

CANOE KAYAK B.C.

Financial Statements
Year Ended March 31, 2009
and Auditor's Report

AUDITOR'S REPORT

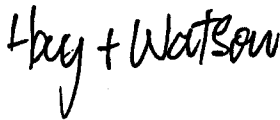
To the Members of Canoe Kayak B.C.

We have audited the statement of net assets of Canoe Kayak B.C. as at March 31, 2009 and the statements of operations, of cash flows and of changes in net assets for the year then ended. These financial statements are the responsibility of the Society's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Except as explained in the following paragraph, we conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In common with many organizations, the Society obtains receipts from fees and other sources, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these receipts was limited to the amounts recorded in the accounts of the Society and we were not able to determine whether any adjustments might be necessary to such receipts, excess of receipts over expenditure, assets and net assets.

In our opinion, except for the effect of adjustments, if any, which we might have determined to be necessary had we been able to satisfy ourselves concerning the completeness of fees and other receipts referred to in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of the Society as at March 31, 2009 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles. As required by the Society Act of British Columbia, we report that in our opinion, these principles have been applied on a consistent basis.



Chartered Accountants
Vancouver, B.C.
May 27, 2009

CANOE KAYAK B.C.

Statement of Net Assets
March 31, 2009

	2009	2008 (restated Note3)
ASSETS		
Current		
Cash	\$ 54,688	\$ 104,938
Cash - restricted (Note 4)	7,611	50,763
Term deposits - restricted (Note 5)	74,184	70,000
Accounts receivable	38,148	28,673
Current portion of boat loans (Note 6)	3,276	2,206
Prepaid expenses	26,759	6,116
	204,666	262,696
Boat Loans (Note 6)	6,551	6,617
Equipment (Note 7)	93,134	75,735
	304,351	\$ 345,048
LIABILITIES		
Current		
Accounts payable and accrued liabilities	\$ 9,770	\$ 2,996
Deferred receipts	51,927	98,075
	61,697	101,071
NET ASSETS		
Investment in capital assets	93,134	75,735
Restricted net assets		
Boat loans contingency fund	30,173	31,177
Gaming fund	7,611	50,763
Operating contingency fund	86,000	61,000
Unrestricted net assets	25,736	25,302
	242,654	243,977
	\$ 304,351	\$ 345,048

APPROVED BY THE BOARD

Director

Director

CANOE KAYAK B.C.

Statement of Operations
Year Ended March 31, 2009

	2009	2008
RECEIPTS		
Competitions and other income	\$ 248,949	\$ 339,952
Government grants	304,231	159,351
	553,180	499,303
EXPENDITURES		
Administration and other	159,100	116,941
Athlete development	188,951	162,821
Coaching development	148,180	174,107
Club development	56,851	49,883
Officials development	3,905	4,142
	556,987	507,894
	(3,807)	(8,591)
OTHER ITEMS		
Interest income	2,484	3,210
Loss on stolen boat	-	(1,706)
	\$ (1,323)	\$ (7,087)

CANOE KAYAK B.C.

Statement of Cash Flows
Year Ended March 31, 2009

	2009	2008
Cash Flows From (Used In) Operating Activities		
Excess of expenditures over receipts	\$ (1,323)	\$ (7,087)
Items not involving the use of cash:		
Amortization	24,839	25,038
Loss on stolen boat	-	1,706
	23,516	19,657
Changes in non-cash working capital		
Accounts receivable	(9,475)	11,626
Prepaid expenses	(20,643)	(1,120)
Deferred receipts	(46,148)	98,075
Accounts payable and accrued liabilities	6,774	(84,134)
	(45,976)	44,104
Cash Flows From (Used In) Investing Activities		
Boat loans (net)	(1,004)	(2,823)
Purchase of capital assets	(42,238)	(4,078)
	(43,242)	(6,901)
INCREASE (DECREASE) IN CASH	(89,218)	37,203
CASH AND TERM DEPOSITS, Beginning of Year	225,701	188,498
CASH AND TERM DEPOSITS, End of Year	\$ 136,483	\$ 225,701
Cash and Term Deposits consist of:		
Cash	\$ 54,688	\$ 104,938
Cash - restricted	7,611	50,763
Term deposits - restricted	74,184	70,000
	\$ 136,483	\$ 225,701

CANOE KAYAK B.C.

