

RICHMOND YOUTH SOCCER ASSOCIATION

Financial Statements

Year Ended March 31, 2021

RICHMOND YOUTH SOCCER ASSOCIATION

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Year Ended March 31, 2021

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INDEPENDENT AUDITOR'S REPORT

To the Members of Richmond Youth Soccer Association

Report on the Financial Statements

Opinion

We have audited the financial statements of Richmond Youth Soccer Association (the Association), which comprise the statement of financial position as at March 31, 2021, 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, 2021, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (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 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.

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 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.

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.

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INDEPENDENT AUDITOR'S REPORT *(continued)*

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.
- 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 Societies Act of British Columbia, we report that, in our opinion, the accounting policies applied in preparing and presenting the financial statements in accordance with Canadian Accounting Standards for Not-for-profit Organizations have been applied on a basis consistent with that of the preceding year.

Sanders, Russell & Company

Richmond, British Columbia
May 23, 2021

Chartered Professional Accountants

RICHMOND YOUTH SOCCER ASSOCIATION

Statement of Financial Position

March 31, 2021

	2021	2020 <i>Restated (Note 6)</i>
ASSETS		
CURRENT		
Cash and cash equivalents	\$ 474,917	\$ 272,336
Accounts receivable	20,480	34,731
Prepaid expenses	5,998	2,603
	<u>501,395</u>	309,670
CAPITAL ASSETS (Note 4)	<u>1,751</u>	2,207
	<u>\$ 503,146</u>	<u>\$ 311,877</u>
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities	\$ 64,848	\$ 88,526
Due to the government agencies	4,963	7,778
Unearned revenue (Note 5)	286,372	174,187
	<u>356,183</u>	270,491
LONG TERM DEBT (Note 6)	<u>60,000</u>	-
	<u>416,183</u>	270,491
NET ASSETS		
Unrestricted (Note 7)	<u>86,963</u>	41,386
	<u>\$ 503,146</u>	<u>\$ 311,877</u>

APPROVED ON BEHALF OF THE BOARD

_____ Rein Weber, President, Governance

_____ Andrew Goodison, Treasurer

The accompanying notes are an integral part of these financial statements

RICHMOND YOUTH SOCCER ASSOCIATIONStatement of Operations
Year Ended March 31, 2021

	2021	2020
REVENUES		
Registration fees	\$ 443,863	\$ 555,511
Program revenue	87,739	107,973
Tournament, clinics and other	9,907	28,807
Fundraising	28,325	-
BC Gaming Commission grant	100,000	100,000
Interest income	925	1,410
	<u>670,759</u>	<u>793,701</u>
EXPENSES		
Administration	196,635	104,252
Advertising and promotion	7,938	1,619
Amortization	917	949
Audit and legal	9,503	9,995
Coaching clinics	-	11,512
Collection and credit card fees	14,018	23,382
Equipment	18,087	63,419
Field rentals	60,387	100,862
Honorariums and scholarships	5,000	6,000
Insurance and registration	28,716	34,120
Fundraising expenses	28,325	-
Office and sundry	13,343	15,877
Referees	8,417	53,519
Telephone	1,440	1,470
Tournament costs and trophies	2,006	12,999
Training, development and other programs	229,841	368,777
	<u>624,573</u>	<u>808,752</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES FROM OPERATIONS	46,186	(15,051)
Loss on disposal of capital assets	<u>(609)</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	\$ 45,577	\$ (15,051)

The accompanying notes are an integral part of these financial statements

RICHMOND YOUTH SOCCER ASSOCIATION

Statement of Changes in Net Assets

Year Ended March 31, 2021

	Unrestricted		
		2021	2020
NET ASSETS - BEGINNING OF YEAR			
As previously reported	\$ 41,386	\$ 41,386	\$ 63,970
Prior period adjustment (<i>Note 7</i>)	-	-	(7,533)
As restated	41,386	41,386	56,437
EXCESS OF REVENUES OVER EXPENSES	45,577	45,577	(15,051)
NET ASSETS - END OF YEAR	\$ 86,963	\$ 86,963	\$ 41,386

The accompanying notes are an integral part of these financial statements

RICHMOND YOUTH SOCCER ASSOCIATIONStatement of Cash Flows
Year Ended March 31, 2021

