

BURLINGTON GIRLS HOCKEY CLUB

FINANCIAL STATEMENTS

APRIL 30, 2020

INDEPENDENT AUDITORS' REPORT

To the Directors of
Burlington Girls Hockey Club:

Opinion

We have audited the financial statements of Burlington Girls Hockey Club, which comprise the statement of financial position as at April 30, 2020, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at April 30, 2020, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing the Organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization's financial reporting process.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Taylor Leibow LLP

CHARTERED PROFESSIONAL ACCOUNTANTS
Licensed Public Accountants

Hamilton, Ontario
August 24, 2020

BURLINGTON GIRLS HOCKEY CLUB
STATEMENT OF FINANCIAL POSITION

As at April 30

	2020	2019
	\$	\$
ASSETS		
CURRENT		
Cash	389,644	408,563
Accounts receivable	9,405	8,213
Prepaid expenses	-	5,111
	399,049	421,887
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	23,619	112,683
	23,619	112,683
NET ASSETS		
UNRESTRICTED NET ASSETS	375,430	309,204
	399,049	421,887

(See accompanying Notes to Financial Statements)

BURLINGTON GIRLS HOCKEY CLUB
STATEMENT OF CHANGES IN NET ASSETS

	<i>Year ended April 30</i>	
	2020	2019
	\$	\$
NET ASSETS, BEGINNING OF YEAR	309,204	287,358
EXCESS OF REVENUE OVER EXPENDITURES	66,226	21,846
NET ASSETS, END OF YEAR	375,430	309,204

(See accompanying Notes to Financial Statements)

BURLINGTON GIRLS HOCKEY CLUB
STATEMENT OF OPERATIONS

Year ended April 30

	2020	2019
	\$	\$
REVENUES		
Registration	757,049	730,779
Ice sales	3,323	23,750
Bingo	7,807	28,287
Golf tournament	15,892	16,830
Sponsorship	25,331	11,400
Miscellaneous income	10,123	9,595
	819,525	820,641
EXPENDITURES		
Advertising and promotion	3,058	6,533
Bad debts	-	1,040
Bank charges and interest	28,434	30,395
Bingo	7,284	18,775
Fees and insurance	61,437	60,620
Golf tournament	7,280	12,618
Ice and referees	480,859	527,009
Insurance	1,121	1,096
Office and general	27,800	27,726
Office rent	4,800	7,000
Player awards and recognition	6,109	9,317
Player development	27,436	30,018
Professional fees	7,760	6,265
Telephone	1,850	1,547
Tournaments	3,297	14,181
Uniforms and equipment	84,774	44,655
	753,299	798,795
EXCESS OF REVENUE OVER EXPENDITURES	66,226	21,846

(See accompanying Notes to Financial Statements)

BURLINGTON GIRLS HOCKEY CLUB
STATEMENT OF CASH FLOWS

Year ended April 30

	2020	2019
	\$	\$
CASH PROVIDED BY (USED IN):		
OPERATING ACTIVITIES		
Excess of revenue over expenditures	66,226	21,846
Changes in non-cash working capital <i>(Note 4)</i>	(85,145)	119,280
INCREASE (DECREASE) IN CASH	(18,919)	141,126
CASH, BEGINNING OF YEAR	408,563	267,437
CASH, END OF YEAR	389,644	408,563

(See accompanying Notes to Financial Statements)

BURLINGTON GIRLS HOCKEY CLUB
NOTES TO FINANCIAL STATEMENTS

Year ended April 30, 2020

1. PURPOSE OF ORGANIZATION

The Organization's purpose as a not-for-profit organization is to provide recreational and competitive hockey programs for girls and women of all ages in the City of Burlington as a member of the Ontario Women's Hockey Association (OWHA) and as sanctioned by the OWHA.

The Burlington Girls Hockey Club is incorporated under the laws of the Province of Ontario as a not-for-profit entity without share capital and is exempt from income taxes.

