

FINANCIAL STATEMENTS

BASKETBALL BC

March 31, 2025



INDEPENDENT AUDITOR'S REPORT

To the Members of
Basketball BC

Opinion

We have audited the financial statements of Basketball BC (the Association), which comprise the statement of financial position as at March 31, 2025, and the statements of changes in net assets, operations and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Association as at March 31, 2025, 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

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

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 the Association's 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 the Association or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Association's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our 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 our 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. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We 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 our 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 the Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

INDEPENDENT AUDITOR'S REPORT

- 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 the Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Association 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.

We 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 we identify during our audit.

Report on Other Legal and Regulatory Requirements

As required by the British Columbia Societies Act, we report that, in our opinion, the accounting principles used in these financial statements, Canadian accounting standards for not-for-profit organizations, have been applied on a basis consistent with that of the preceding year.

Tompkins Wozny LLP

Vancouver, Canada
August 15, 2025

Chartered Professional Accountants

STATEMENT OF FINANCIAL POSITION

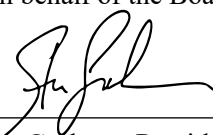
As at March 31

	2025	2024
	\$	\$
ASSETS		
Current		
Cash [note 3]	571,260	455,749
Accounts receivable [note 4]	50,384	62,492
Inventory	5,196	1,684
Prepaid expenses	46,634	55,820
	673,474	575,745
Capital assets [note 5]	—	6,534
	673,474	582,279
LIABILITIES		
Current		
Accounts payable and accruals [note 6]	60,240	68,115
Deferred revenue [note 7]	117,153	118,107
	177,393	186,222
NET ASSETS	496,081	396,057
	673,474	582,279

Commitment [note 9]

See accompanying notes to the financial statements

On behalf of the Board:



 Stu Graham, President



 Daniel Gardiner, Director of Finance

STATEMENT OF CHANGES IN NET ASSETS

Year ended March 31

	2025	2024
	\$	\$
UNRESTRICTED NET ASSETS		
Balance, beginning of year	396,057	435,123
Revenue over (under) expenses for the year	100,024	(39,066)
Balance, end of year	496,081	396,057

See accompanying notes to the financial statements

STATEMENT OF OPERATIONS

Year ended March 31

	2025	2024
	\$	\$
REVENUE		
Grants		
viaSport BC Society	407,701	329,959
BC Gaming	41,000	38,504
Federal government grants	5,381	—
	454,082	368,463
Registration fees	634,114	376,022
Memberships	182,306	136,344
Sponsorships and donations <i>[note 11]</i>	54,686	29,911
Product sales and other	54,579	155,795
Officials Game fees	42,935	40,161
Interest	25,934	19,553
Ticket sales	12,015	9,200
	1,460,651	1,135,449
EXPENSES <i>[Schedule]</i>	1,360,627	1,174,515
Revenue over (under) expenses for the year	100,024	(39,066)

See accompanying notes to the financial statements

STATEMENT OF CASH FLOWS

Year ended March 31

	2025	2024
	\$	\$
OPERATING ACTIVITIES		
Revenue over (under) expenses for the year	100,024	(39,066)
Amortization of capital assets	4,835	12,195
Loss on disposal of capital assets	1,699	—
Changes in other non-cash working capital items		
Accounts receivable	12,108	69,915
Inventory	(3,512)	(162)
Prepaid expenses	9,186	(2,189)
Accounts payable and accruals	(7,875)	(13,682)
Deferred revenue	(954)	32,768
Cash provided by operating activities	115,511	59,779
Increase in cash for the year	115,511	59,779
Cash, beginning of year	455,749	395,970
Cash, end of year	571,260	455,749

See accompanying notes to the financial statements

NOTES TO FINANCIAL STATEMENTS

March 31, 2025

1. NATURE OF THE ORGANIZATION

Basketball BC (the "Association") is a non-profit organization incorporated pursuant to the Societies Act of British Columbia on April 21, 1989.

The Association is the Provincial Sport Organization (PSO) for Basketball in the province of British Columbia. The organization provides programs for athletes and coaches to promote and develop the sport of Basketball.

The purpose of the Association is to facilitate and guide the interaction and cooperation of all basketball stakeholders in BC to protect the integrity of the sport and ensure the development of all participants, based on the Canadian Sport 4 Life Pathway.

The Association is exempt from income taxes.

2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO") and include the following significant accounting policies:

Use of Estimates

The preparation of financial statements in conformity with Canadian ASNPO requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the amounts of revenues and expenses reported during the year. Significant areas requiring the use of management estimates relate to the determination of net recoverable value of assets, in particular as it relates to useful lives of capital assets. Actual results could differ from these estimates.

Revenue Recognition

The Association follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenditures are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Membership, program registration and game fees, product and ticket sales, and other revenue are recognized as revenue in the period in which they are earned.

Interest income is recognized in accordance with the terms of the underlying investment which is generally with the passage of time.

NOTES TO FINANCIAL STATEMENTS

March 31, 2025

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Measurement of Financial Instruments

The Association initially measures its financial assets and financial liabilities at fair value. The Association subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in net income.

Financial assets measured at amortized cost include cash and accounts receivable.

Financial liabilities measured at amortized cost include accounts payable and accruals.

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in net income. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in net income.

Inventory

Inventory, consisting entirely of scorepads is stated at the lower of cost (first-in, first out) and net realizable value. Cost is defined as purchase price plus freight in. Scorepads reported on the statement of expenditures represent the inventory recorded as a charge against income for the year. The net realizable value is the estimated selling price in the ordinary course of business.

Capital Assets

Capital assets are recorded at cost, less accumulated amortization.

