

BRITISH COLUMBIA RUGBY UNION

FINANCIAL STATEMENTS

31 MARCH 2024

BRITISH COLUMBIA RUGBY UNION

Financial Statements

For the Year Ended 31 March 2024

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INDEPENDENT AUDITORS' REPORT

To the Directors,
British Columbia Rugby Union,

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of British Columbia Rugby Union (“BCRU”), which comprise the statement of financial position as at 31 March 2024, and the statement of operations and changes in fund balances and statement of 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 BCRU as at 31 March 2024, and its results of 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 Auditors’ Responsibilities for the Audit of the Financial Statements section of our report. We are independent of BCRU 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 audit opinion.

INDEPENDENT AUDITORS' REPORT - continued

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 BCRU'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 BCRU or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing BCRU'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 BCRU's internal control.


INDEPENDENT AUDITORS' REPORT - continued

- 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 BCRU'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 BCRU 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 (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.



CHARTERED PROFESSIONAL ACCOUNTANTS

Vancouver, Canada
4 June 2024

BRITISH COLUMBIA RUGBY UNION
Statement of Financial Position
31 March 2024

	Operating Fund		Tour Legacy Fund		Total	
	2024	2023	2024	2023	2024	2023 (Note 11)
	\$	\$	\$	\$	\$	\$
Assets						
Current						
Cash	326,326	431,356	91,660	89,245	417,986	520,601
Accounts receivable	72,567	125,204	-	-	72,567	125,204
Prepaid expenses	75,679	49,146	-	-	75,679	49,146
	474,572	605,706	91,660	89,245	566,232	694,951
Liabilities						
Current						
Accounts payable and accrued liabilities	62,078	95,210	-	-	62,078	95,210
Deferred revenue (Note 3)	82,100	107,010	-	-	82,100	107,010
Refundable deposits	7,800	8,400	-	-	7,800	8,400
	151,978	210,620	-	-	151,978	210,620
Commitments (Note 6)						
Fund Balances						
Internally restricted	-	-	91,660	89,245	91,660	89,245
Unrestricted	322,594	395,086	-	-	322,594	395,086
	322,594	395,086	91,660	89,245	414,254	484,331
	474,572	605,706	91,660	89,245	566,232	694,951

APPROVED BY THE DIRECTORS:

_____ Director

_____ Director

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

BRITISH COLUMBIA RUGBY UNION
Statement of Operations and Changes in Fund Balances
For the Year Ended 31 March 2024

	Revenues		Expenses		(Deficiency) excess of revenue over expenses for the year	
	2024	2023	2024	2023	2024	2023
	\$	\$	\$	\$	\$	\$
Operating Fund						
Government grants	366,884	696,385	-	-	366,884	696,385
Dues - Schedule 1	156,070	115,637	-	-	156,070	115,637
Commercial activities - Schedule 3	721,027	552,873	428,647	410,389	292,380	142,484
Administration - Schedule 2	8,037	3,003	119,592	137,770	(111,555)	(134,767)
Representative teams - Schedule 6 (Note 5)	299,930	403,782	386,494	506,942	(86,564)	(103,160)
Rugby central - Schedule 4	352,884	330,088	268,404	279,089	84,480	50,999
Human resources	-	-	774,187	733,663	(774,187)	(733,663)
COVID-19 government subsidies - Schedule 5 (Note 7)	-	1,736	-	-	-	1,736
	1,904,832	2,103,504	1,977,324	2,067,853	(72,492)	35,651
Fund balance - beginning of year					395,086	359,435
Fund balance - end of year					322,594	395,086
Tour Legacy Fund						
Administration	2,415	1,009	-	-	2,415	1,009
Fund balance - beginning of year					89,245	88,236
Fund balance - end of year					91,660	89,245
Fund Balance Totals						
(Deficiency) excess of revenues over expenses for the year					(70,077)	36,660
Fund balance - beginning of year					484,331	447,671
Fund balance - end of year					414,254	484,331

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

BRITISH COLUMBIA RUGBY UNION**Statement of Cash Flows****For the Year Ended 31 March 2024**

