

SOUTH FRASER DISTRICT ASSOCIATION
Financial Statements
Year Ended March 31, 2020

SOUTH FRASER DISTRICT ASSOCIATION
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Year Ended March 31, 2020

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HWG, Chartered Professional Accountants

INDEPENDENT AUDITOR'S REPORT

To the Members of South Fraser District Association

Report on the Financial Statements

Opinion

We have audited the financial statements of South Fraser District Association (the Association), which comprise the statement of financial position as at March 31, 2020, and the statements of changes in net assets, revenues and expenditures 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 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 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 those 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 conclusion, we draw attention to Note 3 in the financial statements, which discloses measures the Association has taken to cope with the ongoing effect of COVID-19. Management has proposed a plan to keep the Association viable in the future until normal economic activity can resume. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Association's ability to continue as a going concern.

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 Association's ability to continue as a going concern, disclosing, as applicable, matters relating 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.

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A Partnership of Incorporated Professionals

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Independent Auditor's Report to the Members of South Fraser District Association *(continued)*

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. 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 British Columbia Societies Act, we report that, in our opinion, the Society's financial statements have been prepared following Canadian accounting standards for not-for-profit organizations.



Surrey, BC
August 18, 2020

CHARTERED PROFESSIONAL ACCOUNTANTS

SOUTH FRASER DISTRICT ASSOCIATION
Statement of Financial Position
March 31, 2020

	2020	2019
ASSETS		
CURRENT		
Cash	\$ 84,225	\$ 87,706
Accounts receivable	42,739	4,232
Prepaid expenses	5,668	-
	\$ 132,632	\$ 91,938
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 36,490	\$ 23,011
Deposits received	-	10,000
	36,490	33,011
GENERAL FUND	96,142	58,927
	\$ 132,632	\$ 91,938

APPROVED BY

_____ Director _____ Director

See notes to financial statements

SOUTH FRASER DISTRICT ASSOCIATION
Statement of Changes in Net Assets
Year Ended March 31, 2020

	2020	2019
NET ASSETS - BEGINNING OF YEAR	\$ 58,927	\$ 133,639
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	37,215	(74,712)
NET ASSETS - END OF YEAR	\$ 96,142	\$ 58,927

SOUTH FRASER DISTRICT ASSOCIATION
Statement of Revenues and Expenditures
Year Ended March 31, 2020

	2020	2019
REVENUE		
Direct membership fees	\$ 495,563	\$ 394,441
Miscellaneous revenue	13,656	53,685
	<u>509,219</u>	<u>448,126</u>
EXPENSES		
BCSA registration fees	325,185	358,196
Bad debts	-	15,408
District awards and scholarships	5,900	5,900
District medals and cup play	15,408	16,667
District registrar honorariums	59,928	65,000
League affiliation fees	40,490	42,522
League scheduler honorariums	8,855	5,639
Office	4,613	2,251
Professional fees	7,125	6,300
Technical programs	4,500	4,000
Web and communications	-	955
	<u>472,004</u>	<u>522,838</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	\$ 37,215	\$ (74,712)

SOUTH FRASER DISTRICT ASSOCIATION
Statement of Cash Flows
Year Ended March 31, 2020

	2020	2019
OPERATING ACTIVITIES		
Excess (deficiency) of revenue over expenses	\$ 37,215	\$ (74,712)
Changes in non-cash working capital:		
Accounts receivable	(38,507)	91,944
Prepaid expenses	(5,668)	-
Accounts payable and accrued liabilities	13,479	11,511
Deposits received	(10,000)	10,000
	<u>(40,696)</u>	113,455
INCREASE (DECREASE) IN CASH FLOW	(3,481)	38,743
CASH - BEGINNING OF YEAR	87,706	48,963
CASH - END OF YEAR	\$ 84,225	\$ 87,706

SOUTH FRASER DISTRICT ASSOCIATION
Notes to Financial Statements
Year Ended March 31, 2020

PURPOSE OF THE ASSOCIATION

South Fraser District Association (the "Association") is incorporated under the Societies Act of British Columbia. The Association aims to foster, develop and administer the game of soccer in the South Fraser district.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO).

Fund accounting

The Association follows the restricted fund method of accounting.

Revenues and expenses related to program delivery and administrative activities are reported in the General Fund.

Cash and cash equivalent

Cash and cash equivalents consist of cash and bank overdrafts.

Income taxes

The Association is a non-profit organization within the meaning of the Income Tax Act (Canada) and is exempt from federal and provincial income taxes.

Revenue recognition

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

Unrestricted contributions are recognized as revenue in the general fund when received. Restricted contributions are recognized as revenue when received in the specific fund they relate. Restricted funds for which there is no specific fund are recognized in the general fund using the deferral method.

Financial instruments

The Association's financial instruments consist of accounts receivable and accounts payable. Unless otherwise noted, it is management's opinion that the Association is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these financial instruments approximate their carrying values, unless otherwise noted, because of the immediate or short term maturity of these financial instruments.

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SOUTH FRASER DISTRICT ASSOCIATION
Notes to Financial Statements
Year Ended March 31, 2020

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

Use of estimates

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations which requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the period. Such estimates include providing for amortization of property, buildings and equipment. Actual results could differ from these estimates.

2. 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, 2020.

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. In order to reduce its credit risk, the association reviews a new customer's credit history before extending credit and conducts regular reviews of its existing customers' credit performance. An allowance for doubtful accounts is established based upon factors surrounding the credit risk of specific accounts, historical trends and other information. Because of the COVID-19 crisis and its implications on businesses in the community, credit risk has risen from the prior year. Due to the uncertainty surrounding the implications of this crisis, the actual results could vary materially from the estimates made in determining the allowance.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The association is exposed to this risk mainly in respect of its receipt of funds from its customers and accounts payable. Due to the negative impact of the COVID-19 outbreak on cash flows from operations, the association's exposure to liquidity risk has increased over the prior period.

Unless otherwise noted, it is management's opinion that the association is not exposed to significant other price risks arising from these financial instruments.

3. SUBSEQUENT EVENTS

The COVID-19 outbreak in British Columbia has resulted in significant changes to the operations of the Association. Following the suspension of all soccer activity in Canada, The British Columbia Soccer Association, ViaSport, and Canada Soccer have introduced measures and guidelines for the resumption of play which is a part of a three phase process. The soccer season is expected to resume in September 2020. Management has taken active measures to reduce its expenses in order to continue operations until the pandemic is under control.

SOUTH FRASER DISTRICT ASSOCIATION
Notes to Financial Statements
Year Ended March 31, 2020

4. ECONOMIC DEPENDENCE

The Association is dependent on the continued support of the soccer clubs operating under the jurisdiction of the district to carry out the mission of the Association.
