

MISSISSAUGA GIRLS HOCKEY LEAGUE

FINANCIAL STATEMENTS

JUNE 30, 2021



MISSISSAUGA GIRLS HOCKEY LEAGUE

JUNE 30, 2021

Contents

	<u>Page</u>
Auditor's Report	3
Financial Statement	
Balance Sheet	5
Statement of Operations and Changes in Fund Balances	6
Statement of Cash Flows	7
Notes to the Financial Statements	8 - 11





A Professional Corporation

35 Hugh Street
Milton, Ontario L9T 2C7
Tel: 905.876.4633
TF: 1.877.289.2292
Fax: 905.876.2064
melissacoulson.ca

Independent Auditor's Report

**To the Members of:
Mississauga Girls Hockey League**

Qualified Opinion

I have audited the accompanying financial statements of Mississauga Girls Hockey League, which comprise of the balance sheet as of June 30, 2021, and the statement of operations and changes in fund balance and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In my opinion, except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph, the accompanying financials statements present fairly, in all material respects the financial position of the organization as at June 30, 2021, 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, Mississauga Girls Hockey League derives revenue from cash transactions, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, my verification of these revenues was limited to the amounts recorded in the records of the Organization and I was not able to determine whether any adjustments might be necessary to revenue, excess of revenue over expenditures, assets and net fund balances.

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Organization in accordance with the ethical requirements that are relevant to my audit of the financial statements in Canada, and I have fulfilled my ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my 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 corporation's financial reporting process.



Auditor's Responsibilities for the Audit of the Financial Statements

My 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 my 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, I exercise professional judgment and maintain professional skepticism throughout the audit. I 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 my 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 company'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 company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my 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.

I 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 I identify during my audit.



Melissa L. Coulson, Chartered Professional Accountant
Licensed Public Accountant
A Professional Corporation

May 11, 2022
Milton, Ontario



Mississauga Girls Hockey League

BALANCE SHEET

As at June 30

	2021	2020
	\$	\$
ASSETS		
Current		
Cash	242,874	222,593
Short term investments (note 3)	151,308	151,332
Accounts receivable	-	5,891
Government subsidies receivable	14,513	-
Prepaid expenses	1,854	1,667
Total current assets	410,549	381,483
Capital assets (note 4)	2,443	3,054
	412,992	384,537
LIABILITIES & NET ASSETS		
Current		
Accounts payable and accrued liabilities	4,580	45,412
Deferred revenue	51,295	-
Total current liabilities	55,875	45,412
Net Assets		
Operating fund	344,738	329,591
Junior Hurricanes Assist Fund	12,379	9,534
Total net assets	357,117	339,125
	412,992	384,537

Commitments (note 5)

The accompanying notes are an integral part of these financial statements

Approved on behalf of the Board:

Director

Director

Mississauga Girls Hockey League

STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCES

Year ended June 30	Operating Fund	Junior Hurricanes Assist Fund	2021 \$	2020 \$
REVENUE				
Rep administrative income	31,770	-	31,770	30,093
Government subsidies	14,514	-	14,514	-
Other income	11,364	-	11,364	5,143
Sponsorship	8,000	-	8,000	9,841
Jr. hurricane everyone plays income	-	4,654	4,654	-
Registration fees	-	-	-	214,857
Tournament income	-	-	-	33,200
Gala	-	-	-	22,216
	65,648	4,654	70,302	315,350
EXPENSES				
Rent	23,476	-	23,476	17,861
Advertising and promotion	9,891	-	9,891	10,290
Professional fees	4,803	-	4,803	5,729
Office and general	3,401	-	3,401	1,204
Interest and bank charges	3,269	-	3,269	7,129
Player development	864	1,809	2,673	5,967
Supplies	1,680	-	1,680	31,471
Coach and trainer clinics	1,209	-	1,209	5,333
Donation	632	-	632	5,250
Amortization	611	-	611	763
Insurance	400	-	400	534
Ice rental	265	-	265	67,615
Tournament costs	-	-	-	30,192
Referees and timekeepers	-	-	-	26,381
OWHA registration and insurance	-	-	-	25,687
Gala expenses	-	-	-	15,436
Banquet expenses	-	-	-	5,766
	50,501	1,809	52,310	262,608
Excess of revenue over expenses	15,147	2,845	17,992	52,742
Fund balance, beginning of year	329,591	9,534	339,125	286,383
Fund balance, end of year	344,738	12,379	357,117	339,125

The accompanying notes are an integral part of these financial statements

Mississauga Girls Hockey League

STATEMENT OF CASH FLOWS

Year ended June 30

	2021	2020
	\$	\$
OPERATING ACTIVITIES		
Excess of revenue over expenses	17,992	52,742
Adjustments for non-cash items:		
Amortization	611	763
Changes in non-cash working capital items <i>(note 7)</i>	1,654	(128,826)
Cash provided by (used in) operating activities	20,257	(75,321)
INVESTMENT ACTIVITIES		
(Purchase) redemption of short term investments	24	(106)
Cash provided by (used in) investing activities	24	(106)
Net change in cash	20,281	(75,427)
Cash, beginning of year	222,593	298,020
Cash, end of year	242,874	222,593

The accompanying notes are an integral part of these financial statements

Mississauga Girls Hockey League

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

1. PURPOSE OF THE ORGANIZATION

The Mississauga Girls Hockey League (“the organization” or “the club”) is a not-for-profit organization created to provide an organized hockey league for girls of the Mississauga area.

