

**B.C. Amateur Athletics Association  
Financial Statements  
For the Year Ended March 31, 2021**

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For the Year Ended March 31, 2021**

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## Independent Auditor's Report

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### 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, 2021, 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, 2021, 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

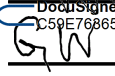
June 17, 2021

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

March 31	2021	2020
<b>Assets</b>		
<b>Current</b>		
Cash and cash equivalents (Note 2)	\$ 578,908	\$ 177,046
Accounts receivable	19,407	57,528
Inventory (Note 3)	127,718	126,243
Prepaid expenses	31,899	36,999
	757,932	397,816
<b>Tangible capital assets (Note 4)</b>	38,692	41,333
	\$ 796,624	\$ 439,149
<b>Liabilities and Net Assets</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	\$ 69,102	\$ 62,653
Deferred revenue (Note 5)	153,995	16,926
Current portion of deferred lease inducements (Note 6)	4,148	4,148
	227,245	83,727
<b>Deferred lease inducements (Note 6)</b>	5,883	11,750
	233,128	95,477
<b>Net Assets</b>		
Operating Fund	389,291	173,080
Capital Fund	28,661	25,436
Reserve Fund	145,544	145,156
	563,496	343,672
	\$ 796,624	\$ 439,149

On behalf of the Board:

  
 \_\_\_\_\_ Director  
DocuSigned by:  
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 \_\_\_\_\_ Director  
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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	2021 Total	2020 Total
Balance, beginning of the year	\$ 173,080	\$ 25,436	\$ 145,156	\$ 343,672	\$ 320,689
Excess of revenues over expenses	219,436	-	388	219,824	21,883
<b>Interfund transfers:</b>					
Net change in tangible capital assets	2,643	(2,643)	-	-	1,100
Deferred lease inducement contribution received	(5,868)	5,868	-	-	-
<b>Balance, end of the year</b>	<b>\$ 389,291</b>	<b>\$ 28,661</b>	<b>\$ 145,544</b>	<b>\$ 563,496</b>	<b>\$ 343,672</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	2021	2020
<b>Revenue</b>		
Grants/program revenue	\$ 420,579	\$ 545,396
Memberships	183,982	400,697
Special programs	159,932	160,792
In-province competitions	7,877	112,758
Marketing, promotions and sponsorship	7,647	105,895
Leadership - coaches & officials development	4,756	27,106
Run Jump Throw Wheel	1,084	16,612
Association committee meetings/banquets	-	13,147
Administration	3,111	1,038
Event revenue	16,316	25,024
Publications	28	14
Other income (Note 9)	270,068	-
	<u>1,075,380</u>	<u>1,408,479</u>
<b>Expenses</b>		
Administration	239,646	302,930
Amortization	8,817	9,772
Association committee meetings	3,843	54,740
Athlete development	55,210	71,205
Awards/recognition	-	2,360
Bad debt	-	4,667
B.C. Endurance project - athlete program	9,149	23,177
B.C. regional centres	7,658	13,942
B.C. team programs	3,550	106,314
Hosting competitions	2,196	5,000
In-province competitions	8,847	150,066
Leadership	17,280	84,993
Marketing and promotion	7,121	5,012
Pacific Canada Series	5,000	-
Publications	2,037	3,790
Run Jump Throw Wheel instruction, training and delivery	3,089	25,548
Special programs (includes team uniforms)	-	39,800
Staffing:		
Administration	196,624	191,602
Programs	274,882	272,464
Summer student/part time staff	10,607	19,214
	<u>855,556</u>	<u>1,386,596</u>
<b>Excess of revenues over expenses</b>	<b>\$ 219,824</b>	<b>\$ 21,883</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	2021	2020
<b>Cash flows from operating activities</b>		
Cash receipts from customers and government	\$ 973,053	\$ 1,378,086
Cash paid to suppliers and employees	(566,027)	(1,434,375)
Interest received	388	687
	407,414	(55,602)
<b>Cash flows from investing activities</b>		
Acquisition of tangible capital assets	(5,552)	(7,161)
<b>Net increase (decrease) in cash</b>	<b>401,862</b>	<b>(62,763)</b>
<b>Cash, beginning of the year</b>	<b>177,046</b>	<b>239,809</b>
<b>Cash, end of the year</b>	<b>\$ 578,908</b>	<b>\$ 177,046</b>

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

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

March 31, 2021

### 1. Significant Accounting Policies

<b>Nature and Purpose of Organization</b>	<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 &amp; 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>												
<b>Basis of Accounting</b>	<p>The financial statements have been prepared using Canadian accounting standards for not-for-profit organizations.</p>												
<b>Financial Instruments</b>	<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>												
<b>Tangible Capital Assets</b>	<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 border="0" style="margin-left: 40px;"> <thead> <tr> <th></th> <th style="text-align: left;"><b>Method</b></th> <th style="text-align: left;"><b>Rate</b></th> </tr> </thead> <tbody> <tr> <td>Equipment</td> <td>Straight-line</td> <td>3 - 5 years</td> </tr> <tr> <td>Computer equipment</td> <td>Straight-line</td> <td>5 years</td> </tr> <tr> <td>Leasehold improvements</td> <td>Straight-line</td> <td>10 years</td> </tr> </tbody> </table>		<b>Method</b>	<b>Rate</b>	Equipment	Straight-line	3 - 5 years	Computer equipment	Straight-line	5 years	Leasehold improvements	Straight-line	10 years
	<b>Method</b>	<b>Rate</b>											
Equipment	Straight-line	3 - 5 years											
Computer equipment	Straight-line	5 years											
Leasehold improvements	Straight-line	10 years											
<b>Net Assets</b>	<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>												

