

BRITISH COLUMBIA WRESTLING ASSOCIATION
FINANCIAL STATEMENTS
MARCH 31, 2019

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INDEPENDENT AUDITOR'S REPORT

To the Members of British Columbia Wrestling Association,

Opinion

I have audited the accompanying financial statements of British Columbia Wrestling Association ("the Association"), which comprise the statement of financial position as at March 31, 2019, and the statement of operations, statement of changes in net assets and statement of cash flows for the year then ended, and a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Association as at March 31, 2019, and the results of its operations and its cash flows for the year then ended in accordance with Canadian standards for not-for-profit organization.

Basis for Opinion

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Association in accordance with the ethical requirements that are relevant to my audit of the financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Report on Other legal and Regulatory Requirements

As required by the British Columbia Societies Act, I report that, in my opinion, the Association's financial statements have been prepared following Canadian accounting standards for not-for-profit organizations applied on a consistent basis.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and the presentation of the financial statements in accordance with Canadian standards for not-for-profit organization, 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.

In preparing the financial statements, management is responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either

intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Association's financial reporting process.

Auditor's responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that include my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on

HJ Wu & Company Inc.
Chartered Professional Accountant

600 - 890 West Pender Street, Vancouver, BC V6C 1J9

Telephone: 604.636.1862

the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Association to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

HJ Wu & Company Inc.

Chartered Professional Accountant

Vancouver, BC
May 24, 2019

BRITISH COLUMBIA WRESTLING ASSOCIATION
Statement of Financial Position
As at March 31, 2019

	2019	2018
	\$	\$
ASSETS		
Current Assets		
Cash	113,942	181,818
Marketable Securities	63,293	69,655
Accounts receivable and other receivables	489	9,767
Sales taxes recoverable	8,944	5,048
Inventory (Note 2c)	400	400
Prepaid expenses	23,794	19,161
Restricted cash and marketable securities (Note 3)	63,630	62,404
	274,492	348,253
Tangible Capital Assets (Note 2d & 4)	26,921	21,153
	301,413	369,406
LIABILITIES		
Current Liabilities		
Accounts payable & accrued liabilities	34,472	95,542
Laliberte scholarship fund-liability (Note 3b)	33,257	33,257
Deferred revenue (Note 5)	14,790	22,790
	82,519	151,589
NET ASSETS		
Restricted net assets	63,630	62,404
Unrestricted net assets	155,264	155,413
	218,894	217,817
	301,413	369,406

Approved by the directors

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

BRITISH COLUMBIA WRESTLING ASSOCIATION
Statement of Operations
Year Ended March 31, 2019

	2019	2018
	\$	\$
Revenue (Schedule 1)	524,202	543,702
Expenses (Schedule 2)	523,125	552,647
Excess (Deficiency) Of Revenue Over Expenses	1,077	(8,945)

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

BRITISH COLUMBIA WRESTLING ASSOCIATION
Statement of Changes In Net Assets
Year Ended March 31, 2019

Net Assets	Restricted Net Assets	Unrestricted Net Assts	Total Net Assets	2018
	\$	\$	\$	\$
Balance, beginning of year	62,404	155,413	217,817	226,762
Excess (deficiency) of revenues over expenses	-	1,077	1,077	(8,945)
Transfers between funds	1,226	(1,226)	-	-
Balance - end of year	63,630	155,264	218,894	217,817

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

BRITISH COLUMBIA WRESTLING ASSOCIATION
Statement of Cash Flows
Year Ended March 31, 2019

