

FLAMBOROUGH HOCKEY ASSOCIATION

Financial Statements (unaudited)
For the year ended from March 31, 2024
and Review Engagement Report

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The accompanying notes and the engagement report are an integral part of these financial statements

JOHN A. VANDERVELDE CHARTERED PROFESSIONAL ACCOUNTANT



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1.

INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Members and Elected Officials
of Flamborough Hockey Association

I have reviewed the accompanying financial statements of Flamborough Hockey Association that comprise the balance sheet as at March 31, 2024, and the statements of operations, 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 private enterprises, 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

My responsibility is to express a conclusion on the accompanying financial statements based on my review. I conducted my review in accordance with Canadian generally accepted standards for review engagements, which require me 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, I do not express an audit opinion on these financial statements.

Conclusion

Based on my review, nothing has come to my attention that causes me to believe that the financial statements do not present fairly, in all material respects, the financial position of Flamborough Hockey Association as at March 31, 2024, 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.

John A. VanderVelde

Chartered Professional Accountant
Licensed Public Accountant

CARLISLE, Ontario
June 11, 2024

FLAMBOROUGH HOCKEY ASSOCIATION
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED MARCH 31, 2024
(unaudited)

2.

	<u>2024</u>	<u>2023</u>
REVENUE		
Registration fees and sundry income (Note 5)	\$ <u>588,158</u>	\$ <u>559,114</u>
COST OF SALES		
Awards, trophies and plaques	4,377	6,288
Clinics	123,919	46,689
Ice rentals	694,413	439,888
Insurance	45,281	39,009
Rep/Select costs recovery	(508,474)	(296,368)
Referees and timekeeping	78,730	57,452
Registrar, referee overseer, ice scheduler and accounting	71,468	59,618
Registration and fees	49,205	50,655
Tournament Costs	7,700	74,441
Uniforms, equipment, supplies	<u>33,481</u>	<u>24,027</u>
	<u>600,100</u>	<u>502,224</u>
GROSS MARGIN	<u>(11,941)</u>	<u>56,890</u>
OPERATING EXPENSES		
Advertising and promotion	500	1,680
Amortization	11,147	9,044
Bank and service charges	41,382	27,821
Consulting	9,750	6,500
Office, meetings and administrative supplies	8,584	6,136
Photos	3,660	3,021
Professional fees	9,040	4,040
Website	<u>2,569</u>	<u>1,835</u>
	<u>86,632</u>	<u>60,077</u>
OPERATING INCOME (LOSS)	(98,573)	(3,189)
OTHER INCOME (EXPENSE)	<u>11,643</u>	<u>1,554</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	\$ <u><u>(86,930)</u></u>	\$ <u><u>(1,635)</u></u>

The accompanying notes and the engagement report are an integral part of these financial statements

JOHN A. VANDERVELDE CHARTERED PROFESSIONAL ACCOUNTANT

FLAMBOROUGH HOCKEY ASSOCIATION
STATEMENT OF NET ASSETS
FOR THE YEAR ENDED MARCH 31, 2024
(unaudited)

3.

	<u>2024</u>	<u>2023</u>
UNRESTRICTED BALANCE, BEGINNING OF YEAR	\$ 350,425	\$ 352,060
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	<u>(86,930)</u>	<u>(1,635)</u>
UNRESTRICTED BALANCE, END OF YEAR	\$ <u>263,495</u>	\$ <u>350,425</u>

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JOHN A. VANDERVELDE CHARTERED PROFESSIONAL ACCOUNTANT

FLAMBOROUGH HOCKEY ASSOCIATION
BALANCE SHEET
AS AT MARCH 31, 2024
(unaudited)

4.

