

**B.C. Amateur Athletics Association
Financial Statements
For the Year Ended March 31, 2020**

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Financial Statements
For the Year Ended March 31, 2020**

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Independent Auditor's Report

To the members of B.C. Amateur Athletics Association

Opinion

We have audited the financial statements of B.C. Amateur Athletics Association (the Association), which comprise the statement of financial position as at March 31, 2020, the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Association as at March 31, 2020, and its financial performance and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Association in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Association's financial reporting process.



Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Association to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Report on Other Legal and Regulatory Requirements

As required by the Societies Act (British Columbia), we report that, in our opinion, the accounting principles in Canadian accounting standards for not-for-profit organizations have been applied on a basis consistent with that of the preceding year.

BDO Canada LLP

Chartered Professional Accountants

Kelowna, British Columbia

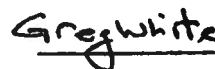
July 8, 2020

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

March 31	2020	2019
Assets		
Current		
Cash and cash equivalents (Note 2)	\$ 177,046	\$ 239,809
Accounts receivable	57,528	61,328
Inventory (Note 3)	126,243	80,236
Prepaid expenses	36,999	38,891
	<u>397,816</u>	<u>420,264</u>
Tangible Capital Assets (Note 4)	<u>41,333</u>	<u>43,945</u>
	\$ 439,149	\$ 464,209
Liabilities and Net Assets		
Current		
Accounts payable and accrued liabilities (Note 5)	\$ 62,653	\$ 74,897
Deferred revenue (Note 6)	16,926	48,923
Current portion of deferred lease inducements	4,148	4,148
	<u>83,727</u>	<u>127,968</u>
Deferred lease inducements (Note 7)	<u>11,750</u>	<u>15,552</u>
	<u>95,477</u>	<u>143,520</u>
Net Assets		
Operating Fund	173,080	151,975
Capital Fund	25,436	24,245
Reserve Fund	145,156	144,469
	<u>343,672</u>	<u>320,689</u>
	\$ 439,149	\$ 464,209

On behalf of the Board:

 Director

 Director

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

For the year ended March 31	Operating Fund	Capital Fund	Reserve Fund	2020 Total	2019 Total
Balance, beginning of the year	\$ 151,975	\$ 24,245	\$ 144,469	\$ 320,689	\$ 388,001
Excess of revenues over expenses	21,196	-	687	21,883	(67,312)
Interfund transfers:					
Net change in tangible capital assets	3,710	(2,610)	-	1,100	-
Deferred lease inducement contribution received	(3,801)	3,801	-	-	-
Balance, end of the year	\$ 173,080	\$ 25,436	\$ 145,156	\$ 343,672	\$ 320,689

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	2020	2019
Revenue		
Grants/program revenue	\$ 545,396	\$ 462,979
Memberships	400,697	414,445
Special programs	160,792	167,157
In-province competitions	112,758	102,816
Marketing, promotions and sponsorship	105,895	66,081
Leadership - coaches & officials development	27,106	22,055
Run Jump Throw Wheel	16,612	18,034
Association committee meetings/banquets	13,147	12,314
Administration	1,038	916
Event revenue	25,024	26,215
Publications	14	1,171
	1,408,479	1,294,183
Expenses		
Administration	302,930	276,563
Amortization	9,772	8,290
Association committee meetings	54,740	50,949
Athlete development	71,205	75,599
Awards/recognition	2,360	2,826
Bad debt expense (recovery)	4,667	(4,888)
B.C. Endurance project - athlete program	23,177	19,701
B.C. regional centres	13,942	20,886
B.C. team programs	106,314	129,295
International events	5,000	-
In-province competitions	150,066	140,849
Leadership	84,993	76,378
Marketing and promotion	5,012	10,749
Pacific Canada Series	-	5,000
Publications	3,790	2,779
Run Jump Throw Wheel instruction, training and delivery	25,548	29,282
Special programs (includes team uniforms)	39,800	38,709
Staffing:		
Administration	191,602	189,979
Programs	272,464	270,341
Summer student/part time staff	19,214	18,208
	1,386,596	1,361,495
Excess (deficiency) of revenues over expenses	\$ 21,883	\$ (67,312)

