

Financial Statements of

**BRITISH COLUMBIA AMATEUR
HOCKEY ASSOCIATION**

Year Ended March 31, 2017

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INDEPENDENT AUDITORS' REPORT

To: The Members of British Columbia Amateur Hockey Association

We have audited the accompanying financial statements of British Columbia Amateur Hockey Association (the "Association"), which comprise the statement of financial position as at March 31, 2017 and the statements of changes in net assets, operations and cash flows for the year then ended, and a summary of significant 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 our 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, we consider 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.

INDEPENDENT AUDITOR'S REPORT (cont'd)

Opinion

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Association as at March 31, 2017 and the results of its operations, changes in net assets and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Report on Other Legal and Regulatory Requirements

As required by the Society Act of British Columbia, we report that in our opinion, these principles have been applied on a basis consistent with that of the preceding year.

Wiseman & Mills

Victoria B.C.
May 23, 2017

Chartered Professional Accountants

BRITISH COLUMBIA AMATEUR HOCKEY ASSOCIATION

STATEMENT OF FINANCIAL POSITION MARCH 31,

	2017 \$	2016 \$
ASSETS		
CURRENT		
Cash	1,911,460	2,071,102
Cash (internally restricted funds) <i>(Schedule 2)</i>	1,621,672	1,631,881
Accounts receivable	510,321	438,899
Prepaid expenses	259,739	219,657
	<u>4,303,192</u>	<u>4,361,539</u>
CAPITAL ASSETS <i>(Note 3)</i>	1,228,109	1,232,241
	<u>5,531,301</u>	<u>5,593,780</u>

LIABILITIES


CURRENT		
Accounts payable and accrued liabilities	939,057	661,811
Deferred revenue <i>(Note 4)</i>	496,127	450,291
Deferred contributions <i>(Note 5)</i>	212,159	235,301
	<u>1,647,343</u>	<u>1,347,403</u>

NET ASSETS

INVESTMENT IN CAPITAL ASSETS	1,228,109	1,232,241
UNRESTRICTED - General and Development Fund	1,034,177	1,382,255
INTERNALLY RESTRICTED FUNDS <i>(Schedule 2)</i>	1,621,672	1,631,881
	<u>3,883,958</u>	<u>4,246,377</u>
	<u>5,531,301</u>	<u>5,593,780</u>

COMMITMENT *(Note 9)*

Approved by the Board:



Director



Chair

See accompanying notes

BRITISH COLUMBIA AMATEUR HOCKEY ASSOCIATION

STATEMENT OF CHANGES IN NET ASSETS

YEAR ENDED MARCH 31,

	Investment in Capital Assets	Unrestricted General and Development Fund	Internally Restricted Funds (Schedule 2)	2017 Total	2016 Total
NET ASSETS, beginning of year	1,232,241	1,382,255	1,631,881	4,246,377	4,322,098
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	-	(352,210)	(10,209)	(362,419)	(75,721)
AMORTIZATION OF CAPITAL ASSETS	(222,972)	222,972	-	-	-
INVESTMENT IN CAPITAL ASSETS	218,840	(218,840)	-	-	-
NET ASSETS, end of year	<u>1,228,109</u>	<u>1,034,177</u>	<u>1,621,672</u>	<u>3,883,958</u>	<u>4,246,377</u>

See accompanying notes

BRITISH COLUMBIA AMATEUR HOCKEY ASSOCIATION

STATEMENT OF OPERATIONS UNRESTRICTED GENERAL AND DEVELOPMENT FUND

YEAR ENDED MARCH 31,	2017 \$	2016 \$
REVENUE (<i>Schedule 1</i>)	8,132,307	7,643,349
EXPENSES		
Amortization	155,902	155,596
Annual General Meeting	164,094	150,764
Bad debts	6,493	797
Bank charges	48,667	45,103
Building occupancy	80,023	73,620
Committee travel and meetings	351,183	339,545
Fees - transfer fees	58,458	60,488
Grants and awards	14,901	62,745
Hockey Canada assessments	173,526	177,036
Hockey Canada insurance	971,311	987,450
Marketing, promotion and merchandise	105,359	115,833
Office supplies and equipment	198,521	176,571
Programs - championships	117,641	129,706
- coaching	374,524	300,823
- female midget AAA	808,375	697,683
- major midget league	1,925,054	1,599,075
- mentorship	104,529	90,090
- minor recreational	65,906	47,185
- officiating	531,607	532,337
- program of excellence - female	344,251	281,304
- program of excellence - male	425,062	350,572
- education	77,125	83,473
- safety and risk management	82,108	71,670
- sledge	7,505	7,500
- zone pilot	23,679	-
Professional fees	26,686	31,322
Tournaments	12,930	14,245
Wages and benefits	1,153,433	1,101,870
Website	31,238	29,418
World Junior Championships 2019	44,426	-
	8,484,517	7,713,821
(DEFICIENCY) OF REVENUE OVER EXPENSES	(352,210)	(70,472)

