

ST. MATTHEW HOCKEY & SPORTS CLUB

FINANCIAL STATEMENTS

MAY 31, 2019

(Unaudited)

ST. MATTHEW HOCKEY & SPORTS CLUB

MAY 31, 2019

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INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Board of Directors of St. Matthew Hockey & Sports Club:

We have reviewed the accompanying financial statements of St. Matthew Hockey & Sports Club that comprise the statement of financial position as at May 31, 2019, and the statements of operations, changes in net assets and cash flows for the year then ended, as well as 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.

Practitioner's Responsibility

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us 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, we do not express an audit opinion on these financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of St. Matthew Hockey & Sports Club as at May 31, 2019, 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.


ALLAN WELSH & COMPANY PROFESSIONAL CORPORATION
CHARTERED PROFESSIONAL ACCOUNTANTS

Edmonton, Alberta
November 15, 2019

ST. MATTHEW HOCKEY & SPORTS CLUB

STATEMENT OF OPERATIONS

FOR THE YEAR ENDED MAY 31, 2019

(Unaudited)

	General Fund	Restricted Fund	Total 2019	Total 2018
RECEIPTS				
Bingo operations (Note 6)	\$ -	\$144,393	\$ 144,393	\$ 167,451
Hockey registrations	115,883	-	115,883	115,882
Other income	8,840	-	8,840	500
Casino operations (Note 6)	-	2,592	2,592	70,336
Interest income	855	-	855	-
	125,578	146,985	272,563	354,169
OPERATING EXPENDITURES				
Ice rental	11,699	131,245	142,944	130,900
Hockey registrations	42,723	66,128	108,851	118,415
Event costs	9,546	-	9,546	3,268
Referee fees	2,277	7,145	9,422	7,424
Tournaments	4,000	4,000	8,000	6,500
Coach and player gifts	7,865	-	7,865	6,537
Honorariums	6,900	-	6,900	4,050
Bingo credits	6,158	-	6,158	12,895
Team apparel	4,146	-	4,146	5,325
Coaches' clinics	779	1,880	2,659	4,476
Evaluations	873	602	1,475	-
Equipment	-	268	268	-
TOTAL OPERATING EXPENDITURES	96,966	211,268	308,234	299,790
ADMINISTRATIVE EXPENDITURES				
Rent	1,136	11,524	12,660	11,567
Professional fees	3,023	2,100	5,123	5,250
Office	2,692	1,603	4,295	4,056
Insurance	-	4,153	4,153	4,061
Bank charges	3,933	73	4,006	6,399
Meetings and events	1,926	-	1,926	589
Advertising	1,812	110	1,922	2,366
Telephone and utilities	-	1,334	1,334	1,400
Write down of capital assets	218	-	218	-
Amortization	74	-	74	102
TOTAL ADMINISTRATIVE EXPENDITURES	14,814	20,897	35,711	35,790
TOTAL EXPENSES	111,780	232,165	343,945	335,580
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	\$ 13,798	\$ (85,180)	\$ (71,382)	\$ 18,589

The accompanying notes are an integral part of these financial statements

ST. MATTHEW HOCKEY & SPORTS CLUB

STATEMENT OF CHANGES IN NET ASSETS

FOR THE YEAR ENDED MAY 31, 2019

(Unaudited)

	General Fund	Restricted Fund	Total 2019	Total 2018
FUND BALANCES , beginning of year	\$ 453,991	\$253,668)	\$ 200,323	\$ 181,734
Excess (deficiency) of revenues over expenses for year	13,798	(85,180)	(71,382)	18,589
FUND BALANCES , end of year	\$ 467,789	\$338,848)	\$ 128,941	\$ 200,323

Represented by:

Invested in equipment	\$ -	\$ -	\$ -	\$ 293
Externally restricted	-	(338,848)	(338,848)	(253,961)
Unrestricted	467,789	-	467,789	453,991
	\$ 467,789	\$ (338,848)	\$ 128,941	\$ 200,323

The accompanying notes are an integral part of these financial statements

ST. MATTHEW HOCKEY & SPORTS CLUB

STATEMENT OF FINANCIAL POSITION

AS AT MAY 31, 2019

(Unaudited)