Amortization of capital assets is recorded at the following rates:

- | | |
|------------------------|-----------------------|
| ▪ Computer equipment | 3 years straight-line |
| ▪ Website redesign | 3 years straight-line |
| ▪ Basketball equipment | 5 years straight-line |

Deferred Revenue

Membership renewals occur throughout the year. Revenues from membership fees are recognized throughout the fiscal year over the term of the respective memberships. Fees collected but not yet earned are recorded as unearned revenue. Revenues received from pre-registration for events occurring subsequent to the year end are also recorded as unearned revenue.

NOTES TO FINANCIAL STATEMENTS

March 31, 2025

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Contributed Services

Volunteers contribute their time to assist the Association in carrying out its activities. Due to the difficulty in determining the fair value of such services, the value of the contributed services is not recognized in these financial statements.

3. CASH

	2025	2024
	\$	\$
Cash	570,095	454,584
PayPal/Stack Pay accounts	1,165	1,165
	571,260	455,749
Operating	568,917	453,950
Gaming	2,343	1,799
	571,260	455,749

4. ACCOUNTS RECEIVABLE

	2025	2024
	\$	\$
Operations	50,384	62,492
Allowance for doubtful accounts	—	—
	50,384	62,492

5. CAPITAL ASSETS

	Cost	Accumulated Amortization	Net Book Value
	\$	\$	\$
2025			
Computer equipment	18,373	18,373	—
Website redesign	13,300	13,300	—
	31,673	31,673	—
2024			
Computer equipment	18,373	14,751	3,622
Basketball equipment	14,560	11,648	2,912
Website redesign	13,300	13,300	—
	46,233	39,699	6,534

NOTES TO FINANCIAL STATEMENTS

March 31, 2025

6. ACCOUNTS PAYABLE AND ACCRUALS

	2025	2024
	\$	\$
Operations	27,949	38,983
Canada Basketball	29,763	25,446
Government remittances - GST and PST	2,528	3,686
	60,240	68,115

7. DEFERRED REVENUE

	2025	2024
	\$	\$
Registration fees received in advance	114,130	115,628
BC Gaming grant	2,343	1,799
viaSport BC Society grants - BC Sport Participation Program and hosting grant	680	680
	117,153	118,107

8. FINANCIAL INSTRUMENTS

The Association is exposed to various risks through its financial instruments. The following analysis presents the Association's exposures to significant risk as at March 31, 2025.

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The Association is exposed to credit risk with respect to its cash and accounts receivable. The Association assesses, on a continuous basis, accounts receivable on the basis of amounts it is virtually certain to receive. The Association's cash is invested with a large financial institution.

Liquidity Risk

Liquidity risk is the risk of being unable to meet cash requirements or fund obligations as they become due. It stems from the possibility of a delay in realizing the fair value of financial instruments.

The Association manages its liquidity risk by constantly monitoring forecasted and actual cash flows and financial liability maturities, and by holding assets that can be readily converted into cash.

NOTES TO FINANCIAL STATEMENTS

March 31, 2025

8. FINANCIAL INSTRUMENTS (CONT'D)

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Association is exposed to interest rate risk on its cash and restricted cash.

Currency Risk

The Association has a bank account that is denominated in a foreign currency (United States) and thus is exposed to the financial risk of earnings fluctuations from changes in foreign exchange rates and the degree of volatility of these rates.

As at March 31, 2025, cash includes \$19,698 CAD - \$13,702 USD [2024 - \$24,849 CAD - \$18,347 USD].

9. COMMITMENT

Lease of Premises

The Association is committed to an office premises lease which expires in September 2026, which will require annual basic and additional rent in the next two fiscal year as follows:

	\$
2026	13,260
2027	5,525
	<u>18,785</u>

Basic rent will increase annually by the amount of the Consumer Price Index.

10. WAGES AND BENEFITS

Pursuant to the British Columbia Societies Act, the Association is required to disclose wages and benefits paid to employees who are paid \$75,000 or more during the fiscal year. The wages and benefits expense for fiscal year 2025 includes \$91,301 [2024 - \$91,301] paid to an employee.

NOTES TO FINANCIAL STATEMENTS

March 31, 2025

11. SPONSORSHIP AND DONATIONS

	2025	2024
	\$	\$
Private donors	—	20,000
Other	17,186	6,411
Corporate sponsorships	37,500	3,500
	54,686	29,911

12. COMPARATIVE FIGURES

Certain 2024 comparative figures have been reclassified to conform to the current year presentation.

SCHEDULE OF EXPENSES

Year ended March 31

	2025	2024
	\$	\$
Wages and benefits <i>[note 10]</i>	375,519	364,744
Uniforms and clothing	170,075	77,209
Honorariums	168,980	123,412
Accommodation and meals	97,043	77,199
Rent	87,640	182,980
Office	80,241	54,688
Travel	75,052	85,490
Tournament fees	62,314	10,216
Canada Basketball membership/NCCP registration	54,418	46,746
Insurance	44,689	42,011
Audit, accounting, consulting and legal	44,336	12,979
Board, staff, Basketball BC coaches expense, and official training	27,891	32,379
Credit card processing fees and bank charges and interest	26,319	17,037
Online registration fee	11,434	10,978
Officials	10,742	5,827
Books, manuals and merchandise	5,662	2,609
Amortization of capital assets	4,835	12,195
Telephone	4,797	10,104
Promotions	2,602	272
Meetings	1,819	2,113
Equipment purchases	1,679	1,227
Affiliation fees	1,500	1,500
Awards and recognition	1,040	600
	1,360,627	1,174,515

See accompanying notes to the financial statements