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FINANCIAL STATEMENTS

SPORT MEDICINE COUNCIL OF B.C.

June 30, 2025

Limited Liability Partnership

Tompkins Wozny
Chartered Professional Accountants

INDEPENDENT AUDITORS' REPORT

To the Members of
Sport Medicine Council of BC

Opinion

We have audited the financial statements of Sport Medicine Council of B.C. (the Council), which comprise the statement of financial position as at June 30, 2025 and the statements of operations and changes in fund balances (deficit), 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 Council as at June 30, 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 Council 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.

Material Uncertainty Related to Going Concern

We draw attention to Note 10 in the financial statements, the Society has incurred operating losses and now has a cumulative deficit in its Operating Fund. These events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Society's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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 Council'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 Council or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Council'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 Council's 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 the Council'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 Council 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 have been applied on a basis consistent with that of the preceding year.

Tompkins Wozny LLP

Vancouver, Canada
October 20, 2025

Chartered Professional Accountants

STATEMENT OF FINANCIAL POSITION

As at June 30

	2025				2024
	Operating Fund $	Gaming Fund $	Capital Asset Fund $	Total $	Total $
ASSETS					
Current					
Cash	**13,458**	**27,868**	**—**	**41,326**	93,214
Accounts receivable *[note 3]*	**27,151**	**—**	**—**	**27,151**	55,414
Prepaid expenses and deposits	**12,382**	**—**	**—**	**12,382**	7,899
Total current assets	**52,991**	**27,868**	**—**	**80,859**	156,527
Capital assets *[note 4]*	**—**	**—**	**3,886**	**3,886**	5,481
	52,991	**27,868**	**3,886**	**84,745**	162,008
LIABILITIES AND FUND BALANCES					
Current liabilities					
Accounts payable and accruals *[note 5]*	**48,157**	**—**	**—**	**48,157**	73,630
Interfund payable (receivable), no specific terms	**13,115**	**(13,115)**	**—**	**—**	—
	61,272	**(13,115)**	**—**	**48,157**	73,630
Fund balances (deficit)					
Unrestricted	**(8,281)**	**—**	**—**	**(8,281)**	43,024
Externally restricted	**—**	**40,983**	**—**	**40,983**	39,873
Invested in capital assets *[note 6]*	**—**	**—**	**3,886**	**3,886**	5,481
Total fund balances (deficit)	**(8,281)**	**40,983**	**3,886**	**36,588**	88,378
	52,991	**27,868**	**3,886**	**84,745**	162,008

Economic dependence *[note 9]*
Going concern *[note 10]*

See accompanying notes to the financial statements

On behalf of the Board:

Director

Director

STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCES (DEFICIT)

Year ended June 30

	2025				2024
	Operating Fund	Gaming Fund	Capital Asset	Total	Total
	$	$	$	$	$
REVENUE					
Service Contracts					
ViaSport - core contributions	**188,000**	—	—	**188,000**	188,000
ViaSport - other grants	—	—	—	—	85,313
SportMed Run/Walk	**43,972**	—	—	**43,972**	46,747
SportMed Safety					
Event coverage	**345,992**	—	—	**345,992**	163,826
SportsAid program	**18,322**	—	—	**18,322**	21,061
Other					
Gaming	—	**86,000**	—	**86,000**	86,000
Sales - manuals and merchandise	**391**	—	—	**391**	902
Interest and other income	**42**	—	—	**42**	1,567
	596,719	**86,000**	—	**682,719**	593,416
EXPENSES					
SportMed Run/Walk	**25,321**	**329**	—	**25,650**	31,538
SportMed Safety					
Event coverage	**314,533**	—	—	**314,533**	126,274
SportsAid program	**6,319**	—	—	**6,319**	7,361
Salaries, benefits and contractors *[note 8]*	**220,510**	**83,467**	—	**303,977**	335,456
Office and administration	**67,372**	**96**	—	**67,468**	81,541
Website - hosting & administration	**7,610**	**998**	—	**8,608**	9,284
Meetings	**4,429**	—	—	**4,429**	1,348
Amortization	—	—	**1,595**	**1,595**	10,273
Bad debts	**1,470**	—	—	**1,470**	—
Publications and newsletters	**334**	—	—	**334**	15,577
Equipment lease	**126**	—	—	**126**	172
Loss on disposal of capital assets	—	—	—	—	662
	648,024	**84,890**	**1,595**	**734,509**	619,486
Excess of revenue (expenses) for the year	**(51,305)**	**1,110**	**(1,595)**	**(51,790)**	(26,070)
Fund balances, beginning of year	**43,024**	**39,873**	**5,481**	**88,378**	114,448
Fund balances (deficit), end of year	**(8,281)**	**40,983**	**3,886**	**36,588**	88,378

