

Financial Statements of  
**EAST GWILLIMBURY MINOR  
HOCKEY ASSOCIATION INC.**

April 30, 2022

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## INDEPENDENT AUDITORS' REPORT

To the Members of East Gwillimbury Minor Hockey Association Inc.:

### *Basis for Qualified Opinion*

We have audited the financial statements of East Gwillimbury Minor Hockey Association Inc. (the Organization), which comprise the statement of financial position as at April 30, 2022 and the statements of operations and changes in net assets and cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of East Gwillimbury Minor Hockey Association Inc. as at April 30, 2022, and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

### *Basis for Qualified Opinion*

In common with many not-for-profit organizations, East Gwillimbury Minor Hockey Association Inc. derives revenue from ancillary activities such as fundraising, tryouts and clinics, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of East Gwillimbury Minor Hockey Association Inc. Therefore, we were not able to determine whether any adjustments might be necessary to fundraising revenue, excess of revenues over expenses, and cash flows from operations for the year ended April 30, 2022 and April 30, 2021, current assets and net assets as at April 30, 2022 and April 30, 2021.

### *Management's Responsibility 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.

### *Auditors' 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.

## INDEPENDENT AUDITORS' REPORT, continued

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.

### *Other Matter*

The financial statements for the year ended April 30, 2021 were audited by another practitioner who expressed an unmodified conclusion on those financial statements.

*D'Souza CPA*

D'Souza CPA Professional Corporation  
Chartered Professional Accountants  
Licensed Public Accountants

TBD  
Sharon, Ontario

# EAST GWILLIMBURY MINOR HOCKEY ASSOCIATION INC.

## Statement of Financial Position

April 30, 2022, with comparative figures for 2021

	2022	2021
<b>Assets</b>		
Current assets		
Cash - general fund	\$ 170,679	\$ 28,867
Cash - fundraising	7,757	994
Accounts receivable	913	8,529
Inventory	7,102	4,490
Prepaid expenses	1,000	5,233
GIC - restricted fund		130,021
	187,451	178,134
Cash - restricted fund	1,000	1,000
Capital assets (Note 3)	6,027	9,492
	\$ 194,478	\$ 188,626
<b>Liabilities and Net Assets</b>		
Current liabilities		
Accounts payable and accrued charges	\$ 13,468	\$ 8,969
Net assets		
General fund	27,932	24,224
Invested in capital assets	6,028	9,493
Restricted funds (Note 4)	147,050	145,940
	181,010	179,657
	\$ 194,478	\$ 188,626

Approved on behalf of the Board:

\_\_\_\_\_  
Director

# EAST GWILLIMBURY MINOR HOCKEY ASSOCIATION INC.

## Statement of Operations

Year ended April 30, 2022, with comparative figures for 2021

	2022	2021
<b>Revenue</b>		
Registration fees	\$ 301,523	\$ 164,296
Representative fees	37,608	-
Tournament revenue	33,448	-
Special events	17,582	13,845
Tryouts	14,570	-
Clinics	14,160	4,448
Ice Rental	9,276	5,453
Sponsors	8,150	2,500
Miscellaneous	1,736	2,950
	<b>438,053</b>	<b>193,492</b>
<b>Expenses</b>		
Ice rental	219,858	96,115
Equipment	80,375	17,418
Tournament expense	25,482	15
Hockey office	19,446	19,993
Clinic expense	18,777	3,579
OMHA fees	16,562	15,691
Referees	16,467	1,163
Online registration fees	8,686	6,467
Professional fees	6,150	5,713
Office and general	4,854	4,550
Affiliations and entry fees	3,732	1,376
Amortization	3,465	4,946
Special events	3,115	(200)
House league banquet	3,099	-
Timekeepers	2,899	138
Photographs	2,544	-
Bank charges	606	1,298
Trophies and awards	583	-
Insurance	-	2,155
	<b>436,700</b>	<b>180,417</b>
<b>Excess of revenue over expenses</b>	<b>1,353</b>	<b>13,075</b>