	<u>2024</u>	<u>2023</u>
<u>ASSETS</u>		
CURRENT ASSET		
Cash and bank	\$ 274,220	\$ 351,942
Cash in bank encumbered (Note 3)	2,645	2,525
Receivables	147,479	67,418
Prepaid amounts	<u>19,477</u>	<u>-</u>
	443,821	421,885
FIXED ASSETS (Note 4)	<u>6,881</u>	<u>18,028</u>
	\$ <u>450,702</u>	\$ <u>439,913</u>
<u>LIABILITIES</u>		
CURRENT LIABILITIES		
Payables and accrued liabilities	\$ 53,397	\$ 67,598
Deferred registration fees	<u>133,810</u>	<u>21,890</u>
	<u>187,207</u>	<u>89,488</u>
<u>NET ASSETS</u>		
UNRESTRICTED	<u>263,495</u>	<u>350,425</u>
	\$ <u>450,702</u>	\$ <u>439,913</u>

Approved by the Board:

_____ Director

_____ Director

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FLAMBOROUGH HOCKEY ASSOCIATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2024
(unaudited)

5.

	<u>2024</u>	<u>2023</u>
OPERATING ACTIVITIES		
Excess (deficiency) of revenue over expenses	\$ (86,930)	\$ (1,635)
Item not affecting cash		
Amortization	<u>11,147</u>	<u>9,044</u>
	(75,783)	7,409
Effects on cash from changes in operating assets and liabilities		
Receivables	(80,061)	18,458
Prepaid amounts	(19,477)	-
Payables and accrued liabilities	(14,201)	(16,423)
Deferred registration fees	<u>111,920</u>	<u>21,890</u>
	<u>(77,602)</u>	<u>31,334</u>
INVESTING ACTIVITY		
Purchase of fixed assets	<u>-</u>	<u>(20,262)</u>
INCREASE (DECREASE) IN CASH	(77,602)	11,072
CASH RESOURCES, Beginning of year	<u>354,467</u>	<u>343,395</u>
CASH RESOURCES, End of year	\$ <u>276,865</u>	\$ <u>354,467</u>
CASH RESOURCES CONSISTS OF:		
Cash and bank	\$ 274,220	\$ 351,942
Cash in bank encumbered	<u>2,645</u>	<u>2,525</u>
	\$ <u>276,865</u>	\$ <u>354,467</u>

The accompanying notes and the engagement report are an integral part of these financial statements

JOHN A. VANDERVELDE CHARTERED PROFESSIONAL ACCOUNTANT

FLAMBOROUGH HOCKEY ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024
(unaudited)

6.

1) NATURE OF BUSINESS

The Flamborough Hockey Association (the “Association”) was organized under the laws of the Province of Ontario by Letters Patent dated February 19, 1980, is without share capital and is subject to the Ontario Corporations Act. The Association is a not for profit organization and is primarily engaged to organize and operate minor hockey in the area of Flamborough, Ontario.

For Canadian income tax purposes, the Association qualifies as a not for profit organization which is exempt from income tax under section 149 of the Canadian income tax act.

2) SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (“ASNPO”) and includes the significant accounting policies described hereafter.

Cash and cash equivalents

Cash and cash equivalents include cash and term deposits with remaining maturities of less than three months at acquisition, and are valued at cost plus accrued interest, which approximates fair value. Term deposits with remaining maturities greater than three months at acquisition are classified as short-term investments.

Controlled Entities

These financial statements do not include the results of any financial activities which may be conducted from time to time by individual teams within the organization nor any assets or liabilities from these transactions. This financial information is not readily available.

Fixed Assets

Fixed assets are stated at cost and are amortized over their estimated useful lives using the following methods and annual rates:

Hockey and related equipment	55.0%	declining balance
Leasehold Improvements	20.0%	straight-line

Amortization in the year of acquisition is recorded at one half the normal rates.

Impairment of long-lived assets

Long-lived assets are tested for recoverability whenever events or changes in circumstances indicate that their carry amount may not be recoverable. An impairment loss is recognized when their carrying value exceeds the value from their future use and eventual disposition. The amount of the impairment loss is determined as the excess of the carrying value of the asset over its fair value.