	2024	2023
		(Note 11)
Cash provided by (used in):		
Operating activities		
(Deficiency) excess of revenues over expenses for the year	\$ (70,077)	\$ 36,660
Changes in non-cash working capital balances		
Accounts receivable	52,637	144,803
Prepaid expenses	(26,533)	5,219
Accounts payable and accrued liabilities	(33,132)	6,707
Deferred revenue	(24,910)	(308,635)
Refundable deposits	(600)	3,400
	<u>(102,615)</u>	<u>(111,846)</u>
Financing activities		
Repayment of Canada Emergency Business Account	-	(40,000)
	<u>-</u>	<u>(40,000)</u>
Net decrease in cash	(102,615)	(151,846)
Cash - beginning of year	520,601	672,447
Cash - end of year	\$ 417,986	\$ 520,601

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

BRITISH COLUMBIA RUGBY UNION
Notes to the Financial Statements
For the Year Ended 31 March 2024

1. Nature of Operations

Purpose of Organization

The objectives of the British Columbia Rugby Union (“BCRU”) are to grow, develop and manage the sport of Rugby in the Province of British Columbia. The BCRU is incorporated under the Societies Act (British Columbia) as a not-for-profit organization and as such, the Rugby Union is not subject to income taxes, providing certain requirements are met.

2. 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) Fund Accounting

The BCRU follows the fund method of accounting.

i. Operating Fund

The Operating Fund accounts for program delivery and administrative activities. This fund reports unrestricted resources and restricted operating grants and contributions.

ii. Tour Legacy Fund

The Tour Legacy Fund has been established to generate and provide funds for the following purposes:

- (a) management and promotion of BCRU representative games;
- (b) development of the BCRU representative players’ alumni program; and
- (c) establishment of the BCRU representative teams’ endowment fund.

Net proceeds of major rugby matches, managed by the Finance Committee, will be retained by the fund to offset expenses and provide advance funds for tournament promotion.

BRITISH COLUMBIA RUGBY UNION
Notes to the Financial Statements
For the Year Ended 31 March 2024

2. Summary of Significant Accounting Policies - continued

(b) Revenue Recognition

The BCRU follows the restricted fund method of accounting for contributions. Revenues include donations from supporters, government grants and subsidies, and fundraising events. Due to the nature of donations and fundraising events, revenue relating to these sources is generally recorded in the appropriate fund when the funds are received or receivable.

Restricted contributions related to general operations are recognized as revenue of the Operating Fund in the year in which the related expenses are incurred. All other restricted contributions are recognized as revenue of the appropriate restricted fund when received or receivable.

Unrestricted contributions are recognized as revenue of the Operating Fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Contributions from the BC Amateur Sport Fund are recognized as these amounts are received or receivable (Note 8).

(c) Use of Estimates

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and disclosure of contingencies at the date of the statement of financial position. Amounts subject to estimates include the determination of the allowance for doubtful accounts receivable, accrued liabilities and recognition of deferred revenues. Management believes that the estimates utilized in preparing the financial statements are prudent and reasonable, however, actual results could differ from those estimates.

(d) Cash and Cash Equivalents

The BCRU's policy is to disclose bank balances under cash and cash equivalents, including bank overdrafts with balances that fluctuate frequently from being positive to overdrawn and term deposits with a maturity period of three months or less from the date of acquisition.

(e) Financial Instruments

i. Measurement of Financial Instruments

The BCRU initially measures its financial assets and liabilities at fair value and subsequently measures all of its financial assets and financial liabilities at amortized cost.

Financial assets measured at amortized cost include cash and accounts receivable.

BRITISH COLUMBIA RUGBY UNION
Notes to the Financial Statements
For the Year Ended 31 March 2024

2. Summary of Significant Accounting Policies - continued

(e) Financial Instruments - continued

I. Measurement of Financial Instruments - continued

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities and refundable deposits.

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 statement of operations.

iii. Transaction Costs

The BCRU recognizes its transaction costs in the statement 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.

3. Deferred Revenue

Deferred revenue represents unspent resources restricted for the delivery of specified purposes or projects that are received in advance of the BCRU's performance of that purpose or project and is comprised of the following amounts.

