

BC School Sports
2003A - 3713 Kensington Avenue
Burnaby, BC
V5B 0A7

Friday, October 25, 2023

To: Integer Consulting Corp
8600 Cambie Road
Unit 255
Richmond, British Columbia
V6X 4J9

Dear Sir/Madame:

This representation letter is provided in connection with your audit of the financial statements of BC School Sports for the period ended June 30, 2023 and 2022 when reporting on all periods presented, for the purpose of expressing an opinion as to whether the financial statements are presented fairly, in all material respects, in accordance with ASPE.

In making the representations outlined below, we took the time necessary to appropriately inform ourselves on the subject matter through inquiries of entity personnel with relevant knowledge and experience, and, where appropriate, by inspecting supporting documentation.

We confirm that (to the best of our knowledge and belief):

1. Financial Statements

We have fulfilled our responsibilities as set out in the terms of the audit engagement dated Friday, July 24, 2023 for:

- a. Preparing and fairly presenting the financial statements in accordance with Canadian Standards for Not-For-Profit Organizations;
- b. Providing you with:
 - i. Access to all information of which we are aware that is relevant to the preparation of the financial statements, such as:
 - A. Accounting records, supporting data and other relevant documentation,
 - B. Minutes of meetings (such as shareholders, board of directors and audit committees) or summaries of actions taken for which minutes have not yet been prepared, and
 - C. Information on any other matters, of which we are aware, that is relevant to the preparation of the financial statements;
 - ii. Additional information that you have requested from us for the purpose of the audit; and
 - iii. Unrestricted access to persons within the entity from whom you determine it necessary to obtain audit evidence.

- c. Ensuring that all transactions have been recorded in the accounting records and are reflected in the financial statements; and
- d. Designing and implementing such internal control as we determined is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. We have also communicated to you any deficiencies in the design and implementation or the maintenance of internal control over financial reporting of which management is aware.

2. Fraud and Non-Compliance

We have disclosed to you:

- a. All of our knowledge in relation to actual, alleged or suspected fraud affecting the entity's financial statements involving:
 - i. Management;
 - ii. Employees who have significant roles in internal control; or
 - iii. Others where the fraud could have a material effect on the financial statements;
- b. All of our knowledge in relation to allegations of fraud or suspected fraud communicated by employees, former employees, analysts, regulators or others;
- c. All known instances of non-compliance or suspected non-compliance with laws and regulations, including all aspects of contractual agreements that should be considered when preparing the financial statements;
- d. All known, actual, or possible litigation and claims that should be considered when preparing the financial statements; and
- e. The results of our risk assessments regarding possible fraud or error in the financial statements.

3. Related Parties

We confirm that there were no related-party relationships or transactions that occurred during the period.

4. Estimates

We acknowledge our responsibility for determining the accounting estimates required for the preparation of the financial statements in accordance with Canadian Standards for Not-For-Profit Organizations. Those estimates reflect our judgment based on our knowledge and experience of past and current events, and on our assumptions about conditions we expect to exist and courses of action we expect to take. We confirm that the significant assumptions and measurement methods used by us in making accounting estimates, including those measured at fair value, are reasonable.

5. Subsequent Events

All events subsequent to the date of the financial statements and for which Canadian Standards for Not-For-Profit Organizations requires adjustment or disclosure have been adjusted or disclosed.

6. Commitments and Contingencies

There are no commitments, contingent liabilities/assets or guarantees (written or oral) that should be disclosed in the financial statements. This includes liabilities arising from contract terms, illegal acts or possible illegal acts, and environmental matters that would have an impact on the financial statements.

7. Adjustments

We have reviewed, approved and recorded all of your proposed adjustments to our accounting records. This includes journal entries, changes to account coding, classification of certain transactions and preparation of, or changes to, certain accounting records.

8. Misstatements

The effects of uncorrected misstatements are immaterial, individually and in aggregate, to the financial statements as a whole. A list of the uncorrected misstatements, including the reasons why they were not corrected, is attached to this letter.

9. Other Representations


Accounting Policies

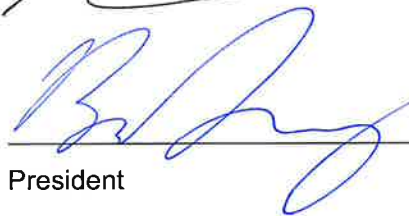
All significant accounting policies are disclosed in the financial statements and are consistent with those used in the previous period.

Future Plans

We have no plans or intentions that may materially affect the carrying value or classification of assets and liabilities reflected in the financial statements.

Yours truly,


Date: January 26th, 2024
Executive Director


Date: Feb. 12/24
President

BC SCHOOL SPORTS

Burnaby, BC

FINANCIAL STATEMENTS

JUNE 30, 2023

BC SCHOOL SPORTS

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INTEGER CONSULTING CORP.

