

**B.C. Amateur
Athletics Association
Financial Statements
For the year ended March 31, 2018**

Contents

Independent Auditor's Report	2 - 3
Financial Statements	
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 - 14
Schedule 1 - Operating Fund Financial Position	15
Schedule 2 - Capital Fund Financial Position	16
Schedule 3 - Reserve Fund Financial Position	17



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Independent Auditor's Report

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, 2018, and the statement 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, 2018 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

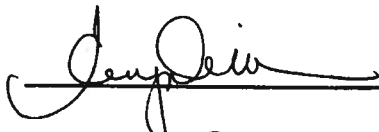
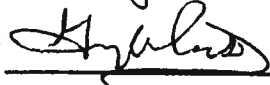
Chartered Professional Accountants

Penticton, British Columbia
July 25, 2018

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

	2018	2017
Assets		
Current		
Cash and cash equivalents (Note 2)	\$ 248,055	\$ 290,386
Accounts receivable	77,560	69,983
Inventory (Note 3)	89,892	97,591
Prepaid expenses	85,225	75,931
	500,732	533,891
Capital assets (Note 4)	45,531	50,788
	\$ 546,263	\$ 584,679
Liabilities and Members' Equity		
Current		
Accounts payable and accrued liabilities (Note 5)	\$ 97,471	\$ 92,935
Deferred revenue (Note 6)	36,942	53,086
	134,413	146,021
Deferred lease inducements (Note 7)	23,848	27,995
	158,261	174,016
Net Assets		
Operating fund	222,270	244,099
Capital fund	21,683	22,793
Reserve fund	144,049	143,771
	388,002	410,663
	\$ 546,263	\$ 584,679

On behalf of the Board:

 Carey Dillen Director
 GREG WHITE Director
 CHAIR, BOARD & DIRECTORS

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	Operating Fund	Capital Fund	Reserve Fund	2018	2017
Net assets, beginning of year	\$ 244,099	\$ 22,793	\$ 143,771	\$ 410,663	\$ 386,410
Surplus	(22,939)	-	278	(22,661)	24,253
Interfund transfers:					
Capital asset purchases	(2,934)	2,934	-	-	-
Amortization of capital assets	8,191	(8,191)	-	-	-
Deferred lease inducement contribution received	(4,147)	4,147	-	-	-
Net assets, end of year	\$ 222,270	\$ 21,683	\$ 144,049	\$ 388,002	\$ 410,663

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	2018	2017
Revenues		
Grants/program revenue	\$ 430,817	\$ 450,558
Memberships	426,139	431,828
Special programs	219,200	206,249
In-province competitions	99,446	107,283
Marketing, promotions and sponsorships	72,090	54,985
Leadership - coaches & officials development	17,362	22,833
Run Jump Throw Wheel	17,514	13,162
Association committee meetings/banquets	13,763	12,006
Administration	471	741
Publications	25	595
International events	-	45,916
	1,296,827	1,346,156
Expenditures		
Administration	257,182	249,400
Amortization	8,191	7,865
Association committee meetings	48,047	69,777
Athlete development	97,729	77,964
Awards/recognition	4,328	998
B.C. Endurance project - athlete program	24,649	18,122
B.C. regional centres	27,332	9,436
B.C. team programs	106,509	102,889
Hosting competitions	-	43,591
In-province competitions	134,184	137,925
Leadership	55,623	55,419
Marketing and promotion	6,441	4,246
Pacific Canada Series	5,000	10,000
Publications	3,307	1,926
Run Jump Throw Wheel instruction, training and delivery	17,775	18,171
Special programs (includes team uniforms)	25,597	37,035
Staffing:		
- Administration	197,358	197,421
- Programs	281,373	260,290
- Summer student/part time staff	18,863	19,429
	1,319,488	1,321,904
Surplus (Deficit) from operations	\$ (22,661)	\$ 24,252

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	2018	2017
Cash flows from operating activities		
Cash received from members, grants and funding	\$ 1,272,829	\$ 1,334,871
Cash paid to suppliers, employees and athletes	(1,312,504)	(1,338,835)
Interest received	278	392
	<u>(39,397)</u>	<u>(3,572)</u>
Cash flows from investing activities		
Purchase of capital assets	<u>(2,934)</u>	<u>(18,713)</u>
Change in cash and cash equivalent during the year	(42,331)	(22,285)
Cash and cash equivalents, beginning of year	<u>290,386</u>	<u>312,671</u>
Cash and cash equivalents, end of year	<u>\$ 248,055</u>	<u>\$ 290,386</u>

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

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

March 31, 2018

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 Societies Act (BC) 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 federal 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.

