WINNIPEG MINOR BASKETBALL ASSOCIATION, INC.

FINANCIAL STATEMENTS

MARCH 31, 2025

INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Directors of Winnipeg
Minor Basketball Association, Inc.:

We have reviewed the accompanying financial statements of Winnipeg Minor Basketball Association, Inc. (The Association) that comprise the statement of financial position as at March 31, 2025, and the statements of operations and change in net assets 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 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.

Practitioner's 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 these financial statements.

Basis for Qualified Conclusion
In common with many not-for-profit organizations, the Association derives revenue from registrations, the completeness of which is not susceptible to us obtaining evidence we considered necessary for the purpose of the review. Accordingly, the evidence obtained of these revenues and expenses was limited to the amounts recorded in the records of the Association. Therefore, we were unable to determine whether any adjustments might have been found necessary with respect to registrations revenue, difference between revenues and expenses for the year, and cash flows from operations for the years ended March 31, 2025 and 2024, current assets as at March 31, 2025 and 2024, and net assets as at March 31, 2025 and 2024 and April 1, 2023. Our conclusion on the financial statements as at and for the year ended March 31, 2024 was modified accordingly because of the possible effects of this limitation in scope.

Qualified Conclusion
Based on our review, except for the possible effects of the matter described in the *Basis for Qualified Conclusion* paragraph, 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 the Association that comprise the statement of financial position as at March 31, 2025, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Scarrow & Donald LLP

Chartered Professional Accountants
July 15, 2025
Winnipeg, Canada

For this communication, together with the work done to prepare this communication, we accept and assume responsibility only to the party who retained us to prepare this communication and as specified in the relevant engagement contract.

WINNIPEG MINOR BASKETBALL ASSOCIATION, INC.

STATEMENT OF FINANCIAL POSITION

	March 31			
		2025		2024
ASSETS				
Current assets:				
Cash	$	1,199,073	$	950,675
Accounts receivable		-		6,500
Inventory		2,000		2,000
Prepaid expenses		229		9,940
		1,201,302		969,115
Equipment (Note 3)		-		464
	$	1,201,302	$	969,579
LIABILITIES				
Current liabilities:				
Accounts payable and accrued liabilities	$	293,646	$	257,360
Deferred revenue		382,305		376,442
Due to Winnipeg Minor Basketball Foundation, Inc. (Note 4)		20,350		26,700
		696,301		660,502
NET ASSETS				
Unrestricted net assets		505,001		309,077
	$	1,201,302	$	969,579

APPROVED BY THE BOARD:

______________________________**Director**

______________________________**Director**

WINNIPEG MINOR BASKETBALL ASSOCIATION, INC.

STATEMENT OF OPERATIONS AND CHANGE IN NET ASSETS

	Year ended March 31 2025	2024
Revenues:		
Registrations	$ 892,194	$ 1,149,552
Levy	20,350	26,700
Sponsorship	50,000	-
Interest income	12,397	10,827
	974,941	1,187,079
Expenses:		
Administration	25,517	27,718
Advertising	1,792	2,812
Amortization	464	2,252
Awards	12,592	20,363
Convenor	7,500	-
Honorariums	2,000	10,000
Equipment	34,629	36,460
Gym supervisors	116,602	137,713
Insurance and membership fees	76,943	66,050
Levy - Winnipeg Minor Basketball Foundation, Inc.	20,350	26,700
Licensing fee	9,430	19,544
Office support	139,219	123,934
Professional fees	8,700	11,940
Referee fees	158,940	186,983
Rental fees - gymnasium	159,220	286,258
Training	5,119	24,425
	779,017	983,152
Difference between revenues and expenses for the year	195,924	203,927
Unrestricted net assets, beginning of year	309,077	105,150
Unrestricted net assets, end of year	$ 505,001	$ 309,077

WINNIPEG MINOR BASKETBALL ASSOCIATION, INC.

STATEMENT OF CASH FLOWS

		Year ended March 31		
		2025		**2024**
Cash flow from operating activities:				
Cash receipts from members and interest	$	987,304	$	1,213,846
Cash paid to Winnipeg Minor Basketball Foundation, Inc.		(26,700)		(36,258)
Cash paid to suppliers and employees		(712,206)		(925,455)
Change in cash		248,398		252,133
Cash, beginning of year		950,675		698,542
Cash, end of year	$	1,199,073	$	950,675

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2025

1. Organization:

The Winnipeg Minor Basketball Association, Inc. is a not-for-profit corporation, incorporated without share capital on September 15, 2000. The Association previously operated as an unincorporated, non-profit organization formed in the fall of 1997. The Association's mission is to provide a positive environment for all Winnipeg and surrounding area youth, coaches, referees and parents by promoting the sport of basketball through community centre and club programs. The Association is exempt from tax under Section 149(1)(l) of the Income Tax Act.

2. Significant accounting policies:

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. An assumption underlying the preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations is that the entity will continue for the foreseeable future and will be able to realize its assets and discharge liabilities in the normal course of operations.

The financial statements include the following significant accounting policies:

a) Critical accounting estimates and judgements-

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and judgments that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period.

Accounting estimates are included in financial statements to approximate the effect of past business transactions or events, or to approximate the present status of an asset or liability. It is possible that changes in future economic conditions could require changes in the recognized amounts for accounting estimates. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in the period in which they became known.

