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**BC Wheelchair Basketball Society**

**Financial Statements**

May 31, 2015

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## Independent Auditor's Report

To the Members

BC Wheelchair Basketball Society

### Report on the Financial Statements

I have audited the accompanying financial statements of BC Wheelchair Basketball Society, which comprise the Statement of Financial Position as at May 31, 2015, and the Statements of Operations and Changes in Net Assets 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 an audit to obtain reasonable assurance 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 auditors consider internal control relevant to the Society'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 Society'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 in my audit is sufficient and appropriate to provide a basis for my qualified audit opinion.

## **Independent Auditor's Report - Continued**

### **Basis for Qualified Opinion**

In common with many not-for-profit organizations, the Society derives revenues from programs, donations and fundraising, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Society. Therefore, I was not able to determine whether any adjustments might be necessary to revenues, deficiency of revenue over expenses and net assets for the year ended May 31, 2015.

### **Qualified Opinion**

In my opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of BC Wheelchair Basketball Society as at May 31, 2015, and the results of its operations and changes in net assets for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

### **Report on Other Legal or Regulatory Requirements**

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

"STEPHEN HO"

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Chartered Accountant

November 4, 2015  
North Vancouver, Canada

**STEPHEN HO**  
CHARTERED ACCOUNTANT

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**BC Wheelchair Basketball Society**  
**Statement of Financial Position**

As at May 31, 2015

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	2015	2014
<b>ASSETS</b>		
CURRENT		
Cash	\$ 144,077	\$ 208,060
Accounts Receivable	30,706	26,291
Prepaid Expenses	4,750	4,750
	<u>179,533</u>	<u>239,101</u>
CAPITAL (Note 4)	<u>51,096</u>	<u>85,688</u>
	<u>\$ 230,629</u>	<u>\$ 324,789</u>
<b>LIABILITIES</b>		
CURRENT		
Accounts Payable and Accruals	\$ 16,782	\$ 59,027
Deferred Revenues	7,400	14,300
	<u>24,182</u>	<u>73,327</u>
DEFERRED GRANTS (Note 5)	<u>42,904</u>	<u>80,433</u>
	<u>67,086</u>	<u>153,760</u>
<b>NET ASSETS</b>		
INVESTED IN CAPITAL ASSETS	51,096	85,688
UNRESTRICTED FUND BALANCE	<u>112,447</u>	<u>85,341</u>
	<u>163,543</u>	<u>171,029</u>
	<u>\$ 230,629</u>	<u>\$ 324,789</u>
APPROVED ON BEHALF OF THE BOARD		
<u>"FANNIE SMITH"</u>	<i>Director</i>	
<u>"LYNN MATSON"</u>	<i>Director</i>	

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See accompanying notes to the financial statements

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**BC Wheelchair Basketball Society**  
**Statement of Changes in Net Assets**

Year Ended May 31, 2015

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	2015	2014
<b>INVESTED IN CAPITAL ASSETS</b>		
Balance, Beginning of Year	\$ 85,688	\$ 117,244
Amortization of Capital Assets	(61,219)	(56,931)
Invested in Capital Assets	<u>26,627</u>	<u>25,375</u>
Balance, End of Year	<u>\$ 51,096</u>	<u>\$ 85,688</u>
<b>UNRESTRICTED FUND BALANCE</b>		
Balance, Beginning of Year	\$ 85,341	\$ 29,159
Excess (Deficiency) of Revenue over Expenses	(7,486)	24,626
Amortization of Capital Assets	61,219	56,931
Invested in Capital Assets	<u>(26,627)</u>	<u>(25,375)</u>
Balance, End of Year	<u>\$ 112,447</u>	<u>\$ 85,341</u>

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See accompanying notes to the financial statements

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**BC Wheelchair Basketball Society**  
**Statement of Operations**

Years Ended May 31, 2015

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	<u>2015</u>	<u>2014</u>
<b>REVENUE</b>		
Grants	\$ 340,143	\$ 356,128
Gaming	82,795	88,495
Donations and Fundraising	56,527	54,771
Membership, Registration and Other	<u>59,525</u>	<u>43,976</u>
	<u>538,990</u>	<u>543,370</u>
<b>EXPENSES</b>		
Amortization	61,219	56,931
Coaching and Development	108,052	92,982
Fundraising	23,657	29,736
General and Administration	74,303	64,569
Program and Games	<u>279,245</u>	<u>274,526</u>
	<u>546,476</u>	<u>518,744</u>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES</b>	<u>\$ (7,486)</u>	<u>\$ 24,626</u>

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See accompanying notes to the financial statements

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# **BC Wheelchair Basketball Society**

## **Notes to the Financial Statements**

May 31, 2015

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### **1. Description of Society**

The BC Wheelchair Basketball Society is incorporated provincially under the Society Act of British Columbia and is a registered charity under the Income Tax Act of Canada.

The purposes of the Society are to:

- a) promote the participation and integration of persons with physical disabilities into society through the organizing of wheelchair basketball events;
- b) organize integrated events for all persons, in the promotion of wheelchair basketball as a sport;
- c) provide education and awareness to the community of the benefits of participation in wheelchair sports;
- d) seek support from and work cooperatively with organizations and/or individuals having aims or objectives that are consistent with those of the Society;
- e) raise, use, invest and reinvest funds to support these purposes.