See accompanying notes to the financial statements

STATEMENT OF CASH FLOWS

Year ended June 30

	2025				2024
	Operating Fund $	Gaming Fund $	Capital Asset Fund $	Total $	Total $
OPERATING ACTIVITIES					
Excess of revenue (expenses) for the year	**(51,305)**	**1,110**	**(1,595)**	**(51,790)**	(26,070)
Items not affecting cash					
Amortization of capital assets	—	—	**1,595**	**1,595**	10,273
Loss on disposal of capital assets	—	—	—	—	662
Changes in non-cash working capital items					
Accounts receivable	**28,263**	—	—	**28,263**	(24,028)
Prepaid expenses and deposits	**(4,483)**	—	—	**(4,483)**	(1,920)
Accounts payable and accruals	**(25,473)**	—	—	**(25,473)**	29,158
Deferred revenue	—	—	—	—	(35,000)
Interfund payable	**22,710**	**(22,710)**	—	—	—
Cash used in operating activities	**(30,288)**	**(21,600)**	—	**(51,888)**	(46,925)
INVESTING ACTIVITES					
Redemption of term deposit (net)	—	—	—	—	76,000
Disposal of capital assets	—	—	—	—	2,000
Cash provided by investing activities	—	—	—	—	78,000
FINANCING ACTIVITES					
Repayment of Canada Business Account Loan	—	—	—	—	(40,000)
Cash used in financing activities	—	—	—	—	(40,000)
Decrease in cash for the year	**(30,288)**	**(21,600)**	—	**(51,888)**	(8,925)
Cash, beginning of year	**43,746**	**49,468**	—	**93,214**	102,139
Cash, end of year	**13,458**	**27,868**	—	**41,326**	93,214

See accompanying notes to the financial statements

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

1. PURPOSE OF THE COUNCIL

Sport Medicine Council of B.C. (the "Council") is incorporated in the Province of British Columbia with a membership comprised of experts in sport medicine. The Council receives funding on an annual basis from the Province of British Columbia to fulfill a variety of initiatives including sport safety, athlete and coach development serving recreational, fitness and high performance sports.

The Council 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:

Fund Accounting

The Council uses Fund accounting. The major funds are described below:

Operating Fund

The Operating Fund reports assets, liabilities, revenue and expenses related to the Council's operating activities.

Gaming Fund

The Gaming Fund reports assets, liabilities, revenue and expenses related to the Council's gaming activities. The use of this fund is restricted to uses permitted by the Gaming Commission of B.C.

Capital Asset Fund

The Capital Asset Fund reports assets, liabilities, revenue and expenses related to the Council's capital activities.

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 allowance for doubtful accounts relating to accounts receivable and estimated useful lives of capital assets. Actual results could differ from these estimates.

Revenue Recognition

The Council follows the restricted fund method of accounting for contributions.

Unrestricted contributions are recognized as revenue in the Operating Fund when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Restricted contributions related to capital assets or gaming are recognized as revenue when received or receivable if the amounts can be reasonably estimated and collection is reasonably assured. Restricted contributions for which there is no specific restricted fund are recorded in the Operating Fund.