# EAST GWILLIMBURY MINOR HOCKEY ASSOCIATION INC.

## Statement of Changes in Net Assets

Year ended April 30, 2022, with comparative figures for 2021

2021	Restricted Funds							
	General Fund	Invested in Capital Assets	Contingency Fund Operations	Contingency Fund Association	Dunsmuir Dream Fund	Dunsmuir Tournament Fund	Contingency Fund ETFO	Total 2021
Net assets, beginning of year	\$ 7,118	\$ 14,439	\$ 31,868	\$ 88,869	\$ 3,760	\$ 20,528	\$ -	\$ 166,581
Excess (deficiency) of revenue over expenses	16,021	(4,946)	-	-	2,000	-	-	13,075
Asset purchases	-	-	-	-	-	-	-	-
Interfund transfers	1,085	-	-	-	-	(1,085)	-	-
<b>Net assets, end of year</b>	<b>\$ 24,224</b>	<b>\$ 9,493</b>	<b>\$ 31,868</b>	<b>\$ 88,869</b>	<b>\$ 5,760</b>	<b>\$ 19,443</b>	<b>\$ -</b>	<b>\$ 179,657</b>

  

2022	Restricted Funds							
	General Fund	Invested in Capital Assets	Contingency Fund Operations	Contingency Fund Association	Dunsmuir Dream Fund	Dunsmuir Tournament Fund	Contingency Fund ETFO	Total 2022
Net assets, beginning of year	\$ 24,224	\$ 9,493	\$ 31,868	\$ 88,869	\$ 5,760	\$ 19,443	\$ -	\$ 179,657
Excess (deficiency) of revenue over expenses	3,693	(3,465)	-	-	1,125	-	-	1,353
Asset purchases	-	-	-	-	-	-	-	-
Interfund transfers	15	-	-	-	-	(15)	-	-
<b>Net assets, end of year</b>	<b>\$ 27,932</b>	<b>\$ 6,028</b>	<b>\$ 31,868</b>	<b>\$ 88,869</b>	<b>\$ 6,885</b>	<b>\$ 19,428</b>	<b>\$ -</b>	<b>\$ 181,010</b>

See accompanying notes to the financial statements.

# EAST GWILLIMBURY MINOR HOCKEY ASSOCIATION INC.

## Statement of Cash Flows

Year ended April 30, 2022, with comparative figures for 2021

	2022	2021
Operating activities		
Net income	\$ 1,353	\$ 13,075
Non cash items:		
Amortization expense	3,465	4,946
Accrued interest revenue	-	(924)
Changes in working capital balances (Note 5)	13,736	(65,046)
Cash provided by (used in) operating activities	18,554	(47,949)
Investing activities		
Disposition of GIC	130,021	-
Cash provided by investing activities	130,021	-
Increase (decrease) in cash	148,575	(47,949)
Cash, beginning of year	30,861	78,810
Cash, end of year	\$ 179,436	\$ 30,861
Cash consists of:		
Cash - general fund	\$ 170,679	\$ 28,867
Cash - fundraising	7,757	994
Cash - restricted	1,000	1,000
	\$ 179,436	\$ 30,861

# EAST GWILLIMBURY MINOR HOCKEY ASSOCIATION INC.

Notes to the Financial Statements

April 30, 2022, with comparative figures for 2021

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## 1. Statutes of incorporation and nature of activities

East Gwillimbury Minor Hockey Association Inc. was incorporated without share capital on November 24, 1986 as a not-for-profit organization and is exempt tax under section 149(1)(l) of the Canadian Income Tax Act. The objectives of the organization are: to promote and organize the game of ice hockey for the community of East Gwillimbury, to maintain the highest degree of sportsmanship and fair play among members, to establish an effective method of teaching hockey skills, to provide greater accessibility for hockey participation at the lowest possible cost, and to affiliate with other hockey associations to the benefit of members.

## 2. Significant accounting policies

The financial statements have been prepared in accordance with Canadian generally accepted accounting standards for not-for-profit organizations and include the following significant accounting policies:

### Fund accounting

The Organization applies the fund method of accounting and reports the following funds:

*General Fund* - This fund reports all of the revenues and expenses of service delivery in the normal course of operations.