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

March 31, 2018

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 estimated.

Contributed Services

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

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

March 31, 2018

2. Cash and Cash Equivalents

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

	<u>2018</u>	<u>2017</u>
<u>Operating Fund Accounts:</u>		
Petty cash	\$ 200	\$ 200
General account	210,448	232,838
Business account	8,928	29,148
Mutual fund account	500	499
	<u>220,076</u>	<u>262,685</u>

Reserve Fund Accounts:

Guaranteed Investment Certificate	<u>27,979</u>	<u>27,701</u>
	<u>\$ 248,055</u>	<u>\$ 290,386</u>

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.

3. Inventory

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

	<u>2018</u>	<u>2017</u>
Inventory held for resale	\$ 18,642	\$ 19,154
Inventory held for event prizes	10,014	25,559
Uniforms	61,236	52,878
	<u>\$ 89,892</u>	<u>\$ 97,591</u>

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

March 31, 2018

4. Capital Assets

	2018		2017	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Equipment	\$ 353,441	\$ 338,002	\$ 353,441	\$ 336,132
Computer equipment	31,583	28,100	28,649	26,407
Leasehold improvements	46,277	19,668	46,277	15,040
	\$ 431,301	\$ 385,770	\$ 428,367	\$ 377,579
Net book value		\$ 45,531		\$ 50,788

5. Accounts Payable and Accrued Liabilities

	2018		2017	
Accounts payable	\$ 23,588		\$ 16,963	
Accrued liabilities	67,793		69,433	
Government remittances payable	6,090		6,539	
	\$ 97,471		\$ 92,935	

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

March 31, 2018

6. Deferred Revenue

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

	<u>2018</u>	<u>2017</u>
Athletics Canada	\$ 640	\$ 640
BC Endurance Project	7,923	11,921
Dash After School Initiative	257	257
Donations	23,412	22,874
Sanction fees	3,000	2,915
Timex watches received	170	12,799
Track & Field equipment rental	-	1,080
ViaSport	1,540	600
	<u>\$ 36,942</u>	<u>\$ 53,086</u>

7. Deferred Lease Inducements

The Association has tenant inducements of \$23,848 (2017 - \$27,995). These inducements are amortized over 10 years based on the term of the lease. In 2018, total rent expense was \$39,105 (2017 - \$39,105) which was offset by lease inducements of \$4,148 (2017 - \$4,148) for a net rent expenses of \$34,957 (2017 - \$34,957) within administration expense.

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

March 31, 2018

8. Commitments

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

In December 2017 the Association entered into a lease agreement for a photocopier with a term ending in November 2022. The contract has quarterly payments of \$1,497.

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

Year	Amount
2019	\$ 32,256
2020	33,243
2021	33,243
2022	33,243
2023	30,249
Thereafter	<u>11,206</u>
	<u>\$ 173,440</u>

9. Salaries, Honoraria and Benefits

The Societies Act (BC) requires certain information to be reported with regards to remuneration of employees, contractors and directors.

Included in salaries and benefits is one (2017 - one) employee with remuneration over \$75,000. No remuneration was paid to members of the Board of Directors for the 2018 and 2017 years.

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

March 31, 2018

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.

11. Comparative Amounts

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

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

March 31	2018	2017
Assets		
Current		
Cash	\$ 220,076	\$ 262,685
Accounts receivable	77,560	69,983
Inventory	89,892	97,591
Prepaid expenses	85,225	75,931
	<u>\$ 472,753</u>	<u>\$ 506,190</u>
Liabilities and Net Assets		
Current		
Accounts payable and accrued liabilities	\$ 97,471	\$ 92,935
Deferred revenue	36,942	53,086
Due to Reserve Fund	116,070	116,070
	<u>250,483</u>	<u>262,091</u>
Net assets		
Operating fund	<u>222,270</u>	<u>244,099</u>
	<u>\$ 472,753</u>	<u>\$ 506,190</u>

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

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

March 31	2018	2017
Assets		
Capital assets	\$ 45,531	\$ 50,788
Liabilities and Net Assets		
Deferred lease inducement	\$ 23,848	\$ 27,995
Net assets		
Capital fund	21,683	22,793
	\$ 45,531	\$ 50,788

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

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

March 31	2018	2017
Assets		
Guaranteed Investment Certificate	\$ 27,979	\$ 27,701
Due from Operating Fund	116,070	116,070
	\$ 144,049	\$ 143,771
Net Assets		
Reserve fund, beginning of year	\$ 143,771	\$ 146,090
Interest income	278	1,618
Net transfers to operating account	-	(3,937)
Reserve fund, end of year	\$ 144,049	\$ 143,771

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