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

B.C. Amateur Athletics Association Statement of Cash Flows

<u>For the year ended March 31</u>	<u>2020</u>	<u>2019</u>
Cash flows from operating activities		
Cash receipts from customers	\$ 1,378,086	\$ 1,317,547
Cash paid to suppliers and employees	(1,434,375)	(1,319,790)
Interest received	687	701
	<u>(55,602)</u>	<u>(1,542)</u>
Cash flows from investing activities		
Acquisition of tangible capital assets	<u>(7,161)</u>	<u>(6,704)</u>
Net decrease in cash	(62,763)	(8,246)
Cash, beginning of the year	<u>239,809</u>	<u>248,055</u>
Cash, end of the year	<u>\$ 177,046</u>	<u>\$ 239,809</u>

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

B.C. Amateur Athletics Association Notes to Financial Statements

March 31, 2020

1. Significant Accounting Policies

Nature and Purpose of Organization	<p>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.</p> <p>The Association is a registered not-for-profit organization and, as such, is exempt from federal income tax under section 149(1)(l).</p>												
Basis of Accounting	<p>The financial statements have been prepared using Canadian accounting standards for not-for-profit organizations.</p>												
Financial Instruments	<p>Financial Instruments are recorded at fair value when acquired or issued.</p> <p>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.</p>												
Tangible Capital Assets	<p>Tangible 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:</p> <table><thead><tr><th></th><th style="text-align: center;">Method</th><th style="text-align: center;">Rate</th></tr></thead><tbody><tr><td>Equipment</td><td style="text-align: center;">Straight-line</td><td style="text-align: center;">3 - 5 years</td></tr><tr><td>Computer equipment</td><td style="text-align: center;">Straight-line</td><td style="text-align: center;">5 years</td></tr><tr><td>Leasehold improvements</td><td style="text-align: center;">Straight-line</td><td style="text-align: center;">10 years</td></tr></tbody></table>		Method	Rate	Equipment	Straight-line	3 - 5 years	Computer equipment	Straight-line	5 years	Leasehold improvements	Straight-line	10 years
	Method	Rate											
Equipment	Straight-line	3 - 5 years											
Computer equipment	Straight-line	5 years											
Leasehold improvements	Straight-line	10 years											
Net Assets	<p>The Operating Fund represents the excess of contributions that are available to fund the day-to-day operations of the Association.</p> <p>The Reserve Fund represents internally restricted assets which management has set aside for future purposes.</p> <p>The Capital Fund represents the monies which have been invested in tangible property and are unavailable for general purposes.</p>												

B.C. Amateur Athletics Association Notes to Financial Statements

March 31, 2020

1. Significant Accounting Policies (continued)

Use of Estimates	The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities at the date of the financial statements, and the reported amount 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	<p>The Association follows the deferral method of accounting for contributions.</p> <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 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.</p>
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 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	Volunteers contribute many hours per year to assist the Association in carrying out its activities. Due to the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

B.C. Amateur Athletics Association Notes to Financial Statements

March 31, 2020

2. Cash and Cash Equivalents

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

	2020	2019
Operating Fund Accounts:		
Petty cash	\$ 200	\$ 200
General account	144,578	198,636
Gaming account	6	-
Business account	3,082	12,066
Mutual fund account	514	507
	148,380	211,409
Reserve Fund Accounts:		
Guaranteed Investment Certificate	28,666	28,400
	\$ 177,046	\$ 239,809

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 tables summarizes the Association's inventory held at year end:

	2020	2019
Inventory held for resale	\$ 15,094	\$ 11,210
Inventory held for event prizes	14,613	12,566
Uniforms	96,536	56,460
	\$ 126,243	\$ 80,236

