

BARRIE WOMEN'S HOCKEY ASSOCIATION
FINANCIAL STATEMENTS
APRIL 30, 2019
(UNAUDITED)

SMITH, SYKES, LEEPER & TUNSTALL LLP
CHARTERED PROFESSIONAL ACCOUNTANTS
LICENSED PUBLIC ACCOUNTANTS

BARRIE WOMEN'S HOCKEY ASSOCIATION
FINANCIAL STATEMENTS
APRIL 30, 2019

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INDEPENDENT PRACTITIONERS' REVIEW ENGAGEMENT REPORT

To the Shareholders of:
Barrie Women's Hockey Association

We have reviewed the accompanying financial statements of **Barrie Women's Hockey Association** that comprise the balance sheet as at **April 30, 2019**, and the statements of income, retained earnings and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for private enterprises, 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.

Practitioners' Responsibility

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on the financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of **Barrie Women's Hockey Association** as at **April 30, 2019**, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for private enterprises.

Barrie, Ontario.
March 2, 2020.

Smith, Sykes, Leeper & Tunstall LLP

CHARTERED PROFESSIONAL ACCOUNTANTS
Licensed Public Accountants

BARRIE WOMEN'S HOCKEY ASSOCIATION
(Incorporated Under the Laws of Ontario)
BALANCE SHEET
APRIL 30, 2019
(UNAUDITED)

	2019	2018
<u>ASSETS</u>		
CURRENT ASSETS		
Cash	\$ 30,037	\$ 144,731
Accounts receivable	33,716	21,150
Inventory	43,042	40,424
Prepaid expenses	<u>33,329</u>	<u>38,230</u>
	140,124	244,535
Property, plant and equipment (Note 3)	19,203	32,717
	\$ 159,327	\$ 277,252
<u>LIABILITIES</u>		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 15,374	\$ 15,028
Deferred fees and deposits	<u>25,765</u>	<u>150,730</u>
	41,139	165,758
<u>NET ASSETS</u>		
Invested in property, plant and equipment (Note 4)	19,203	32,717
Unrestricted net assets	<u>98,985</u>	<u>78,777</u>
	118,188	111,494
	\$ 159,327	\$ 277,252

Approved on Behalf of the Board,

_____, Director.

_____, Director.

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

**BARRIE WOMEN'S HOCKEY ASSOCIATION
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED APRIL 30, 2019
(UNAUDITED)**

	<u>2019</u>			<u>2018</u>
	Invested in Property, plant and equipment	Unrestricted	Total	Total
Net assets, beginning of the year	\$ 32,717	\$ 78,777	\$ 111,494	\$ 138,124
Excess of revenues over expenditures	0	6,694	6,694	(26,630)
Changes in net assets invested in property, plant and equipment (Note 4)	(13,514)	13,514	0	0
NET ASSETS, END OF THE YEAR	\$ 19,203	\$ 98,985	\$ 118,188	\$ 111,494

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

BARRIE WOMEN'S HOCKEY ASSOCIATION
STATEMENT OF REVENUES AND EXPENDITURES
FOR THE YEAR ENDED APRIL 30, 2019
(UNAUDITED)

	2019	2018
REVENUES		
Registration Fees	\$ 422,182	\$ 411,715
Rep Team Fees	372,346	321,932
Tournaments	165,598	149,447
Promotional apparel, net of expenditures (Note 5)	20,842	1,713
Clinics	20,105	6,473
Sponsors and donations	9,839	17,477
Interest	2,019	1,242
	1,012,931	909,999
EXPENDITURES		
Ice rentals	642,908	577,168
Tournaments	118,187	112,813
OWHA league and insurance fees	53,216	47,799
Clinics	38,725	35,472
Office and miscellaneous	34,223	43,533
Equipment and supplies	26,681	30,524
Referees	26,344	25,755
Amortization	20,413	19,356
Office Rent	16,046	13,560
Wages and benefits	13,318	14,791
Professional fees	9,477	7,601
Trophies	3,891	4,432
Team pictures	2,808	3,375
Advertising and promotion	0	450
	1,006,237	936,629
EXCESS OF REVENUES OVER EXPENDITURES		
(EXPENDITURES OVER REVENUES) FOR THE YEAR	\$ 6,694	\$ (26,630)

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

BARRIE WOMEN'S HOCKEY ASSOCIATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED APRIL 30, 2019
(UNAUDITED)

