

Financial Statements of

**BRITISH COLUMBIA AMATEUR
HOCKEY ASSOCIATION**

Year Ended March 31, 2021

INDEX

Independent Auditor's Report

Statement of Financial Position

Statement of Changes in Net Assets

Statement of Operations - Unrestricted General and Development Fund

Statement of Operations - Internally Restricted Funds

Cash Flow Statement

Notes to the Financial Statements

Schedule 1: Schedule of Revenue - Unrestricted General and Development Fund

Schedule 2: Schedule of Changes in Internally Restricted Funds

INDEPENDENT AUDITOR'S REPORT

To: The Members of British Columbia Amateur Hockey Association

Opinion

We have audited the accompanying financial statements of British Columbia Amateur Hockey Association, which comprise the statement of financial position as at March 31, 2021 and the statements of changes in net assets, operations and cash flows for the year then ended, and notes and schedules to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Association as at March 31, 2021 and the results of its operations, changes in net assets and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPOs).

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Association in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other Information

Management is responsible for the other information. The other information comprises the information in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT (CONT'D)

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with ASNPOs, 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 Association'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 Association or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Association's financial reporting process.

Auditor's 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.

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 Association'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 Association'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 Association 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.

INDEPENDENT AUDITOR'S REPORT (CONT'D)

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.

Report on Other Legal and Regulatory Requirements

As required by the Societies Act of British Columbia, we report that, in our opinion, the accounting policies applied in preparing and presenting the financial statements in accordance with ASNPOs have been applied on a basis consistent with that of the preceding year.

Wiseman & Mills

Chartered Professional Accountants

May 31, 2021

Victoria, B.C.

BRITISH COLUMBIA AMATEUR HOCKEY ASSOCIATION

STATEMENT OF FINANCIAL POSITION MARCH 31,


	2021 \$	2020 \$
ASSETS		
CURRENT		
Cash	2,586,871	1,926,437
Accounts receivable	510,444	1,117,436
Prepaid expenses	702,607	162,649
	3,799,922	3,206,522
INTERNALLY RESTRICTED CASH (<i>Schedule 2</i>)	1,355,143	1,384,068
TANGIBLE CAPITAL ASSETS (<i>Note 3</i>)	1,178,114	1,292,959
	6,333,179	5,883,549

LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	1,911,552	1,661,240
Deferred revenue (<i>Note 4</i>)	797,242	632,811
Deferred contributions (<i>Note 5</i>)	221,508	215,676
	2,930,302	2,509,727


NET ASSETS		
INVESTMENT IN TANGIBLE CAPITAL ASSETS	1,178,114	1,292,959
UNRESTRICTED - GENERAL AND DEVELOPMENT FUND	869,620	696,794
INTERNALLY RESTRICTED FUNDS (<i>Schedule 2</i>)	1,355,143	1,384,069
	3,402,877	3,373,822
	6,333,179	5,883,549

COMMITMENTS (*Note 10*)

Approved by the Board:



Director



Chair

See accompanying notes

BRITISH COLUMBIA AMATEUR HOCKEY ASSOCIATION**STATEMENT OF CHANGES IN NET ASSETS****YEAR ENDED MARCH 31,**

	Investment in Tangible Capital Assets	Unrestricted General and Development Fund	Internally Restricted Funds (Schedule 2)	2021 Total	2020 Total
NET ASSETS, beginning of year	1,292,959	696,794	1,384,069	3,373,822	3,661,032
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	-	57,981	(28,926)	29,055	(287,210)
AMORTIZATION OF TANGIBLE CAPITAL ASSETS	(306,538)	306,538	-	-	-
INVESTMENT IN TANGIBLE CAPITAL ASSETS	191,693	(191,693)	-	-	-
NET ASSETS, end of year	1,178,114	869,620	1,355,143	3,402,877	3,373,822