The organization was incorporated in 1982 and revived on October 4, 2004 under the Ontario Corporations Act by letters patent as a not-for-profit organization without share capital. The Income Tax Act exempts not-for-profit corporations under specific circumstances from paying income tax. Management has determined that the league has complied with these conditions for the 2021 year end.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements of the organization have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations, which require management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and revenues and expenses for the reporting period. Actual results could differ from those estimates.

Fund accounting

The organization follows the deferral method of accounting for contributions.

(i) **Operating Fund**

Revenue and expenses relating to the ongoing operations of the league are reported in the operating fund.

(ii) **Junior Hurricanes Assist Fund**

Funds set aside for those that require financial assistance.

Revenue recognition

The organization recognizes registration revenue when a registration form or rental agreement has been completed, payment has been received and the service has been delivered. Payments received for programs that have not yet commenced are deferred.

Mississauga Girls Hockey League

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

Revenue from grant income is recognized when collection is reasonably assured and when the grant qualifications have been met.

All other income is recognized when received and services are delivered.

Short term investments

Short term investments are classified as held-for-trading based on management's intention and are reported at estimated fair value.

Capital assets

Capital assets are recorded at cost. The organization provides for amortization using the declining balance method at rates designed to amortize the cost of the capital assets over their useful lives. The annual rates are as follows:

Equipment	20% declining balance
Computer	55% declining balance

Volunteer services

The organization benefits from substantial services in the form of volunteer time. Since these invaluable services are not purchased by the organization, they are not recorded in these financial statements.

Use of estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results in the future may differ from those estimates. In particular, the actual lives of fixed assets may differ from their useful lives.

Financial instruments

Financial instruments are recorded at fair value when issued or acquired. For financial instruments subsequently measured at cost or amortized cost, fair value is adjusted by the amount of the related financing fees and transaction costs.

At each reporting date, the Organization measures its financial assets and liabilities at cost or amortized cost (less impairment in the case of financial assets). The financial instruments measured at amortized cost are cash, accounts receivable, accounts payable and accrued liabilities.

Mississauga Girls Hockey League

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

For financial assets measured at cost or amortized cost, the Association regularly assesses whether there are any indications of impairment. If there is an indication of impairment, and the Association determines that there is a significant adverse change in the expected timing or amount of future cash flows from the financial asset, it recognizes an impairment loss in the statement of operations. Any reversals of previously recognized impairment losses are recognized in operations in the year the reversal occurs.

3. SHORT TERM INVESTMENTS

Short term investments are comprised as follows:

	2021 \$	2020 \$
Cash (0%)	151,178	151,202
Mutual fund investments (0.20% to 1.6%)	130	130
	151,308	151,332

4. CAPITAL ASSETS

	Cost \$	Accumulated Depreciation \$	2021 \$	2020 \$
Equipment	6,627	4,184	2,443	3,054
Computer	691	691	-	-
	7,318	4,875	2,443	3,054

5. COMMITMENTS

The Organization is committed to lease agreements for premises and dressing rooms as follows:

	\$
2022	30,818
2023	31,742
2024	32,694
Thereafter	33,675
	128,929

Mississauga Girls Hockey League

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021

6. FINANCIAL INSTRUMENTS

Fair Values

The fair values of cash, accounts receivable, accounts payable and accrued liabilities, and deferred revenue approximately their carrying value due to their short-term nature. The fair values of short-term investments are disclosed in Note 3.

Interest Rate Risk

The organization is not exposed to significant interest rate risk due to the short term maturity of its monetary current assets and current liabilities. In particular, the amount of interest income earned on its short term investments is impacted more by the investment decisions made and the demands to have available cash on hand, than by movements in the interest rates over a given period.

7. STATEMENT OF CASH FLOWS

The net change in non-cash working capital balances related to operations consists of the following:

	2021 \$	2020 \$
Accounts receivable	5,891	(5,891)
Prepaid expenses	(187)	17,954
Government subsidies receivable	(14,513)	-
Accounts payable and accrued liabilities	(40,832)	23,200
Deferred revenue	51,295	(164,089)
	1,654	(128,826)

8. COMMUNITY SUPPORT

The organization receives indirect support from the City of Mississauga through a reduced rate it pays for ice time. The total amount of ice that the organization purchased from the City of Mississauga during fiscal 2021 at this reduced rate was \$176,218. If the organization had not received its affiliate reduction in ice time, it would have had to pay \$259,144 for the same amount of ice time.

9. IMPACT OF COVID-19

COVID-19 has negatively impacted the Organization's operations, suppliers and customer base. The impact of COVID-19 is expected to continue to impact the Organization's revenues and customer base. As of the date of these financials statements, the extent to which COVID-19 impacts the Organization's results will depend on future developments, which are highly uncertain and cannot be predicted and are dependent upon new information which may emerge concerning the severity of COVID-19 and actions taken to contain the virus or its impact, among others.