

Stonewall Minor Hockey and Ringette Association Inc.

Financial Statements

For the Year Ended June 30, 2019

DRAFT FOR DISCUSSION PURPOSES

Stonewall Minor Hockey and Ringette Association Inc.
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For the Year Ended June 30, 2019

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REVIEW ENGAGEMENT REPORT

To the Shareholders
Stonewall Minor Hockey And Ringette Association Inc.

We have reviewed the accompanying financial statements of Stonewall Minor Hockey And Ringette Association Inc. that comprise the statement of financial position as at June 30, 2019, and statements of operations, statement of 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 Stonewall Minor Hockey And Ringette Association Inc. as at June 30, 2019, 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.

Other Matter

The prior year financial statements were reviewed by another practitioner who expressed an unmodified opinion on those statements on February 6, 2019.

Winnipeg, Manitoba



Talbot and Associates
Chartered Professional Accountants

Ashern, MB	204.768.2346	Stonewall, MB	204.467.5566
Birtle, MB	204.842.5301	Winnipeg, MB (St. Boniface)	204.987.4875
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Stonewall Minor Hockey and Ringette Association Inc.

Statement of Financial Position

As At June 30, 2019

	2019	2018
ASSETS		
CURRENT		
Cash	\$ 5,571	\$ 20,702
Short term investments	33,425	33,315
Accounts receivable	905	3,562
	<u>39,901</u>	<u>57,579</u>
LONG TERM INVESTMENTS	<u>5</u>	<u>5</u>
	<u>\$ 39,906</u>	<u>\$ 57,584</u>
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 1,351	\$ 1,189
Due to government agencies	744	1,266
	<u>2,095</u>	<u>2,455</u>
NET ASSETS	<u>37,811</u>	<u>55,129</u>
	<u>\$ 39,906</u>	<u>\$ 57,584</u>

Approved on Behalf of the Board:

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

Stonewall Minor Hockey and Ringette Association Inc.

Statement of Changes in Net Assets

For the Year Ended June 30, 2019

	Operating	Support	Capital Improvements	Special Projects	40th Anniversary	2019	2018
Net assets - beginning of year	\$ 26,987	\$ 1,736	\$ 15,205	\$ 7,201	\$ 4,000	\$ 55,129	\$ 68,701
Excess (deficiency) of revenues over expenses	(17,780)	4,273	(3,811)	-	-	(17,318)	(13,572)
Net assets - end of year	\$ 9,207	\$ 6,009	\$ 11,394	\$ 7,201	\$ 4,000	\$ 37,811	\$ 55,129

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

Stonewall Minor Hockey and Ringette Association Inc.

Statement of Operations

For the Year Ended June 30, 2019

	2019	2018
REVENUE		
Booth revenue	\$ 52,863	\$ 45,673
COST OF GOODS SOLD		
Booth purchases	25,528	25,365
Booth workers	19,493	17,000
	<u>45,021</u>	<u>42,365</u>
GROSS PROFIT	<u>7,842</u>	<u>3,308</u>
EXPENSES		
Advertising and promotion	2,507	2,787
Association fees	1,893	550
Booth cleaning	1,500	1,260
Chase payment and volunteer refund fees	6,346	7,021
Clinics	1,000	74
Insurance	428	302
Interest and bank charges	396	692
League fees	53,119	48,691
Memberships and licenses	4,201	4,146
Office	1,917	833
Professional fees	1,541	1,183
Referee clinics	2,684	2,082
Referees	22,905	19,944
Rental	137,629	117,208
Sub-contracts	3,000	6,500
Supplies	21,994	14,744
Travel	500	540
	<u>263,560</u>	<u>228,557</u>
DEFICIENCY OF REVENUES OVER EXPENSES FROM OPERATIONS	<u>(255,718)</u>	<u>(225,249)</u>
OTHER REVENUE		
Registrations and instructions	231,455	213,497
Tournaments, net	5,255	2,235
ATM commissions	916	126
Interest income	313	220
	<u>237,939</u>	<u>216,078</u>
DEFICIENCY OF REVENUES OVER EXPENSES	<u>\$ (17,779)</u>	<u>\$ (9,171)</u>

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

Stonewall Minor Hockey and Ringette Association Inc.

Statement of Operations - Support Fund

For the Year Ended June 30, 2019

	2019	2018
REVENUE		
Support contributions	\$ 4,273	\$ 4,940
EXPENSES		
Donations	-	4,546
EXCESS OF REVENUE OVER EXPENSES	<u>\$ 4,273</u>	<u>\$ 394</u>

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

Stonewall Minor Hockey and Ringette Association Inc.

Statement of Operations - Capital Improvements

For the Year Ended June 30, 2019

REVENUE	\$	-	\$	-
EXPENSES				
Equipment		-		4,795
DEFICIENCY OF REVENUE OVER EXPENSES	\$	-	\$	(4,795)

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

Stonewall Minor Hockey and Ringette Association Inc.

Statement of Operations - Special Projects

For the Year Ended June 30, 2019

REVENUE	\$	-	\$	-
EXPENSES		-		-
EXCESS OF REVENUE OVER EXPENSES	\$	-	\$	-

DRAFT FOR DISCUSSION PURPOSES

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

Stonewall Minor Hockey and Ringette Association Inc.

