

B.C. SQUASH RACQUETS ASSOCIATION

Financial Statements
Year ended March 31, 2018
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, 2018, 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

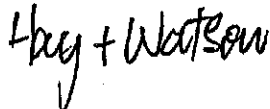
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable 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 B.C. Squash Racquets Association as at March 31, 2018, 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 Societies Act, British Columbia, on a consistent basis.



Chartered Professional Accountants
Vancouver, British Columbia
May 18, 2018

B.C. SQUASH RACQUETS ASSOCIATION

Statement of Financial Position
As at March 31, 2018

	2018	2017
ASSETS		
Cash and cash equivalents	\$ 70,853	\$ 76,450
Cash – restricted Gaming Branch funds (Note 5)	101	452
Accounts receivable	8,891	17,266
Prepaid expenses	6,285	6,394
	\$ 86,130	\$ 100,562
LIABILITIES		
Accounts payable and accrued liabilities	\$ 10,332	\$ 11,444
Goods and services tax payable	3,956	3,467
Deferred contributions (Note 5)	24,080	29,555
	38,368	44,466
NET ASSETS	47,762	56,096
	\$ 86,130	\$ 100,562

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

APPROVED BY THE BOARD OF DIRECTORS


_____ Director


_____ Director

B.C. SQUASH RACQUETS ASSOCIATION

Statement of Operations
Year Ended March 31, 2018

	2018	2017
Receipts		
Community gaming grant	\$ 24,363	\$ 23,577
ViaSport funding	60,241	55,658
Membership fees	89,978	86,322
Competition fees collected for members	129,723	125,978
Sanctioning fees	14,821	14,273
Coaching and officiating programs	2,999	2,100
Junior events	6,895	10,212
National Sport Trust Fund donations	45,608	70,796
Other income	2,369	8,444
	376,997	397,360
Expenditures		
Administration		
Affiliation fees	11,373	10,970
Bad debt expense (recovery)	-	(6,993)
Bank charges, service fees and interest	245	1,191
Insurance	7,992	8,145
Office expenses	18,110	27,561
Professional fees	5,575	5,266
Wages and benefits	120,815	93,662
	164,110	139,797
Competition fees paid to members	129,723	124,747
Player development	55,706	41,094
Member services	27,678	76,259
Coaching and officiating	7,233	6,945
Recognition	881	540
	385,331	389,382
EXCESS OF (EXPENDITURES) RECEIPTS	\$ (8,334)	\$ 7,978

The accompanying notes are an integral part of these financial statements

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B.C. SQUASH RACQUETS ASSOCIATION

Statement of Changes in Net Assets
Year Ended March 31, 2018

	2018			2017
	Operating reserve	Unrestricted net assets	Total net assets	Total net assets
BALANCE, beginning of year	\$ 25,000	\$ 31,096	\$ 56,096	\$ 48,118
Excess of (expenditures) receipts	-	(8,334)	(8,334)	7,978
BALANCE, end of year	\$ 25,000	\$ 22,762	\$ 47,762	\$ 56,096

The accompanying notes are an integral part of these financial statements

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B.C. SQUASH RACQUETS ASSOCIATION

Statement of Cash Flows Year Ended March 31, 2018

	2018	2017
Cash flows from (used for) operating activities		
Excess of (expenditures) receipts	\$ (8,334)	\$ 7,978
Changes in working capital items		
Accounts receivable	8,375	1,588
Prepaid expenses	109	(1,098)
Accounts payable and accrued liabilities	(623)	(30,539)
Deferred contributions	(5,475)	12,471
DECREASE IN CASH	(5,948)	(9,600)
CASH AND CASH EQUIVALENTS, Beginning of Year	76,902	86,502
CASH AND CASH EQUIVALENTS, End of Year	\$ 70,954	\$ 76,902
Composition of cash and cash equivalents		
Cash	\$ 45,853	\$ 51,450
Cashable term deposit	25,000	25,000
Cash – restricted Gaming Branch funds (Note 5)	101	452
	\$ 70,954	\$ 76,902
Supplementary cash flow information		
Interest received	\$ 279	\$ 332

The accompanying notes are an integral part of these financial statements

B.C. SQUASH RACQUETS ASSOCIATION

Notes to Financial Statements
March 31, 2018

1. OPERATIONS

The B.C. Squash Racquets Association (the "Association") is a not-for-profit organization incorporated under the Societies 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 receives 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 as issued and effective on March 31, 2018.

