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## **NEPEAN GIRLS HOCKEY ASSOCIATION**

### **FINANCIAL STATEMENTS**

**APRIL 30, 2016**

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## INDEPENDENT AUDITORS' REPORT

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To the Members of the Nepean Girls Hockey Association:

### **Audit Report**

We have been engaged to audit the financial statements of the Nepean Girls Hockey Association, which comprise the statements of financial position as at April 30, 2016 and April 30, 2015 and the statements of fund operations and changes in net assets and cash flows for the years 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 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.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on the financial statements based on conducting the audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform an audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence that we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Basis for Qualified Opinion**

In common with many similar organizations, the Association derives revenues from fundraising activities, the completeness of which is not susceptible of satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Association and we were not able to determine whether any adjustments might be necessary to fundraising revenues, excess (deficiency) of revenues over expenses, assets and net assets.

In addition, our verification of the tournament income and expenses was limited to the amounts recorded in the records of the Association and we were not able to determine whether any adjustments might be necessary.

**Qualified Opinion**

In our opinion, except for the effect of the matter described in the Basis for Qualified Opinion, these financial statements presently fairly, in all material respects, the financial position of the Nepean Girls Hockey Association as at April 30, 2016 and April 30, 2015 and the results of its operations and cash flows for the years then ended in accordance with Canadian accounting standards for not-for-profit organizations.

WGP PROFESSIONAL CORPORATION  
CHARTERED PROFESSIONAL ACCOUNTANTS  
Authorized to practise public accounting by  
Chartered Professional Accountants of Ontario

Ottawa, Ontario  
May 27, 2018

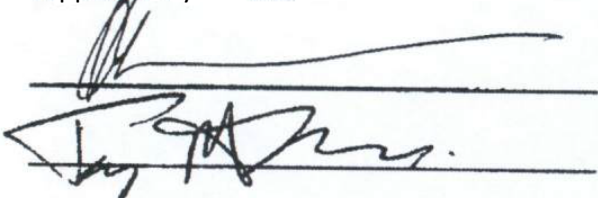
# NEPEAN GIRLS HOCKEY ASSOCIATION

## STATEMENT OF FINANCIAL POSITION

AS AT APRIL 30, 2016

	2016				2015
	Unrestricted Fund \$	Capital Asset Fund	Internally Restricted Funds \$ (Appendix A)	Total \$	Total \$
<b>Assets</b>					
Cash	92,885	-	-	92,885	416,291
Short term investment (note 4)	33,997	-	-	33,997	33,936
Accounts receivable	34,162	-	-	34,162	50,635
Prepaid expenses	-	-	-	-	3,947
Capital assets (note 3)	-	1,616	-	1,616	2,694
Interfund loan	(80,165)	-	80,165	-	-
	80,879	1,616	80,165	162,660	507,503
<b>Liabilities</b>					
Accounts payable and accrued liabilities	23,834	-	-	23,834	38,731
Deferred revenue	37,587	-	-	37,587	305,091
	61,421	-	-	61,421	343,822
<b>Net assets</b>	19,458	1,616	80,165	101,239	163,681
<b>Represented by:</b>					
Internally restricted					
Mary Lou Zywicki Bursary Fund	-	-	9,850	9,850	11,920
Financial Assistance Fund	-	-	315	315	6,627
Minto Arena Naming Fund	-	-	40,000	40,000	40,000
FUNDamental Board Fund	-	-	30,000	30,000	30,000
Capital Asset Fund	-	1,616	-	1,616	2,694
Unrestricted fund	19,458	-	-	19,458	72,440
	19,458	1,616	80,165	101,239	163,681

Approved by the Board:



