

BC SCHOOL SPORTS

Burnaby, BC

FINANCIAL STATEMENTS

JUNE 30, 2017

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BC SCHOOL SPORTS

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INDEPENDENT AUDITORS' REPORT

To the Members of BC SCHOOL SPORTS:

We have audited the accompanying financial statements of BC SCHOOL SPORTS which comprise the Statement of Financial Position as at June 30, 2017 and the Statements of Operations, 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.

Auditors' 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, 2017 and the results of its operations for the year then ended in accordance with generally accepted accounting principles. As required by the Societies 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
October 31, 2017



BC SCHOOL SPORTS
STATEMENT OF OPERATIONS
For the year ended June 30, 2017

Exhibit A

	2017	2016
OPERATING RECEIPTS (Schedule 1)	\$ 510,460	\$ 501,780
OPERATING EXPENDITURES (Schedule 2)	438,281	496,816
OPERATING RECEIPTS, to Exhibit B	72,179	4,964
GAMING OPERATION, Schedule 3, to Exhibit B	447	(25)
LEGAL RESERVE, Schedule 4, to Exhibit B	(18,757)	8,937
OPERATIONAL RESERVE, Schedule 5, to Exhibit B	14	11
SCHOLARSHIP RESERVE, Schedule 6, to Exhibit B	30,738	15,438
EXCESS OF RECEIPTS OVER EXPENDITURES, to Exhibit B	\$ 84,621	\$ 29,325

*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, 2017

	Unrestricted	Gaming	Reserves			2017	2016
			Legal	Operational	Scholarship		
NET ASSETS							
Beginning of year	\$ 64,477	\$ 156	\$ 52,550	\$ 62,245	\$ 44,865	\$ 224,293	\$ 194,968
Excess (Deficiency) of Receipts over Expenditures, Exhibit A	72,179	447	(18,757)	14	30,738	84,621	29,325
Internal fund transfer (Note 6)	(30,000)	-	-	30,000	-	-	-
NET ASSETS, to Exhibit C	\$ 106,656	\$ 603	\$ 33,793	\$ 92,259	\$ 75,603	\$ 308,914	\$ 224,293

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

BC SCHOOL SPORTS
STATEMENTS OF FINANCIAL POSITION
 June 30, 2017

Exhibit C

	Unrestricted	Gaming	Reserve Funds	2017	2016
CURRENT ASSETS					
Cash and term deposits (Note 2)	\$ 129,547	\$ 200,163	\$ 131,917	\$ 461,627	\$ 370,623
Accounts receivable (Note 2)	15,548	-	69,738	85,286	73,567
Government remittance	2,125	440	-	2,565	3,177
Inventory (Note 2)	1,205	-	-	1,205	675
Prepaid expenses	7,925	-	-	7,925	6,050
	<u>156,350</u>	<u>200,603</u>	<u>201,655</u>	<u>558,608</u>	<u>454,092</u>
PLANT AND EQUIPMENT					
Computers (Note 2)	12,884	-	-	12,884	16,597
Furniture and equipment (Note 2)	26,919	-	-	26,919	26,919
Leasehold improvement (Note 2)	55,564	-	-	55,654	55,654
	<u>95,457</u>	<u>-</u>	<u>-</u>	<u>95,457</u>	<u>99,170</u>
Accumulated amortization	43,829	-	-	43,829	42,921
	<u>51,628</u>	<u>-</u>	<u>-</u>	<u>51,628</u>	<u>56,249</u>
	<u>\$ 207,978</u>	<u>\$ 200,603</u>	<u>\$ 201,655</u>	<u>\$ 610,236</u>	<u>\$ 510,341</u>
CURRENT LIABILITIES					
Payables and accrual (Note 2)	\$ 80,490	\$ -	\$ -	\$ 80,490	\$ 61,744
Deferred contribution (Note 2)	-	200,000	-	200,000	200,000
	<u>80,490</u>	<u>200,000</u>	<u>-</u>	<u>280,490</u>	<u>261,744</u>
Deferred credit (Note 4)	20,832	-	-	20,832	24,304
	<u>101,322</u>	<u>200,000</u>	<u>-</u>	<u>301,322</u>	<u>286,048</u>
NET ASSETS					
Net assets (Exhibit B)	106,656	603	201,655	308,914	224,293
	<u>\$ 207,978</u>	<u>\$ 200,603</u>	<u>\$ 201,655</u>	<u>\$ 610,236</u>	<u>\$ 510,341</u>

