



# Treasurer's Report 2021

Presented by David Midgley, VULS Treasurer

In contrast to 2020, this year has been one of far more optimism and comfort as it relates to our financial viability. The largest contributing factor to this optimism is the return of league play, enabling a return to 'operations as usual'. Thank you to our staff who have dealt with more uncertainty this year than ever before and helped us run such successful programs in spite of what seemed like a neverending set of new challenges. The revenue from these programs enabled us the runway we needed to evaluate the operations of the VUL and to think about something other than managing our cash flow. Some updates for the year include;

1. Financial Processes Improvement (capital fund motion passed Jan 29th 2020)

Typically we just talk about the progress on the Financial System Update, however this year there's more to the story. In June, Kurtis joined our team as our Operations Manager and from day one he was making suggestions and pointing out potential areas of improvement in our financial processes. He's been the driver of significant and positive change in the way we handle our finances. Beyond these process improvements, Kurtis has been instrumental in the progress we've made on the Financial Systems Update. From sourcing and interviewing to onboarding and implementation, he has been the VUL's key person in executing these changes. We're looking forward to a new chart of accounts and more relevant and timely financial information in the near future. Thank you Kurtis for all your hard work towards this goal!

As for the financial project itself, after an RFP process examining several local providers we engaged a CPA firm, Tandem, to assist us in the process. We'll be rebuilding the chart of accounts and reviewing our processes in order to enable more accurate and timely reporting for management and the board. They are currently working with Kurtis and Diane to understand our operations and current processes with the intention of being complete with the process within the next few months.

2. Canadian Emergency Business Account (CEBA) Loan

In 2020, the society took advantage of one of the Canadian Government's relief efforts by taking out a \$40,000 loan under the CEBA program. This was an interest free loan until January 2023 with the caveat that if the balance was paid off prior to the end of 2022 then \$10,000 of the loan would be forgiven. In 2021, the government extended this program to a total loan value of \$60,000 with an additional \$10,000 of potential forgiveness. The VULS



took advantage of this and, as it stands, the total outstanding balance of the loan is \$60,000 of which we expect \$20,000 to be forgiven as we budget to repay the required \$40,000 before the end of 2022.

### 3. Capital Fund use for Pandemic Recovery (motion passed December 8th, 2020)

Last year we passed a motion to permit the use of up to \$60,000 of capital funds for league operations as a response to the COVID-19 pandemic over a period of 12 months. The league made use of this twice during the year, for a total of \$35,000 between December and March. The vote in favour of this funding was instrumental in maintaining a cash balance suitable for maintaining operations until we were able to receive meaningful revenue from leagues and memberships as we returned to the field in the summer and fall. We do not intend to use more of this remaining balance between now and the motions expiration on the 7th of December.

## Key Financial Results

### Income Statement

#### Revenue

We saw a \$92k increase in revenue (\$516k in 2021 compared with \$423k in 2020).

#### *Program Revenue*

The main driver of this was returning to play in a significant way where we saw program revenue increase by \$141k (\$463k in 2021 compared with \$322k in 2020). These results are fantastic considering where we were this time last year. Some highlights include the successful summer league which was spun up in a very short period of time given the changes in pandemic restrictions as well as the highest performing adult fall league ever. For context, in 2019 we recorded \$105k in adult fall leagues whereas in 2021 we recognized \$140k. Youth has also been a bright spot as we have been fortunate enough to offer these programs throughout most of the pandemic thanks to restrictions varying between age demographics. Huge thanks to the team for putting on such successful programs during this period of uncertainty.

#### *Other Revenue*

The main contributor here is the Canadian Emergency Wage Subsidy (CEWS). The VUL has benefited from this government support and the amount we received in (\$46k in 2021 compared to \$80k in 2020) allowed us to maintain operations through timeline. Without this assistance we would have no surplus and the cash positioning of the organization would have been under far more pressure than it was in the period.



#### Surplus/(Deficit)

The current period, we recognized a surplus of \$33k (compared to a deficit of \$80k in 2020). Driving the surplus was the ability to run successful programming in the latter half of the year which was made possible by the CEWS support we received as well as the cash flow support we received via the CEBA loan and the prior year capital projects fund motion. We were able to carry on providing programming to youth and set up leagues for adults as soon as possible.

#### Balance Sheet

#### Internally Restricted Fund and Unrestricted Fund

These balances relate to the Capital Projects Fund (restricted) and the general fund for operations (unrestricted). The largest difference here is a result of the previously mentioned motion to unrestrict \$60k of the capital projects fund in order to maintain operations. On December 7th, the motion will expire and the unused portion of these funds will be restricted in the Capital Projects Fund once more.