

BC SCHOOL SPORTS

Burnaby, BC

FINANCIAL STATEMENTS

JUNE 30, 2014

BC SCHOOL SPORTS

INDEX TO FINANCIAL STATEMENTS

Auditor's Report	
Statement of Operations	Exhibit A
Statement of Changes in Net Assets	Exhibit B
Statements of Financial Position	Exhibit C
Statement of Cash Flows	Exhibit D
Notes	Exhibit E
Operating Receipts	Schedule 1
Operating Expenditures	Schedule 2
Gaming Receipts and Expenditures	Schedule 3
Insurance Reserve	Schedule 4
Legal Reserve	Schedule 5
Operational Reserve	Schedule 6
Scholarship Reserve	Schedule 7
Sport Commissions Receipts and Expenditures	Schedule 8

EVA Y. LEE INC.

Chartered Accountants

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INDEPENDENT AUDITOR'S REPORT

To the Members of BC SCHOOL SPORTS:

I have audited the accompanying financial statement of BC SCHOOL SPORTS which comprise the Statement of Financial Position as at June 30, 2014 and the Statements of Operations and Changes in Net Assets and Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

In my opinion, the financial statements present fairly, in all material respects, the financial position of the organization as at June 30, 2014 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 Accountants

RICHMOND, BC
November 7, 2014

BC SCHOOL SPORTS
STATEMENT OF OPERATIONS
For the year ended June 30, 2014

Exhibit A

	2014	2013
OPERATING RECEIPTS (Schedule 1)	\$ 504,611	\$ 447,329
OPERATING EXPENDITURES (Schedule 2)	506,376	338,162
OPERATING RECEIPTS OVER EXPENDITURES, to Exhibit B	(1,765)	109,167
GAMING OPERATION, Schedule 3, to Exhibit B	366	972
INSURANCE RESERVE, Schedule 4, to Exhibit B	-	-
LEGAL RESERVE, Schedule 5, to Exhibit B	(10,248)	46,293
OPERATIONAL RESERVE, Schedule 6, to Exhibit B	(11,278)	(124)
SCHOLARSHIP RESERVE, Schedule 7, to Exhibit B	10,400	(1,000)
SPORT COMMISSIONS, Schedule 8, to Exhibit B	6,944	23,780
EXCESS OF RECEIPTS OVER EXPENDITURES, to Exhibit B	\$ (5,581)	\$ 179,088

*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, 2014

	Unrestricted	Gaming	Reserves			Sport Commissions	2014	2013
			Legal	Operational	Scholarship			
NET ASSETS								
Beginning of year	\$ 68,970	\$ 36,140	\$ 60,465	\$ 104,523	\$ 8,400	\$ 23,780	\$ 302,278	\$ 123,190
Excess (Deficiency) of Receipts over Expenditures, Exhibit A	(1,765)	366	(10,248)	(11,278)	10,400	6,944	(5,581)	179,088
NET ASSETS, to Exhibit C	\$ 67,205	\$ 36,506	\$ 50,217	\$ 93,245	\$ 18,800	\$ 30,724	\$ 296,697	\$302,278