*Invested in capital assets* - This fund reports the funds that have been invested in capital assets

### Restricted Funds

*Contingency Fund Association and Operations* - A contingency fund has been established to set aside up to 5% of annual player dues as elected by the Board annually. Funds collected are allocated 80% to the Association Fund and 20% to the Operations Fund. The Association fund may be used with member approval for rink, office and facilities improvements, special events and other approved activities. The Operations fund may be used by the Board to fund equipment purchases, trophy upgrades, computers and software or any item for which the cost exceeds any current year benefit and should not be funded out of current year registration fees. The operating fund can also be used as a source of operating funds should the general account funds be insufficient for day to day cash flow needs. In 2022, no amount was set aside for either fund.

*Dunsmuir Dream Fund* - This fund has been established to subsidize registration for families in need.

*Dunsmuir Tournament Fund* - This fund receives, post year end, any funds from the fundraising account surplus from tournaments run during the spring. The funds are used for goalie and player development expenses at all levels of play.

*Contingency Fund - ETFO* - This fund was contributed by a teachers association and is used to purchase an item for each player annually.



# EAST GWILLIMBURY MINOR HOCKEY ASSOCIATION INC.

## Notes to the Financial Statements

April 30, 2022, with comparative figures for 2021

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### Revenue recognition

The Organization follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when they are received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Registration and representative fees and sponsorships are recognized as revenue in the fiscal period that corresponds to the hockey season registered or sponsored.

Fundraising revenue, clinics, tryouts and ice rental are recognized as revenue in the period in which the event takes place.

### Cash and cash equivalents

The Organization's policy is to present bank balances and term deposits with a maturity period of three months or less from the date of acquisition under cash and cash equivalents. Bank balances and GIC's that relate to restricted funds are recognized as long-term assets.

### Capital assets

Computer hardware and furniture and equipment are accounted for at cost and are amortized based on useful life using the straight-line method over three and seven years respectively. One-half of the annual amount is claimed in the year of acquisition.

Hockey equipment is expensed in the year it is purchased in recognition of the short-term life of hockey equipment and the high turnover rate.

### Use of estimates

The preparation of these financial statements in conformity with Canadian generally accepted accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts 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 current period. These estimates are reviewed periodically and adjustments are made to income as appropriate in the year they become known.

### Financial instruments

#### Measurement of financial instruments

The Organization initially measures its financial assets and liabilities at fair value.

The Organization subsequently measures all its financial assets and financial liabilities at amortized cost.

Financial assets measured at amortized cost include cash, accounts receivable and GIC's.

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

# EAST GWILLIMBURY MINOR HOCKEY ASSOCIATION INC.

## Notes to the Financial Statements

April 30, 2022, with comparative figures for 2021

### Contributed services

Volunteers contribute time every year to assist East Gwillimbury Minor Hockey Association Inc. in carrying out its service delivery activities. Due to the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

### 3. Capital assets

			2022	2021
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Computer hardware	\$ 8,879	\$ 8,879	\$ -	\$ 1,054
Furniture and equipment	16,877	10,850	6,027	8,438
	\$ 25,756	\$ 19,729	\$ 6,027	\$ 9,492

### 4. Restricted funds

At April 30, 2022 there was \$146,050 (2021: \$14,919) due from the general fund to the restricted fund.

### 5. Changes in working capital balances

Changes in working capital balances have provided (used) cash as follows:

	2022	2021
Accounts receivable	\$ 7,616	\$ (6,928)
Inventory	(2,612)	-
Prepaid expenses	4,233	3,770
Accounts payable and accrued charges	4,499	(61,888)
	\$ 13,736	\$ (65,046)

### 6. Financial instruments

#### Risk and concentrations

The Organization is exposed to various risks through its financial instruments. The following analysis provides a measure of the risk exposures and concentrations at the balance sheet date, April 30, 2022.

# EAST GWILLIMBURY MINOR HOCKEY ASSOCIATION INC.

## Notes to the Financial Statements

April 30, 2022, with comparative figures for 2021

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### Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Organization's main credit risks relate to its accounts receivable. The Organization provides credit to its members in the normal course of its operations.

### Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Organization is exposed to this risk mainly in respect of its accounts payable and accrued charges.

### Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk, and other prices risk. The Organization is mainly exposed to interest rate risk.

### Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Organization does not have significant interest rate risk.

There has been no change in the risk exposure of financial instruments since the year ended April 30, 2021.