

**BRITISH COLUMBIA SAILING  
ASSOCIATION**

Richmond, British Columbia

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FINANCIAL STATEMENTS

For The Year Ended December 31, 2022

# **BRITISH COLUMBIA SAILING ASSOCIATION**

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## INDEPENDENT AUDITORS' REPORT

To the Members of British Columbia Sailing Association:

### Qualified Opinion

We have audited the accompanying financial statements of British Columbia Sailing Association ("the Association"), which comprise the statement of financial position as at December 31, 2022 and the statements of revenues and expenditures, changes in fund balances and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our 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 the Association as at December 31, 2022 and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations. 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.

### Basis for Qualified Opinion

In common with many not-for-profit organizations, the Association derives a part of its revenues from cash donations and fundraising events, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these cash revenues was limited to the amounts recorded in the records of the Association and, we were not able to determine whether any adjustments might be necessary to revenues, excess of revenues over expenses, assets and net assets.

### 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.

### Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian 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.

**Auditors' Responsibility (Continued)**

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

*Fernandez Young LLP*

Vancouver, British Columbia  
March 17, 2023

**Fernandez Young LLP**  
Chartered Professional Accountants



# BRITISH COLUMBIA SAILING ASSOCIATION

## STATEMENT OF REVENUES AND EXPENDITURES

For the year ended December 31, 2022

	2022		2021	
	\$	%	\$	%
<b>Revenue</b>				
Grants	219,035	35.2	231,274	33.7
Membership fees	77,620	12.4	79,928	11.6
Program fees	220,965	35.4	172,040	25.0
HP program	66,890	10.7	61,000	8.9
Revenue generation	29,585	4.7	34,667	5.0
CEWS income	-	-	99,202	14.4
Rent subsidy	-	-	6,330	0.9
Other income	10,051	1.6	3,675	0.5
	<b>624,146</b>	<b>100.0</b>	<b>688,116</b>	<b>100.0</b>
<b>Expenses</b>				
Finance and administration	30,505	4.9	34,278	5.0
Governance	1,337	0.2	-	-
MPS – Club support programs	86,067	13.8	45,657	6.6
MPS – Coach/instructor programs	45,884	7.4	27,292	4.0
MPS – HP program	46,943	7.5	39,052	5.7
MPS – MOSS program	51,782	8.3	41,601	6.0
MPS – Official programs	-	-	1,555	0.2
Loss on CEBA	10,000	1.6	-	-
Operations	130,611	20.9	116,802	17.0
Other expenses	1,670	0.3	3,200	0.5
Salaries and benefits	275,396	44.1	267,216	38.8
	<b>680,195</b>	<b>109.0</b>	<b>576,653</b>	<b>83.8</b>
<b>Excess of expenses over revenues</b>	<b>(56,049)</b>	<b>(9.0)</b>	<b>111,463</b>	<b>16.2</b>

Note: MPS = Member Programs & Services

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

# BRITISH COLUMBIA SAILING ASSOCIATION

## STATEMENT OF CHANGES IN FUND BALANCES

For the year ended December 31, 2022

				2022 \$	2021 \$
	Unrestricted	Restricted (Note 6)	Invested in Capital Assets (Note 3)	Total	Total
<b>Net Assets</b> , beginning of year	362,161	68,224	110,313	<b>540,698</b>	426,435
Operations for the year:					
Excess of revenue over expenses for the year	(34,551)	-	(21,498)	<b>(56,049)</b>	111,463
Acquisition of capital assets	-	-	-	-	-
Transitions in funds, net	-	(18,753)	-	<b>(18,753)</b>	2,800
Net operations for the year	(34,551)	(18,753)	(21,498)	<b>(74,802)</b>	114,263
<b>Net Assets</b> , end of year	<b>327,610</b>	<b>49,471</b>	<b>88,815</b>	<b>465,896</b>	540,698