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

BC SCHOOL SPORTS

Exhibit C

STATEMENTS OF FINANCIAL POSITION

June 30, 2014

	Unrestricted	Gaming	Reserve Funds	Sport Commissions	2014	2013
CURRENT ASSETS						
Cash and term deposits	\$ 49,329	\$ 235,870	\$ 141,572	\$ 14,972	\$ 441,743	\$ 384,139
Accounts receivable	11,603	636	-	20,619	32,858	20,571
Inventory	914	-	-	-	914	-
Prepaid expenses	6,050	-	-	-	6,050	8,550
	<u>67,896</u>	<u>236,506</u>	<u>141,572</u>	<u>35,591</u>	<u>481,565</u>	<u>413,260</u>
PLANT AND EQUIPMENT						
Computers	626	-	11,797	-	12,423	2,224
Furniture and equipment	5,353	-	14,250	-	19,603	12,001
Leasehold improvement (Note 4)	55,653	-	-	-	55,653	17,364
	<u>61,632</u>	<u>-</u>	<u>26,047</u>	<u>-</u>	<u>87,679</u>	<u>31,589</u>
Accumulated amortization	8,966	-	5,357	-	14,323	29,517
	<u>52,666</u>	<u>-</u>	<u>20,690</u>	<u>-</u>	<u>73,356</u>	<u>2,072</u>
	<u>\$ 120,562</u>	<u>\$ 236,506</u>	<u>\$ 162,262</u>	<u>\$ 35,591</u>	<u>\$ 554,921</u>	<u>\$ 415,332</u>
CURRENT LIABILITIES						
Accounts payable	\$ 22,109	\$ -	\$ -	\$ 4,867	\$ 26,976	\$ 26,054
Deferred credits	31,248	200,000	-	-	231,248	87,000
	<u>53,357</u>	<u>200,000</u>	<u>-</u>	<u>4,867</u>	<u>258,224</u>	<u>113,054</u>
NET ASSETS						
Net assets (Exhibit B)	67,205	36,506	162,262	30,724	296,697	302,278
	<u>\$ 120,562</u>	<u>\$ 236,506</u>	<u>\$ 162,262</u>	<u>\$ 35,591</u>	<u>\$ 554,921</u>	<u>\$ 415,332</u>

*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, 2014

Exhibit D

	2014	2013
Cash flows from operating activities		
Membership, fundraising and grant receipts	\$ 814,299	\$ 743,158
Interest received	249	206
Membership and administrative expenses	(674,098)	(451,973)
	<u>140,450</u>	<u>291,391</u>
Cash flows from investment activities		
Short term and long term investments	(82,846)	(869)
	<u>57,604</u>	<u>290,522</u>
Change in cash and cash equivalents	57,604	290,522
Cash and cash equivalents at beginning of year	384,139	93,617
	<u>Cash and cash equivalents, end of year</u>	<u>\$ 384,139</u>
	<u>\$ 441,743</u>	<u>\$ 384,139</u>
Represented by:		
Unrestricted cash	\$ 49,329	\$ 69,559
Restricted cash	392,414	314,580
	<u>Cash and cash equivalents, end of year</u>	<u>\$ 384,139</u>
	<u>\$ 441,743</u>	<u>\$ 384,139</u>

BC SCHOOL SPORTS

Exhibit E

NOTES

For the year ended June 30, 2014

Note 1 GENERAL

BC School Sports provides leadership for and services to schools 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 Legal Reserve accounts for levies restricted for legal expenses.

The Scholarship fund is designated to provide support to qualifying candidates.

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

The Track & Field, Cross Country, and Mountain Biking Commission funds are held in favor of the Sport Commissions. The Society provides assistance in accounting and management of the funds.

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	- 55 percent declining balance
Equipment	- 20 percent declining balance
Furniture and fixtures	- 20 percent declining balance
Leasehold improvement	- 10 year straight line



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BC SCHOOL SPORTS

Exhibit E

NOTES

For the year ended June 30, 2014

- 2 -

Note 2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Inventory

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

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 accounting standards for not-for-profit organizations 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

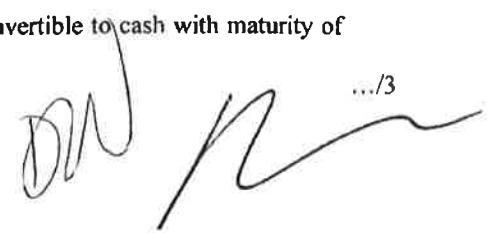
Contributed materials and services used in the normal course of operations are recognized when a fair value can be reasonably estimated. Volunteers contribute about 45,000 hours per year to assist the Society in carrying out its administrative activities. The Society also received about \$9,180 of contributed goods during the year. 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 cash and term deposits, accounts receivable, and payables and accruals. 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.