	ASSETS			
	General Fund	Restricted Fund	Total 2019	Total 2018
CURRENT				
Cash	\$ 10,594	\$ 31,831	\$ 42,425	\$ 115,690
Short term deposits	\$ 93,702	-	\$ 93,702	\$ 92,881
Bingo revenue and other receivables	1,100	11,311	12,411	13,030
Prepaid expenses	1,736	-	1,736	1,617
Interfund receivable (payable) (Note 3)	378,227	378,227)	-	-
	485,359	(335,085)	150,274	223,218
LONG TERM INVESTMENTS (Note 4)	1	-	1	1
CAPITAL ASSETS (Note 5)	-	-	-	293
	\$ 485,360	\$ (335,085)	\$ 150,275	\$ 223,512

LIABILITIES AND FUND BALANCES

CURRENT				
Accounts payable and accrued liabilities	\$ 3,361	\$ 3,763	\$ 7,124	\$ 6,211
Deferred revenue	14,210	-	14,210	16,978
	17,571	3,763	21,334	23,189

FUND BALANCES

Invested in property & equipment	-	-	-	293
Externally restricted	-	338,848)	(338,848)	(253,961)
Unrestricted	467,789	-	467,789	453,991
	467,789	338,848)	128,941	200,323
	\$ 485,360	\$ (335,085)	\$ 150,275	\$ 223,512

APPROVED ON BEHALF OF THE BOARD:

The accompanying notes are an integral part of these financial statements

ST. MATTHEW HOCKEY & SPORTS CLUB

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MAY 31, 2019
(Unaudited)

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received	\$ 272,360	\$ 353,514
Cash paid to suppliers	(345,625)	(326,842)
INCREASE (DECREASE) IN CASH	(73,265)	26,672
CASH, beginning of year	115,690	89,018
CASH, end of year	\$ 42,425	\$ 115,690

The accompanying notes are an integral part of these financial statements

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED MAY 31, 2019

(Unaudited)

1. PURPOSE AND LEGAL FORM OF THE ORGANIZATION

St. Matthew Hockey & Sports Club (the "Organization") is incorporated under the Societies Act (Province of Alberta). The objective of the Organization is to promote and encourage recreational activities and physical fitness through participation in recreational hockey. The Organization raises funds from bingo and casino events at which members volunteer their services. This assists members in defraying costs of hockey programs. The Organization is exempt from tax under the Income Tax Act (Canada).

2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO") and include the following significant accounting policies:

(a) Fund Accounting

The Organization follows the restricted fund method of accounting for contributions. The general fund reports unrestricted revenue and related expenses. The restricted fund reports bingo and casino revenue and related expenses separately. The contributions are restricted by Alberta Gaming, Liquor & Cannabis Commission ("AGLC") as to the nature of the expenses that can be made.

(b) Revenue Recognition

The Organization follows the restricted fund method of accounting for Revenues. Restricted funds are recognized as revenue in the year of the event. Bingo and casino funds are recognized as revenue in the restricted fund when the event occurs. Hockey registrations are recognized as revenue in the general fund in the year the registrations relate to.

Interest income in the General fund includes interest earned on Guaranteed Investment Certificates ("GIC").

(c) Use of Estimates

The preparation of financial statements in accordance with ASNPO requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

(d) Capital Assets

Capital assets are recorded at cost. Amortization is calculated using the declining balance method over the useful lives of the assets as follows, except in the year of acquisition, when one-half of the rate is used:

Furniture and fixtures	- 20%
Computer equipment	- 30%

During the year, the capital assets were written down to nil, as they were deemed to be at the end of their useful lives.

(e) Long-term Investments

Long-term investments are stated at cost.

ST. MATTHEW HOCKEY & SPORTS CLUB

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED MAY 31, 2019

(Unaudited)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Financial Instruments

The Organization initially measures all of its financial assets and liabilities at fair value. The Organization subsequently measures all of its financial assets and financial liabilities at amortized cost, unless management has elected to carry the instrument at fair value.

Financial assets measured at amortized cost include cash, short term deposits and bingo revenue and other receivables. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities and deferred revenue

Financial assets measured at cost are tested for impairment when there are indicator of impairment. The amount of the write-down is recognized in the statement of operations.

