

**BRITISH COLUMBIA ULTIMATE SOCIETY**

**FINANCIAL STATEMENTS**

**AUGUST 31, 2023**

## INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

### To the Board of Directors of British Columbia Ultimate Society:

We have reviewed the statement of financial position of the British Columbia Ultimate Society as at August 31, 2023 and the statement of operations, the statement of changes in net assets and the 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.

#### *Practitioner's Responsibility*

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

#### *Conclusion*

Based on our review, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of the British Columbia Ultimate Society as at August 31, 2023, 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.

## DRAFT

Chartered Professional Accountants  
December 4, 2023  
Winnipeg, Canada

For this communication, together with the work done to prepare this communication and for the opinions we have formed, if any, we accept and assume responsibility only to the addressee of this communication, as specified in our letter of engagement.

**BRITISH COLUMBIA ULTIMATE SOCIETY**

**STATEMENT OF FINANCIAL POSITION**

**AS AT AUGUST 31**

	<u>2023</u>	<u>2022</u>
<b>ASSETS</b>		
<b>Current assets:</b>		
Cash	\$ 222,331	\$ 104,294
Accounts receivable	36,737	34,462
Inventory	12,334	12,974
Prepaid expenses	2,077	1,654
	<u>273,479</u>	<u>153,384</u>
 <b>Capital assets (Note 3)</b>	 696	 2,504
	<u>\$ 274,175</u>	<u>\$ 155,888</u>
<b>LIABILITIES</b>		
<b>Current liabilities:</b>		
Accounts payable and accrued liabilities	\$ 16,961	\$ 20,259
Bursaries payable	-	3,000
Deferred contributions (Note 4)	153,957	44,672
	<u>170,918</u>	<u>67,931</u>
<b>NET ASSETS</b>		
<b>Unappropriated fund:</b>		
Unrestricted	103,257	87,957
 <b>Appropriated fund:</b>		
Junior tournament - BCHSUC	-	-
	<u>103,257</u>	<u>87,957</u>
	<u>\$ 274,175</u>	<u>\$ 155,888</u>

**APPROVED BY:**

\_\_\_\_\_ Director

\_\_\_\_\_ Director

**BRITISH COLUMBIA ULTIMATE SOCIETY**

**STATEMENT OF OPERATIONS**

**FOR THE YEAR ENDED AUGUST 31**

	<u>2023</u>	<u>2022</u>
<b>Revenue:</b>		
Operating grant - Viasport	\$ 53,145	\$ 53,145
DiscFlicker grant - Viasport	-	2,500
Female Coaching grant - Viasport	3,000	-
BC Gaming grant	4,794	4,730
Project grant - Sport for Social Development in Indigenous Communities - Federal Ministry of Heritage (SSDIC)	163,467	89,656
ISPARC partnership grant	22,000	2,000
Junior tournament - BCHSUC	20,475	19,200
Tournaments (Note 6)	26,637	21,875
Memberships	39,879	35,561
Clinic sponsorship	4,755	2,104
CUC revenue	26,074	-
Disc and merchandise sales	26,710	23,092
Miscellaneous revenue	1,698	1,548
	<u>392,634</u>	<u>255,411</u>
<b>Expenses:</b>		
SSDIC - direct expenses	185,467	90,895
Junior tournament - BCHSUC	20,636	22,955
Hosting grant - VUL	17,500	-
Tournaments (Note 6)	20,398	20,693
Administration	7,005	9,137
Amortization	1,808	3,151
Bad debt	-	419
Bookkeeping	2,659	2,966
Bursaries	4,500	3,000
Coach development and clinics	9,250	1,820
Contractors	53,000	48,000
Cost of discs and merchandise sold	20,325	15,710
Insurance	8,302	6,260
Membership fees	4,681	1,886
Professional fees	4,350	3,650
Promotion and sponsorship	17,453	18,302
	<u>377,334</u>	<u>248,844</u>
<b>Difference between revenue and expenses</b>	<u>\$ 15,300</u>	<u>\$ 6,567</u>

**BRITISH COLUMBIA ULTIMATE SOCIETY**  
**STATEMENT OF CHANGES IN NET ASSETS**  
**FOR THE YEAR ENDED AUGUST 31**

	<u>Unappropriated Fund</u>		<u>Appropriated Fund</u>	
	<u>Unrestricted</u>	<u>Junior tournament - BCHSUC</u>	<u>2023 Total</u>	<u>2022 Total</u>
Net assets, beginning of year	\$ 87,957	\$ -	\$ 87,957	\$ 81,390
Transfer (Note 5)	(161)	161	-	-
Difference between revenue and expenses	15,461	(161)	15,300	6,567
Net assets, end of year	<u>\$ 103,257</u>	<u>\$ -</u>	<u>\$ 103,257</u>	<u>\$ 87,957</u>

