

B.C. SQUASH RACQUETS ASSOCIATION

Financial Statements
Year ended March 31, 2017
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, 2017, 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

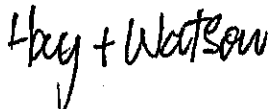
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable 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, 2017, 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 31, 2017

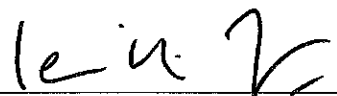
B.C. SQUASH RACQUETS ASSOCIATION

Statement of Financial Position As at March 31, 2017

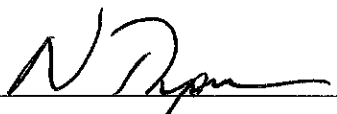
	2017	2016
ASSETS		
Cash and cash equivalents	\$ 76,450	\$ 82,502
Cash – restricted Gaming Branch funds (Note 5)	452	4,000
Accounts receivable, net of allowance of \$Nil (2016 - \$7,199)	17,266	18,854
Prepaid expenses	6,394	5,296
	\$ 100,562	\$ 110,652
LIABILITIES		
Accounts payable and accrued liabilities	\$ 11,444	\$ 42,525
Goods and services tax payable	3,467	2,925
Deferred contributions (Note 5)	29,555	17,084
	44,466	62,534
NET ASSETS	56,096	48,118
	\$ 100,562	\$ 110,652

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, 2017

	2017	2016
Receipts		
Community gaming grant	\$ 23,577	\$ 17,695
ViaSport funding	55,658	51,320
Membership fees	86,322	85,924
Competition fees collected for members	125,978	120,114
Sanctioning fees	14,273	4,097
Coaching and officiating programs	2,100	5,307
Junior events	10,212	6,861
National Sport Trust Fund donations	70,796	21,041
Other income	8,444	1,934
	397,360	314,293
Expenditures		
Administration		
Affiliation fees	10,970	12,077
Bad debt expense (recovery)	(6,998)	3,854
Bank charges, service fees and interest	1,191	2,328
Insurance	8,145	8,145
Office expenses	27,561	19,111
Professional fees	5,266	5,000
Wages and benefits	93,662	87,425
	139,797	137,940
Competition fees paid to members	127,950	118,138
Member services	73,056	14,629
Player development	41,094	40,364
Coaching and officiating	6,945	9,018
Recognition	540	300
	389,382	320,389
EXCESS OF RECEIPTS (EXPENDITURES)	7,978	(6,096)

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, 2017

	2017			2016
	Operating reserve	Unrestricted net assets	Total net assets	Total net assets
BALANCE, beginning of year	\$ -	\$ 48,118	\$ 48,118	\$ 54,214
Allocate net assets to operating reserve	25,000	(25,000)	-	-
Excess of receipts (expenditures)	-	7,978	7,978	(6,096)
BALANCE, end of year	\$ 25,000	\$ 31,096	\$ 56,096	\$ 48,118

The accompanying notes are an integral part of these financial statements

B.C. SQUASH RACQUETS ASSOCIATION

Statement of Cash Flows Year Ended March 31, 2017

	2017		2016
Cash flows from (used for) operating activities			
Excess of receipts (expenditures)	\$ 7,978	\$	(6,096)
Changes in working capital items			
Accounts receivable	1,588		(9,330)
Prepaid expenses	(1,098)		(1,902)
Accounts payable and accrued liabilities	(30,539)		11,920
Deferred contributions	12,471		15,360
INCREASE (DECREASE) IN CASH	(9,600)		9,952
CASH AND CASH EQUIVALENTS, Beginning of Year	86,502		76,550
CASH AND CASH EQUIVALENTS, End of Year	\$ 76,902	\$	86,502
Composition of cash and cash equivalents			
Cash	\$ 51,450	\$	57,502
Term deposit	25,000		25,000
Cash – restricted Gaming Branch funds (Note 5)	452		4,000
	\$ 76,902	\$	86,502
Supplementary cash flow information			
Interest received	\$ 332	\$	310

The accompanying notes are an integral part of these financial statements

B.C. SQUASH RACQUETS ASSOCIATION

Notes to Financial Statements
March 31, 2017

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, 2017.

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, 2017

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 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.

Capital assets

The Association recognizes purchases of capital assets as expenses in the year they are purchased. The Association's capital assets as at March 31, 2017 consist of computer equipment. During the year ended March, 2017, the Association purchased computer equipment with a cost of \$6,702 which has been recorded in office expenses on the statement of operations (2016 - \$Nil).

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, 2017

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 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, 2017 the market value of the 2020 Fund was \$377,076 (2016 - \$336,876). During the year ended March 31, 2017 the Association received a distribution from the 2020 Fund of \$11,806 (2016 - \$11,053). At March 31, 2017, 2020 Fund income of \$6,567 (2016 - \$6,022) 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 youth player development, coaching and officiating programs, and squash for life 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.
- Other contributions restricted to use for specific events occurring subsequent to the end of the fiscal year

The changes to externally restricted contributions during the year ended March 31, 2017 are:

Source of Externally Restricted Contribution	Deferred Contributions March 31, 2016	Restricted Receipts	Eligible Expenditures	Deferred Contributions March 31, 2017
Community Gaming Grant	\$ -	\$ 24,000	\$ (23,548)	\$ 452
ViaSport – Junior Pathway	3,752	-	(3,752)	-
ViaSport – Canada Winter Games	8,332	6,608	(4,338)	10,602
ViaSport – Event hosting	-	5,000	-	5,000
NSTF – Building the Future	-	9,839	(2,339)	7,500
NSTF – 2020 Fund	-	11,806	(5,806)	6,000
2016 Americas Masters Games	5,000	-	(5,000)	-
	\$ 17,084	\$ 57,253	\$ (44,783)	\$ 29,554

B.C. SQUASH RACQUETS ASSOCIATION

Notes to Financial Statements
March 31, 2017

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 for the year ended March 31, 2016 have been reclassified to match the presentation used current year.