

BC SCHOOL SPORTS

Maple Ridge, BC

FINANCIAL STATEMENTS

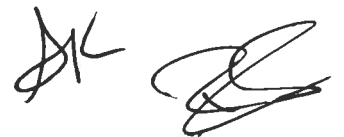
JUNE 30, 2011

BC SCHOOL SPORTS

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EVA Y. LEE INC.

Chartered Accountant

#120-3851 Shell Road
Richmond, BC, V6X 2W2
Tel: (604) 278-2851, Fax: (604) 278-3877
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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 June 30, 2011 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 June 30, 2011 and the results of its operations for the period 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
August 25, 2011



BC SCHOOL SPORTS**Exhibit A**

STATEMENT OF OPERATIONS

For the year ended June 30, 2011

	2011	2010
OPERATING RECEIPTS (Schedule 1)	\$ 464,294	\$ 401,988
OPERATING EXPENDITURES (Schedule 2)	445,737	394,278
OPERATING RECEIPTS OVER EXPENDITURES, to Exhibit B	18,557	7,710
GAMING OPERATION, Schedule 3, to Exhibit B	7,752	(23,002)
INSURANCE, Schedule 4, to Exhibit B	(400)	(735)
LEGAL, Schedule 5, to Exhibit B	-	15,264
OPERATIONAL RESERVE, Schedule 6, to Exhibit B	(624)	(702)
SCHOLARSHIP, Schedule 7, to Exhibit B	(8,526)	1,325
EXCESS (DEFICIENCY) OF RECEIPTS OVER EXPENDITURES, to Exhibit B	\$ 16,759	\$ (140)

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

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BC SCHOOL SPORTS

STATEMENT OF CHANGES IN NET ASSETS

For the year ended June 30, 2011

Exhibit B

	Reserves					Total		
	Unrestricted	Gaming	Insurance	Legal	Operational	Sponsorship	2011	2010
NET ASSETS								
Beginning of year	\$ (9,956)	\$ 26,814	\$ 400	\$ 42,064	\$ 19,349	\$ 11,325	\$ 89,996	\$ 90,136
Excess (Deficiency) of Receipts over Expenditures								
Exhibit A	18,557	7,752	(400)	-	(624)	(8,526)	16,759	(140)
NET ASSETS, END OF YEAR, to Exhibit C	\$ 8,601	\$ 34,566	\$ -	\$ 42,064	\$ 18,725	\$ 2,799	\$ 106,755	\$ 89,996

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

BC SCHOOL SPORTS
STATEMENTS OF FINANCIAL POSITION
 June 30, 2011

Exhibit C

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	Unrestricted	Gaming	Insurance	Reserves			Total	
				Legal	Operational	Sponsorship	2011	2010
CURRENT ASSETS								
Cash and term deposits	\$ -	\$ 65,310	\$ -	\$ 42,064	\$ 17,477	\$ 2,799	\$ 127,650	\$ 92,769
Accounts receivable	20,007	8,756	-	-	-	-	28,763	31,251
Inventory	868	-	-	-	-	-	868	3,046
Prepaid expenses	14,983	-	-	-	-	-	14,983	13,830
	35,858	74,066	-	42,064	17,477	2,799	172,264	140,896
PLANT AND EQUIPMENT								
Computers	1,600	-	-	-	1,872	-	3,472	10,490
Furniture and equipment	11,131	-	-	-	-	-	11,131	8,891
Equipment under capital lease	17,364	-	-	-	-	-	17,364	17,364
	30,095	-	-	-	1,872	-	31,967	36,745
Accumulated amortization	18,644	-	-	-	624	-	19,268	24,952
	11,451	-	-	-	1,248	-	12,699	11,793
	\$ 47,309	\$ 74,066	\$ -	\$ 42,064	\$ 18,725	\$ 2,799	\$ 184,963	\$ 152,689

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



BC SCHOOL SPORTS
STATEMENTS OF FINANCIAL POSITION
 June 30, 2011

Exhibit C (Continued)