	2024	2023
BC Tourism	\$ 4,900	\$ -
Rugby Canada	66,850	56,850
ViaSport	-	7,500
Other	10,350	42,660
	\$ 82,100	\$ 107,010

BRITISH COLUMBIA RUGBY UNION
Notes to the Financial Statements
For the Year Ended 31 March 2024

4. Vancouver Foundation - Legacy Fund

The BCRU has established a Legacy Fund with the Vancouver Foundation on the following terms:

- (a) The capital of the fund and any additions thereto shall be held permanently by the Vancouver Foundation.
- (b) The income of the Fund may be disbursed to the Rugby Union to finance the objectives of the Union.

During the year, interest income of \$3,763 (2023 - \$3,688) was disbursed from funds held by the Vancouver Foundation - Legacy Fund and were received by the BC Amateur Sports Fund (Note 8).

5. Representative Teams Contributions

These financial statements do not include other income and expenses raised or incurred by the teams in excess of the amounts presented. The financial results of representative teams vary due to factors such as travel destinations, program format and number of staff, volunteers and participants. The age groups, hosting locations and program offerings can change from year to year.

6. Commitments

Premises

Occupancy commitments under operating leases excluding operating costs are as follows:

2025	\$	64,599
2026		<u>11,058</u>
	\$	75,657

7. Government Assistance

During the year, BCRU recognized government assistance totaling \$Nil (2023 - \$1,736) in connection with various COVID-19 support programs. The measurement of the amounts received or receivable for each subsidy or program are subject to uncertainty as the claims are subject to review and possible adjustment by the Canada Revenue Agency.

BRITISH COLUMBIA RUGBY UNION
Notes to the Financial Statements
For the Year Ended 31 March 2024

8. Fundraising - BC Amateur Sport Fund

During the year, BC Amateur Sport Fund (“BCASF”) raised funds for specific projects and held funds totaling \$80,879 (2023 - \$128,255) on behalf of BCRU to be distributed at the request of BCRU. BCASF is the BC chapter of the Canadian Council of Provincial and Territorial Sport Federations (“CCPTSF”), a registered Canadian amateur athletic association with charitable status established to benefit amateur sport across Canada by supporting relevant projects. These funds are in BCASF’s possession until BCRU submits funding applications to BCASF at which time the funds are disbursed in the form of grants to BCRU. As such, the amounts held by BCASF are not included in BCRU’s statement of financial position. Revenue is recognized by BCRU when grant funding from BCASF is received or receivable. Grants received from BCASF during the year totalled \$126,059 (2023 - \$57,500).

The moneys held by BCASF are included in three funds as follows:

The Union Development Fund was created to support BCRU’s initiatives for general operations in improving and promoting the game of Rugby in BC at recreational, national and international levels. As at 31 March 2024, the Union Development Fund held \$15,265 (2023 - \$48,476) on behalf of BCRU.

The Representative Players’ Bursary was created to support representative players who often bear the costs of training and competing at the provincial and national levels. As at 31 March 2024, the Representative Players’ Bursary Fund held \$65,614 (2023 - \$79,779) on behalf of BCRU.

The Thunder Rookie Rugby Fund was created to cover the costs of rugby programs put on for young Indigenous people within their communities. As at 31 March 2024, the Thunder Rookie Rugby Fund held \$Nil (2023 - \$Nil).

9. Financial Instruments

The BCRU is exposed to various risks through its financial instruments. The following analysis provides a measure of the BCRU’s risk exposure and concentrations at the statement of financial position date, 31 March 2024.

(a) Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The BCRU is exposed to this risk mainly in respect of its accounts payable and accrued liabilities. BCRU manages liquidity risk by maintaining adequate cash balances. There has been no change to the risk exposure from the prior year.

BRITISH COLUMBIA RUGBY UNION
Notes to the Financial Statements
For the Year Ended 31 March 2024

9. 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. BCRU's main credit risk relates to its cash and accounts receivable. Cash is maintained with a large federally regulated institution of Canada and accounts receivable balances are reviewed regularly by management, mitigating the risk of a financial loss. There has been no change to the risk exposure from the prior year.

10. Remuneration of Directors, Officers and Employees

For the fiscal year ended 31 March 2024, the BCRU had four employees with remuneration in excess of \$75,000. The total paid to these individuals were \$386,820 (2023 - \$301,000). No remuneration was paid to members of the Board of Directors for the 2024 fiscal year.