See accompanying notes

BRITISH COLUMBIA AMATEUR HOCKEY ASSOCIATION

STATEMENT OF OPERATIONS INTERNALLY RESTRICTED FUNDS

YEAR ENDED MARCH 31,	2017	2016
	\$	\$
REVENUE		
Scholarship and Assistance contributions	177	397
Junior B contributions	3,280	3,280
Interest earned	8,149	8,834
	<u>11,606</u>	<u>12,511</u>
EXPENSES		
Scholarship and Assistance disbursements	15,000	13,000
Junior B disbursements	6,374	3,000
Female Hockey disbursements	-	300
Drill Manual disbursements	441	1,460
	<u>21,815</u>	<u>17,760</u>
(DEFICIENCY) OF REVENUE OVER EXPENSES	<u>(10,209)</u>	<u>(5,249)</u>

See accompanying notes

BRITISH COLUMBIA AMATEUR HOCKEY ASSOCIATION

CASH FLOW STATEMENT YEAR ENDED MARCH 31,

	2017 \$	2016 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Excess (deficiency) of revenue over expenses		
Unrestricted General and Development Fund	(352,210)	(70,472)
Internally Restricted Funds	(10,209)	(5,249)
	(362,419)	(75,721)
Adjustments for:		
Amortization	222,972	212,523
	(139,447)	136,802
Changes in non-cash working capital		
Accounts receivable	(71,421)	(200,093)
Prepaid expenses	(40,081)	30,310
Accounts payable and accrued liabilities	277,244	276,929
Deferred revenue	45,836	157,802
Deferred contributions	(23,143)	(14,463)
	48,988	387,287
CASH FLOWS (USED IN) INVESTING ACTIVITIES		
Purchase of capital assets	(218,840)	(286,386)
NET INCREASE (DECREASE) IN CASH		
	(169,852)	100,901
CASH - beginning of the year	3,702,984	3,602,083
CASH - end of year	3,533,132	3,702,984
CASH is comprised of the following:		
Cash	1,911,460	2,071,102
Cash (internally restricted funds)	1,621,672	1,631,882
	3,533,132	3,702,984

See accompanying notes

BRITISH COLUMBIA AMATEUR HOCKEY ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2017

1. PURPOSE OF THE ORGANIZATION

The British Columbia Amateur Hockey Association ("the Association") is a provincial organization whose purpose is to foster, improve and perpetuate the game of amateur hockey in the Province of British Columbia and the Yukon Territory. The Association is incorporated under the Society Act of British Columbia as a not-for-profit organization and is a tax exempt body under Section 149 of the Income Tax Act.

2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

Revenue Recognition

The Association follows the deferral method of accounting for grants and contributions received, whereby revenues are matched with expenses. Restricted contributions, if any, are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable.

Revenues from government operating grants are recognized over the term of the related funding agreements. Restricted government grants are recognized when the related expenses are incurred.

Revenues from non-government operating grants are recognized over the term of the related funding agreements. Restricted non-government grants are recognized when the related expenses are incurred.

Revenues from fees, assessments, marketing, programs, tournaments, and other sources are recognized in the year in which the related expenses are incurred.

Interest income is recognized when received or receivable.

Financial Instruments

Financial assets and financial liabilities are initially measured at fair value and are subsequently measured at amortized cost. Changes in fair value are recognized in net income. Financial assets measured at cost are tested for impairment when there are indicators of impairment.

Cash and cash equivalents

Cash is defined as cash on hand, cash on deposit, outstanding deposits, and short-term deposits with maturity dates of less than 90 days, net of cheques issued and outstanding at the reporting date.

Capital Assets

Capital Assets are accounted for at cost. Amortization is based on the estimated useful life of each asset using the following methods and rates:

Building	2 %	Straight-line
Computer hardware	25 %	Straight-line
Computer software	25 %	Straight-line
Midget AAA Leagues equipment	50 %	Straight-line
Furniture and equipment	10 %	Straight-line
Parking lot	10 %	Straight-line
Website development	20 %	Straight-line

In the year of acquisition only one-half the normal rate is applied, with the exception of Midget AAA Leagues equipment.