	2019	2018
	\$	\$
Operating Activities		
Excess (deficiency) of revenue over expenses	1,077	(8,945)
Amortization	6,080	5,334
Fair value loss (gain) on marketable securities	(1,270)	(1,928)
Loss (gain) from disposition of assets	-	(5,588)
	5,887	(11,127)
Net change in non cash working capital balance related to operations		
Accounts receivable	9,278	(169)
Sales tax recoverable	(3,896)	(2,362)
Prepaid expenses	(4,633)	3,905
Accounts payable and accrued liabilities	(61,070)	(16,600)
Deferred revenue	(8,000)	(4,910)
	(68,321)	(20,136)
Cash (used in) provided by operating activities	(62,434)	(31,263)
Investing Activities		
Dispose (purchase) of tangible capital assets	(11,847)	20,927
Dispose (purchase) of marketable securities	7,585	-
Cash (used in) provided by investing activities	(4,262)	20,927
Net Increase (Decrease) in Cash	(66,696)	(10,336)
Cash, beginning of year	211,011	221,347
Cash, end of year	144,315	211,011
Cash is comprised of :		
Cash	113,942	181,864
Restricted cash - gaming	30,373	29,147
	144,315	211,011

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

BRITISH COLUMBIA WRESTLING ASSOCIATION
Notes to the Financial Statements
March 31, 2019

1. Operations & Nature of Organization

British Columbia Wrestling Association (“the Association”) is incorporated under the British Columbia Society Act.

The objective of the Association is to engage in the operating of programs and funding wrestling activities to promote the sport and the Association.

The Association is a not-for-profit organization under the Income Tax Act of Canada and, as such is exempt from income taxes.

2. Summary of Significant Accounting Policies

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO). The significant policies are detailed as follows:

a) Revenue Recognition

The Association follows the deferral method of accounting for contributions.

Restricted contributions are recognized as revenue in the year in which the related expenditures are incurred. Unrestricted or internally restricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Membership fees are recognized as fees for services. When the members receive the services, the fees are recognized as revenue.

b) Financial Instruments

All financial instruments are initially measured on the statement of financial position at fair value. Subsequent measurement will depend on the relevant accounting policy.

The Association's financial instruments are cash, marketable securities, accounts receivable, restricted cash and marketable securities and accounts payable.

The Association's cash, accounts receivable, restricted cash and marketable securities and accounts payable are recorded at amortized cost. The Association has chosen to record its marketable securities at fair value.

BRITISH COLUMBIA WRESTLING ASSOCIATION
Notes to the Financial Statements
March 31, 2019

2. Summary of Significant Accounting Policies (Continued)

c) Inventory

Inventory is valued at the lower of cost or net realized value, using the FIFO method of cost allocation.

d) Tangible Capital Assets and Amortization

Purchased tangible capital assets are carried at cost. Contributed tangible capital assets are recorded at fair value at the date of contribution. Tangible capital assets are amortized on a declining basis over the assets estimate useful lives as follows:

Asset	Rate
Computer Equipment	55% and 100%
Equipment	20%
Trailer	30%

e) Donated Services

Volunteers donate an undetermined number of hours per year to assist the Association in the delivery of programs and services. Because of the difficulty of recording and determining their fair market value, donated services are not recognized in the financial statements.

f) Use of Estimates

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the financial position date and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates.

BRITISH COLUMBIA WRESTLING ASSOCIATION
Notes to the Financial Statements
March 31, 2019

3. Restricted Cash and Marketable Securities

a) Gaming Fund

Included in restricted cash and marketable securities is cash of \$30,373 (2018 - \$29,147) held in a gaming fund bank account. The use of the fund is subject to external restrictions placed by the Gaming Branch of the British Columbia Government.

b) Laliberte Scholarship Fund

The balance of Laliberte Scholarship Fund included in restricted cash and marketable securities as at March 31, 2019 is \$33,257 (2018 - \$33,257). The use of the fund is subject to external restrictions that required the fund be used to assist high school wrestlers annually at program events.

4. Tangible Capital Assets

	Cost	Accumulated Amortization	Net Book Value	
			2019	2018
Computer Equipment	\$7,174	\$5,036	\$2,138	\$439
Equipment	78,649	54,160	24,489	20,294
Trailers	6,000	5,706	294	420
	<u>\$91,823</u>	<u>\$64,902</u>	<u>\$26,921</u>	<u>\$21,153</u>

5. Deferred Revenue

Deferred revenue represents grant monies, registration fees and program costs received for projects which have not been completed as at March 31, 2019.

