

WINNIPEG MINOR BASKETBALL FOUNDATION, INC.

FINANCIAL STATEMENTS

MARCH 31, 2025



CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Members of Winnipeg Minor Basketball Foundation, Inc.:

We have reviewed the accompanying financial statements of Winnipeg Minor Basketball Foundation, Inc. that comprise the statement of financial position as at March 31, 2025 and the statements of operations and changes 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.

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 Winnipeg Minor Basketball Foundation, Inc. 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.

Restated Comparative Information

Without modifying our conclusion, we draw attention to Note 9 to the financial statements, which describes that certain comparative information presented for the year ended March 31, 2024 has been restated.

Scarrow & Donald LLP

Chartered Professional Accountants
June 27, 2025
Winnipeg, Canada

For this communication, together with the work done to prepare this communication and for the opinions we have formed, if any, we accept and assume responsibility only to the addressee of this communication, as specified in our letter of engagement.

WINNIPEG MINOR BASKETBALL FOUNDATION, INC.

STATEMENT OF FINANCIAL POSITION

		March 31	
		2025	2024
			(restated)
ASSETS			
Current assets:			
Cash	\$	70,942	\$ 49,190
Accounts receivable (Note 3)		827	9,423
Guaranteed investment certificate (Note 4)		-	62,114
Due from Winnipeg Minor Basketball Association, Inc. (Note 5)		20,350	26,700
		92,119	147,427
Guaranteed investment certificate (Note 4)		65,655	-
	\$	<u>157,774</u>	<u>\$ 147,427</u>
LIABILITIES			
Current liabilities:			
Accounts payable and accrued liabilities	\$	1,120	\$ 17,721
Deferred contributions (Note 6)		10,390	-
		11,510	17,721
NET ASSETS			
Unrestricted net assets		146,264	129,706
	\$	<u>157,774</u>	<u>\$ 147,427</u>

APPROVED BY THE BOARD:

Director

Director

WINNIPEG MINOR BASKETBALL FOUNDATION, INC.

STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS

	Year ended March 31	
	2025	2024
		(restated)
Revenues:		
Team fees	\$ 20,350	\$ 26,700
Interest	4,664	3,934
Grants (Note 6)	5,949	8,301
	<u>30,963</u>	<u>38,935</u>
Expenses:		
Bank fees	2	39
Contractor fees - court repairs	11,899	16,601
Office	167	-
Professional fees	1,120	1,385
Promotion	217	280
Scholarships	1,000	1,013
	<u>14,405</u>	<u>19,318</u>
Difference between revenues and expenses for the year	16,558	19,617
Unrestricted net assets, beginning of year	<u>129,706</u>	<u>110,089</u>
Unrestricted net assets, end of year	<u>\$ 146,264</u>	<u>\$ 129,706</u>

WINNIPEG MINOR BASKETBALL FOUNDATION, INC.

STATEMENT OF CASH FLOWS

	Year ended March 31	
	2025	2024
Cash flow provided operating activities:		
Cash receipts from interest	\$ 4,959	\$ 3,654
Cash receipts from Winnipeg Minor Basketball Association, Inc.	26,700	36,258
Cash receipts from grants	24,640	-
Cash paid to suppliers	(31,006)	(8,317)
	25,293	31,595
Cash provided from investing activities:		
Change in guaranteed investment certificates	(3,541)	(2,675)
Change in cash	21,752	28,920
Cash, beginning of year	49,190	20,270
Cash, end of year	\$ 70,942	\$ 49,190

WINNIPEG MINOR BASKETBALL FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2025

1. Organization:

The Winnipeg Minor Basketball Foundation ("WMBA Foundation"), Inc. is a not-for-profit corporation, incorporated on October 29, 2004. It is funded by a charge of \$50 per team registered for league play, which is collected by the Winnipeg Minor Basketball Association ("WMBA") and remitted periodically to the Foundation. The Foundation uses this funding to further its stated goals which include providing scholarships to male and female graduating students who have participated in the league, providing financial assistance to participants who are unable to afford registration fees and construct six outdoor basketball courts and potentially an indoor facility by leveraging funding from other sources to assist. The Foundation 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.

