

**B.C. Amateur  
Athletics Association  
Financial Statements  
For the year ended March 31, 2017**

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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, 2017, 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, 2017 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 Professional Accountants


Penticton, British Columbia

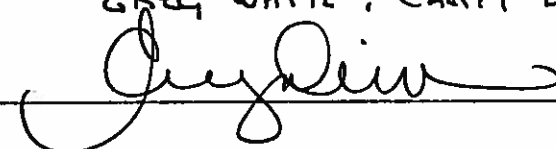
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**B.C. Amateur Athletics Association**  
**Statement of Financial Position**

	2017	2016
<b>Assets</b>		
<b>Current</b>		
Cash and cash equivalents (Note 2)	\$ 290,386	\$ 312,671
Accounts receivable	69,983	78,191
Inventory (Note 3)	97,591	90,361
Prepaid expenses	75,931	34,139
	533,891	515,362
Capital assets (Note 4)	50,788	39,940
	\$ 584,679	\$ 555,302
<b>Liabilities and Members' Equity</b>		
<b>Current</b>		
Accounts payable and accrued liabilities (Note 5)	\$ 67,935	\$ 64,562
Deferred revenue (Note 6)	78,086	72,187
	146,021	136,749
Deferred lease inducements (Note 7)	27,995	32,143
	174,016	168,892
<b>Net Assets</b>		
Operating fund	244,099	232,523
Capital fund	22,793	7,797
Reserve fund	143,771	146,090
	410,663	386,410
	\$ 584,679	\$ 555,302

On behalf of the Board:

  
 \_\_\_\_\_ Director  
 GREG WHITE, Chair, Board of Directors

  
 \_\_\_\_\_ Director

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

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

For the year ended March 31	Capital Fund	Operating Fund	Reserve Fund	2017	2016
Net assets, beginning of year	\$ 7,797	\$ 232,523	\$ 146,090	\$ 386,410	\$ 428,852
Surplus	-	22,635	1,618	24,253	(42,442)
<b>Interfund transfers:</b>					
Capital asset purchases	18,713	(18,713)	-	-	
Amortization of capital assets	(7,865)	7,865	-	-	
Deferred lease inducement contribution received	4,148	(4,148)	-	-	
Transfers to operating fund	-	3,937	(3,937)	-	
<b>Net assets, end of year</b>	<b>\$ 22,793</b>	<b>\$ 244,099</b>	<b>\$ 143,771</b>	<b>\$ 410,663</b>	<b>\$ 386,410</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	2017	2016
<b>Revenues</b>		
Grants/program revenue	\$ 450,558	\$ 464,271
Memberships	431,828	391,059
Special programs	206,249	204,042
In-province competitions	107,283	104,891
Marketing, promotions and sponsorships	54,985	80,120
Leadership - coaches & officials development	22,833	20,060
Run Jump Throw Wheel	13,162	21,713
Association committee meetings/banquets	12,006	11,991
Lease inducement	4,148	4,148
Administration	741	1,079
Athlete development	-	439
Publications	595	372
International events	45,916	-
	<b>1,350,304</b>	<b>1,304,185</b>
<b>Expenditures</b>		
Administration	253,547	241,985
Amortization	7,865	10,579
Association committee meetings	69,777	56,831
Athlete development	77,964	86,437
Awards/recognition	998	2,218
Bad debt	-	3,085
B.C. Endurance project - athlete program	18,122	25,906
B.C. regional centres	9,436	21,288
B.C. team programs	102,889	95,756
Hosting competitions	43,591	5,000
In-province competitions	137,925	150,771
Leadership	55,419	63,983
Marketing and promotion	4,246	2,886
Pacific Canada Series	10,000	10,000
Publications	1,926	2,480
Run Jump Throw Wheel instruction, training and delivery	53,408	84,617
Special programs (includes team uniforms)	37,035	24,671
Staffing:		
- Administration	197,421	195,215
- Programs	225,053	238,271
- Summer student/part time staff	19,429	24,648
	<b>1,326,051</b>	<b>1,346,627</b>
<b>Surplus (Deficit) from operations</b>	<b>\$ 24,253</b>	<b>\$ (42,442)</b>

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

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

For the year ended March 31	2017	2016
<b>Cash flows from operating activities</b>		
Cash received from members, grants and funding	\$ 1,359,871	\$ 1,270,389
Cash paid to suppliers, employees and athletes	(1,363,835)	(1,359,698)
Interest received	392	511
	(3,572)	(88,798)
<b>Cash flows from investing activities</b>		
Purchase of capital assets	(18,713)	(6,017)
<b>Change in cash and cash equivalent during the year</b>	<b>(22,285)</b>	<b>(94,815)</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>312,671</b>	<b>407,486</b>
<b>Cash and cash equivalents, end of year</b>	<b>\$ 290,386</b>	<b>\$ 312,671</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, 2017**

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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 contributions that are available to fund the day-to-day operations of the Association.

