

# **B.C. SQUASH RACQUETS ASSOCIATION**

Financial Statements  
Year ended March 31, 2016  
and Auditor's Report

**INDEPENDENT AUDITOR'S REPORT**

To the Members of B.C. Squash Racquets Association:

We have audited the accompanying financial statements of B.C. Squash Racquets Association, which comprise the statement of financial position as at March 31, 2016, the statements of operations and 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***

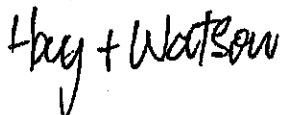
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable 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 B.C. Squash Racquets Association as at March 31, 2016, and its financial performance and its cash flows for the year then ended, in accordance with Canadian accounting standards for not-for-profit organizations, presented, in accordance with the Society Act, British Columbia, on a consistent basis.



Chartered Professional Accountants  
Vancouver, British Columbia  
May 11, 2016


# B.C. SQUASH RACQUETS ASSOCIATION

## Statement of Financial Position As at March 31, 2016

	2016	2015
<b>ASSETS</b>		
Cash and cash equivalents	\$ 86,502	\$ 76,550
Accounts receivable, net of allowance of \$7,199 (2015 - \$954)	18,854	9,524
Prepaid expenses	5,296	3,394
	<b>\$ 110,652</b>	<b>\$ 89,468</b>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities, including GST payable of \$2,952 (2015 - \$1,474)	\$ 45,450	\$ 33,530
Deferred contributions (Note 5)	17,084	1,724
	<b>62,534</b>	<b>35,254</b>
<b>NET ASSETS</b>		
	<b>48,118</b>	<b>54,214</b>
	<b>\$ 110,652</b>	<b>\$ 89,468</b>

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

### APPROVED BY THE BOARD

  
\_\_\_\_\_  
Director

  
\_\_\_\_\_  
Director

# B.C. SQUASH RACQUETS ASSOCIATION

## Statement of Operations and Changes in Net Assets Year Ended March 31, 2016

	2016	2015
<b>OPERATIONS</b>		
<b>Receipts</b>		
Operating grant	\$ 45,000	\$ 45,000
Membership fees	85,924	79,191
Player development	44,080	64,492
Technical development	8,002	7,180
Sanction fees and other revenue	6,032	6,976
	<b>189,038</b>	<b>202,839</b>
<b>Expenditures</b>		
Administration expenses		
Affiliation fees	12,077	11,833
Bad debt expense	3,854	707
Bank charges, service fees and interest	2,328	3,286
Insurance	8,145	8,145
Meetings and travel	9,558	12,876
Office and professional fees	19,588	17,680
Wages and benefits	85,416	72,117
	<b>140,966</b>	<b>126,644</b>
Player development	40,365	62,673
Technical development	9,018	14,459
Marketing and communication	6,962	6,736
	<b>197,311</b>	<b>210,512</b>
<b>Excess of (expenditures)/receipts - Operations</b>	<b>(8,273)</b>	<b>(7,673)</b>
<b>MEMBER SERVICES</b>		
<b>Receipts</b>		
Tournament and league fees collected	120,114	88,094
Contributions collected through the National Sport Trust Fund	5,141	5,000
	<b>125,255</b>	<b>93,094</b>
<b>Expenditures</b>		
Tournament and league fees paid to organizers	118,138	90,597
Contributions paid from the National Sport Trust Fund	4,940	5,000
	<b>123,078</b>	<b>95,597</b>
<b>Excess of receipts/(expenditures) - Member Services</b>	<b>2,177</b>	<b>(2,503)</b>
<b>EXCESS OF EXPENDITURES OVER RECEIPTS</b>	<b>(6,096)</b>	<b>(10,176)</b>
<b>NET ASSETS, Beginning of Year</b>	<b>54,214</b>	<b>64,390</b>
<b>NET ASSETS, End of Year</b>	<b>\$ 48,118</b>	<b>\$ 54,214</b>

