

BC SCHOOL SPORTS

Burnaby, BC

FINANCIAL STATEMENTS

MARCH 31, 2007

BC SCHOOL SPORTS

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EVA Y. LEE INC.

Chartered Accountant

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AUDITOR'S REPORT

To the Members of BC SCHOOL SPORTS:

I have audited the statement of financial position of BC SCHOOL SPORTS as at March 31, 2007 and the statements of operations and changes in net assets for the year then ended. These financial statements are the responsibility of the organization's management. My responsibility is to express an opinion on these financial statements based on my audit.

Except as explained in the following paragraph, I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I 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 charitable organizations, the organization derives revenue from donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, my verification of this revenue was limited to the amounts recorded in the records of the organization and I was not able to determine whether any adjustments might be necessary to donation revenues, excess of revenue over expense, assets and fund balance.

In my opinion, except for the effect of adjustments, if any, which I might have determined to be necessary had I been able to satisfy myself concerning the completeness of the donations referred to in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of the organization as at March 31, 2007 and the results of its operations for the year then ended in accordance with generally accepted accounting principles. As required by the Society Act of British Columbia, I report that, in my opinion, these principles have been applied on a basis consistent with that of the preceding year.

Eva Y. Lee Inc.



Chartered Accountant

RICHMOND, BC

April 13, 2007

BC SCHOOL SPORTS
STATEMENT OF OPERATIONS

Exhibit A

Year ended March 31	2007	2006
OPERATING REVENUE (Schedule 1)	\$ 481,313	\$ 494,921
OPERATING EXPENSES (Schedule 2)	470,844	436,615
OPERATING DEFICIENCY OF REVENUE OVER EXPENSES, to Exhibit B	10,582	58,306
GAMING OPERATION, Schedule 3, to Exhibit B	120,564	(2,882)
LEGAL, Schedule 4, to Exhibit B	(11,543)	41,068
INSURANCE, Schedule 5, to Exhibit B	31,250	-
OPERATIONAL RESERVE, Schedule 5, to Exhibit B	13,975	-
EXCESS OF REVENUE OVER EXPENSES, to Exhibit B	\$ 164,828	\$ 96,492

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

BC SCHOOL SPORTS**Exhibit B**

STATEMENT OF CHANGES IN NET ASSETS

	Unrestricted	Operational and Computer	Gaming	Insurance Reserve	Legal Fund	Total 2007	Total 2006
For the Year ended March 31							
NET ASSETS, BEGINNING OF YEAR							
As previously stated	\$ 101,164	\$ 28,712	\$ 43,757	\$ -	\$ 9,364	\$ 182,997	\$ 86,505
To correct prior year's allocation of funds	(38,188)	-	(2,880)	-	41,068	-	-
As restated	62,976	28,712	40,877	-	50,432	182,997	86,505
Excess of Revenue over Expenses Exhibit A	10,612	13,975	120,564	31,250	(11,364)	165,037	96,492
NET ASSETS, END OF YEAR, to Exhibit C	\$ 73,588	\$ 42,687	\$161,441	\$ 31,250	\$ 39,068	\$ 348,034	\$ 182,997