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

Board Approval:







BC SCHOOL SPORTS
STATEMENT OF CASH FLOWS
For the year ended June 30, 2017

Exhibit D

	2017	2016
Cash flows from operating activities		
Membership, fundraising and grant receipts	\$ 746,391	\$ 754,279
Interest received	50	64
Membership and administrative expenses	(647,352)	(732,486)
	<u>99,089</u>	<u>22,287</u>
Cash flows from acquisition of equipment	<u>(8,084)</u>	<u>(3,538)</u>
Change in cash and cash equivalents	91,004	18,749
Cash and cash equivalents at beginning of year	370,623	351,874
Cash and cash equivalents, end of year	<u>\$ 461,627</u>	<u>\$ 370,623</u>
Represented by:		
Unrestricted cash	\$ 129,547	\$ 47,562
Gaming and reserve funds	332,080	323,061
Cash and cash equivalents, end of year	<u>\$ 461,627</u>	<u>\$ 370,623</u>

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NOTES

For the year ended June 30, 2017

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, special projects, and summer operation when cash flow is low.

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

Cash equivalents

Cash equivalents 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 years straight line
Computer software	- 55 percent declining balance
Furniture and equipment	- 20 percent declining balance
Leasehold improvement	- 10 years straight line

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NOTES

For the year ended June 30, 2017

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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 2017/2018 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 118,360 hours per year to assist the Society in carrying out its administrative activities. The Society also received about \$22,600 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.

BC SCHOOL SPORTS

Exhibit E

NOTES

For the year ended June 30, 2017

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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 lease for a postage machine ending February 29, 2019.

The minimum future payments are as follows:

2018	\$ 34,883
2019	36,200
2020	36,085
2021	36,085
2022	36,085
	<hr/>
	\$ 179,338

Note 4 DEFERRED CREDITS

The Society received an improvement allowance from the landlord for \$34,720, which is being applied over the term of the lease from September 2013 to September 2023.

Note 5 FUNDS HELD IN-TRUST FOR SPORT COMMISSIONS

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

As at June 30, 2017, funds were in trust for the following commissions:

	2017	2016
Aquatic	\$ 7,270	\$ -
Badminton	19,704	19,600
Cross Country	13,935	7,636
Field Hockey	6,322	-
Girls Volleyball	14,502	13,251
Mountain Bike	8,985	4,743
Rugby	63,951	65,498
Tennis	17,431	-
Track & Field	29,104	29,105
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	\$ 181,204	\$ 139,833

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BC SCHOOL SPORTS

Exhibit E

NOTES

For the year ended June 30, 2017

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Note 6 INTERNAL FUND TRANSFER

During the year, \$30,000 was transferred from General Fund to Operational Reserve Fund to assist with summer operation when cash flow is low, and special projects.

Note 7 REMUNERATION OF DIRECTOR

The Executive Director whom is an employee of the Society received a remuneration of \$89,013 which includes wages, employer paid benefits and RRSP contributions. The Society does not remunerate directors who are not employees of the Society.

Note 8 COMPARATIVE FIGURES

Comparative figures have been reclassified to conform with the financial statement presentation adopted for the current year.



BC SCHOOL SPORTS

Schedule 1

OPERATING RECEIPTS

For the year ended June 30, 2017

	2017	2016
Administrative fee and other income	\$ 8,911	\$ 6,918
Advertising	19,800	23,000
Donations, and sponsorship	14,632	37,824
Grants	16,022	9,792
Members' fees		
Membership fees	387,298	382,314
Appeals and eligibility fees	15,050	14,900
Fines	39,738	19,675
Merchandise	8,989	7,330
Interest	20	27
Total Operating Receipts, to Exhibit A	\$ 510,460	\$ 501,780