The Reserve Fund represents 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, 2017**

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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 estimated.
<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, 2017**

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**2. Cash and Cash Equivalents**

The Association has allocated its cash and cash equivalents into the following non-statutory funds:

	2017	2016
<u>Operating Fund Accounts:</u>		
Petty cash	\$ 200	\$ 200
General account	232,838	266,048
Business account	29,148	15,770
Mutual fund account	499	497
	<b>262,685</b>	<b>282,515</b>
 <u>Reserve Fund Accounts:</u>		
Guaranteed Investment Certificate	27,701	26,219
Treasury bill	-	3,937
	<b>27,701</b>	<b>30,156</b>
	<b>\$ 290,386</b>	<b>\$ 312,671</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:

	2017	2016
Inventory held for resale	\$ 19,154	\$ 8,850
Inventory held for event prizes	25,559	30,597
Uniforms	52,878	50,914
	<b>\$ 97,591</b>	<b>\$ 90,361</b>

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

**March 31, 2017**

**4. Capital Assets**

	2017		2016	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Equipment	\$ 353,441	\$ 336,132	\$ 334,728	\$ 334,728
Computer equipment	28,649	26,407	28,649	24,574
Leasehold improvements	46,277	15,040	46,277	10,412
	<b>\$ 428,367</b>	<b>\$ 377,579</b>	<b>\$ 409,654</b>	<b>\$ 369,714</b>
Net book value		<b>\$ 50,788</b>		<b>\$ 39,940</b>

**5. Accounts Payable and Accrued Liabilities**

	2017		2016	
Accounts payable	\$ 16,963		\$ 5,512	
Accrued liabilities	44,433		52,400	
Government remittances payable	6,539		6,125	
Miscellaneous	-		525	
	<b>\$ 67,935</b>		<b>\$ 64,562</b>	

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

March 31, 2017

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### 6. Deferred Revenue

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

	2017	2016
Athletics Canada	\$ 640	\$ 640
BC Endurance Project	11,921	376
BC Road Running Series	-	1,000
Canadian Paralympic Committee	-	4,061
Dash After School Initiative	257	2,297
Donations	22,874	16,572
RBC Learn to Play RJT Grant	-	381
Sanction fees	2,915	1,881
Super Series	-	8,000
Timex watches received	12,799	11,979
Track & Field equipment rental	1,080	-
Vancouver Sun Run	25,000	25,000
ViaSport Coaches Week	600	-
	<u>\$ 78,086</u>	<u>\$ 72,187</u>

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### 7. Deferred Lease Inducements

The Association has tenant inducements of \$27,995 (2016 - \$32,143). These contributions are being amortized over 10 years based on the life of the lease.

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

**March 31, 2017**

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### 8. Commitments

As at September 2013 the Association had entered into a lease agreement for office space expiring 2023. The contract has monthly (base lease) payments of \$2,074 for the first five years and \$2,271 thereafter.

As at April 2015 the Association had entered into an agreement for computer maintenance expiring 2018. The contract has quarterly payments of \$3,267.

As at October 2014 the Association has entered into an agreement for printer maintenance expiring 2020. The contract has quarterly payments of \$1,800.

The expected minimum lease payments for the above mentioned leases for the next 5 years is as follows:

Year	Amount
2018	\$ 45,152
2019	33,466
2020	27,855
2021	27,255
2022	27,255
Thereafter	<u>38,611</u>
	<u>\$ 199,594</u>

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### 9. Salaries, Honoraria and Benefits

The Society Act (British Columbia) requires certain information to be reported with regards to remuneration of employees, contractors and Directors.

Included in salaries and benefits is one (2016 - one) employee with remuneration over \$75,000. No remuneration was paid to members of the Board of Directors for the 2017 and 2016 years.

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

March 31, 2017

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### 10. 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**

<b>March 31</b>	<b>2017</b>	<b>2016</b>
<b>Assets</b>		
<b>Current</b>		
Cash	\$ 262,685	\$ 282,515
Accounts receivable	69,983	78,191
Inventory	97,591	90,361
Prepaid expenses	75,931	34,139
	<u>\$ 506,190</u>	<u>\$ 485,206</u>
<b>Liabilities and Net Assets</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	\$ 67,935	\$ 64,562
Deferred revenue	78,086	72,187
Due to Reserve Fund	116,070	115,934
	<u>262,091</u>	<u>252,683</u>
<b>Net assets</b>		
Operating fund	<u>244,099</u>	<u>232,523</u>
	<u>\$ 506,190</u>	<u>\$ 485,206</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>2017</b>	<b>2016</b>
<b>Assets</b>		
Capital assets	\$ 50,788	\$ 39,940
<b>Liabilities and Net Assets</b>		
Deferred lease inducement	\$ 27,995	\$ 32,143
<b>Net assets</b>		
Capital fund	22,793	7,797
	\$ 50,788	\$ 39,940

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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>2017</b>	<b>2016</b>
<b>Assets</b>		
Guaranteed Investment Certificate	\$ 27,701	\$ 30,156
Due from Operating Fund	<u>116,070</u>	<u>115,934</u>
	<b>\$ 143,771</b>	<b>\$ 146,090</b>
<b>Net Assets</b>		
Reserve fund, beginning of year	\$ 146,090	\$ 145,579
Interest income	1,618	511
Net transfers to operating account	<u>(3,937)</u>	<u>-</u>
Reserve fund, end of year	<b>\$ 143,771</b>	<b>\$ 146,090</b>

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