Cash equivalents

Cash equivalents usually consist of highly-liquid investments, which are readily convertible to cash with maturity of three months or less when purchased.



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BC SCHOOL SPORTS

Exhibit E

NOTES

For the year ended June 30, 2014

Note 3 COMMITMENTS

Operating leases

The Society has entered into an agreement for office space with a 10 year term that will expire on September 15, 2023, the postage machine with a 3 year term will expire on February 29, 2016, a photocopier with a 4 year term will expire on November 15, 2015, a phone system with a 2 year term will expire on June 30, 2015 and a computer service agreement with a 3 year term that will expire on March 31, 2017. The minimum future payments are as follows:

2015	\$ 39,087
2016	35,796
2017	34,977
2018	33,397
2019	34,720
	<hr/>
	\$ 177,977

Note 4 DEFERRED CREDITS

Deferred credits represent funds received for specific programs that were not expended by the end of the year. The deferred gaming grant will be used for the 2015 programs for which it has been approved.

The Society has relocated to new premises in the current year and received a tenant improvement allowance from the landlord for \$ 34,720. This allowance is being applied over the term of the lease from September 2013 to September 2023.

Two handwritten signatures in black ink are located in the bottom right corner of the page. The first signature is a stylized, cursive 'DW'. The second signature is a more fluid, cursive signature that appears to be 'R. [unclear]'. There are no printed names or titles associated with these signatures.

BC SCHOOL SPORTS

Schedule 1

OPERATING RECEIPTS

For the year ended June 30, 2014

	2014	2013
MEMBERSHIP FEES		
Annual fee	\$ 389,596	\$ 395,422
PUBLICATIONS	20,200	12,690
CHAMPIONSHIPS	6,594	14,325
DONATIONS	-	297
GRANT	1,256	3,767
PROGRAMMES	13,237	7,950
PROMOTION AND RECOGNITION	2,000	-
SALES PROGRAMME	3,620	4,919
SPONSORSHIP	55,380	-
MISCELLANEOUS	12,538	7,790
INTEREST	190	169
Total Operating Receipts, to Exhibit A	\$ 504,611	\$ 447,329

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



BC SCHOOL SPORTS
OPERATING EXPENDITURES

Schedule 2

For the year ended June 30, 2014

	2014	2013
STAFF EXPENSES	\$ 269,583	\$ 189,363
MEETINGS		
AGM	9,625	7,990
Other meetings	12,054	8,022
ADMINISTRATION		
Amortization of tangible capital assets	6,204	1,876
Bad debt	-	5,057
Board expenses	1,106	1,033
Compliance officer expenses	4,709	1,570
Executive director expenses	3,138	7,016
Administration fees	8,249	5,282
Insurance	257	-
Rent	4,168	1,514
Postage and deliveries	6,690	6,345
Printing	1,789	-
Professional fees	44,568	5,992
Supplies and equipment	7,909	6,824
Telephone	7,631	7,254
Website	5,783	-
MEMBERSHIP		
Affiliations	1,317	1,125
Commissions	71,000	55,617
PROJECTS		
Banners	-	309
Championship programs	17,480	15,808
Coach recognition	-	276
Football books	3,049	2,657
Handbook	2,502	-
Medals	5,179	6,350
PUBLIC RELATIONS	12,386	882
Total Operating Expenditures, to Exhibit A	\$ 506,376	\$ 338,162