	2019	2018
CASH PROVIDED BY (USED FOR) OPERATIONS		
Excess of revenues over expenditures (expenditures over revenues) for the year	\$ 6,694	\$ (26,630)
Items not requiring an outlay of cash:		
Amortization	20,413	19,356
(Gain) on disposal of property, plant and equipment	<u>(248)</u>	<u>(470)</u>
	26,859	(7,744)
Changes in operating working capital		
Accounts receivable	(12,566)	31,208
Inventory	(2,618)	(21,932)
Prepaid expenses	4,901	(17,302)
Accounts payable and accrued expenses	346	(3,114)
Deferred fees and deposits	<u>(124,965)</u>	<u>27,430</u>
	(134,902)	16,290
CASH (USED FOR) PROVIDED BY OPERATIONS	(108,043)	8,546
INVESTING		
Additions to property, plant and equipment	(7,216)	(31,198)
Proceeds on disposal of property, plant and equipment	<u>565</u>	<u>970</u>
CASH (USED FOR) INVESTING	(6,651)	(30,228)
NET CHANGE IN CASH POSITION	(114,694)	(21,682)
Cash position, beginning of the year	144,731	166,413
CASH POSITION, END OF THE YEAR	\$ 30,037	\$ 144,731

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

BARRIE WOMEN'S HOCKEY ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
APRIL 30, 2019
(UNAUDITED)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization -

The Organization was incorporated December 16, 1994 under the Canada organizations Act as an organization without share capital. The object of the organization is to promote, foster and encourage the development of women's hockey.

These financial statements are prepared in accordance with Canadian Accounting Standards for Not-For-Profit Organizations (ASNPO) and include the following significant accounting policies:

Use of estimates -

The preparation of the financial statements in conformity with Canadian accounting standards for not-for-profit organizations (ASNPO) 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 date of the financial statements and the reported amounts of revenue and expenses during the year. Significant items subject to such estimates and assumptions include the estimated useful lives of property, plant and equipment; and the valuation allowances for accounts receivable. Actual results could differ from those estimates.

Cash and cash equivalents -

Cash consists of cash on deposit, cheques issued and outstanding, and deposits outstanding.

Financial instruments -

The Organization initially measures its financial assets and liabilities at fair value. The Organization subsequently measures all its financial assets and financial liabilities at amortized cost. Changes in fair value are recognized in net income. Financial assets and liabilities measured at amortized cost include cash, accounts receivable and accounts payable and accrued expenses. There are currently no financial instruments subsequently measured at fair value.

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of any write-down is recognized in net income. Any 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. Any reversal is recognized in net income. There are no impairments in the current year.

Prepaid expenses -

Included in prepaid expenses are costs incurred to determine the rep teams for the following season. These costs include tryout ice, referee and other related costs which will be expensed when the rep teams have been determined.

BARRIE WOMEN'S HOCKEY ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
APRIL 30, 2019
(UNAUDITED)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Inventory -

Inventory is stated at the lower of cost and market value. Market value is considered the replacement value or estimated realizable value, whichever is lower.

The cost of inventories comprises all costs of purchase and other costs incurred in bringing the inventories to their present location and condition. The costs of purchase comprise the purchase price, import duties and non-recoverable taxes and transport, handling and other costs directly attributable to the acquisition of finished goods.

Income taxes -

The organization is not subject to federal or provincial income taxes pursuant to exemptions accorded to not-for-profit organizations in the income tax legislation.

Leases -

Leases are classified as either capital or operating leases. A lease that transfers substantially all of the benefits and risks incidental to the ownership of property is classified as a capital lease. All other leases are accounted for as operating leases wherein rental payments are expensed as incurred. At the inception of a capital lease, an asset and an obligation are recorded at an amount equal to the lesser of the present value of the minimum lease payments and the property's fair value at the beginning of such lease. Assets recorded under capital leases are amortized on a straight-line basis over the estimated useful lives of the respective assets on commencement of use of the related assets.

Donated Services -

The organization is dependent on the voluntary services of many individuals. Since these services are not normally purchased by the organization and because of the difficulty in estimating their fair value, these services are not recorded in these financial statements.

Revenue recognition -

The Organization follows the deferral method of accounting for contributions.

Unrestricted contributions are recognized as revenue when received or receivable if the amount can be reasonably estimated and collection is reasonably assured.

Externally restricted contributions are recognized as revenue in the year in which the related expenses are recognized. Contributions restricted for the purchase of property, plant and equipment are deferred and amortized into revenue at a rate corresponding with the amortization rate for the related property, plant and equipment.