See accompanying notes

BRITISH COLUMBIA AMATEUR HOCKEY ASSOCIATION**STATEMENT OF OPERATIONS
UNRESTRICTED GENERAL AND DEVELOPMENT FUND**

YEAR ENDED MARCH 31,	2021	2020
	\$	\$
REVENUE (Schedule 1)	7,468,918	12,133,461
EXPENSES		
Amortization	133,142	145,776
Annual General Meeting	6,111	116,741
Bad debts	55,946	22,348
Bank charges	17,154	39,402
Building occupancy	57,153	73,944
Committee travel and meetings	30,293	250,771
Fees - transfer fees	31,250	47,230
Grants and awards	7,996	4,273
Hockey Canada assessments	37,246	170,493
Hockey Canada insurance	529,884	1,231,697
Marketing, promotion and merchandise	47,028	108,174
Office supplies and equipment	226,677	289,879
Programs - championships	-	111,995
- coaching	143,031	296,490
- education	32,730	88,655
- elite female	615,244	788,093
- leagues U18 AAA	1,278,482	2,002,191
- leagues U16 AAA	1,213,372	1,328,787
- leagues U15 AAA	1,217,297	1,198,587
- mentorship	45,236	89,073
- minor recreational	20,927	45,382
- officiating	187,823	505,947
- para hockey	-	14,197
- player development	-	50,302
- program of excellence - male	4,597	361,231
- regional centres	39,683	233,742
- safety and risk management	106,937	86,879
- zone AA	85,818	1,139,795
Professional fees	35,004	46,505
Wages and benefits	1,163,454	1,434,948
Website	27,675	27,675
Seminars and member services	-	10,151
	7,397,190	12,361,353
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES FROM OPERATIONS	71,728	(227,892)
OTHER INCOME (EXPENSE)		
Loss on disposal of tangible capital assets	(13,747)	(45,000)
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	57,981	(272,892)

See accompanying notes

BRITISH COLUMBIA AMATEUR HOCKEY ASSOCIATION

STATEMENT OF OPERATIONS INTERNALLY RESTRICTED FUNDS

YEAR ENDED MARCH 31,	2021 \$	2020 \$
<hr/>		
REVENUE		
Junior B contributions	3,280	4,190
Interest earned	4,855	29,236
	<hr/>	<hr/>
	8,135	33,426
	<hr/>	<hr/>
EXPENSES		
Scholarship and Assistance disbursements	31,000	46,000
Junior B disbursements	6,061	-
Drill Manual disbursements	-	1,744
	<hr/>	<hr/>
	37,061	47,744
	<hr/>	<hr/>
(DEFICIENCY) OF REVENUE OVER EXPENSES	(28,926)	(14,318)
	<hr/>	<hr/>

See accompanying notes

BRITISH COLUMBIA AMATEUR HOCKEY ASSOCIATION**CASH FLOW STATEMENT
YEAR ENDED MARCH 31,**

	2021	2020
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Excess (deficiency) of revenue over expenses		
Unrestricted General and Development Fund	57,981	(272,892)
Internally Restricted Funds	(28,926)	(14,318)
	29,055	(287,210)
Adjustments for:		
Amortization	306,538	349,870
Loss on disposal of tangible capital assets	13,747	45,000
	349,340	107,660
Changes in non-cash working capital		
Accounts receivable	606,992	93,811
Prepaid expenses	(539,957)	(11,437)
Accounts payable and accrued liabilities	250,313	767,388
Deferred revenue	164,431	55,669
Deferred contributions	5,831	892
	836,950	1,013,983
CASH FLOWS FROM FINANCING ACTIVITIES		
Use of internally restricted cash	28,926	14,318
CASH FLOWS (USED IN) INVESTING ACTIVITIES		
Purchase of tangible capital assets	(215,842)	(349,081)
Proceeds from disposition of capital assets	10,400	-
NET INCREASE IN CASH	660,434	679,220
CASH - beginning of the year	1,926,437	1,247,217
CASH - end of year	2,586,871	1,926,437

See accompanying notes

BRITISH COLUMBIA AMATEUR HOCKEY ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2021

1. PURPOSE OF THE ORGANIZATION

The British Columbia Amateur Hockey Association ("the Association") is a provincial organization whose purpose is to foster, improve and perpetuate the game of amateur hockey in the Province of British Columbia and the Yukon Territory. The Association is incorporated under the Societies Act of British Columbia as a not-for-profit organization and is a tax exempt body under Section 149 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 and include the following significant accounting policies:

Revenue Recognition

The Association follows the deferral method of accounting for grants and contributions received, whereby revenues are matched with expenses. Restricted contributions, if any, are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable.

Revenues from government operating grants are recognized over the term of the related funding agreements. Restricted government grants are recognized when the related expenses are incurred.

Revenues from non-government operating grants are recognized over the term of the related funding agreements. Restricted non-government grants are recognized when the related expenses are incurred.

Revenues from fees, assessments, marketing, programs, tournaments, and other sources are recognized in the year to which they relate.

Interest income is recognized when received or receivable.

Financial Instruments

Financial assets and financial liabilities are initially measured at fair value and are subsequently measured at amortized cost. Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment.

Cash and Cash Equivalents

Cash is defined as cash on hand, cash on deposit, outstanding deposits, and short-term deposits with maturity dates of less than 90 days, net of cheques issued and outstanding at the reporting date.