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

BC SCHOOL SPORTS

Exhibit C

STATEMENTS OF FINANCIAL POSITION

March 31, 2007

	Unrestricted	Operational Reserve	Gaming	Insurance Reserve	Legal Reserve	2007	2006
CURRENT ASSETS							
Cash and term deposits	\$ 27,806	\$ 39,425	\$ 169,243	\$ 31,250	\$ 39,068	\$ 309,792	\$ 156,885
Accounts receivable	40,175	-	-	-	-	40,175	22,544
Inventory	2,955	-	-	-	-	2,955	2,613
Prepaid expenses	20,256	-	-	-	-	20,256	11,433
	<u>91,192</u>	<u>39,425</u>	<u>169,243</u>	<u>31,250</u>	<u>39,068</u>	<u>370,178</u>	<u>193,475</u>
TANGIBLE ASSETS							
Computers	1,600	6,785	-	-	-	8,385	8,482
Furniture and equipment	7,786	-	-	-	-	7,786	7,144
	<u>9,386</u>	<u>6,785</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,171</u>	<u>15,626</u>
Accumulated amortization	5,559	3,523	-	-	-	9,082	9,978
	<u>3,827</u>	<u>3,262</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,089</u>	<u>5,748</u>
	\$95,019	\$ 42,687	\$169,243	\$ 31,250	\$ 39,068	\$377,267	\$ 199,223
CURRENT LIABILITIES							
Accounts payable and accrued liabilities	\$ 20,531	\$ -	\$ 7,802	\$ -	\$ -	\$ 28,333	\$ 15,026
Deferred contributions – Scholarships	900	-	-	-	-	900	1,200
	<u>21,431</u>	<u>-</u>	<u>7,802</u>	<u>-</u>	<u>-</u>	<u>29,233</u>	<u>16,226</u>
NET ASSETS							
Exhibit B	73,588	42,687	161,441	31,250	39,068	348,034	182,997
	\$95,019	\$ 42,687	\$169,243	\$ 31,250	\$ 39,068	\$377,267	\$ 199,223

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

NOTES

For the year ended March 31, 2007

Note 1 General

BC School Sports provides leadership for and service to school sports in the Province of British Columbia. The Association's mission statement is:

“BC School Sports is membership based organization of schools. We fulfill our mission by:

- promoting student participation in extra-curricular activities;
- assisting schools in the development and delivery of their programs
- providing governance for inter-school competition.”

BC School Sports is incorporated under the laws of British Columbia as a not-for-profit organization and is a registered charity under the Income Tax Act.

Note 2 Significant Accounting Policies

Fund accounting

BC School Sports follows the restricted fund method of accounting for contributions.

The General Fund accounts for the organization's program delivery and administrative activities. This fund reports unrestricted resources and operating grants.

The Gaming Fund accounts for funding from the Province of BC, Ministry Responsible for Gaming, for program expenses as approved by the Gaming Policy and Enforcement Branch.

The Legal Reserve Fund accounts for levies restricted for legal expenses.

The Operational Reserve is for contingencies and capital asset replacements.

Tangible assets

Leased to purchase tangible capital assets are carried at cost less accumulated amortization. Amortization is provided on a straight-line basis over the assets' estimated useful lives, for computers are 3 years. Tangible capital assets are carried at cost less accumulated amortization. Amortization for equipment and furniture is calculated on a 20% declining balance and computer software is calculated on a 100% declining balance.

Contributed materials and services

Contributed materials and services used in the normal course of operations are recognized when a fair value can be reasonably estimated. Volunteers contribute about 5,000 hours per year to assist the Association in carrying out its administrative activities. Because of the difficulty of determining the fair value, contributed services are not recognized in the financial statements.

BC SCHOOL SPORTS

NOTES

Exhibit D
(Continued)

For the year ended March 31, 2007

Note 2 Significant Accounting Policies (Cont'd)

Deferred contributions

BC School Sports follows the deferral method of accounting for contributions. Deferred contributions are goods donated to the organization that will be used in the subsequent periods.

Use of estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingencies at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. The most significant areas requiring management estimates and assumptions include the estimate of useful lives of equipment for calculating amortization and the determination of contingent liabilities.

Revenue Recognition

Membership dues and advertising are recognized as revenue in the year to which they related expenses are incurred. All other restricted contributions are recognized as revenue of the appropriate restricted fund.

Unrestricted contributions, sponsorships and other revenues are recognized as revenue of the General Fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Note 3 Commitment

The Association has an operating lease on the premises expiring in the coming year with total minimum lease payments of \$10,584.

Note 4 Financial Instruments

The Association's financial instruments consist of cash and term deposit, accounts receivable, accounts payable and accrued liabilities. It is management's opinion that the Association is not exposed to significant interest, currency or credit risks arising from these financial instruments. The carrying value of these instruments approximates their fair value due to their immediate or short-term maturity.

