

**BRITISH COLUMBIA WRESTLING ASSOCIATION**  
**FINANCIAL STATEMENTS**  
**MARCH 31, 2017**

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FINANCIAL STATEMENTS  
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**HJ Wu & Company Inc.**  
*Chartered Professional Accountant*

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

Telephone: 604.636.1862

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**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, 2017, 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, 2017, 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 24, 2017

Chartered Professional Accountant,  
Certified General Accountant

**BRITISH COLUMBIA WRESTLING ASSOCIATION**  
**Statement of Financial Position**  
**As at March 31, 2017**

	2017	2016
	\$	\$
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash	184,416	163,593
Marketable Securities	67,681	62,189
Accounts receivable	9,598	11,355
Sales taxes recoverable	2,686	2,865
Inventory (Note 2c)	400	400
Prepaid expenses	23,066	5,976
Restricted cash and marketable securities (Note 3)	70,188	33,491
	<b>358,035</b>	<b>279,869</b>
<b>Tangible Capital Assets (Note 2d &amp; 4)</b>	41,826	28,143
	<b>399,861</b>	<b>308,012</b>
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Accounts payable & accrued liabilities	112,142	19,657
Laliberte scholarship fund-liability (Note 3b)	33,257	33,257
Deferred revenue (Note 5)	27,700	25,140
	<b>173,099</b>	<b>78,054</b>
<b>NET ASSETS</b>		
Restricted net assets	70,188	33,491
Unrestricted net assets	156,574	196,467
	<b>226,762</b>	<b>229,958</b>
	<b>399,861</b>	<b>308,012</b>

**Approved by the directors**

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

**BRITISH COLUMBIA WRESTLING ASSOCIATION**  
**Statement of Operations**  
**Year Ended March 31, 2017**

	2017	2016
	\$	\$
<b>Revenue (Schedule 1)</b>	525,216	511,459
<b>Expenses (Schedule 2)</b>	528,412	492,393
<b>Excess (Deficiency) Of Revenue Over Expenses</b>	<b>(3,196)</b>	<b>19,066</b>

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, 2017**

<b>Net Assets</b>	Restricted Net Assets	Unrestricted Net Assts	Total Net Assets	2016
	\$	\$	\$	\$
<b>Balance, beginning of year</b>	<b>33,491</b>	<b>196,467</b>	<b>229,958</b>	<b>210,892</b>
Excess (deficiency) of revenues over expenses	0	(3,196)	(3,196)	19,006
Transfers between funds	36,697	(36,697)	0	0
<b>Balance - end of year</b>	<b>70,188</b>	<b>156,574</b>	<b>226,762</b>	<b>229,958</b>

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

**BRITISH COLUMBIA WRESTLING ASSOCIATION**  
**Statement of Cash Flows**  
**Year Ended March 31, 2017**

	2017	2016
	\$	\$
<b>Operating Activities</b>		
Excess (deficiency) of revenue over expenses	(3,196)	19,066
Amortization	10,707	7,507
Fair value loss (gain) on marketable securities	(5,492)	3,245
	<b>2,019</b>	<b>29,818</b>
Net change in non cash working capital balance related to operations		
Accounts receivable	1,757	12,842
Sales tax recoverable	179	896
Inventory	0	0
Prepaid expenses	(17,090)	19,535
Accounts payable and accrued liabilities	92,485	(4,440)
Laliberte Scholarship Fund liability	0	(750)
Deferred revenue	2,560	(25,959)
	<b>79,891</b>	<b>2,124</b>
Cash (used in) provided by operating activities	<b>81,910</b>	<b>31,942</b>
<b>Investing Activities</b>		
Dispose (purchase) of tangible capital assets	(24,390)	0
Dispose (purchase) of marketable securities	0	0
Cash (used in) provided by investing activities	(24,390)	0
<b>Net Increase (Decrease) in Cash</b>	<b>57,520</b>	<b>31,942</b>
<b>Cash, beginning of year</b>	<b>163,827</b>	<b>131,885</b>
<b>Cash, end of year</b>	<b>221,347</b>	<b>163,827</b>
<b>Cash is comprised of :</b>		
Cash	184,416	163,593
Restricted cash	36,931	234
	<b>221,347</b>	<b>163,827</b>

