

BRITISH COLUMBIA PROVINCIAL FOOTBALL ASSOCIATION

FINANCIAL STATEMENTS

31 DECEMBER 2023

BRITISH COLUMBIA PROVINCIAL FOOTBALL ASSOCIATION

Financial Statements

For the year ended 31 December 2023

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors,
British Columbia Provincial Football Association

Qualified Opinion

We have audited the financial statements of British Columbia Provincial Football Association (the "Association"), which comprise the statement of financial position as at 31 December 2023, and the statements of changes in net assets, operations and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Association as at 31 December 2023, and the results of its operations and its cash flows for the year then ended in accordance with ASNPO.

Basis for Qualified Opinion

Because we were appointed as auditors of the association during the current year, the assets, liabilities, revenues and expenses as at and for the year ended 31 December 2022 have not been audited. Since the opening assets and liabilities enter into determination of the results of operations and cash flows for the current year, we were unable to determine whether any adjustments to revenue, expenses, opening net assets or cash flows might be necessary.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditors' 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 qualified 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 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.

INDEPENDENT AUDITORS' 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.

Those charged with governance are responsible for overseeing the Association's financial reporting process.

Auditors' 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 auditors' 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 auditors' 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 auditors' report. However, future events or conditions may cause the Association to cease to continue as a going concern.

INDEPENDENT AUDITORS' REPORT - Continued

- ♦ 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 (British Columbia), we report that, in our opinion, the accounting principles in Canadian accounting standards for not-for-profit organizations have been applied on a basis consistent with that of the preceding year.

Rolfe Benson LLP

CHARTERED PROFESSIONAL ACCOUNTANTS

Vancouver, Canada
17 July 2024

BRITISH COLUMBIA PROVINCIAL FOOTBALL ASSOCIATION
Statement of Financial Position
31 December 2023

	2023	2022
		(Unaudited)
Assets		
Current		
Cash	\$ 193,799	\$ 114,229
Accounts receivable	82,562	107,867
Inventory	8,809	-
Prepaid expenses and deposits	7,467	897
Term deposit (Note 3)	5,000	-
	297,637	222,993
Restricted cash (Note 5)	23,858	23,858
Tangible capital assets (Note 4)	5,483	-
	\$ 326,978	\$ 246,851
Liabilities		
Current		
Accounts payable and accrued liabilities	\$ 130,596	\$ 53,036
Player deposits and deferred revenue (Note 6)	102,039	87,968
GST Payable	13,813	-
	246,448	141,004
Lions scholarship fund (Note 5)	23,858	23,858
	270,306	164,862
Net Assets		
Internally restricted funds (Note 7)	50,000	50,000
Unrestricted	1,189	31,989
Invested in tangible capital assets	5,483	-
	56,672	81,989
	\$ 326,978	\$ 246,851

APPROVED ON BEHALF OF THE DIRECTORS:

_____ Director _____ Director

The accompanying notes are an integral part of these financial statements.

BRITISH COLUMBIA PROVINCIAL FOOTBALL ASSOCIATION
Statement of Changes in Net Assets
For the Year Ended 31 December 2023

	Invested in tangible capital assets	Internally restricted fund	Unrestricted fund	2023	2022
					(Unaudited)
Balance - beginning of year	\$ -	\$ 50,000	\$ 31,989	\$ 81,989	\$ 90,006
Deficiency of revenues over expenses for the year	(2,080)	-	(23,237)	(25,317)	(8,017)
Net additions to tangible capital assets	7,563	-	(7,563)	-	-
Balance - end of year	\$ 5,483	\$ 50,000	\$ 1,189	\$ 56,672	\$ 81,989

The accompanying notes are an integral part of these financial statements.

BRITISH COLUMBIA PROVINCIAL FOOTBALL ASSOCIATION**Statement of Operations****For the Year Ended 31 December 2023**

	2023	2022
		(Unaudited)
Revenues		
Programs & event registration	\$ 505,478	\$ 480,613
Membership fees	151,013	125,489
Government grants	138,888	125,545
Football Canada Cup	41,040	37,440
BC Lions fundraising	42,373	76,055
NCCP coaching clinics	2,662	2,325
Miscellaneous revenues	-	10,858
Organizational grants	-	6,250
Interest income	-	85
	<u>881,454</u>	<u>864,660</u>
Expenses		
Event and program costs	594,110	569,702
Administrative - Schedule 1	310,581	283,075
Legal settlement	-	18,000
Bad debt	-	1,900
Amortization expense	2,080	-
	<u>906,771</u>	<u>872,677</u>
Deficiency of revenues over expenses for the year	\$ (25,317)	\$ (8,017)

The accompanying notes are an integral part of these financial statements.