	2019	2018
Event registration fees	\$14,790	\$22,790

BRITISH COLUMBIA WRESTLING ASSOCIATION
Notes to the Financial Statements
March 31, 2019

6. Financial Instruments

Unless otherwise noted, it is management's opinion that the Association is not exposed to significant interest, currency, or credit risks arising from these financial instruments. The fair value of the instruments approximates their carrying values, unless otherwise noted.

Interest rate risk

The Association is exposed to interest rate risk with respect to its interest-bearing investments that bear interest at floating rates due to fluctuations in the market interest rates. The marketable securities held by the Association at March 31, 2019 consisted of fixed income securities bearing a fixed interest rate of 4.5% and equity financial instruments.

Credit risk

Credit risk on financial instruments arises from the potential for counterparties to default on their contractual obligations to the Association. The Association is exposed to credit risk with respect to its financial assets as reported on the Statement of Financial Position. The Association limits its credit risk by dealing with counterparties that the Association considered to be of high quality parties.

7. Economic Dependence

The Association is economically dependent on the government funding, which represent 53% (2018 – 49%) of the total revenue.

8. Remuneration

No employee earned over \$75,000 during the year ended March 31, 2019 (2018 - one employee).

9. Subsequent Event

The Association's Executive Director departed on May 21, 2019. According to the Board, the change of leadership will not affect the Association's operations and also its ability to continue as a going concern.

10. Comparative Figures

Certain balance of the preceding year have been reclassified to conform with the current year's financial statement presentation.

BRITISH COLUMBIA WRESTLING ASSOCIATION
Schedule of Revenue
Year Ended March 31, 2019

	2019	2018
Government Contributions		
viaSPORT - Participation	88,670	88,670
viaSPORT - Performance	20,000	20,000
viaSPORT - Hosting	-	-
B.C. Gaming Direct Access Grant	56,000	66,000
viaSPORT - Targeted Sport Coaching	78,612	60,000
viaRegional Coaching	-	20,000
viaSPORT - Participation Program - Bilateral Funding	-	-
viaSPORT - Team BC (Canada Games)	-	-
Others	36,124	10,500
	<hr/>	<hr/>
	279,406	265,170
	<hr/>	<hr/>
Other Revenue		
Canadian Amateur Wrestling Association	(3,308)	38,750
Coaching Fund for Excellence (SFU) Endowment	16,381	16,060
Gain (loss) from Disposition of Assets	-	5,588
Donation	59,875	-
Douglas College Foundation	-	6,416
Investment income (loss)	685	947
Laliberte Scholarship Fund	-	-
Membership	47,227	43,389
Miscellaneous	-	1,738
Other Grants	11,850	16,450
Programs and Services	110,817	147,266
Unrealized gains (losses) on marketable securities	1,270	1,928
	<hr/>	<hr/>
	244,796	278,532
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Total	524,202	543,702
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BRITISH COLUMBIA WRESTLING ASSOCIATION
Schedule of Expenses
Year Ended March 31, 2019

	2019	2018
Staff (Note 8)	165,856	211,138
Meetings		
National	1,686	598
Provincial	1,979	1,343
Planning & Committees	1,259	1,898
	4,924	3,839
Administration		
Bad Debts	985	-
Donation	63,390	1,910
Office	48,457	54,282
	112,832	56,192
Programs		
Athletes	41,987	60,760
Coaching Fund for Excellence (SFU) Endowment	5,282	4,000
Kids	13,408	10,498
Officials	14,245	10,607
Recognition & Awards	1,250	1,743
	76,172	87,608
Excellence		
Athlete Assistance	2,100	5,000
High Performance	85,533	82,347
Provincial Sport Development	50,484	63,828
	138,117	151,175
Special projects		
Laliberte Scholarship	-	-
Provincial & National Games	15,969	37,361
Regional	3,175	-
	19,144	37,361
Amortization	6,080	5,334
	523,125	552,647