

**B.C. Amateur  
Athletics Association  
Financial Statements  
For the year ended March 31, 2015**

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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, 2015, 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, 2015 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 LLP*

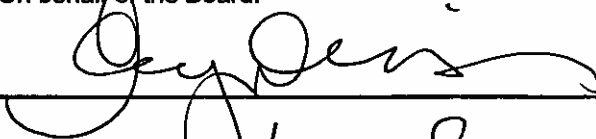
**Chartered Accountants**

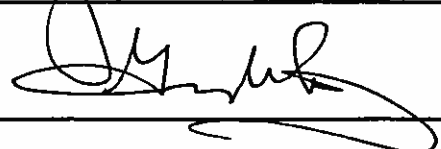
**Penticton, British Columbia  
July 14, 2015**

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

<b>March 31</b>	<b>2015</b>	<b>2014</b>
<b>Assets</b>		
<b>Current</b>		
Cash and cash equivalents (Note 2)	\$ 407,486	\$ 389,157
Accounts receivable	60,356	57,704
Inventory (Note 3)	74,518	79,034
Prepaid expenses	28,507	33,597
	<hr/>	<hr/>
	570,867	559,492
<b>Capital assets (Note 4)</b>	<hr/>	<hr/>
	44,502	52,967
	<hr/>	<hr/>
	\$ 615,369	\$ 612,459
<b>Liabilities and Members' Equity</b>		
<b>Current</b>		
Accounts payable and accrued liabilities (Note 5)	\$ 66,735	\$ 54,052
Deferred revenue (Note 8)	83,491	102,883
	<hr/>	<hr/>
	150,226	156,935
<b>Deferred lease inducements (Note 9)</b>	<hr/>	<hr/>
	36,291	40,438
	<hr/>	<hr/>
	186,517	197,373
<b>Net Assets</b>		
Operating fund	275,062	260,282
Capital fund	8,211	12,529
Reserve fund	145,579	142,275
	<hr/>	<hr/>
	428,852	415,086
	<hr/>	<hr/>
	\$ 615,369	\$ 612,459

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>2015</b>	<b>2014</b>
<b>Net assets, beginning of year</b>	<b>\$ 12,529</b>	<b>\$ 260,282</b>	<b>\$ 142,275</b>	<b>\$ 415,086</b>	<b>\$ 368,199</b>
<b>Surplus</b>	-	10,462	3,304	13,766	46,887
<b>Interfund transfers:</b>					
Capital asset purchases	-	-	-	-	-
Amortization of capital assets	(4,318)	4,318	-	-	-
<b>Net assets, end of year</b>	<b>\$ 8,211</b>	<b>\$ 275,062</b>	<b>\$ 145,579</b>	<b>\$ 428,852</b>	<b>\$ 415,086</b>

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

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

<b>For the year ended March 31</b>	<b>2015</b>	<b>2014</b>
<b>Revenues</b>		
Grants/program revenue	\$ 459,505	\$ 513,990
Memberships	387,832	378,059
Special programs	253,122	205,574
In-province competitions	91,685	89,701
Marketing, promotions and sponsorships	81,456	82,162
Leadership	17,272	22,642
Run jump throw contributions	13,778	14,627
Association committee meetings/banquets	11,856	9,938
Administration	5,579	4,758
Reserve fund income	2,570	2,527
Athlete development	-	311
Awards and publications	203	136
	<b>1,324,858</b>	<b>1,324,425</b>
<b>Expenditures</b>		
Administration	198,971	213,890
Amortization	4,314	5,022
Association committee meetings	65,127	70,127
Athlete development	138,708	131,322
Awards/recognition	3,546	1,511
B.C. Endurance project - athlete program	19,614	12,194
B.C. regional centres	24,384	23,904
B.C. team programs	59,557	52,870
Hosting competitions	16,000	16,000
In-province competitions	152,018	161,479
Leadership	60,061	56,669
Marketing and promotion	7,321	4,648
Pacific Canada Series	15,036	20,000
Publications	1,677	2,288
Run Jump Throw instruction, training and delivery	67,965	80,060
Special programs (includes team uniforms)	43,288	25,700
Staffing:		
- Administration	195,518	188,118
- Programs	229,266	194,273
- Summer student/part time staff	8,721	17,463
	<b>1,311,092</b>	<b>1,277,538</b>
<b>Surplus from operations</b>	<b>\$ 13,766</b>	<b>\$ 46,887</b>

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

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

<b>For the year ended March 31</b>	<b>2015</b>	<b>2014</b>
<b>Cash flows from operating activities</b>		
Cash received from members, grants and funding	\$ 1,302,314	\$ 1,412,415
Cash paid to suppliers, employees and athletes	(1,284,485)	(1,335,968)
Interest received	499	1,339
	<hr/>	<hr/>
	<b>18,328</b>	<b>77,786</b>
<b>Cash flows from investing activities</b>		
Purchase of capital assets	-	(47,638)
	<hr/>	<hr/>
<b>Increase in cash and cash equivalent during the year</b>	<b>18,328</b>	<b>30,148</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>389,158</b>	<b>359,009</b>
	<hr/>	<hr/>
<b>Cash and cash equivalents, end of year</b>	<b>\$ 407,486</b>	<b>\$ 389,157</b>

