

BC SCHOOL SPORTS

Burnaby, BC

FINANCIAL STATEMENTS

JUNE 30, 2015


Eyl
DIO

BC SCHOOL SPORTS

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EVA Y. LEE INC.

Chartered Accountant

8600 Cambie Road, unit #255
Richmond, BC, V6X 7J9
Tel: (604) 278-2851 Fax: (604) 278-3877
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INDEPENDENT AUDITORS' REPORT

To the Members of BC SCHOOL SPORTS:

We have audited the accompanying financial statement of BC SCHOOL SPORTS which comprise the Statement of Financial Position as at June 30, 2015 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

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain 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 our opinion, the financial statements present fairly, in all material respects, the financial position of the organization as at June 30, 2015 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, we report that, in our opinion, these principles have been applied on a basis consistent with that of the preceding year.

Eva Y. Lee Inc.



Chartered Professional Accountants

RICHMOND, BC
September 25, 2015



DW EYL

BC SCHOOL SPORTS
STATEMENT OF OPERATIONS
For the year ended June 30, 2015

Exhibit A

	2015	2014 (Note 6)
OPERATING RECEIPTS (Schedule 1)	\$ 488,865	\$ 504,611
OPERATING EXPENDITURES (Schedule 2)	<u>527,577</u>	<u>506,376</u>
OPERATING RECEIPTS OVER EXPENDITURES, to Exhibit B	(38,712)	(1,765)
GAMING OPERATION, Schedule 3, to Exhibit B	(36,325)	366
LEGAL RESERVE, Schedule 4, to Exhibit B	(6,604)	(10,248)
OPERATIONAL RESERVE, Schedule 5, to Exhibit B	9	(11,278)
SCHOLARSHIP RESERVE, Schedule 6, to Exhibit B	10,627	10,400
SPORT COMMISSIONS (Notes 5 and 7)	-	6,944
DEFICIENCY OF RECEIPTS OVER EXPENDITURES, as previously reported	(71,005)	(5,581)
SPORT COMMISSIONS NET RECEIPTS (Notes 5 and 7)	-	(6,944)
DEFICIENCY OF RECEIPTS OVER EXPENDITURES as restated, to Exhibit B	\$ (71,005)	\$ (12,525)

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

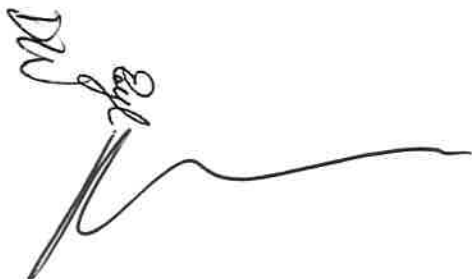
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BC SCHOOL SPORTS**Exhibit B****STATEMENT OF CHANGES IN NET ASSETS**

For the year ended June 30, 2015

	Unrestricted	Gaming	Reserves Total			2015	2014 (Note 6)
			Legal	Operational	Scholarship		
NET ASSETS							
Beginning of year	\$ 67,205	\$ 36,506	\$ 50,217	\$ 93,245	\$ 18,800	\$ 265,973	\$ 302,278
Excess (Deficiency) of Receipts over Expenditures, Exhibit A	(38,712)	(36,325)	(6,604)	9	10,627	(71,005)	(5,581)
Internal fund transfers (Note 8)	31,020	-	-	(31,020)	-	-	-
NET ASSETS, as previously reported	59,513	181	43,613	62,234	29,427	194,968	296,697
Prior period adjustments (Notes 5 and 7)							
2013 Sport Commissions Net Asset	-	-	-	-	-	-	(23,780)
2014 Sport Commissions Net Asset	-	-	-	-	-	-	(6,944)
NET ASSETS, to Exhibit C	\$ 59,513	\$ 181	\$ 43,613	\$ 62,234	\$ 29,427	\$ 194,968	\$ 265,973