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



BC SCHOOL SPORTS
OPERATING EXPENDITURES

Schedule 2

For the year ended June 30, 2017

	2017	2016 (Note 8)
CHAMPIONSHIPS		
Administration	\$ 13,830	\$ 20,289
Commission grants	53,000	67,000
Banners	18,250	16,614
Medals	5,431	5,655
Medical grants	2,628	1,750
Rent	13,328	13,299
Salaries and benefits	104,556	100,103
Webcasting grants	4,648	2,542
COACH DEVELOPMENT		
Administration	3,458	5,058
Coaching expense	212	2,491
Rent	3,295	3,325
Salaries and benefits	12,740	24,526
MEMBERSHIP SERVICES		
Administration	26,864	41,545
Contract fees	11,585	13,385
Meetings	18,281	21,206
Merchandise	6,121	3,025
Public relations	3,195	6,903
Rent	13,328	13,299
Salaries and benefits	106,385	100,604
RECOGNITION		
Administration	3,457	5,058
Awards	394	1,288
Rent	3,295	3,325
Salaries and benefits	10,000	24,526
Total Operating Expenditures, to Exhibit A	\$ 438,281	\$ 496,816

*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, 2017

	2017	2016
RECEIPTS		
Championships	\$ 137,000	\$ 137,000
Coaching	8,000	8,000
Membership services	40,000	40,000
Recognition	15,000	15,000
Interest income	16	25
	<u>200,016</u>	<u>200,025</u>
EXPENDITURES		
CHAMPIONSHIPS		
Facilities/Officials/Equipment	55,212	78,803
Insurance	52,544	45,703
Overhead	3,800	-
Salaries and wages	25,444	19,600
COACH DEVELOPMENT		
Coaching expense	740	4,200
Salaries and wages	7,260	2,000
MEMBERSHIP SERVICES		
BCSS handbook	7,764	7,539
Computer maintenance and upgrades	6,262	19,988
Contract fee	5,000	-
Overhead	5,530	-
Salaries and wages	13,026	2,000
Wall calendar	1,987	1,717
RECOGNITION		
Recognition expense	230	-
Overhead	4,500	-
Salaries and wages	10,270	8,500
	<u>199,569</u>	<u>200,050</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER EXPENDITURES, to Exhibit A	\$ 447	\$ (25)

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



BC SCHOOL SPORTS

Schedule 4

LEGAL RESERVE

For the year ended June 30, 2017

	2017	2016
LEVY	\$ -	\$ 16,650
LEGAL FEE DISBURSEMENTS	18,757	7,713
EXCESS (DEFICIENCY) OF RECEIPTS OVER EXPENDITURES, EXHIBIT A	\$ (18,757)	\$ 8,937

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

BC SCHOOL SPORTS

Schedule 5

OPERATIONAL RESERVE

For the year ended June 30, 2017

	2017	2016
RECEIPTS		
Donation	\$ 500	\$ -
Interest	14	11
	<u>514</u>	<u>11</u>
EXPENSE		
Grant	500	-
	<u>500</u>	<u>-</u>
EXCESS OF RECEIPTS OVER EXPENDITURES, EXHIBIT A	\$ 14	\$ 11

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

BC SCHOOL SPORTS
SCHOLARSHIP RESERVE

Schedule 6

For the year ended June 30, 2017

	2017	2016
RECEIPTS		
Fines	\$ 39,738	\$ 19,675
BCSS – Badminton scholarship	7,500	7,338
BCSS – Volleyball scholarship	1,000	575
BCSSRU – Derek Hyde Lay scholarship	725	1,500
	<u>48,963</u>	<u>29,088</u>
EXPENSES		
Administration	2,225	1,500
BCSS – Badminton scholarship	6,000	1,000
BCSS – Dave Gifford scholarship	1,000	2,400
BCSS – Zone award scholarship	7,000	6,000
BCSS – Soccer scholarship	-	2,000
BCSS – Volleyball scholarship	500	-
BCSSRU – Derek Hyde Lay scholarship	1,500	750
	<u>18,225</u>	<u>13,650</u>
EXCESS OF RECEIPTS OVER EXPENDITURES, EXHIBIT A	\$ 30,738	\$ 15,438

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