Tangible Capital Assets

Tangible capital assets are accounted for at amortized cost. Amortization is based on the estimated useful life of each asset using the following methods and rates:

Building	2 %	Straight-line
Computer hardware	25 %	Straight-line
Computer software	25 %	Straight-line
League equipment	50 %	Straight-line
Furniture and equipment	10 %	Straight-line
Website development	20 %	Straight-line
Vehicles	10 %	Straight-line

BRITISH COLUMBIA AMATEUR HOCKEY ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2021

Use of Estimates

The preparation of these 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 at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. The most significant estimates of the association include the collectibility of accounts receivable and the useful life of tangible capital assets. These estimates are reviewed periodically and adjustments are made to income as appropriate in the year they become known. Actual results could differ from those estimates.

Donated Materials and Services

The Association and its members benefit from donated services in the form of volunteer time for various committees and programs. Because of the difficulty in determining fair value, donated services are not recognized in the financial statements.

Wage Allocation

A portion of wages incurred by the Association has been allocated to the expenses of certain programs administered by the Association. The allocation is based on the staff time dedicated to the respective program.

3. TANGIBLE CAPITAL ASSETS

	2021		
	\$		
	Cost	Accumulated Amortization	Net
Land	379,624	-	379,624
Building	665,779	256,873	408,906
Computer hardware	180,945	137,895	43,050
Computer software	7,639	7,378	261
League equipment	346,793	263,371	83,422
Furniture and equipment	233,189	124,712	108,477
Website development	283,136	172,014	111,122
Vehicles	57,669	14,417	43,252
	2,154,774	976,660	1,178,114

	2020		
	\$		
	Cost	Accumulated Amortization	Net
Land	379,624	-	379,624
Building	665,779	243,557	422,222
Computer hardware	281,756	206,036	75,720
Computer software	7,639	6,372	1,267
League equipment	408,188	294,066	114,122
Furniture and equipment	244,639	112,892	131,747
Website development	286,772	167,534	119,238
Vehicles	57,669	8,650	49,019
	2,332,066	1,039,107	1,292,959

BRITISH COLUMBIA AMATEUR HOCKEY ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2021

4. DEFERRED REVENUE

Deferred revenue represents amounts received that relate to a future period. Prior year amounts have all been recognized in the current year. Variances from year to year are due to the timing of events, and payments received. The current year deferred revenue balance has increased by \$164,430 from the prior year, resulting from AAA programs running into April 2021.

5. DEFERRED CONTRIBUTIONS

Deferred contributions represent unspent resources externally restricted for a particular program and restricted operating funding received in the current year that is related to a subsequent year. Variances from year to year are due to the timing of events, and corresponding expenses incurred. The current year deferred contributions balance has increased by \$5,831 from the prior year. The deferred contributions balances are as follows:

	2021	2020
	\$	\$
2017 Telus Cup Legacy Program	45,000	45,000
National Coach Mentorship Program	176,507	170,676
	<u>221,507</u>	<u>215,676</u>

6. EMPLOYEE FUTURE BENEFITS

The Association's policy with regard to retirement allowance provides for one week's pay for each full year of employment upon retirement for eligible employees. During the year the Association recorded a current expense of \$12,802 towards the liability.

7. REMUNERATION PAID TO EMPLOYEES AND BOARD OF DIRECTORS

The Association had six employees who received over \$75,000 during the year. The total remuneration for the six employees was \$603,211. The Board of Directors received no remuneration during the year.

8. LITIGATION AND THE NATIONAL EQUITY FUND

The Association from time to time is named in legal actions from accidents and injuries by participants in Association play. It is anticipated that any claims arising from legal actions would be covered by liability insurance in place and/or the Canadian Hockey Association National Equity Fund.

BRITISH COLUMBIA AMATEUR HOCKEY ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2021

9. WAGE ALLOCATION

A portion of staff wages has been allocated to program expenses as detailed below.

	2021 \$	2020 \$
Education	21,000	42,000
Elite female	26,035	70,000
Leagues - U 18 AAA	54,815	100,000
Leagues - U16 AAA	54,200	68,400
Leagues - U15 AAA	54,200	60,800
Mentorship	25,000	58,000
Officiating	80,000	120,000
Para hockey	-	3,500
Program of excellence - male	-	12,500
Regional Centres	35,776	184,951
Safety and Risk Management	30,000	30,000
Zone pilot program	7,450	112,524
	<u>388,476</u>	<u>862,675</u>

10. COMMITMENTS

The Association has entered into an agreement for the development of a new website on April 8, 2021. The total obligation under this contract over the next year is estimated at \$90,000.

The Association has entered into a 3 year service agreement with HealthCheck Health Inc. for a cost of \$63,650 per year until May 2024.

11. FINANCIAL INSTRUMENTS

Financial instruments measured at amortized cost include cash, accounts receivable, accounts payable and accrued liabilities.

The risks that arise from transacting financial instruments include credit risk, liquidity risk and market risk. Market risk is comprised of interest rate risk, currency risk and other price risk. It is management's opinion that the Association is not exposed to significant credit, liquidity or market risks arising from these financial instruments except as described below:

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 Association's main credit risks relate to its accounts receivable which includes \$196,238 (2020 - \$105,463) receivable from Hockey Canada. The Association provides credit to its members in the normal course of operations.

