

BURNABY TENNIS CLUB

Financial Statements
August 31, 2016
(Unaudited)

<u>Index</u>	<u>Page</u>
Review Engagement Report to the Members	1
Financial Statements	
Statement of Financial Position	2
Statement of Operations	3
Statement of Changes in Net Assets	4
Statement of Cash Flows	5
Notes to Financial Statements	6 - 8

REVIEW ENGAGEMENT REPORT

TO THE MEMBERS OF BURNABY TENNIS CLUB

We have reviewed the statement of financial position of Burnaby Tennis Club as at August 31, 2016 and the statements of operations, changes in net assets and cash flows for the year then ended. Our review was made in accordance with Canadian generally accepted standards for review engagements and, accordingly, consisted primarily of inquiry, analytical procedures and discussion related to information supplied to us by the Club.

A review does not constitute an audit and, consequently, we do not express an audit opinion on these financial statements.

Based on our review, nothing has come to our attention that causes us to believe that these financial statements are not, in all material respects, in accordance with Canadian accounting standards for not-for-profit organizations.



Chartered Professional Accountants

Vancouver, British Columbia
October 12, 2016

BURNABY TENNIS CLUB
Statement of Financial Position
August 31
(Unaudited)

	2016	2015
Assets		
Current		
Cash	\$ 78,378	\$ 75,202
Term deposits (note 5)	0	27,143
Accounts receivable	63	56
Prepaid expenses	1,023	1,457
GST receivable	1,100	45
Inventory	0	458
	80,564	104,361
Property and Equipment (note 6)	25,810	31,138
Investments (note 5)	408,333	339,080
	\$ 514,707	\$ 474,579
Liabilities		
Current		
Accounts payable and accrued liabilities	\$ 4,661	\$ 12,780
Wages payable	500	720
Deferred fees	867	0
	6,028	13,500
Net Assets		
General Fund	100,346	94,333
Internally Restricted Fund	408,333	366,746
	508,679	461,079
	\$ 514,707	\$ 474,579

Approved by the Board:

_____ Director

_____ Director

BURNABY TENNIS CLUB
Statement of Operations
Year Ended August 31
(Unaudited)

	2016	2015
Receipts		
Dues and fees	\$ 196,595	\$ 217,541
Court rentals	72,737	71,781
Tournament revenue and miscellaneous sales	15,067	9,460
Interest	12,042	9,455
Junior development	1,764	(145)
	298,205	308,092
Expenses		
Salaries and wages	71,126	84,932
Repairs and maintenance	63,910	53,326
Utilities	44,996	41,047
Tennis pro fees	15,244	16,750
Professional fees	8,190	7,587
Office	7,675	8,746
Insurance	6,976	7,122
Memberships	5,175	5,779
Miscellaneous	3,705	3,431
Interest and bank charges	3,584	3,288
Advertising and promotion	3,416	1,893
Supplies	3,391	4,267
Telephone	2,429	2,992
Employee benefits	704	1,141
Security	480	480
Meals and entertainment	0	3,922
Legal	0	2,388
Amortization	9,604	9,928
	250,605	259,019
Excess of Receipts over Expenses for Year	\$ 47,600	\$ 49,073

BURNABY TENNIS CLUB**Statement of Changes in Net Assets****Year Ended August 31****(Unaudited)**

	Internally Restricted			
	General Fund	Fund	2016	2015
Balance, Beginning of Year	\$ 94,333	\$ 366,746	\$ 461,079	\$ 412,006
Excess of receipts over expenses for year	36,013	11,587	47,600	49,073
Interfund transfer	(30,000)	30,000	0	0
	6,013	41,587	47,600	49,073
Balance, End of Year	\$ 100,346	\$ 408,333	\$ 508,679	\$ 461,079

BURNABY TENNIS CLUB
Statement of Cash Flows
Year Ended August 31
(Unaudited)

	2016	2015
Operating Activities		
Excess of receipts over expenses	\$ 47,600	\$ 49,073
Item not involving cash		
Amortization	9,604	9,928
	57,204	59,001
Changes in non-cash working capital		
Term deposits	27,143	(27,143)
Accounts receivable	(7)	501
Prepaid expenses	434	639
GST receivable	(1,055)	224
Inventory	458	(255)
Accounts payable and accrued liabilities	(8,119)	141
Wages payable	(220)	720
Deferred fees	867	0
	19,501	(25,173)
Cash Provided by Operating Activities	76,705	33,828
Investing Activities		
Purchase of equipment	(4,276)	(5,434)
Investments	(69,253)	(36,080)
Cash Used in Investing Activities	(73,529)	(41,514)
Inflow (Outflow) of Cash	3,176	(7,686)
Cash, Beginning of Year	75,202	82,888
Cash, End of Year	\$ 78,378	\$ 75,202

BURNABY TENNIS CLUB
Notes to Financial Statements
Year Ended August 31, 2016
(Unaudited)

1. OPERATIONS

The Burnaby Tennis Club (the "Club") was incorporated on May 10, 1972 under the *Societies Act* of British Columbia as a not-for-profit organization. The Club operates indoor and outdoor tennis facilities located within the Burnaby Lake Sports Complex.

