

RICHMOND YOUTH SOCCER ASSOCIATION

FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2020

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INDEPENDENT AUDITOR'S REPORT

To the Members of Richmond Youth Soccer Association

Opinion

We have audited the financial statements of Richmond Youth Soccer Association, which comprise the statement of financial position as at March 31, 2020, 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.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the association as at March 31, 2020, and its results of operations and its cash flows for the year then ended in accordance with Accounting Standards for Not-for-Profit Organization (ASNPO).

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 opinion.

Emphasis of Matter

Without modifying our opinion, we draw attention to note 9 to the financial statements, concerning the worldwide spread of a novel coronavirus known as COVID-19 subsequent to year-end and its effect on the global economy. Our opinion is not modified in respect of this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with ASNPO, 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.

Disclaimer of Liability

These financial statements were prepared solely for the use of the directors, shareholders and management of Richmond Youth Soccer Association. We make no representations of any kind to any other person in respect of these financial statements and accept no responsibility for their use by any other person or entity.

INDEPENDENT AUDITOR'S REPORT, continued

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.

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.

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INDEPENDENT AUDITOR'S REPORT, continued

- 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.

The engagement partner on the audit resulting in this independent auditor's report is Shuli Ben-Moshe CPA, CGA.

Sanders, Russell & Company

Richmond, B.C.
June 28, 2020

Sanders, Russell & Company
Chartered Professional Accountants

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RICHMOND YOUTH SOCCER ASSOCIATION

Statement of Financial Position

March 31, 2020

	2020	2019
<u>ASSETS</u>		
Current assets		
Cash and cash equivalents	\$ 272,336	\$ 280,909
Accounts receivable	34,731	36,034
Prepaid expenses	<u>2,603</u>	<u>8,520</u>
	309,670	325,463
Capital assets (Note 4)	<u>2,206</u>	<u>1,473</u>
	<u><u>\$ 311,876</u></u>	<u><u>\$ 326,936</u></u>

LIABILITIES AND NET ASSETS

Current liabilities		
Accounts payable and Accrued liabilities	\$ 51,109	\$ 58,451
Due to government agencies	7,778	3,608
Unearned revenue (Note 5)	174,187	208,441
Deposits	<u>37,416</u>	<u>-</u>
	270,490	270,500
Net assets		
Unrestricted	<u>41,386</u>	<u>56,436</u>
	<u><u>\$ 311,876</u></u>	<u><u>\$ 326,936</u></u>

Approved on Behalf of the board

(Rein Weber - Chair)

(Mike Fletcher - Director)

The accompanying notes are an integral part of these financial statements

RICHMOND YOUTH SOCCER ASSOCIATION

Statement of Operations

For the year ended March 31, 2020

	2020	2019
Revenues		
Registration fees	\$ 555,511	\$ 515,356
Program revenue	107,973	80,739
Tournament, clinics and other	28,807	86,765
BC Gaming Commission grant	100,000	100,000
Interest	1,410	1,533
	<u>793,701</u>	<u>784,393</u>
Expenditures		
Administration	104,252	83,720
Advertising	1,619	4,007
Amortization	949	596
Audit and legal	9,995	19,281
Coaching clinics	11,512	10,545
Collection and credit card fees	23,381	18,599
Equipment	63,419	65,290
Field rentals	100,862	103,897
Honorariums and scholarships	6,000	4,000
Insurance and registration	34,120	36,733
Office and sundry	15,877	26,061
Referees	53,519	56,299
Telephone	1,470	1,487
Tournaments costs and trophies	12,999	10,027
Training, development and other programs	368,777	430,800
	<u>808,751</u>	<u>871,342</u>
Deficiency of revenues over expenses	<u>\$ (15,050)</u>	<u>\$ (86,949)</u>