Liquidity Risk

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

BRITISH COLUMBIA AMATEUR HOCKEY ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2021

12. COMPARATIVE FIGURES

The comparative figures have been reclassified where applicable in order to conform to the presentation used in the current year.

13. SUBSEQUENT EVENTS

The COVID-19 pandemic has had a material impact on the operations of the Association. Many camps, tournaments and programs have either been suspended or cancelled. The extent of the future impact of COVID-19 on the operational and financial performance of the Association will depend on certain developments including the duration and spread of the outbreak, Provincial mandates regarding re-opening restrictions, and the availability of adequate safety measures. At this point, the extent to which COVID-19 may impact the financial condition or results of future operations is uncertain, but it is expected to cause continued significant decreases in both revenues and expenses.

SCHEDULE OF REVENUE
UNRESTRICTED GENERAL AND DEVELOPMENT FUND

YEAR ENDED MARCH 31,	2021 \$	2020 \$
Annual Congress	-	88,549
Assessments	8,371	29,800
Fees and assessments- BC Hockey	574,004	1,241,111
- Hockey Canada	75,991	170,025
- Hockey Canada insurance	529,308	1,248,509
Fees - teams and player cards	91,206	100,782
Fees - transfers	48,750	88,200
Grants - COVID-19 relief	501,937	98,528
- Province of BC operating grant	243,321	243,321
- gaming	-	132,000
- other grants and awards	15,459	7,572
Hockey Canada funding	185,098	136,782
Interest and bank fees	7,448	35,981
Marketing, promotion and merchandise	8,057	138,058
Programs - coaching	343,566	430,320
- education	59,333	118,075
- elite female	613,734	898,514
- leagues U18 AAA	1,311,532	1,955,000
- leagues U16 AAA	1,198,804	1,304,348
- leagues U15 AAA	1,227,764	1,208,942
- mentorship	45,640	89,073
- minor recreational	5,000	13,046
- officiating	94,115	496,446
- player development	-	74,666
- program of excellence - male	-	343,032
- regional center	17,133	85,667
- safety and risk management	178,680	146,954
- zone AA	84,667	1,144,855
Tournaments	-	65,305
	<u>7,468,918</u>	<u>12,133,461</u>

SCHEDULE OF CHANGES IN INTERNALLY RESTRICTED FUNDS

YEAR ENDED MARCH 31,	2021 \$	2020 \$
----------------------	------------	------------

GENERAL CONTINGENCY

OPENING BALANCE:	735,483	720,776
ADD: Interest earned	2,401	14,707
CLOSING BALANCE:	737,884	735,483

GOVERNMENT ASSISTANCE CONTINGENCY FUND

OPENING BALANCE:	299,828	293,616
ADD: Interest earned	977	6,212
CLOSING BALANCE:	300,805	299,828

SCHOLARSHIP AND ASSISTANCE

OPENING BALANCE:	260,325	299,796
ADD: Transfer to other internally restricted funds	(230,519)	-
ADD: Interest earned	1,194	6,529
LESS: Disbursements	(31,000)	(46,000)
CLOSING BALANCE:	-	260,325

SCHEDULE OF CHANGES IN INTERNALLY RESTRICTED FUNDS

YEAR ENDED MARCH 31,	2021 \$	2020 \$
SCHOLARSHIP FUND		
OPENING BALANCE:	-	-
ADD: Transfer from Scholarship and Assistance Fund	230,519	-
ADD: Transfer from Drill Manual Fund	40,082	-
CLOSING BALANCE:	270,601	-
JUNIOR B HOCKEY		
OPENING BALANCE:	34,281	29,464
ADD: Contributions	3,280	4,190
ADD: Interest earned	105	627
LESS: Disbursements	(6,061)	-
CLOSING BALANCE:	31,605	34,281
SENIOR HOCKEY		
OPENING BALANCE:	4,475	4,381
ADD: Interest earned	14	94
CLOSING BALANCE:	4,489	4,475
DRILL MANUAL		
OPENING BALANCE:	39,949	40,828
ADD: Interest earned	133	866
LESS: Disbursements	-	(1,745)
Transfer to other internally restricted funds	(40,082)	-
CLOSING BALANCE:	-	39,949

SCHEDULE OF CHANGES IN INTERNALLY RESTRICTED FUNDS

YEAR ENDED MARCH 31,	2021 \$	2020 \$
PROGRAM OF EXCELLENCE		
OPENING BALANCE:	9,728	9,527
ADD: Interest earned	31	201
CLOSING BALANCE:	9,759	9,728
 TOTAL INTERNALLY RESTRICTED FUNDS, end of year	 1,355,143	 1,384,069