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



BC SCHOOL SPORTS
STATEMENTS OF FINANCIAL POSITION
 June 30, 2015

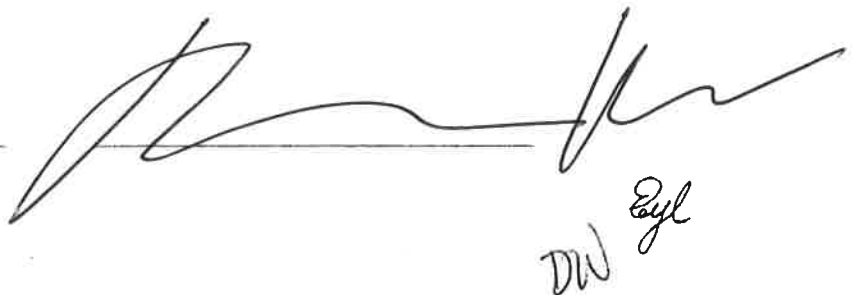
Exhibit C

	Unrestricted	Gaming	Reserve Funds	2015	2014 (Notes 5 and 6)
CURRENT ASSETS					
Cash and term deposits	\$ 90,030	\$ 200,015	\$ 61,829	\$ 351,874	\$ 426,771
Accounts receivable	9,616	-	73,445	83,061	8,955
Government receivable	1,087	166	-	1,253	3,284
Inventory	324	-	-	324	914
Prepaid expenses	6,050	-	-	6,050	6,050
	<u>107,107</u>	<u>200,181</u>	<u>135,274</u>	<u>442,562</u>	<u>445,974</u>
PLANT AND EQUIPMENT					
Computers (Note 2)	14,122	-	-	14,122	12,423
Furniture and equipment (Note 2)	25,856	-	-	25,856	19,603
Leasehold improvement (Note 2)	55,654	-	-	55,654	55,653
	<u>95,632</u>	<u>-</u>	<u>-</u>	<u>95,632</u>	<u>87,679</u>
Accumulated amortization	28,347	-	-	28,347	14,323
	<u>67,285</u>	<u>-</u>	<u>-</u>	<u>67,285</u>	<u>73,356</u>
	<u>\$ 174,392</u>	<u>\$ 200,181</u>	<u>\$ 135,274</u>	<u>\$ 509,847</u>	<u>\$ 519,330</u>
CURRENT LIABILITIES					
Accounts payable	\$ 82,798	\$ -	\$ -	\$ 82,798	\$ 22,109
Deferred contributions (Note 2)	4,305	200,000	-	204,305	200,000
	<u>87,103</u>	<u>200,000</u>	<u>-</u>	<u>287,103</u>	<u>222,109</u>
Deferred credit (Note 4)	27,776	-	-	27,776	31,248
	<u>114,879</u>	<u>200,000</u>	<u>-</u>	<u>314,879</u>	<u>253,357</u>
NET ASSETS					
Net assets (Exhibit B)	59,513	181	135,274	194,968	265,973
	<u>\$ 174,392</u>	<u>\$ 200,181</u>	<u>\$ 135,274</u>	<u>\$ 509,847</u>	<u>\$ 519,330</u>

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

Board Approval:




 DW Eyl

BC SCHOOL SPORTS
STATEMENT OF CASH FLOWS
For the year ended June 30, 2015

Exhibit D

	2015	2014 (Note 6)
Cash flows from operating activities		
Membership, fundraising and grant receipts	\$ 658,826	\$ 724,905
Interest received	282	249
Membership and administrative expenses	(726,052)	(583,971)
	<u>(66,944)</u>	<u>141,183</u>
Cash flows from investment activities		
Short term and long term investments	<u>(7,953)</u>	<u>(82,646)</u>
Change in cash and cash equivalents	(74,897)	58,537
Cash and cash equivalents at beginning of year	426,771	368,234
Cash and cash equivalents, end of year	\$ 351,874	\$ 426,771
Represented by:		
Unrestricted cash	\$ 90,030	\$ 49,329
Gaming and reserve funds	261,844	377,442
Cash and cash equivalents, end of year	\$ 351,874	\$ 426,771

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BC SCHOOL SPORTS

Exhibit E

NOTES

For the year ended June 30, 2015

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 Operational Reserve is internally restricted for capital asset replacements and summer operation when cash flow is low.