The accompanying notes are an integral part of these financial statements

RICHMOND YOUTH SOCCER ASSOCIATION

Statement of Changes in Net Assets

For the year ended March 31, 2020

	<u>2020</u>	<u>2019</u>
Balance, as previously stated	\$ 63,969	\$ 143,385
Prior period adjustment (Note 6)	<u>(7,533)</u>	<u>-</u>
Balance, as restated	56,436	143,385
Deficiency of revenues over expenses	<u>(15,050)</u>	<u>(86,949)</u>
Balance, end of year	<u>\$ 41,386</u>	<u>\$ 56,436</u>

The accompanying notes are an integral part of these financial statements

RICHMOND YOUTH SOCCER ASSOCIATION

Statement of Cash Flows For the year ended March 31, 2020

	2020	2019
Operating activities		
Deficiency of revenues over expenses	\$ (15,050)	\$ (86,949)
Adjustment for Amortization	<u>949</u>	<u>596</u>
	(14,101)	(86,353)
Change in non-cash working capital items		
Accounts receivable	1,303	(9,144)
Prepaid expenses	5,917	22,726
Accounts payable and Accrued liabilities	(7,343)	29,068
Due to government agencies	4,170	(2,982)
Unearned revenue	(34,254)	27,853
Deposits	<u>37,416</u>	<u>-</u>
	(6,892)	(18,832)
Investing activity		
Purchase of capital assets	<u>(1,681)</u>	<u>(752)</u>
Decrease in cash	(8,573)	(19,584)
Cash, beginning of year	<u>280,909</u>	<u>300,493</u>
Cash, end of year	<u>\$ 272,336</u>	<u>\$ 280,909</u>

The accompanying notes are an integral part of these financial statements

RICHMOND YOUTH SOCCER ASSOCIATION

Notes to Financial Statements

For the year ended March 31, 2020

1. Purpose of the Organization

Richmond Youth Soccer Association ("the Association") was incorporated to foster, develop and govern the game of soccer among youth and mini players residing in the City of Richmond, British Columbia, develop a sportsmanlike attitude among the players, provide youth soccer training, tournaments and refereeing services.

The Association was incorporated under the Society Act, British Columbia.

2. Going Concern

These financial statements have been prepared on a going concern basis which contemplates the realization of assets and the payment of liabilities in the normal course of operation.

As part of British Columbia government response to Covid-19 pandemic, all facilities providing recreational programs were legally required to close. This was followed by BC Soccer suspending all sanctioned soccer activity in March 2020 until further notice. In compliance with these directives, the Association cancelled all its spring programs scheduled for the next fiscal year and advised registrants of the option for full refund or credit to future programming.

The Association regularly communicates with BC Soccer for updates regarding the Covid-19 measures. At the same time, the federal government of Canada has launched an emergency response to assist businesses and non-profit organization with its cash flow. The Association intends to avail of the loan and the wage subsidy under the said emergency response and is confident of its ability to resume operations once government restrictions are lifted.

The accompanying financial statements do not include any adjustments relating to the recoverability of assets and to the reclassification of asset and liability amounts that might be necessary should the Association be unable to continue its operations.

3. Summary Of Significant Accounting Policies

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations. The significant accounting policies are detailed as follows:

(a) Use of estimates

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations 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 balance sheet date and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates.

RICHMOND YOUTH SOCCER ASSOCIATION

Notes to Financial Statements For the year ended March 31, 2020

3. Summary Of Significant Accounting Policies, continued

(b) 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 when the amount to be received can be reasonably estimated and collection is reasonably assured.

Registration, tournaments and clinic fees are recognized when the amount is earned and collection is reasonably assured.

(c) Cash and cash equivalents

Cash and cash equivalents include cash and short-term investments with maturities of three months or less from their date of acquisition, which are readily convertible into a known amount of cash, and are subject to an insignificant risk to changes in their fair value.

(d) Capital assets

Capital assets are recorded at cost. The Association provides for amortization using the straight-line method at rates designed to amortize the cost of the capital assets over their estimated useful lives. One half of the year's amortization is recorded in the year of acquisition. No amortization is recorded in the year of disposal. The annual amortization rates are as follows:

Computer equipment	3 years
Office equipment	5 years

(e) Contributed services

Directors and members volunteer their time to assist in the Association's activities. While these services benefit the Association considerably, a reasonable estimate of their amount and fair value cannot be made and, accordingly, these contributed services are not recognized in the financial statements.

