

B.C. SQUASH RACQUETS ASSOCIATION

Financial Statements
Year ended March 31, 2014
and Auditor's Report



INDEPENDENT AUDITOR'S REPORT

We have audited the financial statements of the B.C. Squash Racquets Association, which comprise the statement of financial position as at March 31, 2014, 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 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

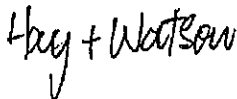
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable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

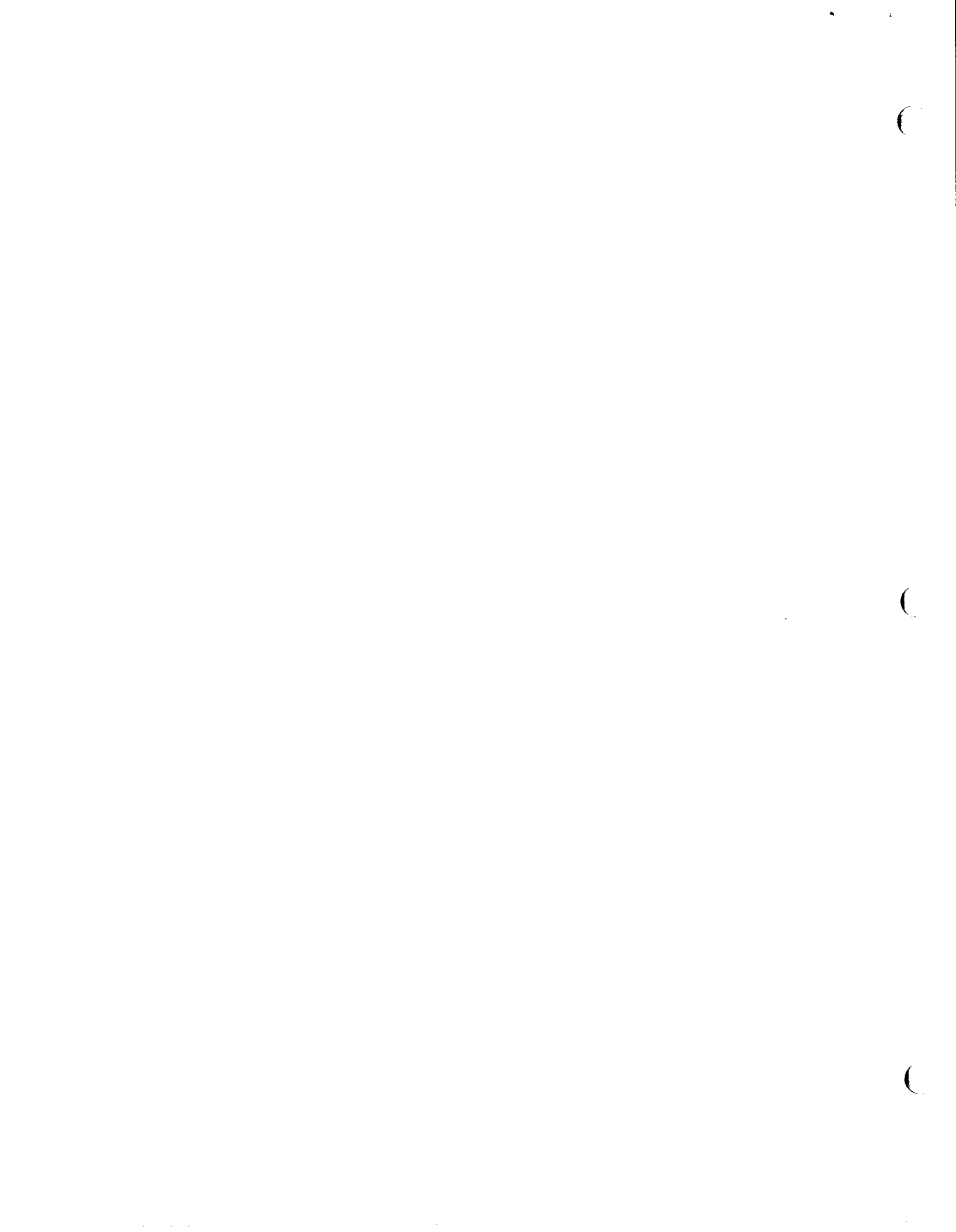
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the B.C. Squash Racquets Association as at March 31, 2014 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 Accountants
Vancouver, B.C.
May 22, 2013