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

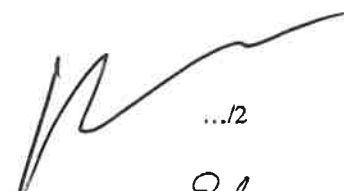
Cash equivalents

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

Plant and Equipment

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

Computer hardware	- 3 year straight line
Computer software	- 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, 2015

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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 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 2016 programs for which it has been approved.

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. Restricted contributions are recognized as revenue for the purpose intended and when is appropriately applied.

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 44,800 hours per year to assist the Society in carrying out its administrative activities. The Society also received about \$8,680 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.

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BC SCHOOL SPORTS

Exhibit E

NOTES

For the year ended June 30, 2015

Note 3 COMMITMENTS

Operating leases

The Society has entered into an agreement for office space with a 10 years term that will expire on September 15, 2023, and leases for a postage machine, a photocopier and a phone system ending February 29, 2016, November 15, 2015 and June 30, 2017 respectively. The Society is also committed to a computer service contract which will end on March 31, 2017.

The minimum future payments are as follows:

2016	\$ 39,098
2017	37,272
2018	34,710
2019	36,085
2020	36,085
	\$ 183,250

Note 4 DEFERRED CREDITS

The Society has relocated to new premises in prior year and received an 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.

Note 5 PRIOR PERIOD ADJUSTMENT

The previous years' financial statements included the accounts of the Sport Commissions. These accounts have been restated in the current year's statements.

The following changes have been made:

	Balances previously Reported	Restatements	Restated Balances
Current Assets			
Cash and term deposits	441,743	(14,972)	426,771
Accounts receivable	32,858	(20,619)	12,239
Current Liabilities			
Accounts payable	26,976	(4,867)	22,109


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BC SCHOOL SPORTS

Exhibit E

NOTES

For the year ended June 30, 2015

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Note 6 COMPARATIVE FIGURES

The operational expenditures are presented by the programs carried out by the Society. The prior year comparative figures have been reclassified to conform to the basis of presentation adopted for the current year.

Note 7 FUNDS HELD IN-TRUST FOR SPORT COMMISSIONS

The Society maintains the books and manages the funds for six sports commissions. The funds are held in separate accounts designated to each of the Sport Commissions.

As at June 30, 2015, funds were in trust for the following commissions:

	2015	2014
Badminton	\$ 17,175	\$ -
Cross Country	7,989	11,223
Girls Volleyball	9,617	-
Mountain Bike	3,455	2,501
Rugby	73,237	-
Track & Field	32,529	17,001
	<u>\$ 144,002</u>	<u>\$ 30,725</u>

Note 8 INTERNAL FUND TRANSFERS

During the year, \$20,290 was transferred from Operational Reserve fund to the general fund to cover furniture and equipment purchased for the new office, and \$10,330 for moving costs incurred.


DW Egl

BC SCHOOL SPORTS

Schedule 1

OPERATING RECEIPTS

For the year ended June 30, 2015

	2015	2014 (Note 6)
Administrative fee and other income	\$ 4,226	\$ 187
Advertising	20,675	20,200
Donations, fundraising and sponsorship	31,175	55,380
Grants	10,764	1,256
Members' fees		
Membership fees	383,244	389,596
Appeals and eligibility fees	13,750	12,350
Fines	13,613	13,238
Merchandise	11,286	12,214
Interest	132	190
Total Operating Receipts, to Exhibit A	\$ 488,865	\$ 504,611

