

COCHRANE MINOR HOCKEY ASSOCIATION

Financial Statements

Year Ended April 30, 2023

COCHRANE MINOR HOCKEY ASSOCIATION

Index to Financial Statements

Year Ended April 30, 2023

	Page
INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT	1
FINANCIAL STATEMENTS	
Statement of Financial Position	2
Statement of Revenues and Expenditures	3
Statement of Changes in Net Assets	4
Statement of Cash Flows	5
Notes to Financial Statements	6 - 8

Rhonda S. Cockwill Professional Corporation
Chartered Professional Accountant
PO Box 1357
Cochrane AB T4C 1B3

Rhonda Hemsing, CPA, CGA

Tel: (403) 851-2002
Fax: (403) 770-8495
Rhonda@RCockwillcga.com

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 (the organization) that comprise the statement of financial position as at April 30, 2023, 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 (ASNPO), 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

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 the financial statements do not present fairly, in all material respects, the financial position of Cochrane Minor Hockey Association as at April 30, 2023, and the results of its operations and its cash flows for the year then ended in accordance with ASNPO.

Cochrane, Alberta
February 21, 2024

Rhonda S. Cockwill Prof. Corp
CHARTERED PROFESSIONAL ACCOUNTANT

COCHRANE MINOR HOCKEY ASSOCIATION

Statement of Financial Position

April 30, 2023

	2023	2022
ASSETS		
CURRENT		
Cash	\$ 261,778	\$ 309,630
Accounts receivable	1,000	9,523
Inventory	21,919	-
Prepaid expenses	556	505
	285,253	319,658
TANGIBLE ASSETS <i>(Note 6)</i>	14,927	24,012
RESTRICTED CASH <i>(Note 7)</i>	28,620	12,572
	\$ 328,800	\$ 356,242
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable	\$ 14,212	\$ 12,534
Employee deductions payable	-	1,577
Unearned revenue <i>(Note 5)</i>	22,925	16,502
	37,137	30,613
NET ASSETS <i>(Note 4)</i>	291,663	325,629
	\$ 328,800	\$ 356,242

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, 2023**

	<u>2023</u>	<u>2022</u>
REVENUES		
Registration fees	\$ 1,456,721	\$ 1,300,801
Donations and fundraising	15,719	15,060
Interest income	5,411	516
Other income	3,592	1,641
	<u>1,481,443</u>	<u>1,318,018</u>
EXPENDITURES		
Ice rental	656,741	530,782
Coaching & clinic costs	142,846	123,275
Evaluations	134,204	125,571
Salaries, benefits and subcontracts	128,530	99,060
Referees	115,896	75,031
League association fees	86,458	74,857
Sports equipment & jerseys	79,363	54,219
Player and goalie development	39,980	87,886
Interest and bank charges	35,424	24,248
Amortization	25,539	21,425
Office	23,293	22,233
Photography & medals	14,669	11,357
Advertising, AGM & meeting expense	13,435	6,505
User group expenses	6,300	-
Playoff & provincials expense	6,084	-
Professional fees	3,375	4,815
Tournament expenses	2,478	-
Donations & sponsorship	794	-
	<u>1,515,409</u>	<u>1,261,264</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (33,966)	\$ 56,754

See notes to financial statements

COCHRANE MINOR HOCKEY ASSOCIATION

Statement of Changes in Net Assets

Year Ended April 30, 2023

	2023	2022
NET ASSETS - BEGINNING OF YEAR	\$ 325,629	\$ 268,875
DEFICIENCY OF REVENUES OVER EXPENDITURES	<u>(33,966)</u>	<u>56,754</u>
NET ASSETS - END OF YEAR	<u>\$ 291,663</u>	<u>\$ 325,629</u>

COCHRANE MINOR HOCKEY ASSOCIATION**Statement of Cash Flows****Year Ended April 30, 2023**

	<u>2023</u>	<u>2022</u>
OPERATING ACTIVITIES		
Excess (deficiency) of revenues over expenditures	\$ (33,966)	\$ 56,754
Item not affecting cash:		
Amortization of tangible assets	<u>25,539</u>	21,425
	<u>(8,427)</u>	78,179
Changes in non-cash working capital:		
Accounts receivable	8,523	(9,523)
Inventory	(21,919)	-
Accounts payable	1,677	8,142
Unearned revenue	6,423	(254,126)
Prepaid expenses	(51)	8,791
Employee deductions payable	<u>(1,577)</u>	1,577
	<u>(6,924)</u>	(245,139)
Cash flow used by operating activities	<u>(15,351)</u>	(166,960)
INVESTING ACTIVITY		
Purchase of tangible assets	<u>(16,453)</u>	-
FINANCING ACTIVITY		
Restricted cash	<u>(16,048)</u>	(7,995)
DECREASE IN CASH FLOW	<u>(47,852)</u>	(174,955)
Cash - beginning of year	<u>309,630</u>	484,585
CASH - END OF YEAR	<u>\$ 261,778</u>	\$ 309,630
CASH CONSISTS OF:		
Cash	<u>\$ 261,778</u>	\$ 309,630

See notes to financial statements

1. PURPOSE OF THE ORGANIZATION

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

The organization 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 (ASNPO).

3. 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.

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.

(continues)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)Tangible assets

Tangible 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
Jerseys - competitive level	4 years	straight-line method

The organization regularly reviews its tangible assets to eliminate obsolete items. Government grants are treated as a reduction of tangible assets cost. Contributed capital assets are recorded at fair value at the date of contribution.

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

Investments

Investments are recorded at the lower of cost and market value as at year end. There are no investments as at fiscal year end.

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.

4. 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.

5. UNEARNED/DEFERRED REVENUE

Unearned revenue consists primarily of registration fees received during the year for spring camp programs which occur after April 30, 2023. [2023 - \$22,925; 2022 - \$16,501]

COCHRANE MINOR HOCKEY ASSOCIATION

Notes to Financial Statements

Year Ended April 30, 2023

6. TANGIBLE ASSETS

	Cost	Accumulated amortization	2023 Net book value	2022 Net book value
Jerseys	\$ 107,126	\$ 104,539	\$ 2,587	\$ 24,012
Jerseys - 4 year amort	16,453	4,113	12,340	-
	\$ 123,579	\$ 108,652	\$ 14,927	\$ 24,012

7. RESTRICTED CASH AND CASH EQUIVALENTS

Restricted cash consists of casino and other monies received under Alberta Gaming, Liquor and Cannabis (AGLC) programs. These funds can be spent only on expenses which have been pre-approved by AGLC. [2023 - \$28,620; 2022 - \$12,572]

8. FINANCIAL INSTRUMENTS

The organization 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.

(a) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The organization 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 organization is exposed to other price risk through its investment in quoted shares.

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