Statement of Operations - Vets' Cup 40th Anniversary

For the Year Ended June 30, 2019

REVENUE	\$	-	\$	-
EXPENSES		-		-
EXCESS OF REVENUE OVER EXPENSES	\$	-	\$	-

DRAFT FOR DISCUSSION PURPOSES

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

Stonewall Minor Hockey and Ringette Association Inc.

Statement of Cash Flows

For the Year Ended June 30, 2019

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES:		
Deficiency of revenues over expenses	\$ (17,317)	\$ (13,572)
Changes in non-cash working capital balances:		
Accounts receivable	2,657	(3,562)
Prepaid expenses	-	302
Accounts payable and accrued liabilities	161	252
Due to government agencies	(522)	1,153
NET DECREASES IN CASH AND SHORT TERM INVESTMENTS	(15,021)	(15,427)
CASH AND SHORT TERM INVESTMENTS - BEGINNING OF YEAR	54,017	69,444
CASH AND SHORT TERM INVESTMENTS - END OF YEAR	\$ 38,996	\$ 54,017
Cash and short term investments consist of the following:		
Cash	\$ 5,571	\$ 20,702
Short term investments	33,425	33,315
	\$ 38,996	\$ 54,017

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

Stonewall Minor Hockey and Ringette Association Inc.

Notes to the Financial Statements

For the Year Ended June 30, 2019

1. PURPOSE OF THE ORGANIZATION

Stonewall Minor Hockey and Ringette Association Inc. (the "Organization") is a not-for-profit Organization incorporated provincially under the Corporations Act of Manitoba. Management has determined that they are exempt from payment of income tax under Section 149(1) of the Income Tax Act..

2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

a. Cash and cash equivalents

Cash includes cash and cash equivalents. Highly liquid investments with maturities of ninety days or less at date of purchase are classified as cash equivalents.

b. Short term investments

Term deposits are stated at cost and include interest accrued to the end of the period.

c. Inventory

Inventory purchases are expensed during the year in which they occur. Management feels any remaining inventory at year-end is insignificant, and therefore no year-end inventory has been recognized.

d. Long term investments

Long term investments consist of shares in Sunova Credit Union, stated at cost.

e. Capital expenditures

Capital assets are recorded as an expenditure when purchased. There is no policy in effect for recording the historical cost of such assets and amortizing the cost over the years of useful life.

Stonewall Minor Hockey and Ringette Association Inc.

Notes to the Financial Statements

For the Year Ended June 30, 2019

2. SIGNIFICANT ACCOUNTING POLICIES

f. Financial instruments

The Organization initially measures its financial assets and liabilities at fair value. The Organization subsequently measures all its financial assets and liabilities at cost or amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in the fair value of these financial instruments are recognized in income in the period incurred. Unless otherwise noted, it is management's opinion that the company is not exposed to significant interest, currency, credit, liquidity or market risks arising from these financial instruments.

g. Measurement uncertainty

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

h. Revenue recognition

Stonewall Minor Hockey and Ringette Association Inc. follows the restricted fund method of accounting for contributions.

Restricted contributions related to general operations are recognized as revenue of the Operating Fund in the year in which the related expenses are incurred. All other restricted contributions are recognized as revenue of the appropriate restricted fund.

Unrestricted contributions are recognized as revenue of the Operating Fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

The Support Fund reports the contributions and expenditures for children that require financial assistance in order to participate in hockey or ringette.

Capital Improvements reports significant capital expenditures and equipment additions.

The Special Projects Fund reports surplus amounts from various past individual tournaments that have been designated for larger projects at some point in the future.

The 40th Anniversary Fund reports profits from past Veteran's Cup committees to be spent for the 40th annual Veteran's Cup tournament in February 2021.

Stonewall Minor Hockey and Ringette Association Inc.

Notes to the Financial Statements

For the Year Ended June 30, 2019

3. COMPARATIVE FIGURES

The prior year financial statements were reviewed by another practitioner. Certain comparative amounts have been reclassified to conform to the current year's presentation.

4. FINANCIAL RISKS

The Organization is exposed to various risks through its financial instruments, without being exposed to concentrations of risk. The main risks are broken down below.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rates. The Organization is exposed to interest rate risk on its long term investments. Fixed interest rate instruments subject the Organization to a fair value risk, since fair value fluctuates inversely to changes in market interest rates.

5. COVID-19

In March 2020, The World Health Organization declared a global pandemic due to the novel coronavirus (COVID-19). The situation is constantly evolving, and the measures put in place have multiple impacts on local, provincial, national and global economics.

As a result of the pandemic, programs and events held by the Organization were suspended or reduced significantly. The Organization experienced a decline in canteen revenues during the year. The Organization is also in discussion with Hockey Manitoba about having some portion of their 2020 payment of approximately \$26,000 refunded; however, since no amount has been authorized to be refunded as it relates to the fiscal year, no associated amounts have been recognized in these financial statements.

The overall effect (if any) of these events on the Organization and its operations is too uncertain to be estimated at this time. The impacts will be accounted for when they are known and may be assessed.

Management is uncertain of the effects of these changes on its financial statements and believes that any disturbance may be temporary; however, there is uncertainty about the length and potential impact of the disturbance. Management agrees that any adjustments required will be made in a future period once effects become known and measurement can be reasonably estimated or otherwise substantiated.