BRITISH COLUMBIA PROVINCIAL FOOTBALL ASSOCIATION**Statement of Cash Flows****For the Year Ended 31 December 2023**

	2023	2022
		(Unaudited)
Cash provided by (used in):		
Operating activities		
Deficiency of revenues over expenses for the year	\$ (25,317)	\$ (8,017)
Items not involving cash		
Amortization	2,080	-
Changes in non-cash working capital balances		
Accounts receivable	25,305	(88,125)
Prepaid expenses and deposits	(6,570)	(253)
Inventory	(8,809)	-
Accounts payable and accrued liabilities	77,560	(31,698)
Player deposits and deferred revenue	14,071	70,468
GST payable	13,813	-
	<u>92,133</u>	<u>(57,625)</u>
Investing activities		
Purchase of tangible capital assets	(7,563)	-
Purchase of term deposits	(5,000)	-
Increase in restricted cash	-	(1,705)
	<u>(12,563)</u>	<u>(1,705)</u>
Financing activity		
Lions scholarship fund	-	1,705
	<u>-</u>	<u>1,705</u>
Net increase (decrease) in cash	79,570	(57,625)
Cash - beginning of year	114,229	171,854
Cash - end of year	\$ 193,799	\$ 114,229

The accompanying notes are an integral part of these financial statements.

BRITISH COLUMBIA PROVINCIAL FOOTBALL ASSOCIATION
Notes to the Financial Statements
For the year ended 31 December 2023

1. Nature of operations

British Columbia Provincial Football Association (the "Association") is a not-for-profit society incorporated on 25 November 2015 under the Societies Act (British Columbia). The Association is the governing body for amateur football in British Columbia. The Association is a member of Football Canada.

For income tax purposes, the Association is qualified as a not-for-profit organization, which is exempt from income taxes under the Income Tax Act.

The purpose of the Association is:

- (a) To provide and enhance opportunities for persons of any age to play organized football;
- (b) To provide direct and indirect support to football organizations so that they may develop and sustain competitive football programming;
- (c) To ensure the game of football is conducted in a reasonably safe manner by developing appropriate rules and programs for all participants;
- (d) To promote and encourage interest in the game of football;
- (e) To improve the standard and quality of play;
- (f) To develop educational, training and competitive opportunities in support of the football community generally;
- (g) To sanction out of province competition;
- (h) To secure the administrative and financial support necessary to achieve goals;
- (i) To operate without purpose of pecuniary gain to any of its members and any surplus of the Society shall be used solely for the purpose of the Society and the promotion of its objectives; and,
- (j) To affiliate with allied organizations, agencies, corporations and associations generally.

BRITISH COLUMBIA PROVINCIAL FOOTBALL ASSOCIATION
Notes to the Financial Statements
For the year ended 31 December 2023

2. Summary of significant accounting policies

The Association follows Canadian accounting standards for not-for-profit organizations in preparing its financial statements. The significant accounting policies used are as follows:

(a) Financial instruments

(i) Measurement of financial instruments

The Association initially measures its financial assets and liabilities at fair value and subsequently measures all of its financial assets and financial liabilities at 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 the statement of operations.

Financial assets measured at amortized cost include cash, term deposits, accounts receivable and restricted cash.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities, deposits and Lions scholarship fund.

(ii) Impairment

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in the statement of operations. 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 the statements of operations.

(iii) Transaction costs

The Association recognizes its transaction costs in the statements of operations in the period incurred, however financial instruments that will not be subsequently measured at fair value are adjusted by the transaction costs that are directly attributable to their origination, issuance or assumption.

BRITISH COLUMBIA PROVINCIAL FOOTBALL ASSOCIATION
Notes to the Financial Statements
For the year ended 31 December 2023

2. 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 expenses are incurred. Unrestricted contributions and membership fees are recognized as revenue in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. The Association recognizes revenues from program and event registration upon completion of events. 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. Fundraising is recognized as revenue in the year received.

(c) Contributed services

Directors and members volunteer their time to assist in the Association's activities. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

(d) Contribution in kind

The Association recognizes the contribution of materials at fair value when they can be reasonably estimated, when they are used in the normal course of operations and would otherwise have been purchased. The value of the contributed materials are recognized in revenues and expenses.