Chartered Professional Accountant

#255-8600 Cambie Road, Richmond, BC, V6X 4J9

Tel: (604) 278-2851, email: evalee@evaylee.com

INDEPENDENT AUDITOR'S REPORT

To the Members of BC SCHOOL SPORTS:

Opinion

I have audited the accompanying financial statements of BC SCHOOL SPORTS which comprise the Statement of Financial Position as at June 30, 2023 and the Statements of Operations, Changes in Net Assets, and Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of BC School Sports as at June 30, 2023, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of BC School Sports in accordance with the ethical requirements that are relevant to my audit of the financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

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.

In preparing the financial statements, management is responsible for assessing BC School Sports' ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate BC School Sports or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



INDEPENDENT AUDITOR'S REPORT

(Continued)

As part of an audit in accordance with Canadian generally accepted auditing standards, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Obtain an understanding of internal control relevant to the audit 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 BC School Sports' internal control.

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on BC School Sports' ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause BC School Sports to cease to continue as a going concern.

Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Integer Consulting Corp.

INTEGER CONSULTING CORP.
Chartered Professional Accountant
255-8600 Cambie Road
RICHMOND, BC, V6X 4J9

October 25, 2023

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BC SCHOOL SPORTS
STATEMENT OF OPERATIONS
For the year ended June 30, 2023

Exhibit A

| | General | Capital Asset | Gaming | Other Funds | Total | |
|-------------------------------------|------------------|---------------|----------------|---------------|------------------|------------------|
| | | | | | 2023 | 2022 |
| REVENUES | | | | | | |
| Fees and fines | \$ 830,417 | \$ - | \$ - | \$ - | \$ 830,417 | \$ 754,916 |
| Championships | 967,556 | - | - | - | 967,556 | 754,717 |
| Government grants | 13,366 | - | 233,000 | - | 246,366 | 462,315 |
| Donations and sponsorships | 329,879 | - | - | - | 329,879 | 195,812 |
| Advertising and administrative | 9,911 | - | - | - | 9,911 | 9,153 |
| Interest | 120 | - | - | 29 | 149 | 109 |
| | <u>2,151,249</u> | <u>-</u> | <u>233,000</u> | <u>29</u> | <u>2,384,278</u> | <u>2,177,022</u> |
| EXPENSES | | | | | | |
| Championships | | | | | | |
| Administration | 264,047 | - | - | - | 264,047 | 217,736 |
| Banquet, awards and marketing | 282,870 | - | 24,993 | - | 307,863 | 221,962 |
| Event expenses | 434,326 | - | 35,874 | - | 470,200 | 295,112 |
| Insurance | 73,528 | - | 6,739 | - | 80,267 | 70,100 |
| Rent | 32,348 | - | 106,567 | - | 138,915 | 212,095 |
| Remuneration | 423,197 | - | - | - | 423,197 | 139,466 |
| Membership services | | | | | | |
| Administration | 87,829 | - | - | - | 87,829 | 94,861 |
| Meetings | 134,195 | - | - | - | 134,195 | 107,587 |
| Merchandise | 2,928 | - | - | - | 2,928 | 8 |
| Public relations | 5,161 | - | 35,475 | - | 40,636 | 13,450 |
| Rent | 8,087 | - | - | - | 8,087 | 17,591 |
| Remuneration | 196,952 | - | 14,624 | - | 211,576 | 223,189 |
| Scholarships | - | - | - | 27,250 | 27,250 | 43,375 |
| Recognitions | 10,431 | - | 8,728 | - | 19,159 | - |
| | <u>1,955,899</u> | <u>-</u> | <u>233,000</u> | <u>27,250</u> | <u>2,216,149</u> | <u>1,656,532</u> |
| Net revenue before amortization | 195,350 | - | - | (27,221) | 168,129 | 520,490 |
| Amortization of equipment | - | (8,454) | - | - | (8,454) | (8,671) |
| Excess (deficiency) of | | | | | | |
| revenue over expenses, to Exhibit B | \$ 195,350 | \$ (8,454) | \$ - | \$ (27,221) | \$ 159,675 | \$ 511,819 |

*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, 2023

| | General | Capital Asset | Gaming | Other Funds (Schedule 1) | Total | |
|---|-------------------|--------------------------|---------------|---|---------------------|--------------------|
| | | | | | 2023 | 2022 |
| NET ASSETS | | | | | | |
| Beginning of year | \$ 827,697 | \$ 11,920 | \$ - | \$ 235,837 | \$ 1,075,454 | \$ 563,635 |
| Excess (Deficiency) of Receipts over Expenditures, Exhibit A | 195,350 | (8,454) | - | (27,221) | 159,675 | 875,697 |
| Internal fund transfer (Note 6) | (50,000) | - | - | 50,000 | - | - |
| NET ASSETS, to Exhibit C | \$ 973,047 | \$ 3,466 | \$ - | \$ 258,616 | \$ 1,235,129 | \$1,439,332 |

