

BRITISH COLUMBIA WRESTLING ASSOCIATION
FINANCIAL STATEMENTS
MARCH 31, 2018

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FINANCIAL STATEMENTS
March 31, 2018**

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HJ Wu & Company Inc.
Chartered Professional Accountant

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

Telephone: 604.636.1862

INDEPENDENT AUDITOR'S REPORT

To the Members of British Columbia Wrestling Association,

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, 2018, 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 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

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I 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. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified audit opinion.

HJ Wu & Company Inc.
Chartered Professional Accountant

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Basis for Qualified Opinion

In common with many not-for-profit organizations, the Association derives revenues from fundraising and various other sources, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, my verification of these revenues was limited to the amounts recorded in the records of the Association and I was not able to determine whether any adjustments might be necessary to revenues, excess of revenues over expenses, assets and net assets.

Qualified Opinion

In my opinion, except for the possible effects of the matter described in the Basis of Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of British Columbia Wrestling Association as at March 31, 2018, 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.

HJ Wu & Company Inc.

Vancouver, BC
May 22, 2018

Chartered Professional Accountant,
Certified General Accountant

BRITISH COLUMBIA WRESTLING ASSOCIATION
Statement of Financial Position
As at March 31, 2018

	2018	2017
	\$	\$
ASSETS		
Current Assets		
Cash	181,818	184,416
Marketable Securities	69,655	67,681
Accounts receivable	9,767	9,598
Sales taxes recoverable	5,048	2,686
Inventory (Note 2c)	400	400
Prepaid expenses	19,161	23,066
Restricted cash and marketable securities (Note 3)	62,404	70,188
	348,253	358,035
Tangible Capital Assets (Note 2d & 4)	21,153	41,826
	369,406	399,861
LIABILITIES		
Current Liabilities		
Accounts payable & accrued liabilities	95,542	112,142
Laliberte scholarship fund-liability (Note 3b)	33,257	33,257
Deferred revenue (Note 5)	22,790	27,700
	151,589	173,099
NET ASSETS		
Restricted net assets	62,404	70,188
Unrestricted net assets	155,413	156,574
	217,817	226,762
	369,406	399,861

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, 2018

	2018	2017
	\$	\$
Revenue (Schedule 1)	543,702	525,216
Expenses (Schedule 2)	552,647	528,412
Excess (Deficiency) Of Revenue Over Expenses	(8,945)	(3,196)

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, 2018

Net Assets	Restricted Net Assets	Unrestricted Net Assts	Total Net Assets	2017
	\$	\$	\$	\$
Balance, beginning of year	70,188	156,574	226,762	229,958
Excess (deficiency) of revenues over expenses	-	(8,945)	(8,945)	(3,196)
Transfers between funds	(7,784)	7,784	-	-
Balance - end of year	70,188	156,574	217,817	226,762

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

BRITISH COLUMBIA WRESTLING ASSOCIATION
Statement of Cash Flows
Year Ended March 31, 2018

	2018	2017
	\$	\$
Operating Activities		
Excess (deficiency) of revenue over expenses	(8,945)	(3,196)
Amortization	5,334	10,707
Fair value loss (gain) on marketable securities	(1,928)	(5,492)
Loss (gain) from disposition of assets	(5,588)	-
	(11,127)	2,019
Net change in non cash working capital balance related to operations		
Accounts receivable	(169)	1,757
Sales tax recoverable	(2,362)	179
Prepaid expenses	3,905	(17,090)
Accounts payable and accrued liabilities	(16,600)	92,485
Deferred revenue	(4,910)	2,560
	(20,136)	79,891
Cash (used in) provided by operating activities	(31,263)	81,910
Investing Activities		
Dispose (purchase) of tangible capital assets	20,927	(24,390)
Dispose (purchase) of marketable securities	-	-
Cash (used in) provided by investing activities	20,927	(24,390)
Net Increase (Decrease) in Cash	(10,336)	57,520
Cash, beginning of year	221,347	163,827
	211,011	221,347
Cash, end of year	211,011	221,347
Cash is comprised of :		
Cash	181,864	184,416
Restricted cash	29,147	36,931
	211,011	221,347

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

BRITISH COLUMBIA WRESTLING ASSOCIATION
Notes to the Financial Statements
March 31, 2018

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, 2018

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, 2018

3. Restricted Cash and Marketable Securities

a) Gaming Fund

Included in restricted cash and marketable securities is cash of \$29,147 (2017 - \$36,931) 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, 2018 is \$33,257 (2017 - \$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	
			2018	2017
Computer Equipment	\$4,497	\$4,058	\$439	\$147
Equipment	69,478	49,184	20,294	41,079
Trailers	6,000	5,580	420	600
	<u>\$79,975</u>	<u>\$58,822</u>	<u>\$21,153</u>	<u>\$41,826</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, 2018.

	2018	2017
Project and event grants and contribution	\$0	\$1,500
Event registration fees	22,790	16,200
Unused gaming funds	0	10,000
	<u>22,790</u>	<u>27,700</u>

BRITISH COLUMBIA WRESTLING ASSOCIATION
Notes to the Financial Statements
March 31, 2018

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, 2018 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 49% (2017 – 53%) of the total revenue.

8. Remuneration

One employee earned over \$75,000 during the year ended March 31, 2018.

BRITISH COLUMBIA WRESTLING ASSOCIATION
Schedule of Revenue
Year Ended March 31, 2018

	2018	2017
Government Contributions		
viaSPORT - Participation	88,670	98,000
viaSPORT - Performance	20,000	30,000
viaSPORT - Hosting	-	2,500
B.C. Gaming Direct Access Grant	66,000	46,000
viaSPORT - Targeted Sport Coaching	60,000	60,417
viaRegional Coaching	20,000	20,000
viaSPORT - Participation Program - Bilateral Funding	-	-
viaSPORT - Team BC (Canada Games)	-	20,000
Others	10,500	1,700
	<hr/> 265,170	<hr/> 278,617
Other Revenue		
Canadian Amateur Wrestling Association	38,750	35,000
Coaching Fund for Excellence (SFU) Endowment	16,060	15,760
Gain (loss) from Disposition of Assets	5,588	-
Douglas College Foundation	6,416	6,590
Interest	947	900
Laliberte Scholarship Fund	-	-
Membership	43,389	48,173
Miscellaneous	1,738	529
Other Grants	16,450	7,408
Programs and Services	147,266	126,747
Unrealized gains (losses) on marketable securities	1,928	5,492
	<hr/> 278,532	<hr/> 246,599
Total	<hr/> 543,702	<hr/> 525,216

BRITISH COLUMBIA WRESTLING ASSOCIATION
Schedule of Expenses
Year Ended March 31, 2018

	2018	2017
Staff	211,138	224,502
Meetings		
National	598	63
Provincial	1,343	1,430
Planning & Committees	1,898	2,562
	3,839	4,055
Administration		
Bad Debts	-	170
Donation	-	6,880
Office	56,192	65,908
	56,192	72,958
Programs		
Athletes	60,760	47,649
Coaching Fund for Excellence (SFU) Endowment	4,000	5,666
Kids	10,498	3,062
Officials	10,607	15,688
Recognition & Awards	1,743	2,657
	87,608	74,722
Excellence		
Athlete Assistance	5,000	8,000
High Performance	82,347	91,239
Provincial Sport Development	63,828	25,773
	151,175	125,012
Special projects		
Laliberte Scholarship	-	-
Provincial & National Games	37,361	16,456
	37,361	16,456
Amortization	5,334	10,707
	552,647	528,412