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


# BRITISH COLUMBIA SAILING ASSOCIATION


## STATEMENT OF FINANCIAL POSITION

As at December 31, 2022

	2022 \$	2021 \$
<b>Assets</b>		
<b>Current</b>		
Cash	376,160	374,291
Cash - restricted (Note 6)	49,471	68,224
Inventory	7,717	13,709
Goods and services tax receivable	48	-
Instructional material on hand	5,294	4,911
Prepaid expenses and deposits	20,654	19,703
	<u>459,344</u>	<u>480,838</u>
Equipment (Note 3)	88,815	110,313
	<u>548,159</u>	<u>591,151</u>
<b>Liabilities</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	25,145	-
Goods and services tax payable	-	998
Deferred contributions (Note 4)	9,289	7,083
Current portion - long-term debt (Note 5)	4,202	3,982
	<u>38,636</u>	<u>12,063</u>
Long-term debt (Note 5)	3,627	8,390
CEBA loan	40,000	30,000
	<u>82,263</u>	<u>50,453</u>
<b>Net Assets</b>		
Fund balances	465,896	540,698
	<u>548,159</u>	<u>591,151</u>

Approved on behalf of the Board:

  
\_\_\_\_\_  
Director

  
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Director

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

# BRITISH COLUMBIA SAILING ASSOCIATION

## STATEMENT OF CASH FLOWS

For the year ended December 31, 2022

	2022 \$	2021 \$
<b>Cash flows related to operating activities</b>		
Cash receipts from donors	622,344	524,610
Covid-19 grants	-	105,532
Cash paid to suppliers and employees	(624,885)	(571,973)
GST paid	(1,046)	655
	<b>(3,587)</b>	58,824
<b>Cash flows related to investing activities</b>		
Investment in equipment	-	(23,393)
<b>Cash flows related to financing activities</b>		
Proceeds from (repayment of) long-term debt	5,456	(4,542)
Increase (decrease) in internally restricted funds	(18,753)	520
	<b>(13,297)</b>	(4,022)
<b>Net increase (decrease) in cash</b>	<b>(16,884)</b>	31,409
Cash, beginning	442,515	411,106
<b>Cash, ending</b>	<b>425,631</b>	442,515
Cash represented by:		
Unrestricted cash	376,160	374,291
Restricted cash	49,471	68,224
	<b>425,631</b>	442,515

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



# BRITISH COLUMBIA SAILING ASSOCIATION

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2022

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### **Note 1    Nature of operations**

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British Columbia Sailing Association (the "Association") is a not-for-profit organization exempt from tax under federal income tax legislation, whose purpose is to promote sailing and boating as a life-long activity for all existing and new boaters in British Columbia through excellence in training and competition.

The Association benefits from significant donated services in the form of volunteer time. Donated services are not recorded in these financial statements.

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### **Note 2    Significant accounting policies**

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#### **Basis of presentation**

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO) and include the following significant accounting policies:

#### **COVID-19 estimation uncertainty**

On March 11, 2020, the World Health Organization declared the outbreak of COVID-19 pandemic as a global health emergency. This resulted in governments enacting emergency measures to combat the spread of COVID-19, including the closure of non-essential businesses. Due to the pandemic and closure of businesses the Association experienced a reduction in funding during the 2021 fiscal year.

Due to the rapid developments and uncertainty surrounding COVID-19, the challenges continue within all industries and therefore, it is not possible to predict the impact that COVID-19 will have on certain organizations and operating results in the future. The Association is closely monitoring the impact of the pandemic on all aspects of its operations.

#### **Fund accounting**

The Association follows the deferral method of accounting for contributions.

The Unrestricted Fund reports the assets, liabilities, revenues and expenditures related to the Association's non-restricted activities.

The Restricted Fund reports the assets, liabilities, revenues and expenditures related to the Association's gaming grants received which are restricted by the B.C. Gaming Commission, plus internally restricted funds for the Safety at Sea program.

The Capital Asset Fund reports the assets, liabilities, revenues and expenditures related to the Association's property and equipment.

#### **Revenue recognition**

Revenue, except for sale of instructional materials, membership fees, PHRF fees and gaming grants received, is recorded in the period it is received.