2. COMPARATIVE FIGURES

The comparative figures as at August 31, 2015 and for the year then ended were reviewed by another firm of accountants.

Certain comparative figures were reclassified to conform to the presentation adopted in the current year.

3. SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Club were prepared in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO") and include the following significant accounting policies.

(a) Fund accounting

The Club follows the deferral method of accounting for contributions.

(i) General Fund

The purpose of this general fund is to meet the cash requirements of the Club for its daily operations and planned expenditures approved by the Board of Directors.

(ii) Internally Restricted Fund

This fund has been set aside for the expected replacement of the tennis bubble and heating system. \$30,000 per annum plus reinvested interest earned on restricted term deposits are being set aside for this internally restricted fund. Interest on the current term deposits range from 1.1% to 2.1% (2015 - 1.3% to 3.3%). The majority of these term deposits are redeemable only on maturity.

(b) Revenue recognition

(i) Membership dues and fees are recognized in the year to which the fees relate.

(ii) Tournament revenue is recognized when the tournament occurs.

(iii) Junior development revenue and court rental income are recognized as services and facilities are provided.

(iv) Miscellaneous sales income is recognized at the point of sale, which is the point of time when the customer takes legal title to the goods.

(v) Interest income is recognized on an accrual basis over the period of time to which the interest relates

BURNABY TENNIS CLUB

Notes to Financial Statements

Year Ended August 31, 2016

(Unaudited)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Contributed materials and services

Donated goods and in-kind services are only recognized when the fair market value can be determined. No value has been assigned to contributions by the City of Burnaby (the "City") or volunteers on the financial statements.

(d) Investments

Investments include term deposits maturing from March 2017 to January 2019. They are accounted for at cost plus accrued interest.

(e) Amortization

Property and equipment are amortized on the basis of their useful life using the following methods and rates:

Heating equipment	- 20%	declining-balance
Furniture and equipment	- 20%	declining-balance
Computer equipment	- 100%	declining-balance
Bubble and grade beams	- 15 years	straight-line
Lighting equipment	- 10%	straight-line
Leasehold improvements	- 5 years	straight-line

(f) Use of estimates

The preparation of these financial statements in conformity with ASNPO requires management to make estimate and assumptions 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 revenues and expenses during the reporting period. There are no significant estimates made by management.

4. FINANCIAL INSTRUMENTS

(a) Liquidity risk

Liquidity risk is the risk that the Club will encounter difficulty in meeting obligations associated with financial liabilities.

The Club is not exposed to significant liquidity risk.

(b) 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 Club is exposed to credit risk with respect to its cash and term deposits. The Club has mitigated this risk by holding these instruments with a major financial institution.

BURNABY TENNIS CLUB
Notes to Financial Statements
Year Ended August 31, 2016
(Unaudited)

4. FINANCIAL INSTRUMENTS (Continued)

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates.

The Club's investment portfolio is exposed to interest rate risk through its fixed income investments. The Club is not exposed to other significant interest rate risks due to the short-term maturity of its financial assets and liabilities.

5. INVESTMENTS

	2016	2015
Term deposits with escalating interest rates from 1.1% to 2.2% with maturity dates ranging from July 25, 2017 to January 29, 2019	\$ 240,744	\$ 128,040
Term deposits with maturity dates ranging from March 9, 2017 to July 12, 2017, earning interest between 1.3% and 2.1%	167,589	211,040
Cashable term deposits	0	27,143
	\$ 408,333	\$ 366,223

The term deposits represent funds that have been set aside by member resolution for future capital improvements at the Club.

6. PROPERTY AND EQUIPMENT

	Cost	Accumulated Amortization	2016	2015
Heating equipment	\$ 105,789	\$ 88,627	\$ 17,162	\$ 21,452
Furniture and fixtures	51,781	45,053	6,728	5,948
Court equipment	21,276	21,276	0	2,270
Computer equipment	7,560	7,560	0	718
Bubble and grade beams	223,267	223,267	0	0
Lighting equipment	55,494	55,494	0	0
Leasehold improvements	4,587	2,667	1,920	750
	\$ 469,754	\$ 443,944	\$ 25,810	\$ 31,138

7. LICENSE AGREEMENT

The Club operates in cooperation with the City of Burnaby. The Club pays a license fee of \$1 to the City for the purpose of operating and maintaining the tennis clubhouse. The term of the license agreement with the City expires June 30, 2019.