The accompanying notes are an integral part of these financial statements

# B.C. SQUASH RACQUETS ASSOCIATION

## Statement of Cash Flows Year Ended March 31, 2016

	2016		2015
<b>Cash flows from (used for) operating activities</b>			
Cash receipts from government funding	\$ 80,905	\$	75,928
Cash receipts from fees	194,037		151,072
Cash receipts from other self-generated revenue	34,329		31,982
Cash paid for administration expenditures	(127,514)		(120,937)
Cash paid for development, tournaments and other operating expenses	(182,858)		(189,709)
	(1,101)		(51,664)
<b>Cash flows from investing activities</b>			
Distribution from 2020 Fund (Note 4)	11,053		9,904
<b>INCREASE (DECREASE) IN CASH</b>	<b>9,952</b>		<b>(41,760)</b>
<b>CASH AND CASH EQUIVALENTS, Beginning of Year</b>	<b>76,550</b>		<b>118,310</b>
<b>CASH AND CASH EQUIVALENTS, End of Year</b>	<b>\$ 86,502</b>	<b>\$</b>	<b>76,550</b>
<b>Composition of cash and cash equivalents</b>			
Cash	\$ 61,502	\$	51,550
Term deposit	25,000		25,000
	\$ 86,502	\$	76,550
<b>Supplementary cash flow information</b>			
Interest received	\$ 310	\$	381

The accompanying notes are an integral part of these financial statements

# **B.C. SQUASH RACQUETS ASSOCIATION**

Notes to Financial Statements  
March 31, 2016

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## **1. OPERATIONS**

The B.C. Squash Racquets Association (the "Association") is a not-for-profit organization incorporated under the Society Act, British Columbia, to provide leadership and direction for the growth and development of the sport of squash in British Columbia. The Association functions under the name "Squash BC".

The Association is dependent on continued funding from the Government of British Columbia and associated provincial agencies and may not be able to maintain its current level of operations should this funding be significantly reduced or ended.

## **2. BASIS OF PRESENTATION**

### **Statement of compliance**

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO") as issued and effective on March 31, 2016.

### **Basis of presentation**

These financial statements have been prepared on a historical cost basis, except for certain financial instruments which are measured at fair value, as explained in the accounting policies set out in Note 3.

## **3. SIGNIFICANT ACCOUNTING POLICIES**

### **Accounting estimates and judgments**

The preparation of these financial statements requires management to make estimates and judgments and to form assumptions that affect the reported amounts and other disclosures in these financial statements. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. The results of these assumptions form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions and conditions.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the review affects both current and future periods.

Critical judgments and accounting estimates are those that have been identified as being complex or involving subjective assessments and that may result in material adjustments to the carrying amount of assets and liabilities within the next financial year. Critical judgments and accounting estimates used in the preparation of these financial statements include, among others, the recoverability of accounts receivable and the eligibility of expenditures for restricted funding grants.

# B.C. SQUASH RACQUETS ASSOCIATION

Notes to Financial Statements  
March 31, 2016

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## 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

### Cash and cash equivalents

Cash and cash equivalents include cash on account and term deposits with major financial institutions which have a term to maturity of three months or less at the date of acquisition or that are readily convertible into known amounts of cash.

### Financial assets and liabilities

Financial assets and liabilities are initially measured at fair value, adjusted by, in the case of a financial asset or financial liability that will not be measured subsequently at fair value, financing fees and transaction costs that are directly attributable to its origination, acquisition, issuance or assumption. The Association measures fair value using a three-level hierarchy:

- Level 1 – inputs are unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – inputs other than quoted prices in Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3 – inputs for the asset or liability that are not based on observable market data.

Subsequent to initial recognition, the Association measures its financial assets and liabilities at amortized cost. Financial assets measured at amortized cost consist of cash and cash equivalents and accounts receivable. Financial liabilities measured at amortized cost consist of accounts payable and accrued liabilities. The carrying value of these financial instruments approximates fair value at the financial statement dates.

At each financial statement date, the Association assesses whether there are any indications that a financial asset measured at amortized cost may be impaired. If the Association identifies that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows from the financial asset, it reduces the carrying amount of the asset to the greater of the present value of future cash flows and the amount that would be realized by selling the asset or exercising right to any collateral held to secure payment, net of all costs necessary to exercise those rights.

### Recognition of receipts

Receipts, including government operating grants, are recorded on an accrual basis and are included in the statement of operations and changes in net assets when they have been earned and collection is reasonably assured. Externally restricted contributions received in excess of eligible expenditures are deferred and recorded as receipts in the period in which the eligible expenditures are incurred.

### Income taxes

The Association is a not-for-profit organization, as described in Section 149(1)(l) of the *Income Tax Act*, and is therefore not subject to federal or provincial income taxes.

### Donated supplies and services

From time to time, the Association receives in-kind donations of supplies and services, the fair value of which may not be easily determinable. The Association does not record the receipt of these supplies or services, except that the amount received when donated supplies are sold is recorded as revenue.