11. Comparative Figures

Certain comparative figures have been reclassified from those previously presented to conform to the presentation of the 2024 financial statements.

BRITISH COLUMBIA RUGBY UNION**Schedule 1 - Dues****For the Year Ended 31 March 2024**

	2024	2023
Dues		
Senior team membership dues	\$ 56,790	\$ 54,802
Junior dues	43,790	38,020
Mini rugby dues	23,450	22,035
Temporary membership dues	4,210	780
Other	27,830	-
	<hr/> \$ 156,070	<hr/> \$ 115,637

BRITISH COLUMBIA RUGBY UNION**Schedule 2 - Administrative Expenses****For the Year Ended 31 March 2024**

	2024	2023
Administrative expenses (recoveries)		
Rent, utilities and parking	\$ 59,803	\$ 61,316
Provincial office	33,393	39,618
Meetings, conferences and travel	7,200	18,771
Professional fees	19,196	18,065
	<hr/> 119,592	137,770
Miscellaneous recoveries	(8,037)	(3,003)
	<hr/> \$ 111,555	\$ 134,767

BRITISH COLUMBIA RUGBY UNION
Schedule 3 - Commercial Activities
For the Year Ended 31 March 2024

	Revenues		Expenses		Excess (deficiency) of revenue over expenses	
	2024	2023	2024	2023	2024	2023
	\$	\$	\$	\$	\$	\$
Fundraising and sponsorships	490,869	486,402	226,986	290,508	263,883	195,894
Events	176,942	40,409	175,999	96,852	943	(56,443)
Education and other	53,216	26,062	25,662	23,029	27,554	3,033
	721,027	552,873	428,647	410,389	292,380	142,484

BRITISH COLUMBIA RUGBY UNION
Schedule 4 - Rugby Central
For the Year Ended 31 March 2024

	Revenues		Expenses		Excess (deficiency) of revenue over expenses	
	2024	2023	2024	2023	2024	2023
	\$	\$	\$	\$	\$	\$
Club and community rugby	4,500	9,700	3,614	28,856	886	(19,156)
High performance programs	-	215	1,661	94	(1,661)	121
Competitions	348,384	320,173	227,822	171,254	120,562	148,919
Other rugby operations	-	-	35,307	78,885	(35,307)	(78,885)
	352,884	330,088	268,404	279,089	84,480	50,999

BRITISH COLUMBIA RUGBY UNION
Schedule 5 - COVID-19 Government Subsidies
For the Year Ended 31 March 2024

	2024	2023
Subsidy Programs		
Canada Emergency Wage Subsidy (Note 7)	\$ -	\$ 1,736
	<u>\$ -</u>	<u>\$ 1,736</u>

BRITISH COLUMBIA RUGBY UNION
Schedule 6 - Representative Teams Expenses (Note 5)
For the Year Ended 31 March 2024

	Number of teams (unaudited)	2024	Number of teams (unaudited)	2023
Provincial Teams				
Contributions		\$ (299,930)		\$ (403,782)
Expenses		386,494		506,942
		\$ 86,564		\$ 103,160
Comprised of:				
Provincial teams expenses (recoveries) - net				
Senior men	1	\$ 56,589	-	\$ 6,131
Under 23 - men 7s	-	-	1	6,529
Under 19 - men	1	6,549	1	46,967
Under 18 - men	1	9,997	2	1,199
Under 18 - men 7s	-	(2,280)	1	963
Under 16 - men	1	6,849	2	(1,275)
Under 14 - boys	-	-	1	926
		77,704		61,440
Senior women	1	1,628	1	31,710
Under 19 - women	1	5,670	-	-
Under 18 - women	1	2,008	1	830
Under 18 - women 7s	1	(12,030)	1	2,137
Under 16 - women	1	10,840	1	(4,443)
Under 16 - women 7s	1	1,683	-	-
Under 14 -girls	-	-	1	2,438
		9,799		32,672
Other expenses (recoveries)				
ID sessions		(939)		(10,338)
Player subsidies		-		19,386
		(939)		9,048
		\$ 86,564		\$ 103,160