B.C. SQUASH RACQUETS ASSOCIATION

Statement of Financial Position
As at March 31, 2014

	2014	2013
ASSETS		
Operating Fund		
Cash and cash equivalents	\$ 118,310	\$ 82,696
Accounts receivable	5,918	12,883
Prepaid expenses	3,394	8,648
	127,622	104,227
Computer equipment	-	545
	\$ 127,622	\$ 104,772
LIABILITIES		
Operating Fund		
Accounts payable and accrued liabilities	\$ 38,067	\$ 16,478
Deferred contributions (Note 5)	25,165	9,285
	63,232	25,763
NET ASSETS		
Operating Fund balance	64,390	79,009
	\$ 127,622	\$ 104,772

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

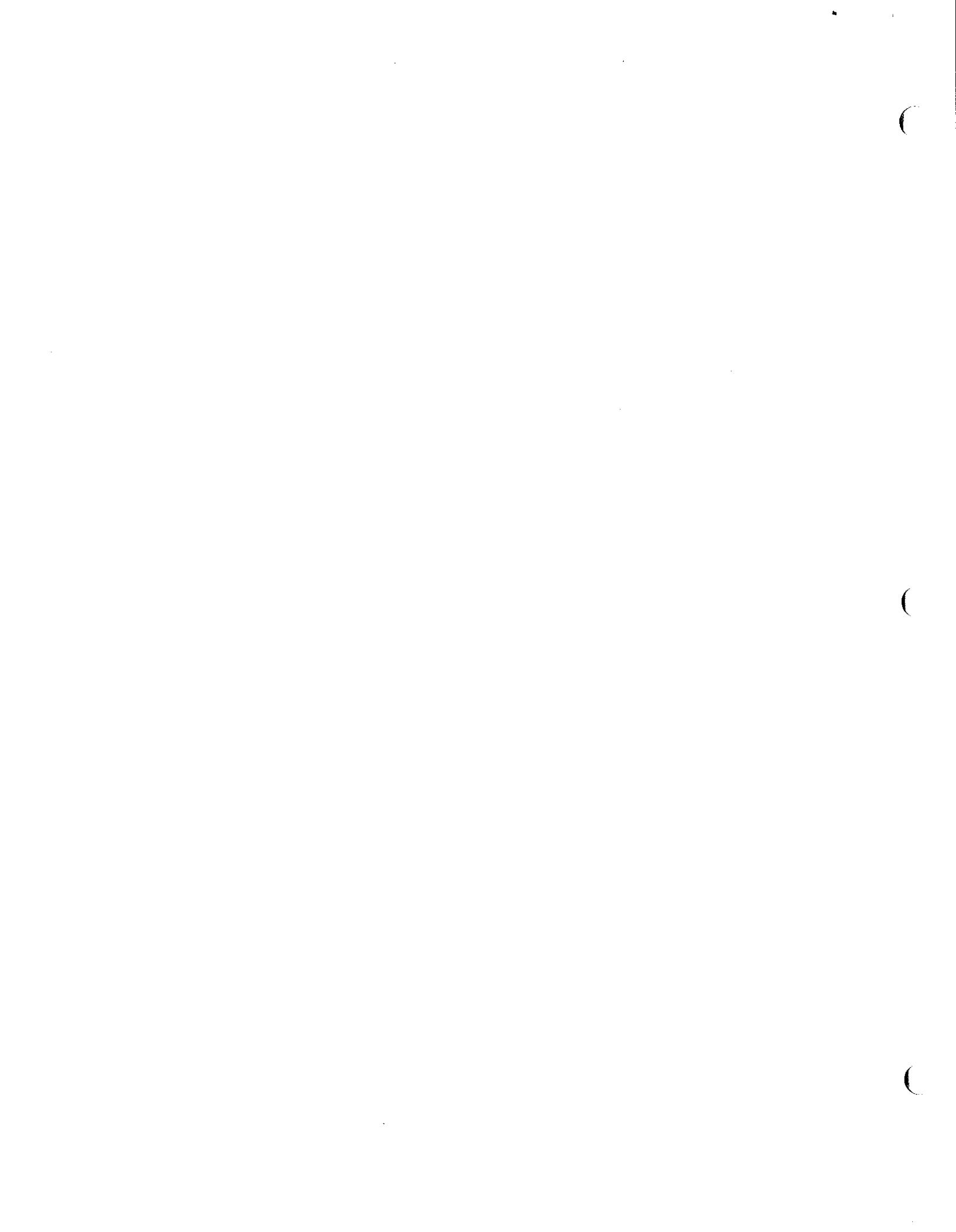
APPROVED BY THE BOARD



Director



Director



B.C. SQUASH RACQUETS ASSOCIATION

Statement of Operations and Changes in Net Assets Year Ended March 31, 2014

	2014	2013
RECEIPTS		
Operating grant	\$ 45,000	\$ 45,000
Membership fees	76,165	75,882
Player development	74,782	67,601