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



BC SCHOOL SPORTS
STATEMENTS OF FINANCIAL POSITION
 June 30, 2023

Exhibit C

| | General | Capital Asset | Gaming | Other Funds | 2023 | 2022 |
|------------------------------------|---------------------|-----------------|-------------------|-------------------|---------------------|---------------------|
| CURRENT ASSETS | | | | | | |
| Cash and term deposits | \$ 909,066 | \$ - | \$ 233,047 | \$ 521,464 | \$ 1,663,577 | \$ 1,322,228 |
| Accounts receivable | 176,396 | - | - | - | 176,396 | 137,326 |
| Government remittance | - | - | - | - | - | 7,272 |
| Interfund receivable (payable) | (26,747) | - | - | 26,747 | - | - |
| Inventory | 541 | - | - | - | 541 | 541 |
| Prepaid expenses | 6,050 | - | - | - | 6,050 | 13,550 |
| | <u>1,065,306</u> | <u>-</u> | <u>233,047</u> | <u>548,211</u> | <u>1,846,564</u> | <u>1,480,917</u> |
| PLANT AND EQUIPMENT | | | | | | |
| Computers | - | - | - | - | - | 6,068 |
| Furniture and equipment | - | 27,773 | - | - | 27,773 | 27,773 |
| Leasehold improvement | - | - | - | - | - | 55,654 |
| | <u>-</u> | <u>27,773</u> | <u>-</u> | <u>-</u> | <u>27,773</u> | <u>89,495</u> |
| Accumulated amortization | - | 24,307 | - | - | 24,307 | 77,575 |
| | <u>-</u> | <u>3,466</u> | <u>-</u> | <u>-</u> | <u>3,466</u> | <u>11,920</u> |
| Long term deposit | 50,000 | - | - | - | 50,000 | - |
| | <u>\$ 1,115,306</u> | <u>\$ 3,466</u> | <u>\$ 233,047</u> | <u>\$ 548,211</u> | <u>\$ 1,900,030</u> | <u>\$ 1,492,837</u> |
| CURRENT LIABILITIES | | | | | | |
| Payables and accrual | \$ 142,235 | \$ - | \$ - | \$ 49,500 | \$ 191,735 | \$ 128,890 |
| Deferred receipts | 24 | - | - | - | 24 | 285,021 |
| Deferred credit | - | - | 233,047 | 240,095 | 473,142 | 3,472 |
| | <u>142,259</u> | <u>-</u> | <u>233,047</u> | <u>289,595</u> | <u>664,901</u> | <u>417,383</u> |
| NET ASSETS (Exhibit B) | | | | | | |
| Unrestricted | 973,047 | - | - | - | 973,047 | 827,697 |
| Internally restricted (Schedule 1) | - | - | - | 258,616 | 258,616 | 235,837 |
| Invested in capital assets | - | 3,466 | - | - | 3,466 | 11,920 |
| | <u>973,047</u> | <u>3,466</u> | <u>-</u> | <u>258,616</u> | <u>1,235,129</u> | <u>1,075,454</u> |
| | <u>\$ 1,115,306</u> | <u>\$ 3,466</u> | <u>\$ 233,047</u> | <u>\$ 548,211</u> | <u>\$ 1,900,030</u> | <u>\$ 1,492,837</u> |

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

Board Approval:





BC SCHOOL SPORTS

Exhibit D

STATEMENT OF CASH FLOWS

For the year ended June 30, 2023

| | 2023 | 2022 |
|--|---------------------|---------------------|
| Cash flows generated from operating activities | | |
| Membership, fundraising and grant receipts | \$ 2,518,857 | \$ 2,152,092 |
| Interest received | - | 109 |
| Membership and administrative expenses | (2,127,508) | (1,566,631) |
| | <u>391,349</u> | <u>585,570</u> |
| Cash applied to investing activities | | |
| Long term deposit | (50,000) | - |
| Cash flows generated from financing activities | | |
| Government loan | - | (30,000) |
| Change in cash and cash equivalents | 341,349 | 555,570 |
| Cash and cash equivalents at beginning of year | 1,322,228 | 766,658 |
| Cash and cash equivalents, end of year | <u>\$ 1,663,577</u> | <u>\$ 1,322,228</u> |
| Represented by: | | |
| Unrestricted cash | \$ 909,066 | \$ 767,870 |
| Gaming and reserve funds | 754,511 | 554,358 |
| Cash and cash equivalents, end of year | <u>\$ 1,663,577</u> | <u>\$ 1,322,228</u> |

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BC SCHOOL SPORTS

NOTES

Exhibit E

For the year ended June 30, 2023

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

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations.