2. COVID-19

The recent outbreak of the Coronavirus Disease 2019 ("COVID-19") has spread across the globe and is impacting worldwide economic activity. This global pandemic poses the risk that we or our members, vendors, and other partners may be unable to conduct regular operational activities for an indefinite period of time. While it is not possible at this time to estimate the full impact that COVID-19 could have on our operations, the continued spread of COVID-19 and the measures taken by the federal, provincial and municipal governments to contain its impact could adversely impact our Organization, financial condition or results of operations. Specifically, all OWHA games, practices, tryouts and sanctioned activities were cancelled until further notice effective Friday March 13, 2020. Refunds were issued to players for a portion of registration fees to compensate for the shortened season. These refunds have been reflected in the April 30, 2020 year end results. The extent to which the COVID-19 outbreak impacts our results will depend on future developments that are highly uncertain and cannot be predicted, including new information that may emerge concerning the spread of the virus and government actions.

3. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

FINANCIAL INSTRUMENTS

Measurement of financial instruments

The Organization initially measures its financial assets and financial liabilities at fair value adjusted by, in the case of a financial instrument that will not be measured subsequently at fair value, the amount of transaction costs directly attributable to the instrument. Amounts due to and from related parties are measured at the exchange amount, being the amount agreed upon by the related parties.

The Organization subsequently measures its financial assets and financial liabilities at amortized cost, except for derivatives and equity securities quoted in an active market, which are subsequently measured at fair value. Changes in fair value are recognized in excess of revenues over expenditures.

Financial assets measured at amortized cost include cash and accounts receivable.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

BURLINGTON GIRLS HOCKEY CLUB
NOTES TO FINANCIAL STATEMENTS

Year ended April 30, 2020

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

FINANCIAL INSTRUMENTS (Continued)

Impairment

Financial assets measured at amortized cost are tested for impairment when there are indicators of possible impairment. When a significant adverse change has occurred during the period in the expected timing or amount of future cash flows from the financial asset or group of assets, a write-down is recognized in excess of revenue over expenditures. The write down reflects the difference between the carrying amount and the higher of:

- the present value of the cash flows expected to be generated by the asset or group of assets;
- the amount that could be realized by selling the assets or group of assets;
- the net realizable value of any collateral held to secure repayment of the assets or group of assets.

When the events occurring after the impairment confirm that a reversal is necessary, the reversal is recognized in excess of revenue over expenditures up to the amount of the previously recognized impairment.

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 to be received can be reasonably estimated and collection is reasonably assured. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred.

Unrestricted investment income is recognized as revenue when earned. Restricted investment income is recognized as revenue in the year in which the related expense are incurred.

Registration fees are recorded as revenue when earned. Registration fees received for the following fiscal year are deferred and recorded as revenue in the following year. Revenues derived from tournaments, bingo, fundraising and other services are recognized and recorded as revenue when the events are held and collection is reasonably assured.

CONTRIBUTED SERVICES

The Organization is dependent on the services of volunteers to operate. Due to the difficulty in determining the fair value of these services, the value of donated services is not recognized in these financial statements.

BURLINGTON GIRLS HOCKEY CLUB
NOTES TO FINANCIAL STATEMENTS

Year ended April 30, 2020

4. CHANGES IN NON-CASH WORKING CAPITAL

	2020	2019
	\$	\$
Accounts receivable	(1,192)	5,073
Prepaid expenses	5,111	16,750
Accounts payable and accrued liabilities	(89,064)	103,257
Deferred revenue	-	(5,800)
	(85,145)	119,280

5. COMMITMENTS

The Organization has a commitment to the City of Burlington to purchase, and the City of Burlington has a commitment to the Organization to sell, a minimum of 2,559 hours of ice time per season until August 31, 2025. This agreement was signed as consideration for the City of Burlington adding the Appleby second ice pad to its Appleby Line facility. This agreement was effective May 29, 2009. Due to COVID-19, the terms of this agreement may change depending on future developments.