Statement of Changes in Net Assets Year ended March 31, 2009

	Invested in Capital Assets	Boat loans contingency fund - restricted	Gaming fund - restricted	Operating contingency fund - restricted	Unrestricted	2009	2008
Net Assets, beginning of year							
Previously reported	\$ 75,735	\$ 40,000	\$ 50,763	\$ 61,000	\$ 16,479	\$ 243,977	\$ 251,064
Reclassification of fund transfers	-	(8,823)	-	-	8,823	-	-
Restated	75,735	31,177	50,763	61,000	25,302	243,977	251,064
Excess (deficiency) of receipts over expenditures	(24,839)	-	(43,152)	-	66,667	(1,323)	(7,087)
Interfund transfer		(1,004)	-	25,000	(23,996)	-	-
Investment in capital assets	42,237	-	-	-	(42,237)	-	-
Net assets, End of year	\$ 93,134	\$ 30,173	\$ 7,611	\$ 86,000	\$ 25,736	\$ 242,654	\$ 243,977

CANOE KAYAK B.C.

Notes to Financial Statements
March 31, 2009

1. OPERATIONS

Canoe Kayak B.C. (the “Society”) is a non-profit organization, incorporated under the Society Act in the province of British Columbia. The Society raises and receives funds for the purposes of developing canoeing and kayaking in British Columbia.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles (“GAAP”), which include the following significant policies:

Cash and Term Deposits

Cash and term deposits consist of cash balances and investments in highly liquid short-term deposits.

Equipment

Equipment is recorded at cost and amortized over the estimated useful lives of the equipment, using the following annual rates and methods:

Boats	20%	Straight-line method
Office furniture	20%	Straight-line method
Racing equipment	20%	Straight-line method
Computer Equipment	20%	Straight-line method
Computer Software	20%	Straight-line method
Vehicle	30%	Declining balance method

Financial Assets and Financial Liabilities

The Society’s financial assets, other than cash, and financial liabilities are classified as:

- Term deposits are classified as “held to maturity” and are measured at amortized cost. At March 31, 2009 and 2008 the recorded amounts approximate fair value.
- Accounts receivable and boat loans are classified as “loans and receivables”. They are measured at amortized cost. At March 31, 2009 and 2008 the recorded amounts approximate fair value.
- Accounts payable and accrued liabilities and deferred receipts are classified as “other financial liabilities” and are measured at amortized cost. At March 31, 2009 and 2008 the recorded amounts approximate fair value.

Financial instruments that potentially subject the Society to significant concentrations of credit risk, the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations, consist primarily of cash, term deposits and accounts receivable. The Society considers this risk to be limited as cash and term deposits are on deposit at major financial institutions while accounts receivable and boat loans (Note 6) consists primarily of amounts due from related clubs and the Government of Canada.

CANOE KAYAK B.C.

Notes to Financial Statements
March 31, 2009

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial Assets and Financial Liabilities (continued)

Interest rate risk is the risk that the fair market value of future cash flows from a financial instrument will fluctuate because of changes to market interest rates. The Society is exposed from time to time to interest rate risk as a result of holding term deposits of varying maturities. The risk that Society will realize a loss as a result of a decline in the fair market value of these investments is limited as these investments are highly liquid securities with short term maturities.

Transaction costs directly attributable to the acquisition or issue of a financial asset or financial liability are added to the carrying amount of the financial asset or financial liability, and are amortized to operations using the effective interest rate method.

Income Taxes

The Society, as a non-profit organization, is not subject to Federal or Provincial income taxes.