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.

Cash and cash equivalents

Cash and cash equivalents include cash deposits and term deposits at a major financial institution 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.

B.C. SQUASH RACQUETS ASSOCIATION

Notes to Financial Statements
March 31, 2018

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

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 and goods and service taxes payable. The carrying values of these financial instruments approximate their fair values 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.

Property and equipment

The Association recognizes purchases of property and equipment as expenses in the year they are purchased. The Association's property and equipment as at March 31, 2018 consists of computer equipment. During the year ended March 31, 2018, the Association did not purchase any computer equipment (2017 - \$6,702 recorded in office expenses on the statement of operations).

Recognition of receipts

Receipts, including government operating grants, are recorded on an accrual basis and are included in the statement of operations 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 when donated supplies are sold when the amount received is recorded as revenue.

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B.C. SQUASH RACQUETS ASSOCIATION

Notes to Financial Statements
March 31, 2018

4. 2020 FUND

On August 18, 2007 the Association established a permanent endowment fund (the "2020 Fund") under the management of the Vancouver Foundation. The purpose of the 2020 Fund is to support the maintenance, development, and enhancement of amateur and recreational squash in British Columbia. The Fund periodically distributes available income to the National Sport Trust Fund ("NSTF") which distributes the income to the Association.

At March 31, 2018, the value of the 2020 Fund was \$403,705 (2017 - \$377,076). During the year ended March 31, 2018 the Association received a distribution from the 2020 Fund of \$12,708 (2017 - \$11,806). At March 31, 2018, 2020 Fund income of \$7,120 (2017 - \$6,567) is available but has not yet been distributed to the Association.

5. DEFERRED CONTRIBUTIONS

The Association receives the following externally restricted contributions:

- A Community Gaming Grant from the Gaming Policy and Enforcement Branch of the Government of British Columbia (the "Gaming Branch"), which is restricted to member services, player development and coaching & officiating programs.
- Funding from ViaSport British Columbia ("ViaSport"), which is restricted to activities promoting participation in squash and athlete development.
- Donations from individuals and other organizations through the National Sport Trust Fund ("NSTF"). The Funds include: 2020 Fund (see Note 4), Building the Future Fund, Salt Spring Island Clubhouse Fund, Goodwill Fund, and Sun & Surf Fund. Criteria for the NSTF Fund expenditures are set forth by Squash BC and approved by the NSTF.
- Other contributions restricted to use for specific events occurring subsequent to the end of the fiscal year

The changes in externally restricted contributions during the year ended March 31, 2018 are:

Source of Externally Restricted Contribution	Deferred Contributions March 31, 2017	Restricted Receipts	Eligible Expenditures	Deferred Contributions March 31, 2018
Community Gaming Grant	\$ 452	\$ 24,000	\$ (24,351)	\$ 101
ViaSport -- Canada Winter Games	10,603	8,000	(2,917)	15,686
ViaSport -- Event hosting	5,000	-	(5,000)	-
NSTF -- Building the Future	7,500	6,225	(13,725)	-
NSTF -- 2020 Fund	6,000	12,708	(15,415)	3,293
Estate of Frank David Hebb	-	5,000	-	5,000
	\$ 29,555	\$ 55,933	\$ (61,408)	\$ 24,080

B.C. SQUASH RACQUETS ASSOCIATION

Notes to Financial Statements
March 31, 2018

6. FINANCIAL RISK MANAGEMENT

The Association's activities expose it to 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 at a financial institution in British Columbia 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 and are expected to be collected within the next operating cycle.

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 a fixed rate cashable term deposit. The Association considers its exposure to interest rate risk to be minimal as this investment is short-term and highly liquid. Reasonably possible changes in interest rates over the next fiscal year would not have a material impact on the Association.

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 subsequent operating period and manages liquidity risk through annual budgeting and ongoing monitoring of cash flows from operations. The Association has set aside an operating reserve of \$25,000 to address unforeseen liquidity events and 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 and net assets 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 on the statement of operations for the year ended March 31, 2017 have been reclassified to correspond to the presentation used current year.