BC SCHOOL SPORTS

Schedule 1

OPERATING REVENUE

Year ended March 31	2007	2006
MEMBERSHIP FEES		
Annual fee and insurance	\$ 263,306	\$ 262,830
PUBLICATIONS	69,442	63,532
GRANTS		
BC Government	110,000	-
2010 LegaciesNow Society	-	145,000
DONATIONS	24	700
SCHOLARSHIP FUND	14,450	3,400
PROJECTS	4,782	4,696
SALES PROGRAMME	4,679	6,002
MISCELLANEOUS	13,121	8,101
INTEREST	1,509	660
Total Operating Revenue, to Exhibit A	\$ 481,313	\$ 494,921

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

BC SCHOOL SPORTS

Schedule 2

OPERATING EXPENSES

Year ended March 31	2007	2006
STAFF EXPENSES	\$ 191,437	\$ 168,096
MEETINGS		
AGM	12,590	10,178
Eligibility and registration appeals	4,603	6,043
Standing Committees	13,218	5,127
Others	22,922	21,485
ADMINISTRATION		
Amortization of tangible capital assets	2,563	2,968
Bad debt	510	150
Board Expenses	628	1,778
Compliance officer expenses	3,293	-
Executive director expenses	2,104	3,291
Miscellaneous	2,117	1,790
Rent	16,537	16,002
Postage and deliveries	9,406	8,825
Printing	-	1,929
Professional fees	8,300	7,891
Supplies and equipment	10,526	15,494
Telephone and fax	4,029	4,061
Web site/email	937	635
MEMBERSHIP		
Affiliations	1,033	3,041
Commissions	75,510	75,510
Insurance	25,445	28,480
PUBLICATIONS		
Championship programs	27,788	26,305
Handbook	8,190	12,249
Football books	4,682	-
Accommodation directory	2,738	1,966
Miscellaneous	1,919	1,850
MARKETING AND MERCHANDISING	2,489	6,437
PROJECTS	2,963	487
FUNDRAISING	-	1,240
SCHOLARSHIPS	7,250	3,209
OTHERS	5,117	98
Total Operating Expenses, to Exhibit A	\$ 470,844	\$ 436,615

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

BC SCHOOL SPORTS

Schedule 3

GAMING REVENUE AND EXPENSES

Year ended March 31	2007	2006
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REVENUE		
Direct Access	\$ 50,000	\$ 47,000
Sportsfunder	190,000	-
Interest	267	28
	<hr/>	<hr/>
	240,267	47,028
EXPENSES		
ADMINISTRATIVE		
Bank services charges	-	10
Office Rent	5,627	6,297
MEMBERSHIP SERVICES		
BCSS Eligibility Pamphlet	72	104
Report	2,928	1,530
Championship Equipment Rental	3,050	5,500
Championship Officials	5,125	5,966
Championship Facility Rent	14,387	22,454
Web Site Maintenance	4,110	3,246
Web Site Production	-	1,553
PROGRAMS		
BCSS Zone Scholarships	4,500	2,250
Leadership Academy	1,000	1,000
Sportsfunder payouts	78,904	-
	<hr/>	<hr/>
	119,703	49,910
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EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES, to Exhibit A	\$ 120,564	\$ (2,882)
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BC SCHOOL SPORTS
LEGAL REVENUE AND EXPENSES

Schedule 4

Year ended March 31	2007	2006
FEES	<u>\$ 180</u>	<u>\$ 71,445</u>
LEGAL EXPENSES		
General matters	6,218	962
Ogmondson	1,029	-
Sands Secondary Boys Football	4,297	6,307
Street	-	23,108
	<u>11,544</u>	<u>30,377</u>
EXCESS OF REVENUE OVER EXPENSES (DEFICIENCY), EXHIBIT A	<u>\$ (11,364)</u>	<u>\$ 41,068</u>

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

BC SCHOOL SPORTS
OPERATING RESERVE

Schedule 5

Year ended March 31	2007	2006
RECEIPTS		
Equipment	\$ 5,000	\$ 5,000
Contingencies	10,000	26,210
	<u>15,000</u>	<u>31,210</u>
EXPENSES		
Amortization expense	1,025	2,497
EXCESS OF REVENUE OVER EXPENSES (DEFICIENCY), EXHIBIT A	<u>\$ 13,975</u>	<u>\$ 28,713</u>

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