

COCHRANE MINOR HOCKEY ASSOCIATION
Financial Statements
Year Ended April 30, 2021

COCHRANE MINOR HOCKEY ASSOCIATION
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Year Ended April 30, 2021

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INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Members of Cochrane Minor Hockey Association

I have reviewed the accompanying financial statements of Cochrane Minor Hockey Association which comprise the statement of financial position as at April 30, 2021 and the statements of revenues and expenditures, 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.

Practitioner's Responsibility for the Financial Statements

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 these financial statements do not present fairly, in all material respects, the financial position of Cochrane Minor Hockey Association as at April 30, 2021, 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.

Other Matter

The financial statements for the year ended April 30, 2020 were compiled and are presented for comparative purposes only.

I draw attention to Note 4 to the financial statements which describes that Cochrane Minor Hockey
(continues)

Independent Practitioner's Review Engagement Report to the Members of Cochrane Minor Hockey Association *(continued)*

Association adopted Canadian accounting standards for not-for-profit organizations on May 1, 2020 with a transition date of May 1, 2019. These standards were applied retrospectively by management to the comparative information in these financial statements, including the statements of financial position as at April 30, 2020 and May 1, 2019 and the statements of revenues and expenditures, changes in net assets and cash flows for the year ended April 30, 2020 and related disclosures. I was not engaged to report on the restated comparative information, and as such, it is neither audited nor reviewed.

Cochrane, Alberta
December 3, 2021

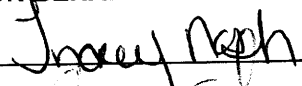

Rhonda S. Cockwill Prof. Corp

CHARTERED PROFESSIONAL ACCOUNTANT

COCHRANE MINOR HOCKEY ASSOCIATION
Statement of Financial Position
April 30, 2021

	<i>April 30</i> 2021	<i>April 30</i> 2020	<i>May 1</i> 2019
ASSETS			
CURRENT			
Cash	\$ 484,585	\$ 263,638	\$ 260,184
Accounts receivable	-	109,582	138,408
Prepaid expenses (Note 3)	9,296	-	646
	493,881	373,220	399,238
CAPITAL ASSETS (Note 9)	45,437	66,862	75,353
RESTRICTED CASH (Note 10)	4,577	12	86
	\$ 543,895	\$ 440,094	\$ 474,677
LIABILITIES AND NET ASSETS			
CURRENT			
Accounts payable	\$ 4,391	\$ 6,669	\$ 14,218
Unearned revenue (Note 8)	270,628	15,870	27,840
	275,019	22,539	42,058
DEFERRED INCOME (Note 8)	-	-	86
	275,019	22,539	42,144
NET ASSETS	268,876	417,555	-
General fund (Note 7)	268,876	417,555	-
	\$ 543,895	\$ 440,094	\$ 42,144

ON BEHALF OF THE BOARD

 _____ Director
 _____ Director

See notes to financial statements

COCHRANE MINOR HOCKEY ASSOCIATION
Statement of Revenues and Expenditures
Year Ended April 30, 2021

	2021	2020
REVENUES		
Registration fees	\$ 335,336	\$ 995,764
Camps and clinic income	81,125	87,050
User group income	60,504	259,899
Donations and fundraising	17,467	11,115
Interest income	1,019	2,386
Other income	870	5,436
Tournament income	-	48,152
Casino revenue	-	54,524
	<u>496,321</u>	<u>1,464,326</u>
EXPENSES		
Ice rental	175,985	488,719
Evaluations	73,267	131,271
Salaries and benefits	67,829	38,905
User group expenses	61,039	259,899
Coaching & clinic costs	57,508	137,937
Player and goalie development	50,703	50,818
League association fees	32,363	73,335
Sports equipment & jerseys	26,194	23,677
Sub-contracts	25,400	57,291
Amortization	21,425	21,425
Interest and bank charges	20,532	33,392
Referees	9,570	84,651
Office	8,767	8,022
Advertising, AGM & meeting expense	7,193	4,065
Professional fees	4,725	-
Donations & sponsorship	2,500	2,849
Casino costs	-	2,445
Tournament expenses	-	48,152
Photography & medals	-	12,451
	<u>645,000</u>	<u>1,479,304</u>
DEFICIENCY OF REVENUES OVER EXPENSES	<u>\$ (148,679)</u>	<u>\$ (14,978)</u>

