Dash After School Initiative	14,958	16,208
Donations	11,063	10,189
BC Sport Agency	4,788	35,503
1st Contact Grassroots Travel & Expenses	-	271
Timex watches received	4,664	9,569
Sanction fees	1,763	1,322
Athletics Canada	848	2,500
BC endurance project	200	-
	<u>\$ 102,883</u>	<u>\$ 75,562</u>

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**9. Deferred lease inducements**

During the year, the Association received tenant inducements of \$41,475. These contributions are being amortized over 10 years based on the life of the lease.

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**10. Comparative Information**

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

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

**March 31, 2014**

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**11. Financial Instrument Risk**

**Credit Risk**

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Association is exposed to credit risk principally from accounts receivable. A significant portion of the Association's accounts receivable is from customer accounts. The Association has made a reasonable allowance for accounts considered doubtful. This risk has not changed from the prior period.

**Liquidity Risk**

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. It is the risk that the counterparty fails to discharge its obligation in this respect of the instrument. The Association manages liquidity risk through policy to ensure that they will have sufficient cash to allow it to meet its liabilities when they become due. The Association expects to have sufficient amounts to meet its obligations under reasonably expected circumstances.

**B.C. Amateur Athletics Association**  
**Schedule 1 - Operating Fund Financial Position**

<b>March 31</b>	<b>2014</b>	<b>2013</b>
<b>Assets</b>		
<b>Current</b>		
Cash (Note 2)	\$ 359,017	\$ 330,207
Accounts receivable	57,704	80,743
Inventory	79,034	57,368
Prepaid expenses	33,597	34,296
	<u>\$ 529,352</u>	<u>\$ 502,614</u>
<b>Liabilities and Net Assets</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	\$ 54,052	\$ 98,006
Deferred revenue (Note 8)	102,883	75,562
Due to Reserve Fund	112,135	109,621
	<u>269,070</u>	<u>283,189</u>
<b>Net assets</b>		
Operating fund	<u>260,282</u>	<u>219,425</u>
	<u>\$ 529,352</u>	<u>\$ 502,614</u>

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

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**B.C. Amateur Athletics Association**  
**Schedule 2 - Capital Fund Financial Position**

<b>March 31</b>	<b>2014</b>	<b>2013</b>
<b>Assets</b>		
Capital assets (Note 4)	\$ 52,967	\$ 10,351
<b>Liabilities and Net Assets</b>		
Deferred lease inducement	\$ 40,438	\$ -
<b>Net assets</b>		
Capital fund	<u>12,529</u>	<u>10,351</u>
	<u>\$ 52,967</u>	<u>\$ 10,351</u>

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

**B.C. Amateur Athletics Association**  
**Schedule 3 - Reserve Fund Financial Position**

<b>March 31</b>	<b>2014</b>		<b>2013</b>	
<b>Assets</b>				
Cash (Note 2)	\$	30,140	\$	28,802
Due from Operating Fund		112,135		109,621
		<u>142,275</u>		<u>138,423</u>
<b>Net Assets</b>				
Reserve fund, beginning of year	\$	138,423	\$	134,763
Track and field repair fund contribution		2,513		3,647
Interest income		1,339		13
Reserve fund, end of year	\$	<u>142,275</u>	\$	<u>138,423</u>

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