FINANCIAL STATEMENTS

SPORT MEDICINE COUNCIL OF B.C.

June 30, 2026

INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Members of
Sport Medicine Council of B.C.

We have reviewed the accompanying financial statements of Sport Medicine Council of B.C. (the "Council") that comprise the statement of financial position as at June 30, 2026, and the statements of operations and changes in fund balances (deficit) 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.

Practitioner's Responsibility

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the Council, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying financial statements do not present fairly, in all material respects, the financial position of Sport Medicine Council of BC as at June 30, 2026, 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.

Material Uncertainty Related to Going Concern

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

Tompkins Wozny LLP

Vancouver, Canada
October 23, 2026

Chartered Professional Accountants

Sport Medicine Council of B.C.

STATEMENT OF FINANCIAL POSITION

As at June 30

	2026				2025
	Operating Fund $	Gaming Fund $	Capital Asset Fund $	Total $	Total $
ASSETS					
Current					
Cash	**45,882**	**60,670**	**—**	**106,552**	41,326
Accounts receivable *[note 3]*	**19,663**	**—**	**—**	**19,663**	27,151
Prepaid expenses and deposits	**5,596**	**—**	**—**	**5,596**	12,382
Total current assets	**71,141**	**60,670**	**—**	**131,811**	80,859
Capital assets *[note 4]*	**—**	**—**	**2,834**	**2,834**	3,886
	71,141	**60,670**	**2,834**	**134,645**	84,745
LIABILITIES AND FUND BALANCES					
Current liabilities					
Accounts payable and accruals *[note 5]*	**100,278**	**—**	**—**	**100,278**	48,157
Deferred revenue	**600**	**—**	**—**	**600**	—
Interfund payable (receivable), no specific terms	**(10,234)**	**10,234**	**—**	**—**	—
	90,644	**10,234**	**—**	**100,878**	48,157
Fund balances (deficit)					
Unrestricted	**(19,503)**	**—**	**—**	**(19,503)**	(8,281)
Externally restricted	**—**	**50,436**	**—**	**50,436**	40,983
Invested in capital assets *[note 6]*	**—**	**—**	**2,834**	**2,834**	3,886
Total fund balances (deficit)	**(19,503)**	**50,436**	**2,834**	**33,767**	36,588
	71,141	**60,670**	**2,834**	**134,645**	84,745

Economic dependence *[note 9]*
Going concern *[note 10]*
Line of credit *[note 11]*

See accompanying notes to the financial statements

On behalf of the Board:

Director

Director

Sport Medicine Council of B.C.

STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCES (DEFICIT)

Year ended June 30

	2026				2025
	Operating Fund	Gaming Fund	Capital Asset	Total	Total
	$	$	$	$	$
REVENUE					
Service Contracts					
ViaSport - core contributions	**188,000**	**—**	**—**	**188,000**	188,000
SportMed Run/Walk	**52,376**	**—**	**—**	**52,376**	43,972
SportMed Safety					
Event coverage	**124,849**	**—**	**—**	**124,849**	345,992
SportsAid program	**24,846**	**—**	**—**	**24,846**	18,322
Other					
Gaming	**—**	**78,300**	**—**	**78,300**	86,000
Sales - manuals and merchandise	**1,043**	**—**	**—**	**1,043**	391
Interest and other income	**52**	**—**	**—**	**52**	42
	391,166	**78,300**	**—**	**469,466**	682,719
EXPENSES					
SportMed Run/Walk	**22,705**	**3,802**	**—**	**26,507**	25,650
SportMed Safety					
Event coverage	**99,898**	**—**	**—**	**99,898**	314,533
SportsAid program	**8,134**	**2,719**	**—**	**10,853**	6,319
Salaries, benefits and contractors *[note 8]*	**207,263**	**61,768**	**—**	**269,031**	303,977
Office and administration	**55,873**	**558**	**—**	**56,431**	67,468
Website - hosting & administration	**6,057**	**—**	**—**	**6,057**	8,608
Meetings	**1,581**	**—**	**—**	**1,581**	4,429
Amortization	**—**	**—**	**1,052**	**1,052**	1,595
Equipment lease	**440**	**—**	**—**	**440**	126
Publications and newsletters	**437**	**—**	**—**	**437**	334
Bad debts	**—**	**—**	**—**	**—**	1,470
	402,388	**68,847**	**1,052**	**472,287**	734,509
Excess of revenue (expenses) for the year	**(11,222)**	**9,453**	**(1,052)**	**(2,821)**	(51,790)
Fund balances (deficit), beginning of year	**(8,281)**	**40,983**	**3,886**	**36,588**	88,378
Fund balances (deficit), end of year	**(19,503)**	**50,436**	**2,834**	**33,767**	36,588