Recognition of Receipts

The Society follows the deferral method for accounting for contributions. Receipts are recognized as follows:

- Restricted contributions – deferred and recognized in the year in which the related expenses are incurred. Restricted contributions related to the purchase of equipment are amortized on the same basis as the asset acquired.
- Unrestricted contributions – when received or receivable, if the amount can be reasonably estimated and collection is reasonably assured.
- Unrestricted investment income - when earned.

Contributed services

Volunteers contribute an undetermined number of hours annually to assist the Society in carrying out its activities. Contributed services are not recorded in the financial statements because of the difficulty in determining the time spent by volunteers and the fair value of their services.

Use of Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions about formal events that affect the reported amount of the assets and liabilities at the date of the financial statements and the reported amount of receipts and expenditures during the reporting period. Actual results could differ from these estimates.

Significant estimates used in these financial statements include, amongst others, the recoverability of accounts receivable and the estimated fair values of the term deposits.

CANOE KAYAK B.C.

Notes to Financial Statements
March 31, 2009

3. RESTATEMENT

Funds for boat loans provided to member clubs during the year ended March 21, 2008 were recorded as being disbursed from Unrestricted Funds rather than from the Boat Loans Contingency Fund. The Society has therefore reclassified these disbursements to the Boat Loans Contingency Fund and has restated the previously reported amounts in the financial statements as:

	Previously Reported	Boat Loans Fund Transfer	Restated
Statement of Net Assets			
Boat Loans Contingency Fund	\$ 40,000	\$ (8,823)	\$ 31,177
Unrestricted net assets	16,479	8,823	25,302
Statement of Changes in Net Assets			
Boat Loans Contingency Fund	\$ -	\$ (8,823)	\$ (8,823)
Unrestricted net assets	-	8,823	8,823

4. CASH –RESTRICTED

Restricted cash represents proceeds received from the B.C. Gaming Commission (“ Commission”) and internally restricted funds for operating contingencies. Disbursements of funds received from the Commission are restricted to expenditures acceptable to the Commission. Disbursements from the Operating Contingency Fund require prior approval of the Board of Directors.

5. TERM DEPOSITS – RESTRICTED

Restricted term deposits represent an internally restricted contingency fund for boat loans and for operating contingencies. Disbursements from restricted term deposits require prior approval of the Board of Directors.

6. BOAT LOANS

The Society has entered into agreements to purchase boats for member clubs. The member clubs repay the Society in four annual installments commencing in the year the boats were purchased. The loans are interest free and ownership transfers to the member club once the loan has been fully repaid.

The following loans were outstanding at March 31,2009:

	2009			2008	
Date receivable	Ocean River Paddling	Pitt Meadows Paddling Club	Total	Total	
April 2008	\$ -	\$ -	\$ -	\$	2,206
April 2009	2,570	706	3,276		2,206
April 2010	2,570	706	3,276		2,206
April 2011	2,570	705	3,275		2,205
	7,710	2,117	9,827		8,823
Less current portion	(2,570)	(706)	(3,276)		(2,206)
	\$ 5,140	\$ 1,411	\$ 6,551	\$	6,617

CANOE KAYAK B.C.

Notes to Financial Statements
March 31, 2009

7. EQUIPMENT

	2009			2008	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value	
Boats	\$ 121,885	\$ 67,911	\$ 53,974	\$ 67,467	
Racing equipment	6,000	2,640	3,360	4,200	
Furniture and equipment	9,248	1,751	7,497	4,068	
Computer equipment	3,227	484	2,743	-	
Computer software	10,262	5,131	5,131	-	
Vehicle	24,035	3,605	20,430	-	
	\$ 174,657	\$ 81,523	\$ 93,134	\$ 75,735	

8. ECONOMIC DEPENDENCE

The Society's operations are dependent upon contributions from Sports BC and the Province of British Columbia, which the Society must qualify for on an annual basis. Should these grants not be received, the operations of the Society may be significantly affected.

9. COMMITMENTS

The Society has the following lease commitment for its operating premises, which expire on May 15, 2009:

Year	Amount
2009	\$ 1,800

10. COMPARATIVE FIGURES

The comparative figures have been reclassified where necessary to conform to the presentation used in the current year.