	2021	2020 <i>Restated (Note 6)</i>
OPERATING ACTIVITIES		
Excess (deficiency) of revenues over expenses	\$ 45,577	\$ (15,051)
Items not affecting cash:		
Amortization of capital assets	917	949
Loss on disposal of capital assets	609	-
	<u>47,103</u>	<u>(14,102)</u>
Changes in non-cash working capital:		
Accounts receivable	14,251	1,303
Prepaid expenses	(3,395)	5,917
Accounts payable and accrued liabilities	(23,678)	30,074
Due to the government agencies	(2,815)	4,170
Unearned revenue	112,185	(34,254)
	<u>96,548</u>	<u>7,210</u>
Cash flow from (used by) operating activities	<u>143,651</u>	<u>(6,892)</u>
INVESTING ACTIVITY		
Purchase of capital assets	<u>(1,070)</u>	<u>(1,681)</u>
FINANCING ACTIVITY		
Government loan proceeds	<u>60,000</u>	<u>-</u>
INCREASE (DECREASE) IN CASH FLOW	202,581	(8,573)
Cash - beginning of year	<u>272,336</u>	<u>280,909</u>
CASH - END OF YEAR	\$ 474,917	\$ 272,336

The accompanying notes are an integral part of these financial statements

RICHMOND YOUTH SOCCER ASSOCIATION

Notes to Financial Statements

Year Ended March 31, 2021

1. PURPOSE OF THE ASSOCIATION

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 ASSUMPTION

The accompanying financial statements have been prepared on the going concern assumption that the Association will be able to realize its assets and discharge its liabilities in the normal course of business.

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.

(b) Revenue recognition

Richmond Youth Soccer Association follows the deferral method of accounting for contributions.

Restricted contributions are recognized as revenue in the year in which the related expenses 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.

Registration, programs, 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

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RICHMOND YOUTH SOCCER ASSOCIATION

Notes to Financial Statements

Year Ended March 31, 2021

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(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, accrued liabilities, and due to government agencies.

4. CAPITAL ASSETS

	Cost	Accumulated amortization	2021 Net book value	2020 Net book value
Computer equipment	\$ 3,602	\$ 2,227	\$ 1,375	\$ 1,680
Office equipment	752	376	376	527
	\$ 4,354	\$ 2,603	\$ 1,751	\$ 2,207

5. UNEARNED REVENUE

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

	2021	2020
Unearned revenue - beginning of period	\$ 174,187	\$ 208,441
Less: amounts recognized as revenue in the period	(174,187)	(208,441)
Add: amounts received related to the following year - registration deposits and fundraising revenue	237,399	174,187
Unearned revenue - end of period	\$ 237,399	\$ 174,187

RICHMOND YOUTH SOCCER ASSOCIATION

Notes to Financial Statements

Year Ended March 31, 2021

6. LONG TERM DEBT

	2021	2020
Loan under the Canada Emergency Business Account (CEBA). The loan is non-interest bearing if repaid by December 31, 2022. Any unpaid balance at that time will then convert to a 3 year term loan with 5% interest.	\$ 60,000	\$ -
	-	-
	<u>\$ 60,000</u>	<u>\$ -</u>

If \$40,000 of the loan is repaid by December 31, 2022, \$20,000 will be forgiven under the terms of the loan.

7. PRIOR PERIOD ADJUSTMENT

The 2020 financial statements were previously restated to reflect a correction in the timing of an expense accrual for legal fees in the amount of \$7,533.

8. 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.

(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.

9. EMPLOYEE REMUNERATION

During the year ended March 31, 2021 the Association paid total remuneration of \$91,002 to its Executive Director.

RICHMOND YOUTH SOCCER ASSOCIATION

Notes to Financial Statements

Year Ended March 31, 2021

10. SUBSEQUENT EVENTS

On March 11 2020, the World Health Organization declared a global pandemic due to the novel coronavirus (COVID-19). The situation is constantly evolving, and the measures put in place are having multiple impacts on the local, provincial, national and global economies.

To address the Covid-19 crisis, the Association's management made some changes in its operations, including the temporary suspension of regular spring programs, the cancellation of games and tournaments and the pivoting to programs that allow for compliance with mandated health protocols.

The pandemic has continued into 2021. Management believes that this disturbance in operations and the effects of these changes on its financial statements may be temporary; however, there is uncertainty about the length and potential impact of the disturbance.

As a result, we are unable to estimate the potential impact on the Association's operations as at the date of these financial statements.

11. 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.