

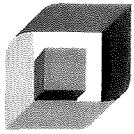
B.C. THOROUGHBRED OWNERS & BREEDERS ASSOCIATION

FINANCIAL STATEMENTS

DECEMBER 31, 2016

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**DICKSON
STOJAK
HUANG**

CHARTERED PROFESSIONAL ACCOUNTANTS

partners

W. Lyle Dickson Ltd.
Peter P. Stojak Ltd.
Cleo Huang Ltd.
Andrew Au-Young Ltd.

associate partner

Colin R. Brown Ltd.

NOTICE TO READER

To the Members

On the basis of information provided by management, we have compiled the statement of financial position of B.C. Thoroughbred Owners & Breeders Association as at December 31, 2016 and the statements of operations, net assets and cash flows for the year then ended.

We have not performed an audit or a review engagement in respect of these financial statements and, accordingly, we express no assurance thereon.

Readers are cautioned that these statements may not be appropriate for their purposes.

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Richmond, B.C.
May 25, 2017

CHARTERED PROFESSIONAL ACCOUNTANTS

B.C. THOROUGHBRED OWNERS & BREEDERS ASSOCIATION

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2016

(Unaudited - see Notice to Reader)

ASSETS

	<u>2016</u>	<u>2015</u>
CURRENT ASSETS		
Cash	\$ 50,962	\$ 28,415
Accounts receivable	-	157
Grant receivable	6,000	8,000
Prepaid expenses	-	1,451
	<u>\$ 56,962</u>	<u>\$ 38,023</u>

LIABILITIES AND NET ASSETS

ACCOUNTS PAYABLE AND ACCRUED LIABILITIES	\$ 6,738	\$ 6,134
NET ASSETS		
Unrestricted	<u>50,224</u>	<u>31,889</u>
	<u>\$ 56,962</u>	<u>\$ 38,023</u>

On behalf of the Board:

B.C. THOROUGHBRED OWNERS & BREEDERS ASSOCIATION

STATEMENT OF NET ASSETS

AS AT DECEMBER 31, 2016

(Unaudited - see Notice to Reader)

	<u>Unrestricted</u>	<u>Investment in capital assets</u>	<u>2016</u>	<u>2015</u>
NET ASSETS AT BEGINNING OF YEAR	\$ 31,889	\$ -	\$ 31,889	\$ 43,470
Excess of revenue over operating expenditures (expenditures over revenue)	18,335		18,335	(10,800)
Amortization of capital assets	-	-	-	(781)
NET ASSETS AT END OF YEAR	<u>\$ 50,224</u>	<u>\$ -</u>	<u>\$ 50,224</u>	<u>\$ 31,889</u>

B.C. THOROUGHBRED OWNERS & BREEDERS ASSOCIATION

STATEMENT OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 2016

(Unaudited - see Notice to Reader)

	<u>2016</u>	<u>2015</u>
REVENUE		
Thoroughbred Industry Grant	\$ 130,000	\$ 146,000
PST Commission	<u>198</u>	<u>-</u>
	<u>130,198</u>	<u>146,000</u>
EXPENSES		
Advertising and promotion	5,350	7,700
Insurance	1,451	4,563
Office	1,261	816
Professional fees	6,118	2,821
Rent and administrative services	-	24,000
Salaries, contracts and benefits	<u>97,683</u>	<u>116,900</u>
	<u>111,863</u>	<u>156,800</u>
EXCESS OF REVENUE OVER EXPENDITURES (EXPENDITURES OVER REVENUE) BEFORE AMORTIZATION	18,335	(10,800)
AMORTIZATION OF CAPITAL ASSETS	<u>-</u>	<u>(781)</u>
EXCESS OF REVENUE OVER EXPENDITURES (EXPENDITURES OVER REVENUE) FOR THE YEAR	<u>\$ 18,335</u>	<u>\$ (11,581)</u>

B.C. THOROUGHBRED OWNERS & BREEDERS ASSOCIATION

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2016

(Unaudited - see Notice to Reader)

	<u>2016</u>	<u>2015</u>
CASH PROVIDED BY (USED FOR)		
OPERATIONS		
Excess of revenue over expenditure (expenditure over revenue) for the year	\$ 18,335	\$ (11,581)
Non-cash item		
Amortization of capital assets	<u>-</u>	<u>781</u>
	18,335	(10,800)
Changes in other non-cash operating working capital		
Accounts receivable	157	805
Grant receivable	2,000	8,000
Prepaid expenses	1,451	68
Accounts payable and accrued liabilities	<u>604</u>	<u>(2,682)</u>
	<u>22,547</u>	<u>(4,609)</u>
INCREASE (DECREASE) IN CASH	22,547	(4,609)
CASH, BEGINNING OF YEAR	<u>28,415</u>	<u>33,024</u>
CASH, END OF YEAR	<u>\$ 50,962</u>	<u>\$ 28,415</u>

B.C. THOROUGHBRED OWNERS & BREEDERS ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2016

(Unaudited - see Notice to Reader)

NATURE OF BUSINESS

B.C. Thoroughbred Owners & Breeders Association (the "Society") was incorporated under the Society Act of British Columbia on August 27, 2010. It is a not-for-profit organization and, as such, is not subject to income taxes.

The purposes of the Society are to:

- a) promote the racing, breeding, owning, and marketing of thoroughbred horses in British Columbia;
- b) provide leadership to the Thoroughbred Racing and Breeding industry in British Columbia in the form of education, training, employment and promotion;
- c) assist members of the Society in dealing with race track operators, governmental agencies in British Columbia and Provincial, Federal, and International industry organizations;
- d) promote the interests of the Thoroughbred Racing and Breeding industry in British Columbia; and
- e) liaise with race track operators, governmental agencies in British Columbia and Provincial, Federal, and International industry organizations in order to further the interests of the Society.

NOTE 1 ADMINISTRATION OF PURSE MONEYS

BCTOBA is charged with the responsibility for administering and distributing the Thoroughbred allocation (Horsemen's Purse Account), which is received as follows:

- a) funding from the provincial government, paid through the Gaming Policy and Enforcement Branch of the provincial Ministry of Finance. This funding represents a percentage of slot machine income earned by the province at casinos located at Hastings Racecourse in Vancouver and Fraser Downs in Surrey.
- b) funding through a share of income from wagering on horse racing in B.C. and other jurisdictions by B.C. residents. These additional funds are paid to the horsemen by B.C. Horse Racing Administration Ltd., the accounting entity charged with consolidating and distributing industry income to participants.

BCTOBA, through the Horsemen's Purse Account, pays the moneys as directed by the Thoroughbred industry with the bulk of it going to purse moneys for horse owners participating in races at Hastings Park and also to Breeder Awards distributed by The Canadian Thoroughbred Horse Society (B.C. Division).

The Horsemen's Purse Account funds do not form part of these financial statements. The responsibility for administering and distributing these funds was accepted by BCTOBA and the funds are accounted for independently of these financial statements.