

BC SCHOOL SPORTS

Maple Ridge, BC

FINANCIAL STATEMENTS

JUNE 30, 2012

BC SCHOOL SPORTS

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EVA Y. LEE INC.

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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, 2012 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, 2012 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 20, 2012

BC SCHOOL SPORTS**Exhibit A**

STATEMENT OF OPERATIONS

For the year ended June 30, 2012

	2012	2011
OPERATING RECEIPTS (Schedule 1)	\$ 461,188	\$ 464,294
OPERATING EXPENDITURES (Schedule 2)	413,718	445,737
OPERATING RECEIPTS OVER EXPENDITURES, to Exhibit B	47,470	18,557
GAMING OPERATION, Schedule 3, to Exhibit B	602	7,752
INSURANCE, Schedule 4, to Exhibit B	-	(400)
LEGAL, Schedule 5, to Exhibit B	(27,892)	-
OPERATIONAL RESERVE, Schedule 6, to Exhibit B	(624)	(624)
SCHOLARSHIP, Schedule 7, to Exhibit B	(3,121)	(8,526)
EXCESS OF RECEIPTS OVER EXPENDITURES, to Exhibit B	\$ 16,435	\$ 16,759

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

BC SCHOOL SPORTS**Exhibit B**

STATEMENT OF CHANGES IN NET ASSETS

For the year ended June 30, 2012

	Unrestricted	Gaming	Reserves				Total	
			Insurance	Legal	Operational	Sponsorship	2012	2011
NET ASSETS								
Beginning of year	\$ 8,601	\$ 34,566	\$ -	\$ 42,064	\$ 18,725	\$ 2,799	\$ 106,755	\$ 89,996
Excess (Deficiency) of Receipts over Expenditures Exhibit A	47,470	602	-	(27,892)	(624)	(3,121)	16,435	16,759
Inter-fund transfer	(4,822)					4,822	-	-
NET ASSETS, END OF YEAR, to Exhibit C	\$ 51,249	\$ 35,168	\$ -	\$ 14,172	\$ 18,101	\$ 4,500	\$ 123,190	\$ 106,755

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

BC SCHOOL SPORTS

Exhibit C

STATEMENTS OF FINANCIAL POSITION

June 30, 2012

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	Unrestricted	Gaming	Reserves				Total	
			Insurance	Legal	Operational	Sponsorship	2012	2011
CURRENT ASSETS								
Cash and term deposits	\$ 33,684	\$ 23,784	\$ -	\$ 14,172	\$ 17,477	\$ 4,500	\$ 93,617	\$ 127,650
Accounts receivable	27,944	9,257	-	-	-	-	37,201	28,763
Inventory	869	-	-	-	-	-	869	868
Prepaid expenses	6,683	2,127	-	-	-	-	8,810	14,983
	<u>69,180</u>	<u>35,168</u>	<u>-</u>	<u>14,172</u>	<u>17,477</u>	<u>4,500</u>	<u>140,497</u>	<u>172,264</u>
PLANT AND EQUIPMENT								
Computers	1,600	-	-	-	1,248	-	2,848	3,472
Furniture and equipment	11,131	-	-	-	-	-	11,131	11,131
Equipment under capital lease	17,364	-	-	-	-	-	17,364	17,364
	<u>30,095</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,248</u>	<u>-</u>	<u>31,343</u>	<u>31,967</u>
Accumulated amortization	27,016	-	-	-	624	-	27,640	19,268
	<u>3,079</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>624</u>	<u>-</u>	<u>3,703</u>	<u>12,699</u>
	<u>\$ 72,259</u>	<u>\$ 35,168</u>	<u>\$ -</u>	<u>\$ 14,172</u>	<u>\$ 18,101</u>	<u>\$ 4,500</u>	<u>\$ 144,200</u>	<u>\$ 184,963</u>

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

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BC SCHOOL SPORTS

Exhibit C (Continued)

STATEMENTS OF FINANCIAL POSITION

June 30, 2012

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	Unrestricted	Gaming	Reserves				Total	
			Insurance	Legal	Operational	Sponsorship	2012	2011
CURRENT LIABILITIES								
Cheques issued in excess of deposits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 22,936
Accounts payable and accrued liabilities	21,010	-	-	-	-	-	21,010	15,772
Deferred grants	-	-	-	-	-	-	-	39,500
	21,010	-	-	-	-	-	21,010	78,208
NET ASSETS								
Net assets, end of year (Exhibit B)	51,249	35,168	-	14,172	18,101	4,500	123,190	106,755
	\$ 72,259	\$ 35,168	\$ -	\$ 14,172	\$ 18,101	\$ 4,500	\$ 144,200	\$ 184,963

*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, 2012

Exhibit D

	2012	2011
Cash flows from operating activities		
Membership, fundraising and grant receipts	\$ 553,072	\$ 528,834
Interest received	314	185
Membership and administrative expenses	(564,483)	(498,814)
	(11,097)	30,205
Cash flows from investment activities		
Short term and long term investments	-	(4,737)
Change in cash and cash equivalents	(11,097)	25,468
Cash and cash equivalents at beginning of year	104,714	79,246
Cash and cash equivalents, end of year	\$ 93,617	\$ 104,714
Represented by:		
Cash and term deposits	93,617	127,650
Cheques issued in excess of deposits	-	(22,936)
Cash and cash equivalents, end of year	\$ 93,617	\$ 104,714

NOTES

For the year ended June 30, 2012

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 a 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 to 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
Furniture and fixtures	- 20 percent declining balance

NOTES

For the year ended June 30, 2012

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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.