**BRITISH COLUMBIA ULTIMATE SOCIETY**

**STATEMENT OF CASH FLOWS**

**FOR THE YEAR ENDED AUGUST 31**

	<u>2023</u>	<u>2022</u>
<b>Cash flow from operating activities:</b>		
Cash receipts from tournaments, memberships, grants and customers	\$ 499,644	\$ 276,566
Cash paid to suppliers and contractors	<u>(381,607)</u>	<u>(242,652)</u>
<b>Change in cash</b>	118,037	33,914
<b>Cash, beginning of year</b>	<u>104,294</u>	<u>70,380</u>
<b>Cash, end of year</b>	<u>\$ 222,331</u>	<u>\$ 104,294</u>

**BRITISH COLUMBIA ULTIMATE SOCIETY**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED AUGUST 31, 2023**

**1. Nature of operations:**

British Columbia Ultimate Society (“the Society”) is a non-profit organization, incorporated under the Society Act in the province of British Columbia. The purpose of the Society is to promote and develop Ultimate throughout British Columbia.

The Society is exempt from tax under Section 149(1)(l) of the Income Tax Act.

**2. Significant accounting policies:**

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. An assumption underlying the preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations is that the Society will continue for the foreseeable future and will be able to realize its assets and discharge liabilities in the normal course of operations.

The financial statements include the following significant accounting policies:

a) Accounting estimates-

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and judgments that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reported period.

Accounting estimates are included in financial statements to approximate the effect of past business transactions or events, or to approximate the present status of an asset or liability. It is possible that changes in future economic conditions could require changes in the recognized amounts for accounting estimates. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in the period in which they became known.

Significant areas of estimation by management include the impairment of non-financial assets, the useful lives of capital assets and the fair value of financial instruments.

Management bases their judgments, estimates and assumptions on factors they believe to be reasonable in the circumstances, but which may be inherently uncertain and unpredictable.

Except for certain related party transactions financial instruments are measured at fair value on initial recognition adjusted by, in the case of a financial instrument that will not be measured subsequently at fair value, financing fees and transaction costs that are directly attributable to its origination, acquisition, issuance or assumption. Transaction costs related to financial instruments that will be measured subsequently at fair value are recognized in difference between revenue and expenses in the period incurred.

**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED AUGUST 31, 2023**

**2. Significant accounting policies** (continued):

b) Financial instruments (continued)-

In subsequent periods, investments in equity instruments that are quoted in an active market and certain derivative contracts are measured at fair value without any adjustment for transaction costs that may incur on sale or other disposal. The Society may elect to measure any financial instrument at fair value with the asset or liability is first recognized for the equity instruments that previously measured at fair value when the equity instrument ceases to be quoted in an active market. Other investments in equity instruments are measured at cost less any reduction for impairments. All other financial instruments are measured at amortized cost. Amortized cost is the amount at which the financial instrument is measured at initial recognition less principal repayments, plus or minus the cumulative effect of any difference between the initial amount of the maturity amount, and minus any reduction of impairment.

The Society measures all financial instruments at amortized cost.

The Society assesses impairment of all its financial assets, except those classified at fair value. Management considers whether there has been a breach in contract, such as a default or delinquency in interest or principal payments in determining whether objective evidence of impairment exists. Impairment is measured as the difference between the asset's carrying value and its fair value. Impairment is included in difference between revenue and expenses.

c) Inventory-

Inventory is valued at the lower of cost on a weighted average basis and net realizable value. The cost of inventories comprises the purchase price, non-recoverable taxes, transport and handling costs directly attributable to the acquisition of inventories, net of any discounts or other rebates. Inventory consists of merchandise that is sold at tournaments and clinics.

d) Capital assets-

Capital assets are recorded at cost and amortized over their estimated useful lives, except for contributed assets which are recorded at fair market value at the time of the contribution plus all costs directly attributable to the acquisition. This requires estimation of the useful life of the asset and its salvage and residual value. When a capital asset is impaired, the excess of its net carrying amount over any residual value is recognized as an expense. As is true for all accounting estimates, it is possible that changes in future conditions could require changes in the recognized amounts for accounting estimates.

Capital assets are amortized over the estimated useful life on a straight line basis as follows:

Equipment	5 years
Website	2 years
Computer equipment	2 years



## NOTES TO FINANCIAL STATEMENTS

## FOR THE YEAR ENDED AUGUST 31, 2023

**2. Significant accounting policies** (continued):

## e) Revenue recognition-

The Society follows the deferral method of account for contributions. Restricted contributions, such as grants, are recognized as revenue in the year in which the related expenses are incurred.

Unrestricted contributions such as memberships are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Tournaments, disc and merchandise sales, clinic sponsorship, CUC revenue and miscellaneous revenue are recognized as revenue when earned, if the amount to be received can be reasonably estimated and collection is reasonably assured.