Technical development	60,293	60,680
Marketing and communication	2,361	31,143
Other	1,709	2,454
	260,310	282,760
EXPENDITURES		
Administration		
Affiliation fees	11,551	10,540
Bank charges, service fees and interest	3,975	3,631
Insurance	8,299	8,515
Meetings	7,916	7,363
Office	25,962	16,488
Salary and benefits	78,188	61,976
Travel	1,094	2,053
	136,985	110,566
Player development	67,594	86,754
Technical development	56,651	52,813
Marketing and communication	13,699	29,219
	274,929	279,352
EXCESS OF RECEIPTS OVER EXPENDITURES	(14,619)	3,408
OPERATING FUND BALANCE, Beginning of Year	79,009	75,601
OPERATING FUND BALANCE, End of Year	\$ 64,390	\$ 79,009

The accompanying notes are an integral part of these financial statements

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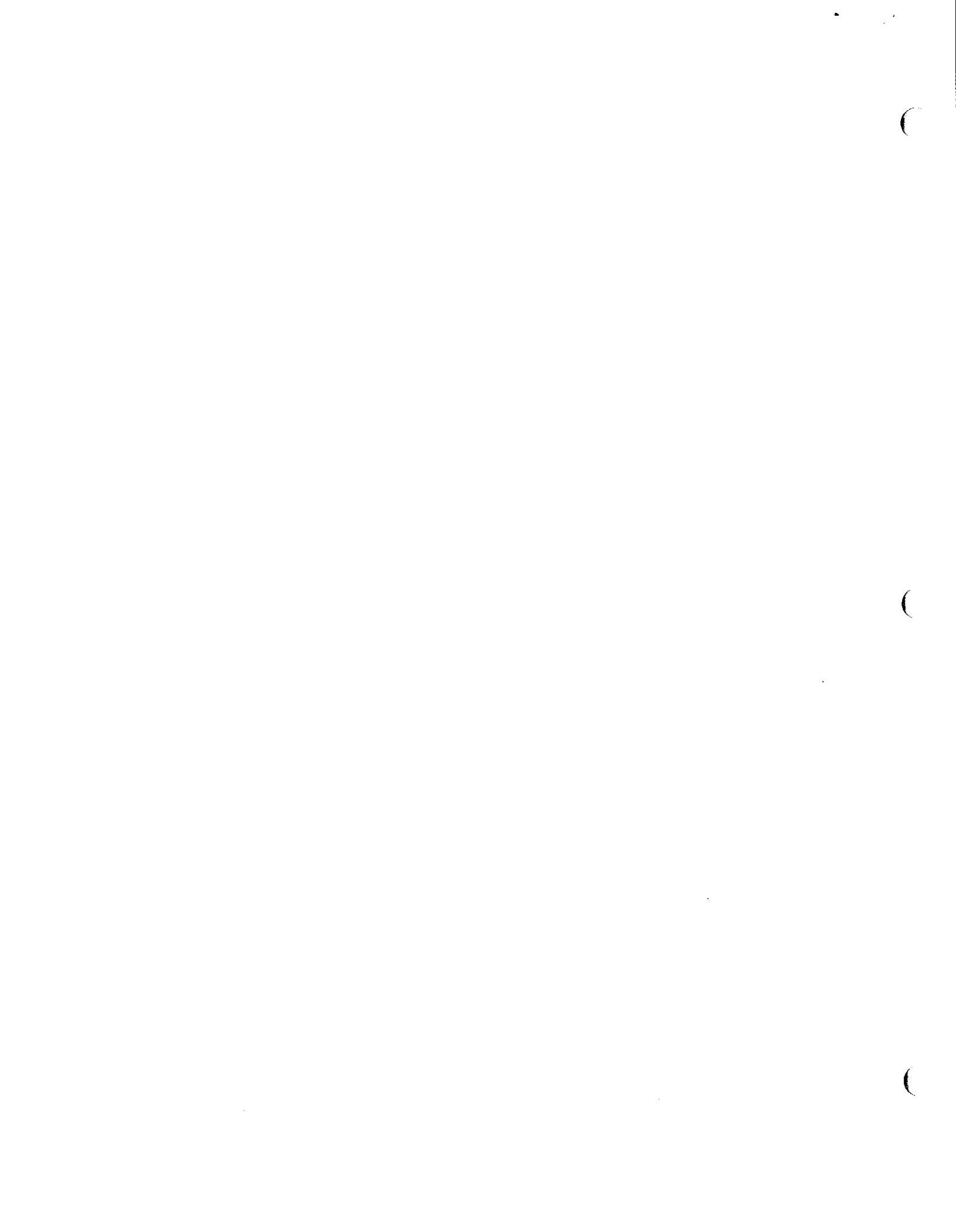
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B.C. SQUASH RACQUETS ASSOCIATION

