

**RICHMOND YOUTH SOCCER ASSOCIATION**

Financial Statements

Year Ended March 31, 2022

**RICHMOND YOUTH SOCCER ASSOCIATION**

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Year Ended March 31, 2022

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## INDEPENDENT AUDITOR'S REPORT

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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, 2022, 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, 2022, 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 To the Members of Richmond Youth Soccer Association (*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 24, 2022

Chartered Professional Accountants

**RICHMOND YOUTH SOCCER ASSOCIATION**

Statement of Financial Position

March 31, 2022

	2022	2021
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 492,042	\$ 474,917
Accounts receivable	28,262	20,480
Grants receivable	100,000	-
Prepaid expenses	16,474	5,998
	<u>636,778</u>	501,395
CAPITAL ASSETS (Note 3)	<u>1,475</u>	1,751
	<u>\$ 638,253</u>	<u>\$ 503,146</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT</b>		
CEBA loan (Note 4)	\$ -	\$ 60,000
Accounts payable and accrued liabilities	78,740	57,959
Due to the government agencies	249	4,963
Unearned revenue (Note 5)	412,445	286,372
	<u>491,434</u>	409,294
NET ASSETS		
Unrestricted	<u>146,819</u>	93,852
	<u>\$ 638,253</u>	<u>\$ 503,146</u>

**ON BEHALF OF THE BOARD**

\_\_\_\_\_ *Chris Parry, President*

\_\_\_\_\_ *Michael Rose, Treasurer*

*See notes to financial statements*

**RICHMOND YOUTH SOCCER ASSOCIATION**Statement of Operations  
Year Ended March 31, 2022

	2022	2021
<b>REVENUES</b>		
Registration fees	\$ 708,418	\$ 443,863
Program revenue	126,125	94,628
Tournament, clinics and other	100,169	9,907
Fundraising	37,310	28,325
BC Gaming Commission grant	-	100,000
Government subsidy	20,000	-
Interest income	519	925
	<u>992,541</u>	<u>677,648</u>
<b>EXPENSES</b>		
Amortization	925	917
Bad debts	2,000	-
Coaching clinics	1,782	-
Collection and credit card fees	29,949	14,018
Equipment	72,939	18,087
Fundraising expenses	36,704	28,325
Honorariums and scholarships	7,000	5,000
Insurance and registration	23,831	28,716
Marketing and advertising	6,789	7,938
Office and sundry	14,614	13,343
Professional fees	22,694	9,503
Referees	37,439	8,417
Rental	96,079	60,387
Staff and staff coaching	359,776	323,224
Telephone	775	1,440
Tournament costs and trophies	16,342	2,006
Training, development and other programs	209,936	103,252
	<u>939,574</u>	<u>624,573</u>
<b>EXCESS OF REVENUES OVER EXPENSES FROM OPERATIONS</b>	<b>52,967</b>	<b>53,075</b>
Loss on disposal of capital assets	-	609
<b>EXCESS OF REVENUES OVER EXPENSES</b>	<b>\$ 52,967</b>	<b>\$ 52,466</b>

*See notes to financial statements*

**RICHMOND YOUTH SOCCER ASSOCIATION**

Statement of Changes in Net Assets

Year Ended March 31, 2022

	<b>2022</b>	2021
<b>NET ASSETS - BEGINNING OF YEAR</b>		
As previously reported	<b>\$ 86,963</b>	\$ 41,386
Prior period adjustments ( <i>Note 6</i> )	<b>6,889</b>	-
As restated	<b>93,852</b>	41,386
<b>EXCESS OF REVENUES OVER EXPENSES</b>	<b>52,967</b>	52,466
<b>NET ASSETS - END OF YEAR</b>	<b>\$ 146,819</b>	\$ 93,852

*See notes to financial statements*

**RICHMOND YOUTH SOCCER ASSOCIATION**Statement of Cash Flows  
Year Ended March 31, 2022

	2022	2021
<b>OPERATING ACTIVITIES</b>		
Excess of revenues over expenses	\$ 52,967	\$ 52,466
Items not affecting cash:		
Amortization of capital assets	925	917
Loss on disposal of capital assets	-	609
Government subsidy	<u>(20,000)</u>	<u>-</u>
	<u>33,892</u>	<u>53,992</u>
Changes in non-cash working capital:		
Accounts receivable	(7,782)	14,251
Grants receivable	(100,000)	-
Prepaid expenses	(10,476)	(3,395)
Accounts payable and accrued liabilities	20,781	(30,567)
Due to the government agencies	(4,714)	(2,815)
Unearned revenue	<u>126,073</u>	<u>112,185</u>
	<u>23,882</u>	<u>89,659</u>
Cash flow from operating activities	<u>57,774</u>	<u>143,651</u>
<b>INVESTING ACTIVITY</b>		
Purchase of capital assets	<u>(649)</u>	<u>(1,070)</u>
<b>FINANCING ACTIVITIES</b>		
CEBA loan proceeds	-	60,000
Repayment of government loan	<u>(40,000)</u>	<u>-</u>
Cash flow from (used by) financing activities	<u>(40,000)</u>	<u>60,000</u>
<b>INCREASE IN CASH FLOW</b>	<b>17,125</b>	<b>202,581</b>
Cash - beginning of year	<u>474,917</u>	<u>272,336</u>
<b>CASH - END OF YEAR</b>	<b>\$ 492,042</b>	<b>\$ 474,917</b>