Operating grants received during the fiscal year are recognized as revenue in the year to which the related grant application applies. Grants for special projects are recognized as the related expenditures have been incurred.

Revenue from service contracts, event services and other programs is recognized when evidence of an arrangement exists, services have been provided by the Council, the amount of consideration is measurable, and when collection is reasonably assured.

Interest income is recognized as revenue in the respective funds in accordance with the terms of the underlying investment, which is generally with the passage of time.

Measurement of Financial Instruments

The Council initially measures its financial assets and financial liabilities at fair value. The Council subsequently measures all its financial assets and financial liabilities at amortized cost.

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 amortized 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.

Capital Assets

Capital assets are carried at cost less accumulated amortization. Contributed capital assets are recorded at fair market value at the date of contribution, if a value can be reasonably estimated. Amortization is provided at the following annual rates:

▪ Computers	55% and 45%	Declining balance
▪ Furniture and equipment	20%	Declining balance
▪ Website	2 years	Straight line

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

3. ACCOUNTS RECEIVABLE

	2025 $	2024 $
Operations	**27,151**	55,414
Allowance for doubtful accounts	**—**	—
	27,151	55,414

4. CAPITAL ASSETS

	Cost $	Accumulated Amortization $	Net Book Value $
2025			
Computers	**12,875**	**11,778**	**1,097**
Furniture and equipment	**4,842**	**2,053**	**2,789**
	17,717	**13,831**	**3,886**
2024			
Computers	51,417	49,422	1,995
Furniture and equipment	4,842	1,356	3,486
Website	30,860	30,860	—
	87,119	81,638	5,481

5. ACCOUNTS PAYABLE AND ACCRUALS

	2025 $	2024 $
Operations	**28,007**	61,993
Receiver General - GST	**11,415**	4,541
- source deductions	**8,311**	6,454
Government Remittances - WorkSafe BC	**424**	642
	48,157	73,630

6. INTERNALLY RESTRICTED FUND BALANCES AND CAPITAL MANAGEMENT

The Council's main objective when managing capital is to maintain financial flexibility in order to reserve its ability to meet financial commitments and unforeseen external events. To assist with this objective, the Council has internally restricted an amount equal to the net assets invested in capital assets in the amount of $3,886 [2024 - $5,481].

7. FINANCIAL INSTRUMENTS

The Council is exposed to various risks through its financial instruments. The following analysis presents the Council's exposures to significant risk as at June 30, 2025.

Credit Risk

Credit risk is the risk that the Council will incur a loss due to the failure by its debtors to meet their contractual obligations. The Council is exposed to credit risk with respect to its cash, term deposits and accounts receivable. The Council assesses, on a continuous basis, accounts receivable on the basis of amounts it is virtually certain to receive and bank accounts are held at a chartered Canadian financial institution.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Council is exposed to interest rate risk on its cash.

Liquidity Risk

Liquidity risk is the risk that the Council will not be able to meet its cash requirements or fund obligations as they become due. The Council manages its liquidity risk by constantly monitoring forecasted and actual cash flows and financial liability maturities.

8. DISCLOSURE OF REMUNERATION

Pursuant to the British Columbia Societies Act, the Council is required to disclose wages and benefits paid to employees who are paid $75,000 or more during the fiscal year. Wages and benefits expense includes $109,952 [2024 - $109,511] paid to one [2024 - one] employee during the year.

9. ECONOMIC DEPENDENCE

Certain of the Council's revenues are funded by Provincial government grants. During the year, core grant revenue was $188,000 [2024 - $188,000], core gaming grant revenue was $86,000 [2024 - $86,000] and other grants totaled $Nil [2024 - $85,313].

10. GOING CONCERN

The Society's Operating Fund now has a cumulative deficit. The Society's ability to continue as a going concern is dependent upon the generation of future revenue over expenses and the continued support of its grantors and creditors.