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 Capital Asset Fund reports the unamortized costs of capital assets.

The Legal Reserve accounts for levies internally 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 |
| Furniture and equipment | - 20 percent declining balance |
| Leasehold improvement | - 10 years straight line |

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NOTES

For the year ended June 30, 2023

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.

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 approximately 199,800 hours annually to assist the Society in carrying out its activities. The Society also received about \$21,250 of contributed goods during the year.

Contributed services are not recognized in the financial statements because of the difficulty in determining the fair value.

Note 3 COMMITMENT

The Society has entered into an agreement for office space that will expire on September 15, 2025. The minimum payments in the remaining term of the lease are as follows:

| | |
|------|-----------|
| 2024 | \$ 39,135 |
| 2025 | 42,219 |
| 2026 | 7,036 |

BC SCHOOL SPORTS

NOTES

Exhibit E

For the year ended June 30, 2023

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Note 4 Government Assistances

In 2022, the Society received wage and rent subsidies of \$36,612 and \$8,631 respectively. These subsidies are presented as reductions in the specific expense category, subsidies in the same categories have not been received in the current year.

Note 5 INTERNAL FUND TRANSFERS

The board of directors resolved to restrict the following reserves -

| | 2023 | 2022 |
|------------------|------------------|------------------|
| Legal | \$ - | \$ 4,849 |
| Operation | - | 17,663 |
| Special projects | 50,000 | 34,602 |
| | <u>\$ 50,000</u> | <u>\$ 57,114</u> |

Internally restricted amounts may not be used for any other purpose without the approval of the board of directors,

Note 6 REMUNERATION OF DIRECTOR

The Executive Director, an employee of the Society, received total remunerations of \$162,700 which include wages, employer paid benefits and RRSP contributions. The Society does not remunerate directors who are not employees of the Society.

Note 7 DEFERRED CREDIT

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. The credit has been fully applied.

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BC SCHOOL SPORTS**Exhibit E**

NOTES

For the year ended June 30, 2023

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Note 8 DEFERRED RECEIPTS

| | 2022 | Current Year | | 2023 |
|-----------------------------|-------------------|-------------------|-------------------|-------------------|
| | Deferred | Receipts | Expenditures | Deferred |
| Gaming income | \$ 233,021 | \$ 233,026 | \$ 233,000 | \$ 233,047 |
| Bradley Foundation | 50,000 | - | 5,000 | 45,000 |
| Commission transition funds | - | 195,095 | - | 195,095 |
| | <u>\$ 283,021</u> | <u>\$ 428,141</u> | <u>\$ 238,000</u> | <u>\$ 473,142</u> |

Note 9 FINANCIAL INSTRUMENTS

Financial assets include cash, term deposits, accounts receivable, and government tax receivable and are measured at amortized cost as presented on the balance sheet. Financial liabilities include accounts payable, deferred credits and loan payable and are measured at amortized cost as presented on the balance sheet.

The Society, through its financial assets and liabilities, is exposed to various risks. The following analysis provides a measurement of those risks on balance sheet date.

i) Credit risk

Credit risk is that the Society will incur a loss due to the failure of debtors unable to meet their contractual obligation. Financial instruments that subject the Society to credit risk are:

Cash - the Society places its cash deposit in a reputable chartered bank.

Receivable – The Society has stringent credit terms and has not experienced material bad debts over the years.

ii) Liquidity risk

Liquidity risk is the risk that the Society will not be able to meet its obligations as they fall due. The Society maintains adequate levels of working capital to ensure that its obligations will be met when they fall due. Operational and legal reserves have been established for contingency purposes.

iii) Interest rate risk

The Society does not carry debt therefore is not exposed to risk in interest rate fluctuation.

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BC SCHOOL SPORTS

Exhibit E

OTHER FUNDS

For the year ended June 30, 2023

| | Legal Contingency | Operational Reserve | Scholarships | Special Projects | Total | |
|---|----------------------|------------------------|-------------------|---------------------|-------------------|-------------------|
| | | | | | 2023 | 2022 |
| NET ASSETS | | | | | | |
| Beginning of year | \$ 60,000 | \$ 100,000 | \$ 25,837 | \$ 50,000 | \$ 235,837 | \$ 198,476 |
| Excess (Deficiency) of Receipts over Expenditures, Exhibit A | - | 29 | (27,250) | - | (27,221) | (29,753) |
| Internal fund transfer | - | - | - | 50,000 | 50,000 | 67,114 |
| NET ASSETS, to Exhibit C | \$ 60,000 | \$ 100,029 | \$ (1,413) | \$ 100,000 | \$ 258,616 | \$ 235,837 |

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