COCHRANE MINOR HOCKEY ASSOCIATION
Statement of Changes in Net Assets
Year Ended April 30, 2021

	2021	2020
NET ASSETS - BEGINNING OF YEAR	\$ 417,555	\$ 432,533
DEFICIENCY OF REVENUES OVER EXPENSES	<u>(148,679)</u>	<u>(14,978)</u>
NET ASSETS - END OF YEAR	<u>\$ 268,876</u>	<u>\$ 417,555</u>

COCHRANE MINOR HOCKEY ASSOCIATION

Statement of Cash Flows

Year Ended April 30, 2021

	2021	2020
OPERATING ACTIVITIES		
deficiency of revenues over expenses	\$ (148,679)	\$ (14,978)
Item not affecting cash:		
Amortization of capital assets	<u>21,425</u>	21,425
	<u>(127,254)</u>	6,447
 Changes in non-cash working capital:		
Accounts receivable	109,582	28,826
Accounts payable	(2,278)	(7,549)
Unearned revenue	254,758	(12,056)
Prepaid expenses	<u>(9,296)</u>	646
	<u>352,766</u>	9,867
 Cash flow from operating activities	<u>225,512</u>	16,314
 INVESTING ACTIVITY		
Purchase of capital assets	<u>-</u>	(12,934)
 FINANCING ACTIVITY		
Restricted cash	<u>(4,565)</u>	74
 INCREASE IN CASH FLOW	220,947	3,454
Cash - beginning of year	<u>263,638</u>	260,184
 CASH - END OF YEAR	<u>\$ 484,585</u>	\$ 263,638
 CASH CONSISTS OF:		
Cash	<u>\$ 484,585</u>	\$ 263,638

1. PURPOSE OF THE ASSOCIATION

Cochrane Minor Hockey Association (the "association") is a not-for-profit organization incorporated provincially under the Societies Act of Alberta. As a registered charity the association is exempt from the payment of income tax under Section 149(1) of the Income Tax Act.

The association operates to provide a fun, fair, safe and challenging environment for hockey and ringette players in the Cochrane area.

2. BASIS OF PRESENTATION

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO). Canadian accounting standards for not-for-profit organizations are part of Canadian generally accepted accounting principles (GAAP).

3. PREPAID EXPENSES

Prepaid expenses consist primarily of coaching and league fees carried over to the next fiscal year due to Covid-19 shutdowns.

4. FIRST TIME ADOPTION OF ACCOUNTING STANDARDS FOR NOT-FOR-PROFIT ORGANIZATIONS

During the year the association adopted Canadian accounting standards for not-for-profit organizations (ASNFPO). These financial statements are the first prepared in accordance with these standards. The adoption of ASNFPO had no impact on net assets as at May 1, 2019 or revenues and expenditures or cash flows for the year ended April 30, 2020 as previously reported in accordance with pre-changeover Canadian generally accepted accounting principles.

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Revenue recognition

Cochrane Minor Hockey Association follows the deferral method of accounting for contributions.

Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Fees for services related to programs are recognized as revenue when such programs are delivered. All other sources of revenue are recognized when received or receivable if the amount to be received can be reasonably estimated and the collection is reasonably assured.

Grants are recorded as revenue at the time the requirements if any, related to the terms of the grant are fulfilled.

Casino proceeds are recognized as revenue when funds are expensed on AGLC-approved uses. Unused funds are reported as deferred revenue on the Statement of Financial Position.