(g) Contributed materials and services

Contributed services are not recognized in the financial statements because of the difficulty in determining their fair value.

3. INTERFUND RECEIVABLE (PAYABLE)

Interfund receivable (payable) bear no interest and are not governed by terms of repayment. At the end of the year the following balance remained:

	2019	2018
General fund	\$ 378,227	\$ 379,308
Restricted fund	(378,227)	(379,308)
	\$ -	\$ -

4. LONG-TERM INVESTMENTS

	Ownership	2019	2018
Satellite Bingo	1.5%	\$ 1	\$ 1
		\$ 1	\$ 1

The investment in Satellite Bingo has been written down to a nominal amount as the future of Satellite Bingo is unclear.

5. CAPITAL ASSETS

	Cost	Accumulated Amortization	2019	2018
Computer equipment	\$ -	\$ -	\$ -	\$ 157
Furniture and fixtures	-	-	-	136
	\$ -	\$ -	\$ -	\$ 293

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED MAY 31, 2019

(Unaudited)

6. FINANCIAL INSTRUMENTS*Categories of financial instruments*

The Organization has classified its financial instruments as follows

	2019	2018
Financial assets		
Cash and short term deposits measured at amortized cost	\$ 136,127	\$ 208,571
Bingo revenue and other receivables measured at amortized cost	\$ 12,411	\$ 13,030
Financial liabilities		
Accounts payable and accrued liabilities and deferred revenue measured at amortized cost	\$ 21,334	\$ 23,189

Financial risk management

The Organization, through its financial assets and liabilities, has exposure to the following risks from its use of financial instruments: credit risk, interest rate risk and liquidity risk. An analysis of these risks at May 31, 2019 is presented below.

(i) Credit risk

Credit risk is the risk that one party of a financial instrument will cause a financial loss for the other party by failing to meet its contractual obligations. The Organization is exposed to credit risk associated with its holdings of cash and short term deposits with various financial institutions and bingo revenue receivable. To mitigate this risk, the Organization maintains its cash and short term deposits with reputable and major financial institutions. The Organization considers the risk of non-performance of these instruments to be remote. However, the risk may also affect trade and other receivables. In the normal course of operations, the Organization receives revenue from Bingo and Casino operations. The Organization's bingo revenue receivable is comprised of amounts receivable from AGLC, which is a Government of Alberta agency. In addition, credit risk is reduced from general fund operation by collecting registration fees generally prior to the start of the hockey season. Over the past years, the Organization has not suffered any material losses related to credit risk. The maximum exposure to credit risk at the reporting date is as follows:

	2019	2018
Bingo Revenue receivable measured at amortized cost	\$ 11,311	\$ 13,030
Other receivable measured at amortized cost	\$ 1,100	\$ -

(ii) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The Organization is not exposed to significant interest rate risk as its cash and short term deposits are held in GICs.

ST. MATTHEW HOCKEY & SPORTS CLUB

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED MAY 31, 2019

(Unaudited)

6. FINANCIAL INSTRUMENTS (continued)

Financial risk management (continued)

(iii) Liquidity risk

Liquidity risk is the risk the Organization will not be able to meet its financial obligations when they come due. Sufficient liquidity is maintained by regular monitoring of cash flow requirements. The Organization believes it has low liquidity risk given that it holds a significant amount of cash and short term deposits.

7. RECEIPTS

Receipts from gaming are presented on the statement of operations, net of gaming expenses, as follows:

	2019	2018
GROSS RECEIPTS FROM BINGO OPERATIONS		
Parkway bingo receipts	\$ 129,395	\$ 152,920
Kensington bingo receipts	24,740	23,178
	154,135	176,098
BINGO OPERATIONS EXPENSE		
Concession expenses	(9,742)	(8,647)
NET RECEIPTS FROM BINGO OPERATIONS	\$ 144,393	\$ 167,451
GROSS RECEIPTS FROM CASINO OPERATIONS		
Casino receipts	\$ 2,592	\$ 72,738
CASINO OPERATIONS EXPENSE		
Concession expenses	-	(2,402)
NET RECEIPTS FROM CASINO OPERATIONS	\$ 2,592	\$ 70,336

8. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the current year's presentation.