# BRITISH COLUMBIA SAILING ASSOCIATION

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2022

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### Note 2 Significant accounting policies (Continued)

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#### Revenue recognition (continued)

The Association accounts for membership fees and PHRF fees on the accrual basis of accounting given that membership fees are paid in advance based on the calendar year. Under this method, membership fees received prior to December 31, 2022, which relate to the period January 1, 2023 to December 31, 2023, are deferred and will be recognized as revenue in the year ending December 31, 2023.

The Association follows the deferral method of accounting for the gaming grants received which is restricted to expenditures approved by the B.C. Gaming Commission. Under this method, funds received for future expenditures are deferred in the restricted fund and will be recognized as revenue when the related expenditures are incurred.

#### Course development costs

Course development costs, other than instructional materials and manuals, are expensed in the period they are incurred.

#### Inventory

Inventory of instruction materials is valued at the lower of cost and net realizable value.

#### Equipment

Equipment is recorded at cost less any government grants or donations. Amortization is provided annually at rates calculated to write-off the assets over their estimated useful lives as follows:

Furniture & office equipment	- 20%	declining balance
Computer software	- 100%	declining balance
Computer equipment	- 30%	declining balance
Boats	- 15%	declining balance
Vehicles	- 30%	declining balance

One-half the normal rate is applied in the year of acquisition.

#### 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 of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported periods. Actual results could differ from those estimates. Significant areas requiring the use of management estimates relate to the evaluating of accounts payable and accrued liabilities, the determination of useful lives of equipment and the determination of the fair market value of in-kind donations and capital contributions received.

# BRITISH COLUMBIA SAILING ASSOCIATION

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2022

### Note 2 Significant accounting policies (Continued)

#### Financial instruments

The Association's financial instruments consist of cash and short-term investments, accounts receivable and accounts payable. The carrying values of these financial instruments approximates their fair value due to their short-term maturity or capacity of prompt liquidation.

### Note 3 Equipment

#### 2022

	Cost	Accumulated Amortization	Net Book Value
	\$	\$	\$
Furniture & office equipment	32,397	30,267	2,130
Computer software	2,550	2,550	-
Computer equipment	41,682	40,494	1,188
Boats	271,787	207,589	64,198
Vehicles	84,312	63,013	21,299
	<u>432,728</u>	<u>343,913</u>	<u>88,815</u>

#### 2021

	Cost	Accumulated Amortization	Net Book Value
	\$	\$	\$
Furniture & office equipment	32,397	29,734	2,663
Computer software	2,550	2,550	-
Computer equipment	41,682	39,986	1,696
Boats	271,787	196,259	75,528
Vehicles	84,312	53,886	30,426
	<u>432,728</u>	<u>322,415</u>	<u>110,313</u>

### Note 4 Deferred Contributions

Deferred contributions represent unspent resources received in the current period which is related to subsequent periods.

	2022	2021
	\$	\$
Canada Games	-	3,738
PHRF	135	180
BC Sailing course offering advance	9,154	-
BC Games	-	3,165
	<u>9,289</u>	<u>7,083</u>

# BRITISH COLUMBIA SAILING ASSOCIATION

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2022

### Note 5 Long-term Debt

	2022 \$	2021 \$
Barnes Wheaton GM vehicle loan payable, repayable in monthly payments of \$378.50 including interest at 5.4% per annum, and maturing on November 25, 2024.	7,829	12,372
Less: current portion	(4,202)	(3,982)
Non-current portion	3,627	8,390

### Note 6 Restricted Funds

	2022 \$	2021 \$
Safety at Sea - Internally Restricted Funds	11,301	30,054
Community gaming fund - Externally Restricted Funds	38,170	38,170
Total restricted funds	49,471	68,224

### Note 7 Remuneration to Directors and Employees

As required by the B.C. Societies Act, the Association reports the following remuneration during the year ended December 31, 2022.

Remuneration to Directors \$Nil

Remuneration of Employees and Contractors earning over \$75,000 per annum:

Contractors earning over \$75,000 per annum	\$Nil
Employees earning over \$75,000 per annum	
Number of employees	1
Total remuneration	\$104,470

### Note 8 Financial Assistance

The Association did not provide any financial assistance to Directors and Employees as defined by the B.C. Societies Act during the year ended December 31, 2022.