

ILDERTON MINOR HOCKEY ASSOCIATION

Financial Statements

Year ended June 30, 2018



INDEPENDENT AUDITORS' REPORT

To the Shareholder of
Ilderton Minor Hockey Association

We have audited the accompanying financial statements of Ilderton Minor Hockey Association, which comprise the statement of financial position as at June 30, 2018 and the statements of operations, 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for Qualified Opinion

In common with many not-for-profit organizations, Ilderton Minor Hockey Association derives revenue from fundraising, gate receipts and banquets 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 Ilderton Minor Hockey Association and we were unable to determine whether any adjustments might be necessary to revenue, excess of revenue over expenses, net assets and cash flows for the year ended June 30, 2018.

Qualified Opinion

In our opinion, except for the effects of the matters described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Ilderton Minor Hockey Association as at June 30, 2018 and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.



**Chartered Professional Accountants
Licensed Public Accountants**

London, Ontario
October 24, 2018

ILDERTON MINOR HOCKEY ASSOCIATION

Statement of Financial Position as at June 30, 2018

	2018	2017
ASSETS		
CURRENT		
Cash	\$ 245,812	\$ 145,705
Accounts Receivable	1,810	2,700
Prepaid expenses	2,078	2,079
	<u>\$ 249,700</u>	<u>\$ 150,484</u>
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 9,750	\$ 12,884
Deferred revenue	152,891	49,561
	<u>162,641</u>	<u>62,445</u>
NET ASSETS		
UNRESTRICTED NET ASSETS	<u>87,059</u>	<u>88,039</u>
	<u>\$ 249,700</u>	<u>\$ 150,484</u>

APPROVED BY THE DIRECTORS:



Director



Director

ILDERTON MINOR HOCKEY ASSOCIATION

Statement of Changes in Net Assets
Year ended June 30, 2018

	2018	2017
UNRESTRICTED NET ASSETS, Beginning of year	\$ 88,039	\$ 134,499
Excess (deficiency) of revenue over expenses	<u>(980)</u>	<u>(46,460)</u>
UNRESTRICTED NET ASSETS, End of year	\$ 87,059	\$ 88,039

ILDERTON MINOR HOCKEY ASSOCIATION

Statement of Operations
Year ended June 30, 2018

	2018	2017
REVENUE		
Registration	\$ 235,717	\$ 239,615
Gate	39,027	38,571
Credit program	26,300	23,100
Fundraising	16,895	17,882
Equipment	7,918	7,150
Hockey Day	7,756	5,846
Development	7,700	11,913
Sponsors	5,900	7,700
Banquet	5,793	6,152
Miscellaneous	839	-
50/50 Draw	-	7,446
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	353,845	365,375
EXPENSES		
Ice rental	250,084	231,229
Referees	28,214	27,422
League fees	25,720	24,286
Development	10,975	13,193
Equipment	9,079	81,964
Fundraising	8,779	3,982
Events	5,078	10,002
Administration	5,046	2,724
Professional fees	3,250	3,500
Gate	3,076	3,829
Website	1,288	1,085
Training	1,770	3,609
Supplies	1,010	1,743
Insurance	862	1,267
Donations	594	2,000
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	354,825	411,835
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	<hr/>	<hr/>
	\$ (980)	\$ (46,460)

ILDERTON MINOR HOCKEY ASSOCIATION

Notes to Financial Statements
June 30, 2018

1. PURPOSE OF ASSOCIATION

The association is a not-for-profit corporation, incorporated by Letters Patent dated October 1, 2012, formed for the purposes of administrating and implementing a minor hockey program for youth in house league and competitive programs located in a defined geographical area within the town of Ilderton. The association is exempt from tax under section 149(1) of the Income Tax Act (Canada).

2. ACCOUNTING POLICIES

The accompanying financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations. The significant accounting policies are summarized below.

Revenue Recognition

Revenue is recognized as received from registration, sponsorship, gate admissions and hockey development. Revenue is received primarily in the first quarter of the fiscal year during the registration of players.

Cash and Cash Equivalents

Cash as disclosed on the statement of financial position consists of cash on hand and balances with banks.

Financial Instruments

Measurement of Financial Instruments:

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

The association subsequently measures all its financial assets and financial liabilities at amortized cost, except the investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in excess of revenue over expenses for the year.

Impairment:

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down and any subsequent reversal are recognized in excess of revenue over expenses.

ILDERTON MINOR HOCKEY ASSOCIATION

Notes to Financial Statements
June 30, 2018

2. ACCOUNTING POLICIES (continued)

Transaction Costs:

The association recognizes its transaction costs in excess of revenue over expenses in the period incurred. However, financial instruments that will not be subsequently measured at fair value are adjusted by the transaction costs that are directly attributable to their origination, issuance or assumption.

Use of Estimates

The preparation of financial statements in accordance 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 and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reported period. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in operations in the period in which they become known.

3. RECLASSIFICATIONS

Certain of the comparative figures for the preceding year have been reclassified to conform with the statement presentation adopted for the current year.

4. FINANCIAL INSTRUMENTS RISK MANAGEMENT

Transactions in financial instruments may result in financial risks being assumed by the association. The risks identified by the association are as follows:

Liquidity Risk

Liquidity risk is the risk that an organization will encounter difficulty in meeting financial obligations as they become due. The association is exposed to the risk given its financial position and reliance on player registrations to maintain operations.

It is management's belief that the association is not exposed to any significant credit, currency, interest rate or market risk.

The extent of the association's exposure to the above risks did not change during the fiscal year.