Statement of Cash Flows Year Ended March 31, 2014

	2014	2013
OPERATING FUND		
Cash flows from (used for) operating activities		
Cash receipts from government funding	\$ 85,528	\$ 77,065
Cash receipts from fees	154,790	136,432
Cash receipts from other self-generated revenue	33,742	35,265
Cash paid for administration expenditures	(128,874)	(125,704)
Cash paid for development, tournaments and other items	(118,666)	(168,785)
	<u>26,520</u>	<u>(45,727)</u>
Cash flows from (used for) investing activities		
Distribution from 2020 Fund (Note 4)	9,094	4,481
	<u>35,614</u>	<u>(41,246)</u>
INCREASE (DECREASE) IN CASH	35,614	(41,246)
CASH AND CASH EQUIVALENTS, Beginning of Year	82,696	123,942
CASH AND CASH EQUIVALENTS, End of Year	\$ 118,310	\$ 82,696
Cash and cash equivalents consist of:		
Cash – restricted use	\$ 25,165	\$ 9,285
Cash - unrestricted	68,145	58,026
Term deposit	25,000	15,385
	<u>\$ 118,310</u>	<u>\$ 82,696</u>
Supplementary cash flow information:		
Interest received	\$ 548	\$ 495

The accompanying notes are an integral part of these financial statements



B.C. SQUASH RACQUETS ASSOCIATION

Notes to Financial Statements
Year Ended March 31, 2014

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 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").

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.