(e) Tangible capital assets

Tangible capital assets are recorded at cost. The Association provides for amortization using the declining balance method at rates designed to amortize the cost of the tangible capital assets over their estimated useful lives. One half of the year's amortization is recorded in the year of acquisition. The annual amortization rate is as follows:

Computer equipment	55%
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The Association tests for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable. When a tangible capital asset no longer contributes to the services provided by the Association, its carrying amount is written down to its residual value. No impairment losses were determined by management to be necessary for the year.

BRITISH COLUMBIA PROVINCIAL FOOTBALL ASSOCIATION
Notes to the Financial Statements
For the year ended 31 December 2023

2. Summary of significant accounting policies - Continued

(f) 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 statement of financial position date and the reported amounts of revenues and expenses during the year. The accrued liabilities account is subject to estimates. Management believes that the estimates utilized in preparing the financial statements are prudent and reasonable; however, actual results could differ from those estimates.

3. Term deposit

Term deposit consists of a guaranteed investment certificate that matures on 9 November 2024 and earns interest at 5.45% per annum.

4. Tangible capital assets

	Cost	Accumulated Amortization	2023 Net	2022 Net
				(Unaudited)
Computer equipment	\$ 7,563	\$ 2,080	\$ 5,483	\$ -

5. Restricted cash

The Association acts as an agent for programs with the BC Lions Football Club. Bank charges incurred by the Association on these programs are reimbursed from program funding. The balance of unspent funds held in trust are recorded on the statement of financial position and have no impact on the operating activities of the Association.

	2023	2022
		(Unaudited)
Lions scholarship fund	\$ 23,858	\$ 23,858

BRITISH COLUMBIA PROVINCIAL FOOTBALL ASSOCIATION
Notes to the Financial Statements
For the year ended 31 December 2023

6. Player deposits and deferred revenues

	Balance, beginning of year	Received	Recognized	Balance, end of year
BC sports funding	\$ 3,575	\$ -	\$ (3,575)	\$ -
Player deposits	68,393	25,039	(68,393)	25,039
Via Sports funding	16,000	77,000	(16,000)	77,000
	<u>\$ 87,968</u>	<u>\$ 102,039</u>	<u>\$ (87,968)</u>	<u>\$ 102,039</u>

7. Internally restricted funds

The internally restricted funds represent amounts received during the year that are not restricted for their use by an external agreement but have been designated by the board to be internally restricted for the purpose of furthering football in the province of British Columbia.

	<u>2023</u>	<u>2022</u>
		(Unaudited)
BC Lions donated funds	<u>\$ 50,000</u>	<u>\$ 50,000</u>

8. Financial instruments

The Association is exposed to various risks through its financial instruments. The following analysis provides a measure of the Association's risk exposure and concentrations at the statement of financial position date, 31 December 2023.

(a) Liquidity risk

Liquidity risk is the risk the Association will encounter difficulty in meeting obligations associated with financial liabilities. The Association is exposed to this risk mainly in respect of its accounts payable and accrued liabilities and Lions scholarship fund. There has been no change to the risk exposure from the prior year.

BRITISH COLUMBIA PROVINCIAL FOOTBALL ASSOCIATION
Notes to the Financial Statements
For the year ended 31 December 2023

8. Financial instruments - Continued

(b) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Association's main credit risks relate to its cash and accounts receivable. The Association's cash is maintained with a large federally regulated financial institution in Canada. The accounts receivable are due from a diverse group of organizations. The Association provides credit to its clients in the normal course of operations. The Association assesses, on a continuous basis, accounts receivable and provides for any amounts that are not collectible in the allowance for doubtful accounts. There has been no change to the risk exposure from the prior year.

9. Remuneration of directors, employees and contractors

The Societies Act (British Columbia) requires a society (other than a society designated as a member-funded society) to include, in its financial statements, the disclosure of any remuneration paid to its directors, and remuneration paid to employees and contractors earning more than \$75,000 during the fiscal year. For the fiscal year ended 31 December 2023 the amounts paid to directors of the Association for acting in their noted capacity was \$Nil (2022 - \$Nil). The Association had no employee or contractor (2022 - none) with remuneration in excess of \$75,000.

BRITISH COLUMBIA PROVINCIAL FOOTBALL ASSOCIATION
Schedule 1 - Administrative
For the year ended 31 December 2023

	2023	2022
		(Unaudited)
Contractor costs and wages	\$ 198,442	\$ 203,941
Insurance	43,481	26,366
Office	28,196	19,732
Professional fees	21,866	10,513
Bank and merchant fees	13,475	13,590
Meeting, travel and facilities	2,621	5,183
Educational grants	2,500	3,750
	<hr/> \$ 310,581	<hr/> \$ 283,075