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



DW Eyl

BC SCHOOL SPORTS
OPERATING EXPENDITURES

Schedule 2

For the year ended June 30, 2015

	2015	2014 (Note 6)
CHAMPIONSHIPS		
Administration	\$ 19,000	\$ 8,838
Commission grant	67,000	71,000
Banners	15,684	17,480
Medals	6,108	5,179
Medical	10,564	-
Other	-	257
Rent	8,500	1,000
Salaries and benefits	100,000	115,400
Webcasting grants	3,919	-
COACH DEVELOPMENT		
Administration	5,884	650
Coaching expense	2,174	-
Rent	2,382	1,000
Salaries and benefits	26,307	5,000
MEMBERSHIP SERVICES		
Administration	42,593	68,130
Fundraising	27	3,739
Meeting	29,375	23,945
Merchandise	3,521	3,049
Public relation	7,500	11,939
Rent	8,500	8,668
Salaries and benefits	133,665	130,675
RECOGNITION		
Administration	5,884	650
Awards	301	275
Recognition expense	-	502
Rent	2,382	1,000
Salaries and benefits	26,307	28,000
Total Operating Expenditures, to Exhibit A	\$ 527,577	\$ 506,376

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

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BC SCHOOL SPORTS

Schedule 3

GAMING OPERATION

For the year ended June 30, 2015

	2015	2014 (Note 6)
RECEIPTS		
Championships	\$ 137,000	\$ 75,500
Coaching	8,000	-
Membership services	40,000	10,000
Recognition	15,000	1,500
Other	-	116,453
Interest income	92	59
	<u>200,092</u>	<u>203,512</u>
EXPENDITURES		
ADMINISTRATIVE		
Bank service charge	45	45
CHAMPIONSHIPS		
Facilities/Officials/Equipment	76,631	23,408
Office rent	4,000	7,500
Insurance	53,129	53,310
Salaries and wages	20,000	20,000
COACH DEVELOPMENT		
Coaching expense	1,644	995
Rent	1,500	2,000
Salaries and wages	10,000	5,000
MEMBERSHIP SERVICES		
BCSS handbook	6,718	7,268
Computer maintenance and upgrades	3,089	7,500
Contract fee	10,000	8,000
Rent	1,000	-
Salaries and wages	24,932	20,000
Wall calendar	1,719	2,690
Other	893	-
RECOGNITION		
Recognition expense	280	1,390
Rent	1,500	3,000
Salaries and wages	14,000	5,000
OTHER PROGRAMS		
Website maintenance	5,337	36,040
	<u>236,417</u>	<u>203,146</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER EXPENDITURES, to Exhibit A	\$ (36,325)	\$ 366

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

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BC SCHOOL SPORTS
LEGAL RESERVE

Schedule 4

For the year ended June 30, 2015

	2015	2014 (Note 6)
LEVY	\$ -	\$ -
LEGAL FEE DISBURSEMENTS	6,604	10,248
DEFICIENCY OF RECEIPTS OVER EXPENDITURES, EXHIBIT A	\$ (6,604)	\$ (10,248)

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



DW Egl

BC SCHOOL SPORTS
OPERATIONAL RESERVE

Schedule 5

For the year ended June 30, 2015

	2015	2014 (Note 6)
RECEIPTS		
Donation	\$ 20,609	\$ -
EXPENSES		
Administrative expenditure	100	-
Amortization of assets	-	5,358
Computer maintenance	-	5,420
Grants	20,500	500
	<u>20,600</u>	<u>11,278</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER EXPENDITURES, EXHIBIT A	\$ 9	\$ (11,278)

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



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BC SCHOOL SPORTS
SCHOLARSHIP RESERVE

Schedule 6

For the year ended June 30, 2015

	2015	2014 (Note 6)
RECEIPTS		
Fines	\$ 13,613	\$ 13,238
BCSS - Badminton scholarship	6,664	1,250
BCSSRU - Derek Hyde Lay scholarship	750	500
	<u>21,027</u>	<u>14,988</u>
SCHOLARSHIPS PAID		
BCSS - Badminton scholarship	-	188
BCSS - Dave Gifford Scholarship	1,400	1,400
BCSS - Zone award scholarship	7,500	3,000
Rugby Scholarship	1,500	-
	<u>10,400</u>	<u>4,588</u>
EXCESS OF RECEIPTS OVER EXPENDITURES, EXHIBIT A	\$ 10,627	\$ 10,400

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



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