(f) Financial instruments

The Association initially measures its financial assets and liabilities at fair value. The Association subsequently measures all its financial assets and financial liabilities at cost or 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 excess (deficiency) of revenues over expenses in the period incurred. Financial instruments measured at amortized cost on a straight line basis include cash, accounts receivable, accounts payable and accrued liabilities, and due to government agencies.

RICHMOND YOUTH SOCCER ASSOCIATION

Notes to Financial Statements

For the year ended March 31, 2020

4. Capital Assets

			<u>2020</u>	<u>2019</u>
	<u>Cost</u>	<u>Accumulated amortization</u>	<u>Net</u>	<u>Net</u>
Computer equipment	\$ 3,260	\$ 1,580	\$ 1,680	\$ 797
Office equipment	<u>752</u>	<u>226</u>	<u>526</u>	<u>676</u>
	<u>\$ 4,012</u>	<u>\$ 1,806</u>	<u>\$ 2,206</u>	<u>\$ 1,473</u>

5. Unearned Revenue

Unearned revenue represents registration fees received in the current fiscal year relating to the next year.

	<u>2020</u>	<u>2019</u>
Unearned revenue - beginning of period	\$ 208,441	\$ 180,588
Less: amounts recognized as revenue in the period	(208,441)	(180,588)
Add: amounts received related to the following year - registration deposits	<u>174,187</u>	<u>208,441</u>
Unearned revenue - end of period	<u>\$ 174,187</u>	<u>\$ 208,441</u>

6. Prior Period Adjustment

The 2019 financial statements has been restated to reflect a correction in the timing of expense accrual for legal fees billed by Borden Ladner Gervais LLP. The Professional fees were increased by \$7,533 relating to four invoices with dates ranging from June 20, 2017 to December 12, 2018.

7. Financial Instruments

Unless otherwise noted, it is management's opinion that the Association is not exposed to significant interest or credit risks arising from its financial instruments. The fair value of the instruments approximates their carrying values, unless otherwise noted.

(a) Fair value

The fair value of current financial assets and current financial liabilities approximates their carrying value due to their short-term maturity dates. The fair value of long-term financial liabilities approximates their carrying value based on the presumption that the Association is a going concern and thus expects to fully repay the outstanding amounts.

RICHMOND YOUTH SOCCER ASSOCIATION

Notes to Financial Statements For the year ended March 31, 2020

7. Financial Instruments, continued

(b) Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Association is exposed to credit risk from customers. However, the Association has a significant number of customers which minimizes concentration of credit risk.

(c) Liquidity risk

Liquidity risk is the risk that the Association will be unable to fulfil its obligations on a timely basis or at a reasonable cost. The Association manages its liquidity risk by monitoring its operating requirements. The Association prepares an annual budget to ensure it has sufficient funds to fulfil its obligations.

(d) Interest rate risk

The Association is exposed to interest rate risk with respect to interest-bearing investments that bear interest at floating rates due to fluctuations in the market interest rates. Interest rate is not considered significant because the Association does not invest a large amount in interest-bearing investments.

8. Employee remuneration

During the year ended March 31, 2020 the Association paid total remuneration of \$104,456 (\$108,345 - 2019) to its Technical Director.

9. Subsequent Events

On March 11, 2020, the World Health Organization categorized COVID-19 as a pandemic. The potential economic effects within the Association's environment and in the global markets due to the possible disruption in supply chains, and measures being introduced at various levels of government to curtail the spread of the virus (such as travel restrictions, closures of non-essential municipal and private operations, imposition of quarantines and social distancing) could have a material impact on the Association's operations.

The extent of the impact of this outbreak and related containment measures on the Association's operations cannot be reliably estimated at this time.

10. Comparative Figures

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year. The changes do not affect prior year earnings.