### **2. Adoption of Accounting Standards for Not-For-Profit Organizations**

Effective June 1, 2011, the BC Wheelchair Basketball Society elected to adopt the Canadian accounting standards for not-for-profit organizations.

Management reviewed the exemptions provided on transition to the Canadian accounting standards for not-for-profit organizations. The adoption of the new accounting framework had no impact on the previously reported assets, liabilities and net assets of the Society and accordingly there has been no restatement of previously reported amounts as at the transition date.

The presentation and disclosures provided in the financial statements reflect the requirements under the new accounting framework.

### **3. Significant Accounting Policies**

#### Cash and Cash Equivalents:

Cash and cash equivalents consist of cash on deposit and cashable guaranteed investment certificates which are not otherwise designated as long term investments.

#### Capital Assets:

Capital assets are recorded at cost less accumulated amortization. The cost is amortized to income over the useful life of the asset on a time-owned basis, using the straight-line method over two years for computers and five years for equipment and wheelchairs.



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# BC Wheelchair Basketball Society

## Notes to the Financial Statements

May 31, 2015

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### 3. Significant Accounting Policies (Cont'd)

#### Deferred Revenues and Deferred Grants:

Deferred revenues and deferred grants represent contributions received for specified purposes. Externally restricted contributions are recorded as deferred revenues and recognized in operations on the same basis as the related expenditure. Contributions restricted for the specific purpose of purchasing wheelchairs are recorded as deferred grants and recognized in operations on the same basis as the related amortization.

#### Revenue Recognition:

The Society follows the deferral method of accounting for contributions, which are recognized if the amount to be received can be reasonably estimated and collection is reasonably assured. Unrestricted contributions are recognized as revenue when received or receivable. Restricted contributions are recognized as revenue in the year in which the related expenses are recognized.

#### Donated Services:

The Society benefits greatly from donated services in the form of volunteer time for various activities. The value of donated services is not recognized in the financial statements.

#### Use of Estimates:

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts in the financial statements and accompanying disclosures. Actual results could differ from those estimates. The most significant areas requiring management estimates and assumptions include the useful life of capital assets for calculating amortization, the determination of the deferred portion of grant revenue, and the allocation of expenses to the appropriate functional category.

#### Financial Instruments:

The Society's financial instruments consist of cash, accounts receivable, accounts payable and accruals. The carrying amounts of these financial instruments approximate fair value due to the short-term nature to their maturity. It is management's opinion that the Society is not exposed to significant interest rate risk, currency or credit and market risks arising from these financial instruments.

#### Allocation of Expenses:

Expenses directly related to the Society's general administration are charged to that activity, including information technology costs, professional fees, rent and telephone. Other expenses, including salaries and benefits of the managing director and program coordinator and contractor fees are allocated to general administration proportionately based on time spent on that activity. The unallocated balance of salaries and benefits and contractor fees are included in coaching and program costs.

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# BC Wheelchair Basketball Society

## Notes to the Financial Statements

May 31, 2015

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#### 4. Capital Assets

	Cost	Accumulated Amortization	Net Book Value	
			2015	2014
Computers	\$ 14,622	\$ 13,208	\$ 1,414	\$ 2,358
Equipment	15,457	8,679	6,778	2,897
Wheelchairs	556,506	513,602	42,904	80,433
	<u>\$ 586,585</u>	<u>\$ 535,489</u>	<u>\$ 51,096</u>	<u>\$ 85,688</u>

Grants received for the specific purpose of purchasing wheelchairs have been deferred in the accounts of the Society and will be recognized in operations on the same basis as the amortization of the related wheelchairs.

#### 5. Deferred Grants and Unrestricted Fund Balance

In each of the following fiscal years, the Unrestricted Fund Balance will increase annually in accordance with the accounting policy related to deferred grants and the amortization of related wheelchairs purchases. The increase in the Unrestricted Fund Balance, directly attributed to the current and prior year's wheelchair purchases, will be as follows for:

Fiscal 2016	\$ 16,134
Fiscal 2017	15,365
Fiscal 2018	7,568
Fiscal 2019	<u>3,837</u>
Total	<u>\$ 42,904</u>

#### 6. Lease Commitment

The Society is committed to a memorandum of understanding to share office space, expiring February 28, 2017, at a rate of \$579 per month.

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# **BC Wheelchair Basketball Society**

## **Notes to the Financial Statements**

May 31, 2015

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### **7. Stanley Noble Stronge Wheelchair Basketball Fund**

On September 17, 1991, the Society established the Stanley Noble Stronge Wheelchair Basketball Fund ("the Fund") with the Vancouver Foundation to provide funding for wheelchair sports programs. In 1995, the Rick Hansen Man In Motion Foundation agreed to pledge up to \$100,000 to the Fund provided that the Society match their contribution. In addition, the Vancouver Foundation agreed to match 50% of the total contributions to the Fund, with a maximum of \$25,000 per year.

As at May 31, 2015, a total of \$295,070 (2014: \$295,070) has been contributed to the Fund. As at May 31, 2015, the investments made from contributions received have an approximate market value of \$345,980 (2014: \$332,866).

The Fund generates income available for distribution to the Society on an annual basis. During the current year, a grant was paid from the earnings of the Fund to the Society in the amount of \$11,426 (2014: \$11,048). As at May 31, 2015, undistributed income in the Fund was approximately \$8,978 (2014: \$8,542).

### **8. Financial Statement Presentation**

A statement of cash flows has not been presented as this information is readily available from the financial statements provided.