*See notes to financial statements*

# RICHMOND YOUTH SOCCER ASSOCIATION

## Notes to Financial Statements

Year Ended March 31, 2022

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### 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, and is a not-for-profit organization under the Canadian Income Tax Act.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO). 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 such as the useful life and amortization of capital assets and bad debts, 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.

Interest income is recognized on a time proportion basis.

(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, 2022

**2. 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 originated or exchanged in arm's length transaction at fair value.

Financial assets and liabilities originated or exchanged in related party transactions, except for those that involve parties whose sole relationship with the association is in the capacity of management, are initially measured at cost. The cost of a financial instrument in a related party transaction depends on whether the instrument has repayment term.

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, grants receivable, bank loan, accounts payable and accrued liabilities, and due to government agencies.

**3. CAPITAL ASSETS**

	Cost	Accumulated amortization	<b>2022 Net book value</b>	2021 Net book value
Computer equipment	\$ 4,250	\$ 3,001	\$ 1,249	\$ 1,375
Office equipment	752	526	226	376
	\$ 5,002	\$ 3,527	\$ 1,475	\$ 1,751

**4. CEBA LOAN**

	<b>2022</b>	2021
Loan under the Canada Emergency Business Account (CEBA). The loan is non-interest bearing, if repaid by December 31, 2023	\$ -	\$ 60,000

The Association repaid \$40,000 of the loan on December 14, 2021, as a result, the balance of \$20,000 was forgiven under the terms of the loan.

# RICHMOND YOUTH SOCCER ASSOCIATION

## Notes to Financial Statements

Year Ended March 31, 2022

### 5. UNEARNED REVENUE

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

	<u>2022</u>	<u>2021</u>
Unearned revenue - beginning of period	\$ 286,372	\$ 174,187
	-	-
Add: amounts received related to the following year		
- registration deposits and fundraising revenue	263,797	286,372
- 2021 Gaming grant received post year-end	100,000	-
	<u>650,169</u>	<u>460,559</u>
Less: amounts recognized as revenue in the period	<u>(237,724)</u>	<u>(174,187)</u>
Unearned revenue - end of period	<u>\$ 412,445</u>	<u>\$ 286,372</u>

### 6. PRIOR PERIOD ADJUSTMENT

The Association learned that revenue from Finishing School program was accounted for as accounts payable in the previous year when it should have been recognized as revenue. As a result, the net assets balance as at April 1, 2021 was increased by \$6,889 and the 2021 financial statements were restated. The line item Program revenue and the excess of revenue over expenses in the 2021 statement of operations were increased by \$6,889.

### 7. FINANCIAL INSTRUMENTS

The association is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the association's risk exposure and concentration as of March 31, 2022.

#### (a) 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 program participants. However, the association has a significant number of participants which minimizes concentration of credit risk.

#### (a) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The association manages its liquidity risk by monitoring its operating requirements. The association prepares an annual budget to ensure it has sufficient funds to fulfill its obligations.

#### (a) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. The association is exposed to interest rate risk with respect to interest-bearing investments that bear interest at floating rates. Interest rate risk is not considered significant because the association does not invest a large amount in interest-bearing investments.

# **RICHMOND YOUTH SOCCER ASSOCIATION**

## Notes to Financial Statements

Year Ended March 31, 2022

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### **8. EMPLOYEE REMUNERATION**

During the year ended March 31, 2022, two of the Association's employees were paid wages and benefits over \$75,000.

### **9. SUBSEQUENT EVENTS**

The novel coronavirus (COVID-19) pandemic has continued from 2020 into 2022, and has caused an unprecedented amount of financial pressure for many business and non-profit organizations alike.

The government has started lifting various public health restrictions resulting in reinstatement of the previously suspended programs, games and tournaments. The current year's operating results suggests that the association is on the rebound. However, management is aware of the possibility of future waves of cases.

The recurrence and its potential effects to the association's operations is too uncertain to be estimated. The impacts will be accounted for when they are known and may be assessed.

### **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.