# B.C. SQUASH RACQUETS ASSOCIATION

Notes to Financial Statements  
March 31, 2016

## 4. 2020 FUND

On August 18, 2007 the Association established a permanent endowment fund (the "2020 Fund") under the management of Vancouver Foundation. The purpose of the fund is to aid in the maintenance, development, and enhancement of amateur and recreational squash in British Columbia by making periodic distributions to the Association.

At March 31, 2016 the market value of the 2020 Fund was \$336,876 (2015 - \$332,176). During the year ended March 31, 2016 the Association received a distribution from the 2020 Fund of \$11,053 (2015 - \$9,904) which is recorded in receipts for player development as the Association has designated the use of distributions from the 2020 Fund for player development programs. At March 31, 2016, 2020 Fund distributions of \$14,451 (2015 - \$10,198) are available for future player development programs

## 5. DEFERRED CONTRIBUTIONS

The Association received funding of \$17,500 (2015 - \$20,500) from the Gaming Policy and Enforcement Branch of the Government of British Columbia (the "Gaming Branch") during the year ended March 31, 2016 which is restricted to youth player development, coaching and officiating programs. The Association made sufficient eligible expenditures during the year ended March 31, 2016 to utilize this funding.

The Association also received funding of \$57,928 (2015 - \$57,928) from ViaSport British Columbia ("ViaSport") during the year ended March 31, 2016, which is restricted to activities promoting participation in squash and athlete development. The Association made sufficient eligible expenditures to utilize this funding during the current fiscal year, with the exception of funding related to Squash BC Junior Pathway and Team BC which is deferred and expected to be utilized in the next fiscal year.

The changes to externally restricted contributions during the year ended March 31, 2016 are:

Source of Externally Restricted Contribution	Deferred Contributions March 31, 2015	Restricted Receipts	Eligible Expenditures	Deferred Contributions March 31, 2016
ViaSport – Junior Pathway	\$ -	\$ 5,000	\$ (1,248)	\$ 3,752
ViaSport – Team BC	1,724	6,608	-	8,332
2016 American Masters Games	-	5,000	-	5,000
	\$ 1,724	\$ 16,608	\$ (1,248)	\$ 17,084

## 6. FINANCIAL RISK MANAGEMENT

The Association's activities expose it to a variety of financial risks, which include credit risk, interest rate risk and liquidity risk.

### Credit Risk

Credit risk is the risk of a financial loss if the counterparty to a financial instrument fails to meet its contractual obligations. The Association is exposed to credit risk from cash and cash equivalents and accounts receivable.

Cash and cash equivalents are held on deposit with a major Canadian financial institution and are not considered subject to significant credit risk. Accounts receivable consist of outstanding collections for membership and other fees from associated organizations and individuals. Due to the distributed nature of the Association's membership base, collection of overdue amounts can be challenging and accordingly the Association has provided an allowance against overdue accounts at March 31, 2016 of \$7,199 (2015 - \$954).



# **B.C. SQUASH RACQUETS ASSOCIATION**

Notes to Financial Statements  
March 31, 2016

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## **6. FINANCIAL RISK MANAGEMENT (continued)**

### **Interest Rate Risk**

Interest rate risk is the risk that changes in interest rates will affect the fair value or future cash flows of the Association's financial instruments. The Association is exposed to interest rate risk as a result of holding fixed rate cash equivalent investments of varying maturities. The Association's considers its exposure to interest rate risk to be minimal as these investments are in short-term highly liquid instruments. Reasonably possible changes in interest rates over the next fiscal year would not have a material impact on the fair value or future cash flows of the Association's cash equivalents.

### **Liquidity Risk**

Liquidity risk is the risk that the Association will not be able to meet its financial obligations as they come due. The Association is exposed to liquidity risk from accounts payable and accrued liabilities which are due within the current operating period. The Association manages liquidity risk through ongoing budgeting and monitoring of cash flows from operations. The Association has an unsecured line of credit of up to \$10,000 available to meet short-term cash requirements if required.

## **7. CAPITAL MANAGEMENT**

The Association considers its primary capital management activity to be the management of its cash to meet its obligations and to deliver its programs. The Association manages its cash through annual budgets which are reviewed and revised as necessary by the Board of Directors during the course of the fiscal year.

## **8. COMPARATIVE AMOUNTS**

Comparative amounts for the year ended March 31, 2015 have been reclassified to match the presentation used current year.