

B.C. SQUASH RACQUETS ASSOCIATION

Financial Statements
Year ended March 31, 2019
(unaudited)

INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

We have reviewed the accompanying financial statements of B.C. Squash Racquets Association, which comprise the statement of financial position as at March 31, 2019, 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.

Practitioner's Responsibility

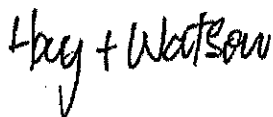
Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of B.C. Squash Racquets Associations as at March 31, 2019, and the results of its operations 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, BC
May 14, 2019


B.C. SQUASH RACQUETS ASSOCIATION

Statement of Financial Position
As at March 31, 2019
(unaudited)

	2019	2018
ASSETS		
Cash and cash equivalents	\$ 61,782	\$ 70,853
Cash – restricted Gaming Branch funds (Note 5)	109	101
Accounts receivable	4,934	8,891
Prepaid expenses	6,950	6,285
	\$ 73,775	\$ 86,130
LIABILITIES		
Accounts payable and accrued liabilities	\$ 14,433	\$ 10,332
Goods and services tax payable	3,498	3,956
Deferred contributions (Note 5)	8,015	24,080
	25,946	38,368
NET ASSETS		
	47,829	47,762
	\$ 73,775	\$ 86,130

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, 2019
(unaudited)

	2019	2018
Receipts		
Community gaming grant	\$ 24,109	\$ 24,363
ViaSport funding	76,011	60,241
Membership fees	88,459	89,978
Competition fees collected for members	148,697	129,723
Sanctioning fees	17,531	14,821
Coaching and officiating programs	2,822	2,999
Junior events	5,880	6,895
National Sport Trust Fund donations	31,852	45,608
Other income	12,927	2,369
	408,288	376,997
Expenditures		
Administration		
Affiliation fees	11,150	11,373
Bank charges, service fees and interest	294	245
Insurance	8,236	7,992
Office expenses	16,953	18,110
Professional fees	1,285	5,575
Wages and benefits	131,771	120,815
	169,689	164,110
Competition fees paid to members	148,697	129,723
Player development	58,376	55,706
Member services	19,335	27,678
Coaching and officiating	11,915	7,233
Recognition	209	881
	408,221	385,331
EXCESS OF RECEIPTS (EXPENDITURES)	\$ 67	\$ (8,334)

The accompanying notes are an integral part of these financial statements

B.C. SQUASH RACQUETS ASSOCIATION

Statement of Changes in Net Assets
Year Ended March 31, 2019
(unaudited)

	2019			2018
	Operating reserve (Note 6)	Unrestricted net assets	Total net assets	Total net assets
BALANCE, beginning of year	\$ 25,000	\$ 22,762	\$ 47,762	\$ 56,096
Excess of receipts (expenditures)	-	67	67	(8,334)
Transfer from Operating Reserve	(12,500)	12,500	-	-
BALANCE, end of year	\$ 12,500	\$ 35,329	\$ 47,829	\$ 47,762

The accompanying notes are an integral part of these financial statements

B.C. SQUASH RACQUETS ASSOCIATION

Statement of Cash Flows Year Ended March 31, 2019 (unaudited)

	2019		2018
Cash flows from (used for) operating activities			
Excess of receipts (expenditures)	\$ 67	\$	(8,334)
Changes in working capital items			
Accounts receivable	3,957		8,375
Prepaid expenses	(665)		109
Accounts payable and accrued liabilities	3,643		(623)
Deferred contributions	(16,065)		(5,475)
DECREASE IN CASH	(9,063)		(5,948)
CASH AND CASH EQUIVALENTS, Beginning of Year	70,954		76,902
CASH AND CASH EQUIVALENTS, End of Year	\$ 61,891	\$	70,954
Composition of cash and cash equivalents			
Cash	\$ 41,240	\$	45,853
Cashable term deposits	20,542		25,000
Cash – restricted Gaming Branch funds (Note 5)	109		101
	\$ 61,891	\$	70,954
Supplementary cash flow information			
Interest received	\$ 230	\$	279

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

B.C. SQUASH RACQUETS ASSOCIATION

Notes to Financial Statements

March 31, 2019

(unaudited)

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, 2019.

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, 2019
(unaudited)

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, 2019 consists of computer equipment. During the years ended March 31, 2019 and 2018, the Association did not purchase any property or equipment.

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.

B.C. SQUASH RACQUETS ASSOCIATION

Notes to Financial Statements
 March 31, 2019
 (unaudited)

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, 2019, the value of the 2020 Fund was \$425,961 (2018 - \$403,705). During the year ended March 31, 2019 the Association received a distribution from the 2020 Fund of \$14,807 (2018 - \$12,708). At March 31, 2019, 2020 Fund income of \$7,982 (2018 - \$7,120) 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, Gudewill Fund, and Sun & Surf Fund. Criteria for the NSTF Fund expenditures are set forth by Squash BC and approved by the NSTF.
- Donations ("Victoria Fund") from individuals for events that highlight or benefit junior squash locally or provincially held in the Victoria area.
- Other contributions restricted to use for specific events occurring subsequent to the end of the fiscal year

The changes in externally restricted contributions with deferred balances during the year ended March 31, 2019 are:

Source of Externally Restricted Contribution	Deferred Contributions March 31, 2018	Restricted Receipts	Eligible Expenditures	Deferred Contributions March 31, 2019
Community Gaming Grant	\$ 101	24,008	(24,109)	-
ViaSport – Canada Winter Games	15,686	-	(15,686)	-
NSTF – 2020 Fund	3,293	14,067	(17,360)	-
Estate of Frank David Hebb	5,000	-	(5,000)	-
Victoria Fund	-	8,015	-	8,015
	\$ 24,080	46,090	(62,155)	8,015

B.C. SQUASH RACQUETS ASSOCIATION

Notes to Financial Statements
March 31, 2019
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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, of which \$12,500 has been used to cover cash flow needs in fiscal year 2019. 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 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.