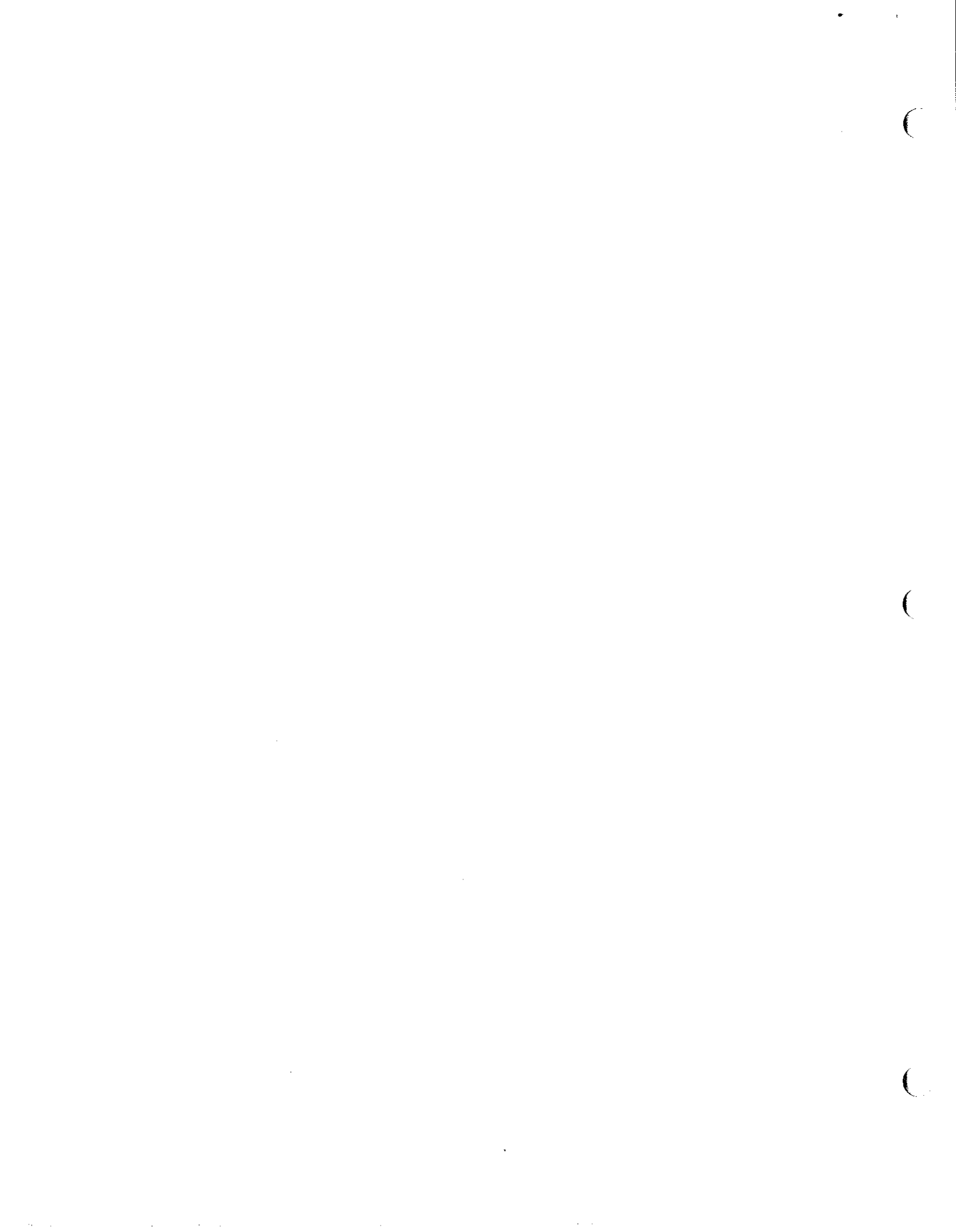
3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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
Year Ended March 31, 2014

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 makes its fair value measurements based on 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 all 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.

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.

Computer equipment

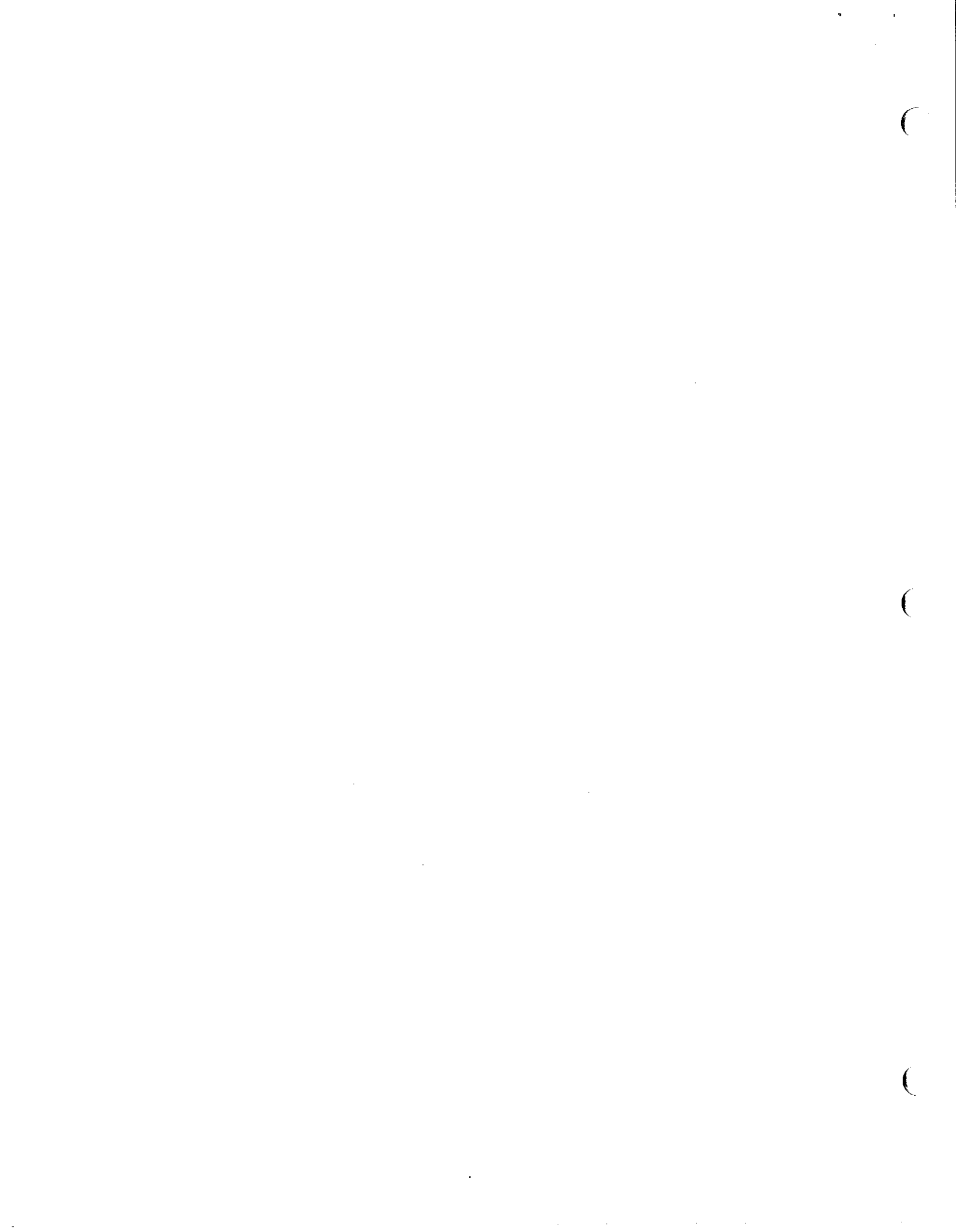
Computer equipment is recorded at cost and is amortized at the rate of 55% using the declining balance method.