# NEPEAN GIRLS HOCKEY ASSOCIATION

## STATEMENT OF FUND OPERATIONS AND CHANGES IN NET ASSETS

**FOR THE YEAR ENDED APRIL 30, 2016**

	<b>2016</b>				<b>2015</b>
	Unrestricted Fund \$	Capital Asset Fund \$	Internally Restricted Funds \$ (Appendix A)	Total actual \$	Total actual \$
<b>Revenue</b>					
Fundraising (net of cost)	12,339	-	-	12,339	12,541
Ice rentals	454,363	-	-	454,363	424,084
Registration	487,898	-	-	487,898	426,222
Tournament	73,850	-	-	73,850	70,003
Equipment	-	-	-	-	960
Miscellaneous and other income	5,143	-	-	5,143	4,569
Donations	-	-	6,618	6,618	20,378
	<u>1,033,593</u>	<u>-</u>	<u>6,618</u>	<u>1,040,211</u>	<u>958,757</u>
<b>Expenses</b>					
Administration	16,154	-	-	16,154	8,208
Amortization	-	1,078	-	1,078	539
Donations - bursaries	-	-	5,000	5,000	5,000
Equipment	49,240	-	-	49,240	30,070
Ice rental	722,146	-	-	722,146	693,560
Professional development	149,521	-	-	149,521	68,541
Professional fees	11,416	-	-	11,416	13,838
Referees and timekeepers	28,943	-	-	28,943	18,455
Team registration fees	94,861	-	-	94,861	106,845
Tournament	14,294	-	-	14,294	41,556
Financial assistance	-	-	10,000	10,000	19,590
	<u>1,086,575</u>	<u>1,078</u>	<u>15,000</u>	<u>1,102,653</u>	<u>1,006,202</u>
Excess (deficiency) of revenue over expenses for the year	(52,982)	(1,078)	(8,382)	(62,442)	(47,445)
Net assets, beginning of the year	<u>72,440</u>	<u>2,694</u>	<u>88,547</u>	<u>163,681</u>	<u>211,126</u>
Net assets, end of the year	<u>19,458</u>	<u>1,616</u>	<u>80,165</u>	<u>101,239</u>	<u>163,681</u>

# NEPEAN GIRLS HOCKEY ASSOCIATION

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED APRIL 30, 2016

	2016				2015
	Unrestricted Fund \$	Capital Asset Fund \$	Internally Restricted Funds \$ (Appendix A)	Total \$	Total \$
Cash provided by (used in):					
Operating activities:					
Excess (deficiency) of revenue over expenses for the year	(52,982)	(1,078)	(8,382)	(62,442)	(47,445)
Add back non-cash expenses:					
Amortization	-	1,078	-	1,078	539
Changes in non-cash working capital balances:					
Accounts receivable	16,472	-	-	16,472	15,040
Prepaid expenses	3,947	-	-	3,947	9,028
Interfund loan	(8,382)	-	8,382	-	-
Accounts payable and accrued liabilities	(14,897)	-	-	(14,897)	23,084
Deferred revenue	(267,504)	-	-	(267,504)	202,037
	(323,346)	-	-	(323,346)	202,283
Investing activities:					
Purchase of capital assets	-	-	-	-	(3,233)
Purchase of investments	(60)	-	-	(60)	(120)
	(60)	-	-	(60)	(3,353)
Increase (decrease) in cash during the year	(323,406)	-	-	(323,406)	198,930
Cash, beginning of the year	416,291	-	-	416,291	217,361
Cash, end of the year	92,885	-	-	92,885	416,291
Supplemental information:					
Interest received	60	-	-	60	170

# NEPEAN GIRLS HOCKEY ASSOCIATION

## APPENDIX A - CONTINUITY OF INTERNALLY RESTRICTED FUNDS

FOR THE YEAR ENDED APRIL 30, 2016

	2016					2015
	Mary Lou Zywicki Bursary Fund \$	Financial Assistance Fund \$	Minto Arena Naming Fund \$	FUNDamental Board Fund \$	Total \$	Total \$
Revenue						
Donations	2,930	3,688	-	-	6,618	20,378
Appropriation	-	-	-	-	-	87,000
	2,930	3,688	-	-	6,618	107,378
Expenses						
Bursaries awarded	5,000	-	-	-	5,000	5,000
Financial assistance						
Direct team support	-	-	-	-	-	6,990
Player fees	-	10,000	-	-	10,000	7,600
Registration	-	-	-	-	-	5,000
	5,000	10,000	-	-	15,000	24,590
Excess (deficiency) of revenue over expenses for the year	(2,070)	(6,312)	-	-	(8,382)	82,788
Net assets, beginning of the year	11,920	6,627	40,000	30,000	88,547	5,759
Net assets, end of the year	9,850	315	40,000	30,000	80,165	88,547

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# NEPEAN GIRLS HOCKEY ASSOCIATION

## NOTES TO THE FINANCIAL STATEMENTS

APRIL 30, 2016

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### 1. Operations

The objective of the Association is to encourage the sport of girls hockey. Its mandate is limited to the area known as the City of Nepean prior to its amalgamation into the City of Ottawa.

The Association is incorporated as a non-profit organization under The Corporations Act of Canada. As such, the Association is exempt from income taxes.

### 2. Significant accounting principles

#### (a) Canadian accounting standards for not-for-profit organizations

The Association applies Canadian accounting standards for not-for profit organizations.

#### (b) Fund accounting

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

##### (i) Unrestricted funds

The unrestricted fund reports any registration fees collected from teams and registrants, and expenses related to the operations and administration of the Association. Results of all fundraising activities are included in general operations.