BRITISH COLUMBIA AMATEUR HOCKEY ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2017

Use of Estimates

The preparation of these financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. These estimates are reviewed periodically and adjustments are made to income as appropriate in the year they become known. Actual results could differ from those estimates.

Donated Materials and Services

The Association and its members benefit from donated services in the form of volunteer time for various committees and programs. Because of the difficulty in determining fair value, donated services are not recognized in the financial statements.

Wage Allocation

A portion of wages incurred by the Association has been allocated to the expenses of certain programs administered by the Association. The allocation is based on the staff time dedicated to the respective program.

3. CAPITAL ASSETS

	2017		
	\$		
	Cost	Accumulated Amortization	Net
Land	379,624	-	379,624
Building	621,288	204,985	416,303
Computer hardware	270,037	175,522	94,515
Computer software	28,467	21,221	7,246
Midget AAA Leagues equipment	134,990	103,137	31,853
Furniture and equipment	253,127	113,484	139,643
Parking lot	11,565	11,565	-
Website development	396,322	237,397	158,925
	<u>2,095,420</u>	<u>867,311</u>	<u>1,228,109</u>

	2016		
	\$		
	Cost	Accumulated Amortization	Net
Land	379,624	-	379,624
Building	617,831	192,594	425,237
Computer equipment	270,302	143,823	126,479
Computer software	23,171	19,237	3,934
Midget AAA Leagues equipment	113,855	78,639	35,216
Furniture and equipment	203,557	108,452	95,105
Paving	11,565	10,986	579
Website development	395,919	229,852	166,067
	<u>2,015,824</u>	<u>783,583</u>	<u>1,232,241</u>

BRITISH COLUMBIA AMATEUR HOCKEY ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2017

4. DEFERRED REVENUE

Deferred revenue represents amounts received that relate to a future period. Prior year amounts have all been recognized in the current year. Variances from year to year are due to the timing of events, and payments received. The current year deferred revenue balance has increased by \$45,836 from the prior year, resulting from an increased number of deposits being received.

5. DEFERRED CONTRIBUTIONS

Deferred contributions represent unspent resources externally restricted for a particular program and restricted operating funding received in the current year that is related to a subsequent year. Variances from year to year are due to the timing of events, and corresponding expenses incurred. The current year deferred contributions balance has decreased by \$23,142 from the prior year. The deferred contributions balances are as follows:

	2017	2016
	\$	\$
Canucks for Kids Fund – Sledge program	12,406	20,084
Gaming – 50/50 World Jr.	2,784	2,784
Gaming – Community Gaming Grant	1,402	4,830
National Coach Mentorship Program	157,600	169,636
2012 U18 Women’s National Championship Legacy – Dawson Creek Ministry of Community, Sport and Cultural Development - Canada Winter Games	4,927	4,927
	<u>33,040</u>	<u>33,040</u>
	<u>212,159</u>	<u>235,301</u>

6. EMPLOYEE FUTURE BENEFITS

The Association's policy with regard to retirement allowance provides for one week's pay for each full year of employment upon retirement for eligible employees. During the year the Association recorded a current expense of \$1,442 towards the liability.

7. REMUNERATION PAID TO EMPLOYEES

The association had four employees who received over \$75,000 during the year. The total remuneration for the four employees was \$392,500.

BRITISH COLUMBIA AMATEUR HOCKEY ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2017

8. WAGE ALLOCATION

A portion of staff wages has been allocated to program expenses as detailed below.

	2017	2016
	\$	\$
Education	17,000	17,000
Female midget AAA	40,000	40,000
Major midget league	90,000	70,000
Mentorship	58,000	58,000
Officiating	120,000	100,000
Program of excellence - female	12,500	-
Program of excellence - male	12,500	-
Risk Management	20,000	20,000
Sledge	7,500	7,500
	<u>377,500</u>	<u>312,500</u>

9. COMMITMENT

The Association has entered into a service contract agreement expiring March 31, 2018, for website development and hosting. The total obligation under this contract over the next year is \$84,000.

10. LITIGATION AND THE NATIONAL EQUITY FUND

The Association from time to time is named in legal actions from accidents and injuries by participants in Association play. It is anticipated that any claims arising from legal actions would be covered by liability insurance in place and/or the Canadian Hockey Association National Equity Fund.

11. FINANCIAL INSTRUMENTS

Financial instruments measured at amortized cost include cash, accounts receivable, accounts payable and accrued liabilities.