NOTES

For the year ended June 30, 2012

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Note 3 ECONOMIC DEPENDENCE

The Society's operations are dependent upon sponsorships. Major sponsorships were lost in prior year with no new sponsorship agreements confirmed. The membership has approved contracting a professional fundraiser in the current fiscal year for sponsorships.

Note 4 LEASE OBLIGATIONS

Operating leases

The Society has entered into an agreement for office space with a 3 year term expires on August 31, 2013, the postage machine with a 5 year term expires on January 31, 2013 and a photocopier with a 4 year term expires on November 15, 2015. The minimum future payments are as follows:

2013	\$ 16,160
2014	4,639
2015	2,623
2016	874
	<hr/>
	\$ 24,296

BC SCHOOL SPORTS

Schedule 1

OPERATING RECEIPTS

For the year ended June 30, 2012

	2012	2011
MEMBERSHIP FEES		
Annual fee	\$ 416,626	\$ 405,617
PUBLICATIONS	7,420	19,801
CHAMPIONSHIPS	15,041	12,079
MEETINGS	-	5,090
OFFICIAL SUPPLIERS	1,250	1,250
DONATIONS	65	3,726
PROGRAMMES	10,925	7,325
PROMOTION AND RECOGNITION	(1,500)	1,500
SALES PROGRAMME	4,205	5,960
MISCELLANEOUS	6,876	1,782
INTEREST	280	164
Total Operating Receipts, to Exhibit A	\$ 461,188	\$ 464,294

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

BC SCHOOL SPORTS

Schedule 2

OPERATING EXPENDITURES

For the year ended June 30, 2012

	2012	2011
STAFF EXPENSES	\$ 186,701	\$ 217,562
MEETINGS		
AGM	1,916	4,541
CSSF	4,846	3,350
Eligibility and registration appeals	-	200
Others	18,047	12,540
ADMINISTRATION		
Amortization of tangible capital assets	8,371	2,583
Bad debt	-	(313)
Board expenses	1,338	950
Compliance officer expenses	-	4,066
Executive director expenses	4,324	1,598
Administration fees	2,170	6,682
Insurance	45,735	45,335
Rent	2,016	10,080
Postage and deliveries	7,386	7,798
Professional fees	14,209	6,189
Supplies and equipment	9,878	7,635
Telephone	103	3,752
Web site/email	-	176
MEMBERSHIP		
Affiliations	-	1,000
Commissions	76,150	75,650
PROJECTS		
Banners	1,408	-
Championship programs	14,104	13,850
Coaches recognition	2,599	1,896
Football books	3,131	2,721
Fundraising	3,535	-
Handbook	-	4,225
Medals	-	5,113
Promo shirts	-	976
PUBLIC RELATIONS	5,751	5,582
Total Operating Expenditures, to Exhibit A	\$ 413,718	\$ 445,737

*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, 2012

	2012	2011
RECEIPTS		
Direct access	\$ 89,500	\$ 39,500
Interest	34	21
Miscellaneous	-	66
	<u>89,534</u>	<u>39,587</u>
EXPENDITURES		
ADMINISTRATIVE		
Bank charges and interest	-	20
Contractor fee	20,035	-
Office rent	10,636	-
Meeting expenses	8,046	-
Salaries and wages	14,051	-
Telecommunication	6,010	-
MEMBERSHIP SERVICES		
BCSS handbook	6,617	-
Championship equipment rental	4,177	8,687
Championship facility rent	8,642	8,547
Officials' fee	6,339	9,486
Web site maintenance	2,588	3,863
PROGRAMS		
NCCP-CABC	1,791	1,232
	<u>88,932</u>	<u>31,835</u>
EXCESS OF RECEIPTS OVER EXPENDITURES, to Exhibit A	\$ 602	\$ 7,752

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

BC SCHOOL SPORTS

INSURANCE RESERVE

Schedule 4

For the year ended June 30, 2012

	2012	2011
RECEIPTS	\$ 4,050	\$ -
INSURANCE DISBURSEMENTS	4,050	400
DEFICIENCY OF REVENUE OVER EXPENSES, EXHIBIT A	\$ -	\$ (400)

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

BC SCHOOL SPORTS

Schedule 5

LEGAL RECEIPTS AND EXPENDITURES

For the year ended June 30, 2012

	2012	2011
LEVY	\$ -	\$ -
LEGAL FEE DISBURSEMENTS	27,892	-
DEFICIENCY OF REVENUE OVER EXPENSES, EXHIBIT A	\$ (27,892)	\$ -

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

BC SCHOOL SPORTS

OPERATIONAL RESERVE

Schedule 6

For the year ended June 30, 2012

	2012	2011
RECEIPTS		
Levy	\$ -	\$ -
EXPENSES		
Amortization of assets	624	624
DEFICIENCY OF REVENUE OVER EXPENSES, EXHIBIT A	\$ (624)	\$ (624)

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

BC SCHOOL SPORTS

Schedule 7

SCHOLARSHIP RECEIPTS AND EXPENDITURES

For the year ended June 30, 2012

	2012	2011
RECEIPTS		
Sponsorship	<u>\$ 879</u>	<u>\$ 21,625</u>
SCHOLARSHIPS PAID		
Rugby Scholarship	1,500	750
Subway Scholarship	2,500	29,401
	<u>4,000</u>	<u>30,151</u>
DEFICIENCY OF REVENUE OVER EXPENSES, EXHIBIT A	<u>\$ (3,121)</u>	<u>\$ (8,526)</u>

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