##### (ii) Internally restricted funds

###### (1) Mary Lou Zywicki Bursary Fund

Previously, the Association's directing committee had established the Mary Lou Zywicki Bursary Fund. The purpose of this fund is to provide bursaries to players towards post-secondary education. The bursaries will be awarded to players who apply and best combine sportsmanship and fair play, hockey performance and quality of contribution, academic achievement, and community participation. The fund reports an annual budgeted appropriation, any fundraising activities, awards disbursed and expenses incurred in compliance with this purpose.

###### (2) Financial Assistance Fund

The Association's directing committee has established a Financial Assistance Fund. The purpose is to provide financial assistance to members whose families would suffer undue hardship as a result of registration fees and other associated team costs. Applications are reviewed by the directing committee and amounts are awarded based on need. The fund reports an annual budgeted appropriation, any donations, awards disbursed and expenses incurred in compliance with this purpose.

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# NEPEAN GIRLS HOCKEY ASSOCIATION

## NOTES TO THE FINANCIAL STATEMENTS

APRIL 30, 2016

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### 2. Significant accounting principles (continued)

#### (b) Fund accounting (continued)

##### (ii) Internally restricted funds

##### (3) FUNdamental Board Fund

During fiscal 2015, the Association's directing committee established a FUNdamental Board Fund. The purpose is to investigate the feasibility and purchase of portable boards for the use of the FUNdamental and novice teams. The fund reported a one time appropriation of a portion of the 2014 surplus, in fiscal 2015, and is also to report any expenses incurred in compliance with the fund's purpose. No monetary transactions have occurred in this fund since its inception.

##### (4) Minto Arena Naming Fund

In the 2015 fiscal year, the Association's directing committee established a Minto Arena Naming Fund. The purpose of this fund is to investigate the naming rights to Pad B at the new Minto Arena. The fund reported a one time appropriation of a portion of the 2014 surplus, in fiscal 2015, and is also to report any expenses incurred in compliance with the fund's purpose. No monetary transactions have occurred in this fund since its inception.

##### (iii) Capital assets

Capital assets are recorded at cost and are amortized according to the straight-line method, with a half year taken in the year of acquisition, as follows:

Computer equipment	3 years
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#### (c) Financial instruments

Financial assets and financial liabilities are initially recognized at fair value and their subsequent measurement depends on the nature of the financial instrument.

The Association's financial instruments are measured as follows:

Financial Asset/Liability	Measurement
Cash	Fair value
Investments	Fair value
Accounts receivable	Amortized cost
Accounts payable	Amortized cost

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## NEPEAN GIRLS HOCKEY ASSOCIATION

### NOTES TO THE FINANCIAL STATEMENTS

APRIL 30, 2016

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#### 2. Significant accounting principles (continued)

##### (d) 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 and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.

##### (e) Revenue recognition

Fundraising revenues are recognized when received. Ice rental, registration, donation, and tournament revenues are recognized when collection is reasonably assured. Miscellaneous and other revenues are recognized when received.

#### 3. Capital assets

The capital assets are as follows:

	2016		2015
	Cost	Accumulated Amortization	Net Book Value
	\$	\$	\$
Computer equipment	3,233	1,617	2,694

#### 4. Financial instruments and risk management

The Association's financial instruments consist of cash, investments, accounts receivable, and accounts payable. Credit risk refers to the risk resulting from the possibility that parties may default on their financial obligations to the organization. Interest rate risk refers to the risk that the fair value of financial instruments or future cash flows associated with the instruments will fluctuate due to changes in market interest rates. 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 investment held by the Association at April 30, 2016 consists of a TD Canadian Money Market Fund with the market value of \$33,997.

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# NEPEAN GIRLS HOCKEY ASSOCIATION

## NOTES TO THE FINANCIAL STATEMENTS

APRIL 30, 2016

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### 5. Ice rental

The Association rents a significant portion of its ice from the City of Ottawa, the Bell Sensplex, the University of Ottawa and Carleton University.

### 6. Volunteer services

The activities of the Association are dependent upon the voluntary services of many of its members. No amounts are reflected in the financial statements for these contributed services since there is no objective basis available to measure the value of these services.

### 7. Remuneration to officers and directors

The remuneration to officers and directors during the year was nil (2015 – NIL).

### 8. Capital management

As a not-for-profit entity, the Association's operations are reliant on revenues generated annually. Over its history, the Association has accumulated net assets in its unrestricted and internally restricted funds. The balance in the unrestricted fund is available for the use of the Association at management's discretion. The net asset balance in the internally restricted fund is restricted to use in compliance with the purpose of the fund