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	Unrestricted	Gaming	Reserves				Total	
			Insurance	Legal	Operational	Sponsorship	2011	2010
CURRENT LIABILITIES								
Cheques issued in excess of deposits	\$ 22,936	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 22,936	\$ 13,523
Accounts payable and accrued liabilities	15,772	-	-	-	-	-	15,772	22,334
Deferred grants	-	39,500	-	-	-	-	39,500	22,398
Current portion of capital lease	-	-	-	-	-	-	-	4,438
	38,708	39,500	-	-	-	-	78,208	62,693
NET ASSETS								
Net assets, end of year (Exhibit B)	8,601	34,566	-	42,064	18,725	2,799	106,755	89,996
	\$ 47,309	\$ 74,066	\$ -	\$ 42,064	\$ 18,725	\$ 2,799	\$ 184,963	\$ 152,689

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

Approved by:



BC SCHOOL SPORTS
STATEMENT OF CASH FLOWS
For the year ended June 30, 2011

Exhibit D

	2011	2010
Cash flows from operating activities		
Membership and fundraising receipts	\$ 528,834	\$ 542,112
Interest received	185	233
Grant	-	65,625
Membership and administrative expenses	(498,814)	(690,823)
	<u>30,205</u>	<u>(82,853)</u>
Cash flows from investment activities		
Short term and long term investments	(4,737)	-
	<u>25,468</u>	<u>(82,853)</u>
Change in cash and cash equivalents	79,246	162,099
Cash and cash equivalents at beginning of year	104,714	79,246
Cash and cash equivalents, end of year	<u>\$ 104,714</u>	<u>\$ 79,246</u>
Represented by:		
Cash and term deposits	127,650	92,769
Cheques issued in excess of deposits	(22,936)	(13,523)
Cash and cash equivalents, end of year	<u>\$ 104,714</u>	<u>\$ 79,246</u>

NOTES

For the year ended June 30, 2011

Note 1 GENERAL

BC School Sports provides leadership for and service to school sports in the Province of British Columbia. The Society'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 society and is a registered charity under the Income Tax Act.

Note 2 SIGNIFICANT ACCOUNTING POLICIES

Fund accounting

BC School Sports follows the deferral method of accounting for contributions.

The General Fund accounts for the Society'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 Insurance Fund is designated by the Ministry of Education for Insurance purpose.

The Legal Reserve accounts for levies restricted for legal expenses.

The Sponsorship fund is designated to provide support for qualifying candidates.

The Society has internally restricted an Operational Reserve for contingencies and capital asset replacements.

Inventory

Inventory is recorded at cost, cost is determined on a first-in, first-out basis.

Plant and Equipment

Plant and equipment are accounted for at cost. Amortization is based on their estimated life using the following rates and methods:

Computers	- 3 year straight-line
Equipment	- 20 percent declining balance
Equipment under capital lease	- 20 percent declining balance


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NOTES

For the year ended June 30, 2011

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Note 2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred contributions

BC School Sports follows the deferral method of accounting for contributions. Deferred contributions are goods donated to the Society 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 the related expenses are incurred. All other restricted contributions are recognized as revenue of the appropriate restricted funds.

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.

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 Society in carrying out its administrative activities. Because of the difficulty of determining the fair value, contributed services are not recognized in the financial statements.

Financial instruments

Items that meet the definition of a financial instrument include term deposits, accounts receivable, bank indebtedness, payables and accruals, capital lease obligation. With the exception of term deposit, which is subject to interest rate fluctuation, the fair values of these items approximate their carrying values. It is management's opinion that the company is not exposed to significant credit, currency or interest rate risk arising from these financial instruments.



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NOTES

For the year ended June 30, 2011

Note 3 ECONOMIC DEPENDENCE

The Society's operations are dependent upon sponsorships. Major sponsorships were lost with no new sponsorship agreements confirmed although the membership has approved contracting a professional fundraiser for the fiscal year 2012. Membership fees charged to schools increased by 75% in current fiscal year to cover the loss in grants and sponsorships.

Note 4 GAMING FUND

A loan of \$18,000 was made from the Gaming Fund to the General Account to meet administrative obligations. The loan has been returned to the Gaming Fund during the year.