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

March 31, 2020

4. Tangible Capital Assets

	2020		2019	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Equipment	\$ 363,942	\$ 343,173	\$ 357,221	\$ 339,874
Computer equipment	34,945	31,734	34,506	29,890
Leasehold improvements	46,277	28,924	46,277	24,295
	<u>\$ 445,164</u>	<u>\$ 403,831</u>	<u>\$ 438,004</u>	<u>\$ 394,059</u>
		<u>\$ 41,333</u>		<u>\$ 43,945</u>

5. Accounts Payable and Accrued Liabilities

	2020	2019
Accounts payable	\$ 19,359	\$ 4,536
Accrued liabilities	43,294	66,335
Government remittances payable	-	4,026
	<u>\$ 62,653</u>	<u>\$ 74,897</u>

6. Deferred Revenue

Deferred revenue represents funding received relating to specific programs which were not completed prior to year-end.

	2020	2019
BC Endurance Project	\$ 1,195	\$ 4,337
Destination BC	2,500	9,000
Donations	13,231	19,721
Hertz Sponsorship	-	5,000
Sanction fees	-	2,425
ViaSport	-	8,440
	<u>\$ 16,926</u>	<u>\$ 48,923</u>

B.C. Amateur Athletics Association Notes to Financial Statements

March 31, 2020

7. Deferred Lease Inducements

The Association has tenant inducements of \$15,898 (2019 - \$19,700). These inducements are amortized over 10 years based on the term of the lease. In 2020, total rent expense was \$41,485 (2019 - \$40,738) which was offset by lease inducements of \$3,802 (2019 - \$4,148) for a net rent expense of \$37,683 (2019 - \$36,590) within administration expense.

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
2021	\$ 33,243
2022	33,243
2023	31,247
2024	<u>11,206</u>
	<u>\$ 108,939</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 (2019 - one) employee with remuneration over \$75,000. No remuneration was paid to members of the Board of Directors for the 2020 and 2019 years.

B.C. Amateur Athletics Association Notes to Financial Statements

March 31, 2020

10. Financial Instruments

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 the Association will encounter difficulty in meeting its 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. Subsequent Events

Subsequent to year end, the impact of COVID-19 in Canada and on the global economy increased significantly. In addition, if the impacts of COVID-19 continue there could be further impact on the Association, its employees, suppliers and other third party business associates that could impact the timing and amounts realized on the Association's assets and future ability to provide services and projects. At this time, the full potential impact of COVID-19 on the Association is not known. Although the disruption from the virus is expected to be temporary, given the dynamic nature of these circumstances, the duration of the disruption and the related financial impact cannot be reasonably estimated at this time.

The Association has taken various measures, such as the cancellation of sporting events and programs and adjustments to the annual budget, that have reduced overall costs. These measures will assist the Association with the anticipated impact on membership revenue and COVID-19 uncertainties and will allow the Association to continue providing sporting services to its members in the future.

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

March 31	2020	2019
Assets		
Current		
Cash	\$ 148,380	\$ 211,409
Accounts receivable	55,914	61,330
Inventory	126,243	80,236
Prepaid expenses	36,999	38,891
	\$ 367,536	\$ 391,866
Liabilities and Net Assets		
Current		
Accounts payable and accrued liabilities	\$ 61,461	\$ 74,899
Deferred revenue	16,926	48,923
Due to Reserve Fund	116,069	116,069
	194,456	239,891
Net Assets		
Operating fund	173,080	151,975
	\$ 367,536	\$ 391,866

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

March 31	2020	2019
Assets		
Tangible capital assets	\$ 41,333	\$ 43,945
Liabilities and Net Assets		
Deferred lease inducement	\$ 15,897	\$ 19,700
Net Assets		
Capital fund	<u>25,436</u>	<u>24,245</u>
	\$ 41,333	\$ 43,945

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

March 31	2020	2019
Assets		
Guaranteed Investment Certificate	\$ 28,666	\$ 28,400
Due from Operating Fund	116,069	116,069
Accrued interest receivable	421	-
	<hr/>	<hr/>
	\$ 145,156	\$ 144,469
Net Assets		
Reserve fund	\$ 145,156	144,469