*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, 2014

	2014	2013
RECEIPTS		
Championships	\$ 75,500	\$ 75,500
Membership services	10,000	10,000
Recognition	1,500	1,500
Other	116,453	50,000
Interest	59	37
	<u>203,512</u>	<u>137,037</u>
EXPENDITURES		
ADMINISTRATIVE		
Bank service charge	45	-
CHAMPIONSHIPS		
Facilities/Officials/Equipment	23,408	25,011
Office rent	7,500	11,127
Insurance	53,310	45,710
Salaries and wages	20,000	-
COACH DEVELOPMENT		
Coaching expense	995	-
Rent	2,000	-
Salaries and wages	5,000	-
MEMBERSHIP SERVICES		
BCSS handbook	7,268	5,719
Computer maintenance and upgrades	7,500	2,042
Contract fee	8,000	5,500
Salaries and wages	20,000	19,817
Wall calendar	2,690	2,603
RECOGNITION		
Recognition expense	1,390	1,808
Rent	3,000	-
Salaries and wages	5,000	-
OTHER PROGRAMS		
Conference expense	-	200
Website upgrade	36,040	16,528
	<u>203,146</u>	<u>136,065</u>
EXCESS OF RECEIPTS OVER EXPENDITURES, to Exhibit A	\$ 366	\$ 972

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



BC SCHOOL SPORTS
INSURANCE RESERVE

Schedule 4

For the year ended June 30, 2014

	2014	2013
RECEIPTS	\$ -	\$ 4,850
INSURANCE DISBURSEMENTS	-	4,850
EXCESS OF RECEIPTS OVER EXPENDITURES, EXHIBIT A	\$ -	\$ -

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

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BC SCHOOL SPORTS
LEGAL RECEIPTS AND EXPENDITURES

Schedule 5

For the year ended June 30, 2014

	2014	2013
LEVY	\$ -	\$ 53,125
LEGAL FEE DISBURSEMENTS	10,248	6,832
EXCESS (DEFICIENCY) OF RECEIPTS OVER EXPENDITURES, EXHIBIT A	\$ (10,248)	\$ 46,293

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

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BC SCHOOL SPORTS
OPERATIONAL RESERVE

Schedule 6

For the year ended June 30, 2014

	2014	2013
RECEIPTS		
Donation	\$ -	\$ 500
EXPENSES		
Amortization of assets	5,358	624
Computer maintenance	5,420	-
Grant – Telus Care	500	-
	<u>11,278</u>	<u>624</u>
DEFICIENCY OF RECEIPTS OVER EXPENDITURES, EXHIBIT A	\$ (11,278)	\$ (124)

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

DW


BC SCHOOL SPORTS
SCHOLARSHIP RECEIPTS AND EXPENDITURES

Schedule 7

For the year ended June 30, 2014

	2014	2013
RECEIPTS		
Fine revenue	\$ 13,238	\$ -
Badminton scholarship	1,250	-
Rugby scholarship	500	750
	<u>14,988</u>	<u>750</u>
EXPENDITURES		
Badminton scholarship expense	188	-
Dave Gifford scholarship	1,400	-
Rugby scholarship	-	750
Subway scholarship	-	1,000
Zone award scholarship	3,000	-
	<u>4,588</u>	<u>1,750</u>
DEFICIENCY OF RECEIPTS OVER EXPENDITURES, EXHIBIT A	\$ 10,400	\$ (1,000)

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

DW


BC SCHOOL SPORTS
SPORT COMMISSIONS

Schedule 8

For the year ended June 30, 2014

	Cross Country	Mountain Biking	Track & Field	2014 Total	2013 Total
RECEIPTS					
Championship entry fees	\$ 15,870	\$ 1,140	\$ 47,531	\$ 64,541	\$ 50,764
Commission income	-	-	2,088	2,088	-
Grants and sponsorship	12,550	2,500	20,459	35,509	30,950
Sales	-	-	-	-	300
	<u>28,420</u>	<u>3,640</u>	<u>70,078</u>	<u>102,138</u>	<u>82,014</u>
EXPENDITURES					
Championship expenditures	27,128	3,150	56,343	86,621	49,304
Commission expenditures	-	1,138	7,435	8,573	6,281
Multi-event expenditures	-	-	-	-	2,649
	<u>27,128</u>	<u>4,288</u>	<u>63,778</u>	<u>95,194</u>	<u>58,234</u>
EXCESS OF RECEIPTS OVER EXPENDITURES, EXHIBIT A					
	\$ 1,292	\$ (648)	\$ 6,300	\$ 6,944	\$ 23,780

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