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, 2015**

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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, 2015**

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

<b>Use of Estimates</b>	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.
<b>Revenue Recognition</b>	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.
<b>Cash and Cash Equivalents</b>	Cash and cash equivalents consist of bank balances and investments in money market instruments with maturities of three months or less.
<b>Inventory</b>	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.
<b>Contributed Materials</b>	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.
<b>Contributed Services</b>	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, 2015**

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**2. Cash and Cash Equivalents**

	<b>2015</b>	<b>2014</b>
<u>Operating Fund Accounts:</u>		
Petty cash	\$ 200	\$ 200
General account	362,921	277,479
Gaming account	-	64,600
Business account	13,717	16,244
Mutual fund account	496	494
	<b>377,334</b>	<b>359,017</b>
 <u>Reserve Fund Accounts:</u>		
Treasury bill	26,219	26,219
Cash	3,933	3,921
	<b>30,152</b>	<b>30,140</b>
	<b>\$ 407,486</b>	<b>\$ 389,157</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>2015</b>	<b>2014</b>
Inventory held for resale	\$ 10,539	\$ 10,699
Inventory held for event prizes and uniforms	63,979	68,335
	<b>\$ 74,518</b>	<b>\$ 79,034</b>

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

**March 31, 2015**

**4. Capital Assets**

	2015		2014	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Equipment	\$ 334,728	\$ 334,728	\$ 334,728	\$ 334,728
Computer equipment	22,632	18,622	22,632	14,785
Leasehold improvements	46,277	5,785	46,277	1,157
	<b>\$ 403,637</b>	<b>\$ 359,135</b>	<b>\$ 403,637</b>	<b>\$ 350,670</b>
Net book value		<b>\$ 44,502</b>		<b>\$ 52,967</b>

**5. Accounts Payable and Accrued Liabilities**

	2015	2014
Accounts payable	\$ 3,577	\$ 16,665
Accrued liabilities	56,412	35,322
Government remittances payable	6,221	1,540
Miscellaneous	525	525
	<b>\$ 66,735</b>	<b>\$ 54,052</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, 2015

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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
2016	\$ 24,885
2017	24,885
2018	24,885
2019	26,268
2020	27,255
Thereafter	<u>93,121</u>
	<u>\$ 221,299</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.

	<u>2015</u>	<u>2014</u>
Gaming - WCG grant	\$ -	\$ 64,599
Dash After School Initiative	13,609	14,958
Donations	14,280	11,063
BC Sport Agency	-	4,788
RBC Learn to Play RJT Grant	6,000	-
2015 Vancouver Sun Run	25,000	-
Timex watches received	13,598	4,664
Sanction fees	2,109	1,763
Athletics Canada	640	848
BC endurance project	8,255	200
	<u>\$ 83,491</u>	<u>\$ 102,883</u>

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### 9. Deferred Lease Inducements

During the year, the Association received tenant inducements of \$36,291 (2014 - \$40,438). 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, 2015**

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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.

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

**March 31** **2015** **2014**

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**Assets**

**Current**

Cash (Note 2)	\$ 377,334	\$ 359,017
Accounts receivable	60,356	57,704
Inventory	74,518	79,034
Prepaid expenses	28,507	33,597
	<hr/>	<hr/>
	\$ 540,715	\$ 529,352

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**Liabilities and Net Assets**

**Current**

Accounts payable and accrued liabilities	\$ 66,735	\$ 54,052
Deferred revenue (Note 8)	83,491	102,883
Due to Reserve Fund	115,427	112,135
	<hr/>	<hr/>

265,653      269,070

**Net assets**

Operating fund	<hr/>	<hr/>
	275,062	260,282
	<hr/>	<hr/>
	\$ 540,715	\$ 529,352

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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>2015</b>	<b>2014</b>
<b>Assets</b>		
Capital assets (Note 4)	\$ 44,502	\$ 52,967
<b>Liabilities and Net Assets</b>		
Deferred lease inducement	\$ 36,291	\$ 40,438
<b>Net assets</b>		
Capital fund	8,211	12,529
	\$ 44,502	\$ 52,967

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>2015</b>	<b>2014</b>
<b>Assets</b>		
Cash (Note 2)	\$ 30,152	\$ 30,140
Due from Operating Fund	115,427	112,135
	<b>\$ 145,579</b>	<b>\$ 142,275</b>
<b>Net Assets</b>		
Reserve fund, beginning of year	\$ 142,275	\$ 138,423
Track and field repair fund contribution	2,569	2,513
Interest income	735	1,339
Reserve fund, end of year	<b>\$ 145,579</b>	<b>\$ 142,275</b>

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