Interest income is recognized as revenue when earned.

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5. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** *(continued)*

Measurement uncertainty

The preparation of 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, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

Capital assets

Capital assets are stated at cost or deemed cost less accumulated amortization and are amortized over their estimated useful lives on a declining balance basis at the following rates and methods:

Jerseys	5 years straight-line method
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The association regularly reviews its capital assets to eliminate obsolete items. Government grants are treated as a reduction of capital assets cost. Contributed capital assets are recorded at fair value at the date of contribution.

Capital assets acquired during the year but not placed into use are not amortized until they are placed into use.

Investments

Short term investments, which consist primarily of commercial paper with original maturities at date of purchase beyond three months and less than twelve months, were, prior to the adoption of Canadian accounting standards for not-for-profit organizations, classified as held for trading and carried at fair value which approximated cost. As described in , the association has adopted new accounting standards during the year and accordingly, short term investments are now carried at amortized cost. The fair value of short term investments held at the date of transition became their deemed cost.

Cash and cash equivalents

Cash includes cash and cash equivalents. Cash equivalents are investments in treasury bills and are valued at cost plus accrued interest. The carrying amounts approximate fair value because they have maturities at the date of purchase of less than ninety days.

Restricted cash and cash equivalents are not available for current operating expenses and therefore are not included as cash..

Financial instruments policy

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

Contributed services

Volunteers assist the Association in delivering its services. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements. Contributed material and supplies that would otherwise be paid for by the Association are recorded at fair value when provided.

6. COVID-19 AND SUBSEQUENT EVENTS

In March 2020, the World Health Organization declared a global pandemic due to the novel coronavirus (COVID-19). Public protection measures mandated by Federal, Provincial and Municipal governments were put into place which resulted in shut-down of most Association's programs planned for the 2021 fiscal year. This situation is continuing to evolve and the overall impact to the organization and its activities is too uncertain to be estimated. The impact will be accounted for when it is known and can be measured.

7. NET ASSETS

In the event of dissolution or winding up of the Association, all its remaining assets after payment of liabilities shall be distributed to one or more organizations in Canada having similar objectives.

8. UNEARNED REVENUE AND DEFERRED INCOME

Unearned revenue consists primarily of registration fees received during the year for programs which were cancelled due to the COVID-19 pandemic. Members were given the option to carry-forward these fees or to receive a refund. [2021-\$270,627; 2020 - \$15,870]

Deferred income is unspent casino proceeds. Casino funds must be spent within a two-year period per AGLC regulations. The Association received proceeds during the 2020 fiscal year of \$54,438. These funds were used on approved expenditures during that year. [2021 - \$0; 2020 - \$0]

9. CAPITAL ASSETS

	Cost	Accumulated amortization	2021 Net book value	2020 Net book value
Jerseys	\$ 107,126	\$ 61,689	\$ 45,437	\$ 66,862

10. RESTRICTED CASH AND CASH EQUIVALENTS

Casino funds are treated as restricted due to the limitation on their use for general operations and therefore are not included in cash and cash equivalents. [2021 - \$0; 2020 - \$12]

Internally restricted cash is cash restricted by the Board for various reasons and is not available for general operations without Board approval. [2021 - \$4,577; 2020 - \$0]

11. FINANCIAL INSTRUMENTS

The association is exposed to various risks through its financial instruments which consist of cash, prepaid expense, accounts payable and unearned revenue and has a comprehensive risk management framework to monitor, evaluate and manage these risks.

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11. FINANCIAL INSTRUMENTS *(continued)*

(a) 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 receipt of funds from its customers and other related sources and accounts payable.

(b) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates.

(c) 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 association is exposed to other price risk through its investment in quoted shares.

Unless otherwise noted, it is management's opinion that the association is not exposed to significant other price risks arising from these financial instruments.

12. COMPARATIVE FIGURES

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