Interest is recognized on a time proportional basis.

## f) Contributed services-

Volunteers contribute time to assist the Society in carrying out its service delivery activities. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

## g) Net assets-

Net assets are reported by the Society through an Unappropriated fund and an Appropriated fund. The Unappropriated fund accounts for the Society's program delivery and administrative activities and represents unrestricted net assets used for the day-to-day operations of the Society. Beginning September 1, 2016, any excesses generated from the Society's junior tournament - BC High School Ultimate Championships (BCHSUC) are transferred to the fund and are intended to be used to help fund future BCHSUC tournaments. The internally restricted amount is not available for other purposes without the approval of the Board of Directors.

**3. Capital assets:**

	2023		2022	
	Cost	Accumulated amortization	Cost	Accumulated amortization
Equipment	\$ 2,320	1,624	\$ 2,320	\$ 1,160
Website	5,375	5,375	5,375	4,031
Computer equipment	1,866	1,866	1,866	1,866
	\$ 9,561	\$ 8,865	\$ 9,561	\$ 7,057
Net book value	\$ 696		\$ 2,504	

**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED AUGUST 31, 2023**

**4. Deferred contributions:**

	<u>2023</u>	<u>2022</u>
Beginning balance	\$ 44,672	\$ 116,286
Received during the year		
Viasport operating grant	56,645	55,645
Jumpstart funding	177,000	10,500
Sport BC grant	7,500	-
BC Community Gaming grant	-	10,000
SSDIC project grant	116,910	4,272
	<u>402,727</u>	<u>196,703</u>
Recognized to revenue during the year		
City of Vancouver hosting grant	(1,864)	(761)
Jumpstart funding	(100,500)	(14,260)
Sport BC grant	(7,500)	(7,500)
BC Community Gaming grant	(4,794)	(4,730)
Viasport operating grant	(56,645)	(55,645)
SSDIC project grant	(77,467)	(69,135)
	<u>(248,770)</u>	<u>(152,031)</u>
Deferred contributions, end of year	<u>\$ 153,957</u>	<u>\$ 44,672</u>

Deferred contributions represent contributions for programs that will be undertaken in future fiscal periods and grants that relate to the following fiscal period.

**5. Interfund transfers:**

During the year ended August 31, 2023, the Board of Directors authorized the transfer of \$161 (2022 - \$2,258) from the Unappropriated fund to the Appropriated fund: Junior tournament - BCHSUC (Note 2(g)).

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED AUGUST 31, 2023

**6. Tournaments:**

	<u>2023</u>	<u>2022</u>
Flowerbowl, revenue	\$ -	\$ 8,909
Flowerbowl, expenses	-	(6,479)
Flowerbowl, net contribution	<u>-</u>	<u>2,430</u>
BCUC, revenue	14,420	8,925
BCUC, expenses	<u>(11,169)</u>	<u>(7,212)</u>
BCUC, net contribution	<u>3,251</u>	<u>1,713</u>
DiscFlicker, revenue	12,217	4,041
DiscFlicker, expenses	<u>(9,229)</u>	<u>(7,002)</u>
DiscFlicker, net contribution	<u>2,988</u>	<u>(2,961)</u>
<b>Total tournament revenue</b>	26,637	21,875
<b>Total tournament expenses</b>	<u>(20,398)</u>	<u>(20,693)</u>
	<u>\$ 6,239</u>	<u>\$ 1,182</u>

**7. Economic dependence:**

The Society's operations are dependent upon Viasport for its operating grant and contributions from the Vancouver Ultimate League Society and from member leagues in British Columbia. Should this grant and these contributions not be received, the operations of the Society may be significantly affected.

**8. Risk management:**

Management's risk management policies are typically performed as a part of the overall management of Society's operations. Management is aware of risks related to these objectives through direct personal involvement with employees and outside parties. In the normal course of its business, the Society is exposed to a number of risks that can affect its operating performance.

Management's close involvement in operations helps identify risks and variations from expectations. The Society has not designed transactions as hedging transactions to manage risk. As a part of the overall operation of the Society, management considers the avoidance of undue concentrations of risk. These risks include, and the actions taken to manage them are as follows:

Liquidity risk-

Liquidity risk is the risk that the Society cannot meet its financial obligations associated with financial liabilities in full. The Society's main sources of liquidity are its operations and external contributions.

Credit risk arises from the possibility that debtors may be unable to fulfill their commitments. For a financial asset, this is typically the gross carrying amount, net of any amounts offset and any impairment losses. The Society has credit policies to address credit risk on accounts receivable, which may include the analysis of the financial position of the debtor and review of credit limits. The Society all may review credit history before establishing credit and reviews credit performance. An allowance for doubtful accounts or other impairment provisions are established based upon factors surrounding credit risk, historical trends and other information. No allowance for doubtful accounts has been recorded.