Significant areas of estimation by management include the impairment of non-financial assets, the useful lives of capital assets and the fair value of financial instruments.

Management bases their judgments, estimates and assumptions on factors they believe to be reasonable in the circumstances, but which may be inherently uncertain and unpredictable.

b) Capital assets-

Capital assets are recorded at cost and amortized over their estimated useful lives, except for donated assets which are recorded at fair market value at the time of the donation. This requires estimation of the useful life of the assets and residual value. When a capital asset no longer has any long-term service potential, the excess of its net carrying amount over any residual value is recognized as an expense. As is true for all accounting estimates, it is possible that changes in future conditions could require changes in the recognized amounts for accounting estimates. Amortization for equipment is provided on a straight-line basis over three years, representing its estimated useful life.

2. Significant accounting policies (continued)**:**

c) Inventory-

Inventory is valued at the lower of cost, determined on a weighted average basis, and net realizable value. The cost of inventories includes the cost of purchase, which includes the purchase price, other non-recoverable taxes, and transport and handling costs directly attributable to the acquisition of inventories. Inventory consists of supplies on hand.

d) Revenue recognition-

The Association follows the deferral method of accounting for contributions. Restricted contributions are recognized in the year in which the related expenses are incurred. Unrestricted contributions, including sponsorship revenue, are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Interest income is recognized on a time proportion basis. The Association collects a levy on behalf of the Winnipeg Minor Basketball Foundation, Inc. and remit to them accordingly. Levy income is recognized in the year in which the related expenses are incurred.

The registration process is centralized, where the Association collects fees on behalf of the community centres and fees for the Association. The portion of fees collected on behalf of the community centres are remitted or recorded as a liability on the balance sheet. The portion of fees belonging to the Association are recognized in revenue in the year in which the related expenses are incurred.

e) Contributed services-

Volunteers contribute time to assist the Association in carrying out its service delivery activities. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

f) Financial instruments-

Except for certain related party transactions, financial instruments are measured at fair value on initial recognition adjusted by, in the case of a financial instrument that will not be measured subsequently at fair value, financing fees and transaction costs that are directly attributable to its origination, acquisition, issuance or assumption. Transaction costs related to financial instruments that will be measured subsequently at fair value are recognized in net income for the period incurred.

In subsequent periods, investments in equity instruments that are quoted in an active market and certain derivative contracts are measured at fair value without any adjustment for transaction costs that may occur on sale or other disposal. The Association may elect to measure any financial instrument at fair value when the asset or liability is first recognized or for equity instruments that previously measured at fair value when the equity instrument ceases to be quoted in an active market. Other investments in equity instruments are measured at cost less any reduction for impairments. All other financial instruments are measured at amortized cost. Amortized cost is the amount at which the financial instrument is measured at initial recognition less principal repayments, plus or minus the cumulative effect of any difference between that initial amount and the maturity amount, and minus any reduction for impairment.

The Association measures cash, accounts receivable, accounts payable and accrued liabilities and due to Winnipeg Minor Basketball Foundation, Inc. at amortized cost.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2025

3. Equipment:

	March 31			
	2025		2024	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Equipment	$ 10,872	$ 10,872	$ 10,872	$ 10,408
Net book value	$ -		$ 464	

4. Due to Winnipeg Minor Basketball Foundation, Inc.:

On June 24, 2003, the Association passed a motion at its Annual General Meeting to create a separate Association called the Winnipeg Minor Basketball Association Foundation, Inc. ("WMBA Foundation"). The purpose of the WMBA Foundation is to raise funds to build a number of outdoor basketball courts in the City of Winnipeg, and grant athletic scholarships to students.

The Association passed a motion to collect a levy of $50 per team registered for league play on behalf of the WMBA Foundation.

The amount due to the WMBA Foundation is payable on demand, non-interest bearing and unsecured.

The Association and WMBA Foundation include members who are on the board of directors of both Organizations.

These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the parties.

5. Risk management:

Management’s risk management policies are typically performed as a part of the overall management of the Association’s operations. Management is aware of risks related to these objectives through direct personal involvement with employees and outside parties. In the normal course of its business, the Association is exposed to a number of risks that can affect its operating performance. Management’s close involvement in operations helps identify risks and variations from expectations. The Association has not designated transactions as hedging transactions to manage risk. As a part of the overall operation of the Association, management considers the avoidance of undue concentrations of risk. These risks include, and the actions taken to manage them are as follows:

Liquidity risk-

Liquidity risk is the risk that the Association cannot meet its financial obligations associated with financial liabilities in full. The Association's main sources of liquidity are its operations and external borrowings. The funds are primarily used to finance working capital expenditure requirements and are adequate to meet the Association's financial obligations associated with financial liabilities.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2025

5. Risk management (continued)**:**

Credit risk-

Credit risk arises from the possibility that debtors may be unable to fulfill their commitments. For a financial asset, this is typically the gross carrying amount, net of any amounts offset and any impairment losses. The Association has credit policies to address credit risk on accounts receivable, which may include the analysis of the financial position of the debtor and review of credit limits. The Association also may review credit history before establishing credit and reviews credit performance. An allowance for doubtful accounts or other impairment provisions are established based upon factors surrounding credit risk, historical trends and other information. No allowance for doubtful accounts has been recorded as at March 31, 2025 (2024 - $nil).