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-

The Foundation expenses current capital assets in the period incurred. During the year, \$nil (2024 - \$nil) of equipment was expensed. Accordingly, amortization has not been provided for in the accounts.

c) Revenue recognition-

The Foundation follows the deferral method of accounting for contributions. Restricted contributions are recognized in the year in which the related expenses are incurred. Unrestricted contributions 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 earned on a time proportion basis.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2025

2. Significant accounting policies (continued):

d) 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 Foundation 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 difference between that initial amount and the maturity amount, and minus any reduction for impairment.

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

3. Accounts receivable:

	March 31	
	2025	2024
Grants receivable	\$ -	\$ 8,301
Interest receivable	827	1,122
	<u>\$ 827</u>	<u>\$ 9,423</u>

4. Guaranteed investment certificate:

The Foundation has a guaranteed investment certificate which matures in June 2026 (2024 - December 2024) and bears interest at 4.00% (2024 - 5.70%).

5. Due from Winnipeg Minor Basketball Association, Inc.:

On June 24, 2003, the WMBA passed a motion at its Annual General Meeting to create a separate Foundation called the 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 WMBA passed a motion to collect a levy of \$50 per team registered for league play on behalf of the WMBA Foundation.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2025

5. Due from Winnipeg Minor Basketball Association, Inc. (continued):

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

The WMBA 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.

6. Deferred contributions:

Deferred contributions received are externally restricted and are to be spent in future periods on court repairs.

	March 31	
	2025	2024
Balance, beginning of year	\$ -	\$ -
Contributions received/receivable	16,339	8,301
Amounts recognized as revenue	(5,949)	(8,301)
Balance, end of year	\$ 10,390	\$ -

During the year ended March 31, 2024, the Foundation applied for the Province of Manitoba's Arts, Cultural and Sport in Community Small Capital and Special Initiatives Program relating to improvements to the six outdoor basketball courts. Revenue of \$5,949 (2024 - \$8,301) has been recorded in grant revenue. The project must be completed by March 31, 2026.

7. Related party transactions:

During the year ended March 31, 2025, the Foundation incurred expenses of \$11,899 (2024 - \$16,601) to an entity controlled by a board member that are included under contractor fees - court improvements. 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 related parties.

8. Risk management:

Management's risk management policies are typically performed as a part of the overall management of the Foundation'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 Foundation 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 Foundation has not designated transactions as hedging transactions to manage risk. As a part of the overall operation of the Foundation, management considers the avoidance of undue concentrations of risk. These risks include, and the actions taken to manage them are as follows:

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2025

8. Risk management (continued):**Liquidity risk-**

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

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 Foundation 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 Foundation 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).

Interest rate risk-

Interest rate risk is the risk that changes in market interest rates may have an effect on the cash flows associated with some financial assets and liabilities, known as interest rate cash flow risk, or on the fair value of other financial assets or liabilities, known as interest rate price risk. The Foundation is subject to interest rate fair value risk due to the fixed interest rates on the guaranteed investment certificates.

9. Restated comparative information:

During the year ended March 31, 2025 it was identified that certain expenses will be applied towards the Province of Manitoba's Arts, Cultural and Sport in Community Small Capital and Special Initiatives Program funding. It was also identified that the funding is based on actual expenses incurred. As a result, a portion of the grant shall be recognized as revenue and a receivable shall be recorded for the same amount. Adjustments to the comparative information as at March 31, 2024 were restated as follows:

	As previously reported March 31, 2024	Adjustment	Restated March 31, 2024
Statement of financial position:			
Accounts receivable	\$ 31,922	\$ (22,499)	\$ 9,423
Deferred contributions	30,800	(30,800)	-
Unrestricted net assets	121,405	8,301	129,706
Statement of operations and changes in net assets:			
Grant revenue	-	8,301	8,301
Difference between revenues and expenses for the year	11,316	8,301	19,617

There was no impact on the statement of cash flows for the year ended March 31, 2024.