The risks that arise from transacting financial instruments include credit risk, liquidity risk and market risk. Market risk is comprised of interest rate risk, currency risk and other price risk. It is management's opinion that the Association is not exposed to significant credit, liquidity or market risks arising from these financial instruments except as described below:

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Association's main credit risks relate to its accounts receivable. The Association provides credit to its members in the normal course of operations.

Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Association is exposed to this risk mainly in respect of its accounts payable.

**SCHEDULE OF REVENUE
GENERAL AND DEVELOPMENT FUND**

YEAR ENDED MARCH 31,	2017	2016
	\$	\$
Annual General Meeting	106,345	103,310
Assessments	29,908	30,721
Fees and assessments- BC Hockey	1,227,758	1,206,567
- Hockey Canada	174,333	177,042
- Hockey Canada insurance	977,229	989,071
Fees - teams and player cards	141,258	129,430
Fees - transfers	85,750	91,100
Grants - Grants and awards	284,616	263,915
- Gaming	130,429	116,340
Hockey Canada funding	212,892	218,950
Interest and bank fees	11,098	12,258
Marketing, promotion and merchandise	176,618	127,038
Programs - coaching	460,965	384,649
- education	82,809	78,475
- female midget AAA	725,850	656,335
- major midget league	1,781,118	1,614,307
- mentorship	104,529	104,490
- minor recreational	37,903	38,136
- officiating	491,308	506,483
- program of excellence - female	294,753	276,403
- program of excellence - male	380,060	351,438
- safety and risk management	95,040	88,695
- sledge	7,678	8,306
- zone pilot	11,839	-
Tournaments	70,220	69,890
World Junior Championships 2019	30,000	-
	<u>8,132,306</u>	<u>7,643,349</u>

SCHEDULE OF CHANGES IN INTERNALLY RESTRICTED FUNDS

YEAR ENDED MARCH 31,	2017 \$	2016 \$
GENERAL CONTINGENCY		
OPENING BALANCE:	724,979	675,122
ADD: Transfer from Unrestricted General and Development Fund	-	50,000
ADD: Interest earned	3,629	3,794
LESS: Transfer to Scholarship and Assistance	-	(3,937)
CLOSING BALANCE:	<u>728,608</u>	<u>724,979</u>
GOVERNMENT ASSISTANCE CONTINGENCY FUND		
OPENING BALANCE:	452,548	453,531
ADD: Interest earned	2,279	2,549
LESS: Transfer to Scholarship and Assistance	-	(3,532)
CLOSING BALANCE:	<u>454,827</u>	<u>452,548</u>
SCHOLARSHIP AND ASSISTANCE		
OPENING BALANCE:	359,454	342,641
ADD: Contributions	177	397
ADD: Transfer from Unrestricted General and Development Fund	-	20,000
ADD: Transfer from other internally restricted funds	-	7,468
ADD: Interest earned	1,763	1,948
LESS: Disbursements	(15,000)	(13,000)
CLOSING BALANCE:	<u>346,394</u>	<u>359,454</u>

SCHEDULE OF CHANGES IN INTERNALLY RESTRICTED FUNDS

YEAR ENDED MARCH 31,	2017 \$	2016 \$
JUNIOR B HOCKEY		
OPENING BALANCE:	33,289	32,825
ADD: Contributions	3,280	3,280
ADD: Interest earned	167	184
LESS: Disbursements	(6,374)	(3,000)
CLOSING BALANCE:	<u>30,362</u>	<u>33,289</u>
FEMALE HOCKEY		
OPENING BALANCE:	3,428	3,707
ADD: Interest earned	17	21
LESS: Disbursements	-	(300)
CLOSING BALANCE:	<u>3,445</u>	<u>3,428</u>
SENIOR HOCKEY		
OPENING BALANCE:	4,896	4,869
ADD: Interest earned	25	27
CLOSING BALANCE:	<u>4,921</u>	<u>4,896</u>

SCHEDULE OF CHANGES IN INTERNALLY RESTRICTED FUNDS

YEAR ENDED MARCH 31,

2017
\$2016
\$**DRILL MANUAL**

OPENING BALANCE:	44,052	45,258
ADD: Interest earned	223	254
LESS: Disbursements	(441)	(1,460)
CLOSING BALANCE:	43,834	44,052

PROGRAM OF EXCELLENCE

OPENING BALANCE:	9,235	9,176
ADD: Interest earned	46	59
CLOSING BALANCE:	9,281	9,235

TOTAL INTERNALLY RESTRICTED FUNDS, end of year	1,621,672	1,631,881
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