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



**BRITISH COLUMBIA WRESTLING ASSOCIATION**  
**Notes to the Financial Statements**  
**March 31, 2017**

**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, 2017**

**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:

<b>Asset</b>	<b>Rate</b>
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, 2017**

**3. Restricted Cash and Marketable Securities**

a) Gaming Fund

Included in restricted cash and marketable securities is cash of \$36,931 (2016 - \$234) 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, 2017 is \$33,257 (2016 - \$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	
			2017	2016
Computer Equipment	\$4,124	\$3,977	\$147	\$327
Equipment	89,118	48,039	41,079	26,959
Trailers	6,000	5,400	600	857
	<u>\$99,242</u>	<u>\$57,416</u>	<u>\$41,826</u>	<u>\$28,143</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, 2017.

	2017	2016
Project and event grants and contribution	\$1,500	\$2,500
Event registration fees	16,200	22,640
Unused gaming funds	10,000	0
	<u>27,700</u>	<u>25,140</u>

**BRITISH COLUMBIA WRESTLING ASSOCIATION**  
**Notes to the Financial Statements**  
**March 31, 2017**

**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, 2017 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 60% (2016 – 53%) of the total revenue.

**8. Remuneration**

One employee earned over \$75,000 during the year ended March 31, 2017.

**BRITISH COLUMBIA WRESTLING ASSOCIATION**  
**Schedule of Revenue**  
**Year Ended March 31, 2017**

	2017	2016
<b>Government Contributions</b>		
viaSPORT - Participation	98,000	98,000
viaSPORT - Performance	30,000	30,593
viaSPORT - Hosting	2,500	6,500
B.C. Gaming Direct Access Grant	46,000	9,054
viaSPORT - Targeted Sport Coaching	60,417	60,000
viaRegional Coaching	20,000	20,000
viaSPORT - Participation Program - Bilateral Funding	-	5,000
viaSPORT - Team BC (Canada Games)	20,000	39,648
Others	1,700	-
	<b>278,617</b>	<b>268,795</b>
<b>Other Revenue</b>		
Canadian Amateur Wrestling Association	35,000	38,471
Coaching Fund for Excellence (SFU) Endowment	15,760	15,467
Douglas College Foundation	6,590	6,200
Interest	900	900
Laliberte Scholarship Fund	-	750
Membership	48,173	49,220
Miscellaneous	529	-
Other Grants	7,408	2,529
Programs and Services	126,747	132,372
Unrealized gains (losses) on marketable securities	5,492	(3,245)
	<b>246,599</b>	<b>242,664</b>
<b>Total</b>	<b>525,216</b>	<b>511,459</b>

**BRITISH COLUMBIA WRESTLING ASSOCIATION**  
**Schedule of Expenses**  
**Year Ended March 31, 2017**

	2017	2016
<b>Staff</b>	<b>224,502</b>	<b>188,147</b>
<b>Meetings</b>		
National	63	1,061
Provincial	1,430	1,608
Planning & Committees	2,562	1,931
	<b>4,055</b>	<b>4,600</b>
<b>Administration</b>		
Bad Debts	170	(20)
Donation	6,880	-
Office	65,908	43,030
	<b>72,958</b>	<b>43,010</b>
<b>Programs</b>		
Athletes	47,649	65,567
Coaching Fund for Excellence (SFU) Endowment	5,666	7,902
Kids	3,062	1,411
Officials	15,688	15,065
Recognition & Awards	2,657	214
	<b>74,722</b>	<b>90,159</b>
<b>Excellence</b>		
Athlete Assistance	8,000	8,100
High Performance	91,239	89,956
Provincial Sport Development	25,773	24,834
	<b>125,012</b>	<b>122,890</b>
<b>Special projects</b>		
Laliberte Scholarship	-	750
Provincial & National Games	16,456	35,330
	<b>16,456</b>	<b>36,080</b>
<b>Amortization</b>	<b>10,707</b>	<b>7,507</b>
	<b>528,412</b>	<b>492,393</b>