Note 5 LEASE OBLIGATIONS

Operating leases

The Society has entered into an agreement for office space with a 3 year term expires on August 31, 2013 and postage machine with a 5 year term expires in January 31, 2013 with minimum future payments as follows:

2012	\$ 14,979
2013	13,538
2014	2,016
	<hr/>
	\$ 30,533

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BC SCHOOL SPORTS

Schedule 1

OPERATING RECEIPTS

For the year ended June 30, 2011

	2011	2010
MEMBERSHIP FEES		
Annual fee	\$ 405,617	\$ 237,540
GRANTS – Schools	-	65,626
PUBLICATIONS	19,801	17,758
CHAMPIONSHIPS	12,079	24,916
MEETINGS	5,090	7,944
OFFICIAL SUPPLIERS	1,250	1,320
DONATIONS	3,726	538
PROGRAMMES	7,325	33,900
PROMOTION AND RECOGNITION	1,500	(729)
SALES PROGRAMME	5,960	4,339
MISCELLANEOUS	1,782	8,618
INTEREST	164	218
Total Operating Receipts, to Exhibit A	\$ 464,294	\$ 401,988

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

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BC SCHOOL SPORTS

Schedule 2

OPERATING EXPENDITURES

For the year ended June 30, 2011

	2011	2010
STAFF EXPENSES	\$ 217,562	\$ 190,064
MEETINGS		
AGM	4,541	10,362
CSSF	3,350	12,162
Eligibility and registration appeals	200	91
Standing committees	-	1,234
Others	12,540	18,831
ADMINISTRATION		
Amortization of tangible capital assets	2,583	2,948
Bad debt	(313)	1,978
Board expenses	950	406
Compliance officer expenses	4,066	3,728
Executive director expenses	1,598	3,054
Administration fees	6,682	5,910
Insurance	45,335	-
Rent	10,080	11,397
Postage and deliveries	7,798	10,410
Professional fees	6,189	6,154
Supplies and equipment	7,635	8,851
Telephone	3,752	4,303
Web site/email	176	(3,672)
MEMBERSHIP		
Affiliations	1,000	2,098
Commissions	75,650	73,260
PROJECTS		
Accommodation directory	-	2,261
Championship programs	13,850	13,756
Coaches recognition	1,896	1,426
Football books	2,721	2,813
Handbook	4,225	10,662
Medals	5,113	5,139
Promo shirts	976	615
PUBLIC RELATIONS	5,582	6,199
Total Operating Expenditures, to Exhibit A	\$ 445,737	\$ 394,278

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



BC SCHOOL SPORTS

Schedule 3

GAMING RECEIPTS AND EXPENDITURES

For the year ended June 30, 2011

	2011	2010
RECEIPTS		
Direct access	\$ 39,500	\$ 16,080
Interest	21	15
Miscellaneous	66	-
	<u>39,587</u>	<u>16,095</u>
EXPENDITURES		
ADMINISTRATIVE		
Bank charges and interest	20	-
Office rent	-	5,050
MEMBERSHIP SERVICES		
BCSS handbook	-	2,500
BCSS eligibility pamphlet	-	256
BCSS promo pamphlet	-	898
BCSS report	-	2,316
Championship equipment rental	8,687	2,196
Championship officials	9,486	3,007
Championship facility rent	8,547	11,530
Web site maintenance	3,863	8,325
PROGRAMS		
NCCP-CABC	1,232	3,019
	<u>31,835</u>	<u>39,097</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER EXPENDITURES, to Exhibit A	\$ 7,752	\$ (23,002)

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



BC SCHOOL SPORTS

Schedule 4

INSURANCE RESERVE

For the year ended June 30, 2011

	2011	2010
RECEIPTS	\$ -	\$ 45,000
INSURANCE DISBURSEMENTS	400	45,735
DEFICIENCY OF RECEIPTS OVER EXPENDITURES, EXHIBIT A	\$ (400)	\$ (735)

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BC SCHOOL SPORTS

Schedule 5

LEGAL RECEIPTS AND EXPENDITURES

For the year ended June 30, 2011

	2011	2010
LEVY	\$ -	\$ 22,050
LEGAL FEE DISBURSEMENTS	-	6,786
EXCESS OF RECEIPTS OVER EXPENDITURES, EXHIBIT A	\$ -	\$ 15,264

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

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BC SCHOOL SPORTS
SCHOLARSHIP RECEIPTS AND EXPENDITURES

Schedule 7

For the year ended June 30, 2011

	2011	2010
RECEIPTS		
Sponsorship	\$ 21,625	\$ 66,114
SCHOLARSHIPS PAID		
BCSS Scholarship	-	7,000
BCEMB Golf Sponsorship	-	20,000
Ruby Scholarship	750	1,500
Subway Scholarship	29,401	20,000
Others	-	6,864
	30,151	64,789
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES, EXHIBIT A	\$ (8,526)	\$ 1,325

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