See accompanying notes to the financial statements

Sport Medicine Council of B.C.

STATEMENT OF CASH FLOWS

Year ended June 30

	2026				2025
	Operating Fund $	Gaming Fund $	Capital Asset Fund $	Total $	Total $
OPERATING ACTIVITIES					
Excess of revenue (expenses) for the year	**(11,222)**	**9,453**	**(1,052)**	**(2,821)**	(51,790)
Items not affecting cash					
Amortization of capital assets	**—**	**—**	**1,052**	**1,052**	1,595
Changes in non-cash working capital items					
Accounts receivable	**7,488**	**—**	**—**	**7,488**	28,263
Prepaid expenses and deposits	**6,786**	**—**	**—**	**6,786**	(4,483)
Accounts payable and accruals	**52,121**	**—**	**—**	**52,121**	(25,473)
Deferred revenue	**600**	**—**	**—**	**600**	—
Interfund payable	**(23,349)**	**23,349**	**—**	**—**	—
Cash provided by (used in) operating activities	**32,424**	**32,802**	**—**	**65,226**	(51,888)
Increase (decrease) in cash for the year	**32,424**	**32,802**	**—**	**65,226**	(51,888)
Cash, beginning of year	**13,458**	**27,868**	**—**	**41,326**	93,214
Cash, end of year	**45,882**	**60,670**	**—**	**106,552**	41,326

See accompanying notes to the financial statements

NOTES TO FINANCIAL STATEMENTS

June 30, 2026

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.

NOTES TO FINANCIAL STATEMENTS

June 30, 2026

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

NOTES TO FINANCIAL STATEMENTS

June 30, 2026

3. ACCOUNTS RECEIVABLE

	2026 $	2025 $
Operations	**19,663**	27,151
Allowance for doubtful accounts	**—**	—
	19,663	27,151

4. CAPITAL ASSETS

	Cost $	Accumulated Amortization $	Net Book Value $
2026			
Computers	**12,875**	**12,272**	**603**
Furniture and equipment	**4,842**	**2,611**	**2,231**
	17,717	**14,883**	**2,834**
2025			
Computers	12,875	11,778	1,097
Furniture and equipment	4,842	2,053	2,789
	17,717	13,831	3,886

5. ACCOUNTS PAYABLE AND ACCRUALS

	2026 $	2025 $
Operations	**28,214**	28,007
Receiver General - payroll source deductions	**53,926**	8,311
- GST	**15,757**	11,415
Government Remittances - WorkSafe BC	**2,381**	424
	100,278	48,157

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 $2,834 [2025 - $3,886].

NOTES TO FINANCIAL STATEMENTS

June 30, 2026

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, 2026.

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. As at June 30, 2026, the Council has a working capital deficiency of $19,503 and a cumulative deficit of $19,503 in its Operating Fund.

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 $105,751 [2025 - $109,952] paid to one [2025 - 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 [2025 - $188,000], core gaming grant revenue was $78,300 [2025 - $86,000].

10. GOING CONCERN

The Council's Operating Fund has a cumulative deficit and a working capital deficiency. The Council'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, membership and creditors.

NOTES TO FINANCIAL STATEMENTS

June 30, 2026

11. LINE OF CREDIT

The Council has a $15,000 line of credit available with an interest rate of prime plus 3%. The total interest on this facility in 2026 was $11. As of June 30, 2026 there was no balance owing. The Council's assets are pledged as collateral for the line of credit.