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 under Section 149(1)(l) of the *Income Tax Act* and therefore is not subject to federal or provincial income taxes.



B.C. SQUASH RACQUETS ASSOCIATION

Notes to Financial Statements
Year Ended March 31, 2014

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

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 when donated supplies are sold the amount received is recorded as revenue.

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, 2014 the market value of the 2020 Fund was \$258,836 (2013 - \$248,637). During the year ended March 31, 2014 the Association received a distribution from the 2020 Fund of \$9,094 (2012 - \$4,481) which is recorded in receipts for player development, as the Association has restricted the use of distributions from the 2020 Fund for player development programs. At March 31, 2014, distributions of \$9,094 (2013 - \$4,481) are available for future player development programs

5. FUNDING SOURCES AND DEFERRED CONTRIBUTIONS

The Association received funding of \$29,900 (2013 - \$22,400) from the Gaming Policy and Enforcement Branch of the Government of British Columbia during the year ended March 31, 2014 which is restricted to youth player development, coaching and officiating programs.

The Association also received funding of \$57,928 (2013 - \$57,928) from ViaSport British Columbia during the year ended March 31, 2014, of which \$6,320 is restricted to performance athlete support (2013 - \$6,320) and \$6,608 is restricted to funding for the Canada Winter Games (2013 - \$6,608).

The changes to deferred contributions related to restricted contributions during the year ended March 31, 2014 are:

Source of Restricted Contribution	2013 Deferred Contributions	Receipts	Eligible Expenditures	2014 Deferred Contributions
Gaming Branch funding	2,280	29,900	(22,280)	9,900
ViaSport British Columbia funding – Canada Winter Games	6,654	6,608	(8,708)	4,554
Gudewill junior funding	-	7,756	(6,000)	1,756
Tournament and other fees	351	8,955	(351)	8,955
	9,285	53,219	(37,339)	25,165



B.C. SQUASH RACQUETS ASSOCIATION

Notes to Financial Statements
Year Ended March 31, 2014

6. COMMITMENTS

The Association leases its photocopier under an agreement which expires in December 2017. The Association's estimated minimum annual payments under the lease are:

	2015	2016	2017
Lease and minimum service charge	\$3,240	\$3,240	\$2,430

7. 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 is the risk of a financial loss if a 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. The Association considers this risk to be limited as its cash and cash equivalents are held with a major Canadian credit union and accounts receivable are primarily from associated organizations.

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 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 necessary.

There have been no changes to the Association's risk exposures from the prior year.

8. 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.

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