Revenue Recognition

The Association follows the deferral method of accounting. Registration fees are recognized as revenue in the year services are provided, the related expenses are incurred and collection is reasonably assured.

Tryout fees are recorded on completion of the tryout period and sponsorships/donations receipts are recorded when received. All other revenue is recognized when earned and collection is reasonably assured.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024
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2) SIGNIFICANT ACCOUNTING POLICIES (Continued)

Donated Materials and Services

The Association and its members benefit from the volunteer services of many individuals and groups in the form of volunteer time for various committees and programs. The estimated fair value for these donated materials and services is difficult to determine, not readily available and not recognized in the financial statements. Donated materials and services are recognized in the financial statements if the estimated fair value is determinable and readily available.

Use of Estimates

Management uses estimates and assumptions in preparing these financial statements in accordance with Canadian accounting standards for not for profit organizations. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities and the reported revenue and expense. The most significant estimates in these financial statements relate to the impairment of long-lived assets. Actual results could differ from these estimates.

Financial Instruments

Initial and subsequent measurement

The Association initially measures its financial assets and liabilities at fair value. The Association subsequently measures all its financial assets and liabilities at cost or amortized cost. Changes in the fair value of these financial instruments are recognized in net income in the period incurred.

The financial assets are subsequently measured at amortized cost include cash and equivalents, receivables and short-term investments.

The financial liabilities are subsequently measured at amortized cost include accounts payable, accrued liabilities and deferred registration fees.

Transaction costs

Transaction costs related to financial instruments that will be subsequently measured at fair value are recognized in net income in the period incurred. Transaction costs related to financial instruments subsequently measured at amortized cost are included in the original cost of the asset or liability and recognized in net income over the life of the instrument.

Impairment

For financial assets measured at amortized cost, the company determines whether there are indications of possible impairment. When there is an indication of impairment, and the company determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows, a write-down is recognized in net income. A previously recognized impairment loss may be reversed to the extent of the improvement. The carrying amount of the financial asset may not be greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in net income.

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FLAMBOROUGH HOCKEY ASSOCIATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED MARCH 31, 2024
 (unaudited)

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3) CASH IN BANK ENCUMBERED

The financial institution needed security to cover credit cards used for expenditures of the Association and required a GIC investment as collateral for these credit cards.

4) FIXED ASSETS

	2024			2023
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Hockey and related equipment	\$ 83,457	\$ 76,576	\$ 6,881	\$ 15,291
Leasehold improvements	<u>62,535</u>	<u>62,535</u>	-	<u>2,737</u>
	<u>\$ 145,992</u>	<u>\$ 139,111</u>	<u>\$ 6,881</u>	<u>\$ 18,028</u>

5) REVENUE

	2024	2023
Player registration fees	\$ 507,986	\$ 411,940
Rep tryout fees	75,040	44,840
Tournaments	782	81,600
Sponsors and donations	<u>4,350</u>	<u>20,734</u>
	<u>\$ 588,158</u>	<u>\$ 559,114</u>

6) FINANCIAL INSTRUMENTS

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

Credit risk

Credit risk is the risk that one party to a financial asset will cause a financial loss for the Association by failing to discharge an obligation. The Association does not have significant exposure to credit risk.

Market risk

Market risk is the risk that the fair value of future cash flows of the Association's financial instruments will fluctuate because of changes in market prices. Some of the Association's financial instruments are exposed to this risk, which comprises currency risk, interest rate risk and other price risk.

Interest risk

Interest 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 Association does not have significant exposure to interest rate risk.

Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The company does not have significant exposure to other price risk.

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FLAMBOROUGH HOCKEY ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024
(unaudited)

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6) FINANCIAL INSTRUMENTS (Continued)

Liquidity risk

Liquidity risk is the risk that the Association will encounter difficulty in meeting obligations associated with financial liabilities. The Association does not have significant exposure to liquidity risk.

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