Fees, tournaments, sponsorship, apparel sales and clinic revenues are recognized when earned, collection is reasonably assured and all significant obligations have been fulfilled.

Interest income is recognized when earned and collection is reasonably assured.

BARRIE WOMEN'S HOCKEY ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
APRIL 30, 2019
(UNAUDITED)

2. FINANCIAL RISKS AND CONCENTRATION OF RISK

The Organization is exposed to the following risks related to its financial assets and liabilities:

Credit risk -

Credit risk arises from the possibility that the entities to which the Organization sells may experience financial difficulty and be unable to fulfill their contractual obligations. This risk is mitigated by proactive credit management policies that include regular monitoring of the debtors' payment history. The Organization provides credit to its customers in the normal course of business. The main customer base is focused on the Barrie area, where other revenues from tournaments may come from customers within central Ontario. Actual exposure to credit losses has been minimal in prior years and there has been no change to the risk exposure from 2018. At year-end, the allowance for doubtful accounts is \$0 (2018 - \$1,375).

Liquidity risk -

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Organization is exposed to this risk mainly in respect of its accounts payable and accrued expenses, coupon liabilities. The Organization expects to meet these obligations as they come due by generating sufficient cash flow from operations. There has been no change to the risk exposure from 2018.

Market risk -

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: foreign currency risk, interest rate risk and other price risk.

Foreign currency risk -

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Organization is not exposed to currency risk. There has been no change to the risk exposure from 2018.

Interest rate risk -

Interest rate risk is the risk that the fair value or future cash flows of a financial instruments will fluctuate because of changes in market interest rates. The Organization is not currently exposed to interest rate risk. There has been no change to the risk exposure from 2018.

Other price risk -

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Organization is not exposed to other price risk.

BARRIE WOMEN'S HOCKEY ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
APRIL 30, 2019
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3. PROPERTY, PLANT AND EQUIPMENT

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net 2019</u>	<u>Net 2018</u>
Rep sweaters	\$ 47,593	\$ 37,039	\$ 10,554	\$ 22,163
PWHL sweaters	2,644	1,322	1,322	0
Development stream sweaters	7,397	3,750	3,647	5,497
Tryout sweaters	2,686	1,343	1,343	1,791
Hockey equipment	1,100	1,016	84	450
Office furniture and equipment	<u>12,133</u>	<u>9,880</u>	<u>2,253</u>	<u>2,816</u>
	<u>\$ 73,553</u>	<u>\$ 54,350</u>	<u>\$ 19,203</u>	<u>\$ 32,717</u>

Property, plant and equipment are recorded at cost. Amortization is provided annually at rates calculated to write-off the assets over their estimated useful lives as follows:

Rep sweaters	- 3 year straight line basis
PWHL sweaters	- 2 year straight line basis
Development stream sweaters	- 4 year straight line basis
Tryout sweaters	- 6 year straight line basis
Hockey equipment	- 3 year straight line basis
Office furniture and equipment	- 20% declining balance

4. NET ASSETS INVESTED IN PROPERTY, PLANT AND EQUIPMENT

The net assets invested in property, plant and equipment consists of the following:

	<u>2019</u>	<u>2018</u>
Net book value of property, plant and equipment	\$ <u>19,203</u>	\$ <u>32,717</u>

The changes in net assets invested in property, plant and equipment is calculated as follows:

Purchase of property, plant and equipment	\$ 7,216	\$ 31,198
Amortization	(20,413)	(19,356)
Net book value of property, plant and equipment sold	<u>(317)</u>	<u>(500)</u>
Change in net assets invested in property, plant and equipment	\$ <u>(13,514)</u>	\$ <u>11,342</u>

5. PROMOTIONAL APPAREL, NET OF EXPENDITURES

Promotional apparel consists of inventory purchased and sold throughout the year. The Organization works to provide apparel on a cost recovery basis to it's membership:

	<u>2019</u>	<u>2018</u>
Apparel sales	\$ 132,544	\$ 97,977
Apparel inventory expensed in the year	<u>(111,702)</u>	<u>(96,264)</u>
	\$ <u>20,842</u>	\$ <u>1,713</u>

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NOTES TO THE FINANCIAL STATEMENTS
APRIL 30, 2019
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6. LEASE COMMITMENTS

The Organization has entered into a lease for its premises with minimum aggregate annual payments for the next three years follows:

2020	\$ 18,758
2021	\$ 21,470
2022	\$ 1,808