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

March 31, 2021

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### 1. Significant Accounting Policies (continued)

<b>Use of Estimates</b>	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.
<b>Revenue Recognition</b>	<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>
<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>Government Assistance</b>	The Association makes periodic applications for financial assistance under government incentive programs. Government assistance received during the year is included in the determination of net income for the year.
<b>Contributed Materials</b>	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.
<b>Contributed Services</b>	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.

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

**March 31, 2021**

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### 2. Cash and Cash Equivalents

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

	2021	2020
<b>Operating Fund Accounts:</b>		
Petty cash	\$ 200	\$ 200
General account	517,173	144,578
Gaming account	24,938	6
Business account	7,029	3,082
Mutual fund account	514	514
	549,854	148,380
<b>Reserve Fund Accounts:</b>		
Guaranteed Investment Certificate	29,054	28,666
	\$ 578,908	\$ 177,046

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

	2021	2020
Inventory held for resale	\$ 17,563	\$ 15,094
Inventory held for event prizes	14,314	14,613
Uniforms	95,841	96,536
	\$ 127,718	\$ 126,243

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

March 31, 2021

### 4. Tangible Capital Assets

	2021		2020	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Equipment	\$ 363,942	\$ 345,044	\$ 363,942	\$ 343,173
Computer equipment	40,497	33,428	34,945	31,734
Leasehold improvements	46,277	33,552	46,277	28,924
	<u>\$ 450,716</u>	<u>\$ 412,024</u>	<u>\$ 445,164</u>	<u>\$ 403,831</u>
		<u>\$ 38,692</u>		<u>\$ 41,333</u>

### 5. Deferred Revenue

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

	2021	2020
BC Endurance Project	\$ 1,195	\$ 1,195
Canadian Tire Jumpstart	15,000	-
Destination BC	-	2,500
Donations	13,931	13,231
Gaming	24,934	-
Hertz Sponsorship	5,000	-
Pacific Distance	2,500	-
ViaSport	91,435	-
	<u>\$ 153,995</u>	<u>\$ 16,926</u>

### 6. Deferred Lease Inducements

The Association has tenant inducements of \$10,031 (2020 - \$15,898). These inducements are amortized over 10 years based on the term of the lease. In 2021, total rent expense was \$41,475 (2020 - \$41,485) which was offset by lease inducements of \$5,868 (2020 - \$3,802) for a net rent expense of \$35,607 (2020 - \$37,683) within administration expense.

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

**March 31, 2021**

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### 7. 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
2022	\$ 33,243
2023	31,247
2024	<u>11,206</u>
	<u>\$ 75,696</u>

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### 8. 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 (2020 - one) employee with remuneration over \$75,000. No remuneration was paid to members of the Board of Directors for the 2021 and 2020 years.

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### 9. Other Income - Government Assistance

During the year, the Association received approximately \$270,068 in financial assistance from various government incentive programs related to COVID-19. This amount has been included in the determination of net income for the current fiscal year.

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### 10. Global Pandemic

The impact of COVID-19 in Canada and on the global economy continues to be significant. As COVID-19 continues, there could be impact on the Association relating to the timing and amounts realized on the Association's assets.

As 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, disruption and related financial impact cannot be reasonably estimated at this time.

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

**March 31, 2021**

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### **11. Financial Instruments**

#### **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.

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

March 31	2021	2020
<b>Assets</b>		
<b>Current</b>		
Cash	\$ 549,854	\$ 148,380
Accounts receivable	18,986	55,914
Inventory	127,718	126,243
Prepaid expenses	31,899	36,999
	\$ 728,457	\$ 367,536
<b>Liabilities and Net Assets</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	\$ 69,102	\$ 61,461
Deferred revenue	153,995	16,926
Due to Reserve Fund	116,069	116,069
	339,166	194,456
<b>Net Assets</b>		
Operating fund	389,291	173,080
	\$ 728,457	\$ 367,536



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

<b>March 31</b>	<b>2021</b>	<b>2020</b>
<b>Assets</b>		
Tangible capital assets	\$ 38,692	\$ 41,333
<b>Liabilities and Net Assets</b>		
Deferred lease inducement	\$ 10,031	\$ 15,897
<b>Net Assets</b>		
Capital fund	<u>28,661</u>	<u>25,436</u>
	<b>\$ 38,692</b>	<b>\$ 41,333</b>

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

<b>March 31</b>	<b>2021</b>	<b>2020</b>
<b>Assets</b>		
Guaranteed Investment Certificate	\$ 29,054	\$ 28,666
Due from Operating Fund	116,069	116,069
Accrued interest receivable	421	421
	<hr/>	<hr/>
	\$ 145,544	\$ 145,156
<b>Net Assets</b>		
Reserve fund	\$ 145,544	145,156

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