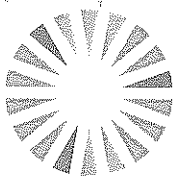


**COCHRANE MINOR HOCKEY ASSOCIATION**  
**FINANCIAL STATEMENTS**

April 30, 2016

*(Unaudited)*





**REVIEW ENGAGEMENT REPORT**

To the Members of Cochrane Minor Hockey Association:

We have reviewed the statement of financial position of Cochrane Minor Hockey Association as at April 30, 2016 and the statements of revenues and expenditures, changes in net assets and cash flow for the year then ended. Our review was made in accordance with Canadian generally accepted standards for review engagements and accordingly consisted primarily of enquiry, analytical procedures and discussion related to information supplied to us by the Association.

A review does not constitute an audit and consequently we do not express an audit opinion on these financial statements.

In common with many not-for-profit organizations, the Association derives revenues from certain fundraising activities and donations the completeness of which is not susceptible of satisfactory verification. Accordingly, our verification of these revenues were limited to the amounts recorded in the records of the Association and we were not able to determine whether any adjustments might be necessary to revenues, excess of revenues over expenditures, assets and net assets.

Based on our review, except for the effect of adjustments, if any, which we might have determined to be necessary had we been able to satisfy ourselves concerning the completeness of the contributions referred to in the preceding paragraph, nothing has come to our attention that causes us to believe that these statements are not, in all material respects, in accordance with Canadian Accounting Standards for Not-For-Profit Organizations.

Cochrane, Alberta  
January 18, 2017

GRYZKO HARPER BOUW  
Chartered Accountants

COCHRANE MINOR HOCKEY ASSOCIATION

STATEMENT OF FINANCIAL POSITION

As at April 30, 2016

(Unaudited)

ASSETS	<u>2016</u>	<u>2015</u>
<b>CURRENT ASSETS</b>		
Cash and short term investments - Note 3	\$ 283,376	\$ 303,243
Cash and short term investments internally restricted - Note 3	130,000	130,000
Accounts receivable	<u>15,752</u>	<u>5,708</u>
	<u><b>\$ 429,128</b></u>	<u><b>\$ 438,951</b></u>
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES:</b>		
Accounts payable and accrued liabilities	\$ 17,060	\$ 5,537
Deferred revenue	<u>51</u>	<u>51</u>
	<u>17,111</u>	<u>5,588</u>
<b>NET ASSETS</b>		
Internally restricted - Note 4	130,000	130,000
Unrestricted net assets - Note 5	<u>282,017</u>	<u>303,363</u>
	<u>412,017</u>	<u>433,363</u>
	<u><b>\$ 429,128</b></u>	<u><b>\$ 438,951</b></u>

APPROVED ON BEHALF OF THE ASSOCIATION:

\_\_\_\_\_  
President

\_\_\_\_\_  
Finance Director



**COCHRANE MINOR HOCKEY ASSOCIATION**  
**STATEMENT OF REVENUES AND EXPENDITURES**

Year Ended April 30, 2016

(Unaudited)

	<b>2016 Budget (see Note 9)</b>	<b>2016</b>	<b>2015</b>
<b>REVENUES</b>			
Registration and new arena fees	\$ 821,435	\$ 794,828	\$ 779,742
Ice	230,707	258,038	220,330
Power skating, conditioning and tryouts	80,478	83,400	78,515
Donations	35,817	35,985	16,703
Interest	1,422	1,085	1,814
Ways and Means	-	-	52,070
	<u>1,169,859</u>	<u>1,173,336</u>	<u>1,149,174</u>
<b>EXPENDITURES</b>			
Ice rental and new arena fees	647,551	641,917	600,444
Clinic costs	166,470	173,997	118,556
Referee fees	82,125	87,903	78,411
Administrative assistant	82,306	66,536	63,403
League association fees	61,805	62,091	58,862
Office and general	44,051	43,191	31,972
Sports equipment and jerseys	20,000	29,112	16,263
Coaches costs	20,242	26,497	19,278
Donations	6,983	21,700	6,650
Pictures	12,241	10,768	10,884
User group costs	-	9,129	-
Tournament	5,305	8,662	57,385
Advertising and promotion	5,953	7,614	5,290
Professional fees	-	5,565	5,385
	<u>1,155,032</u>	<u>1,194,682</u>	<u>1,072,783</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u><b>\$ 14,827</b></u>	<u><b>\$ (21,346)</b></u>	<u><b>\$ 76,391</b></u>



**COCHRANE MINOR HOCKEY ASSOCIATION**  
**STATEMENT OF CHANGES IN NET ASSETS**

Year Ended April 30, 2016

*(Unaudited)*

	<u>Internally Restricted</u>	<u>Unrestricted</u>	<u>2016</u>	<u>2015</u>
Balance, beginning of year	\$ 130,000	\$ 303,363	\$ 433,363	\$ 356,972
Excess (deficiency) of revenues over expenditures	-	(21,346)	(21,346)	76,391
Balance, end of year	<u>\$ 130,000</u>	<u>\$ 282,017</u>	<u>\$ 412,017</u>	<u>\$ 433,363</u>



COCHRANE MINOR HOCKEY ASSOCIATION

STATEMENT OF CASH FLOW

Year Ended April 30, 2016

(Unaudited)

	<u>2016</u>	<u>2015</u>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Excess (deficiency) of revenues over expenditures	\$ (21,346)	\$ 76,391
Changes in non-cash working capital:		
Accounts receivable	(10,044)	856
Accounts payable and accrued liabilities	11,523	(6,151)
Deferred revenue	-	(48,341)
	<u>(19,867)</u>	<u>22,755</u>
 <b>CHANGE IN CASH</b>	 (19,867)	 22,755
<b>CASH - BEGINNING OF YEAR</b>	<u>433,243</u>	<u>410,488</u>
<b>CASH - END OF YEAR</b>	<u><b>\$ 413,376</b></u>	<u><b>\$ 433,243</b></u>
 <b>Consists of:</b>		
Cash and short term investments - available for operations	\$ 283,376	\$ 303,243
Cash and short term investments - internally restricted	<u>130,000</u>	<u>130,000</u>
	<u><b>\$ 413,376</b></u>	<u><b>\$ 433,243</b></u>



**COCHRANE MINOR HOCKEY ASSOCIATION**  
**NOTES TO THE FINANCIAL STATEMENTS**

Year Ended April 30, 2016

*(Unaudited)*

**1. ORGANIZATION**

Cochrane Minor Hockey Association (the "Association") is a not-for-profit organization incorporated pursuant to the Societies Act of Alberta and is therefore not subject to income taxes. The Association is operating to deliver a fun, fair, safe and challenging environment for hockey and ringette players in the Cochrane area.

**2. SIGNIFICANT ACCOUNTING POLICIES**

These financial statements have been prepared by management in accordance with Canadian Accounting Standards for Not-For-Profit Organizations. The most significant accounting policies are summarized below:

Cash and cash equivalents

Cash and cash equivalents include cash on hand, cash on deposit and short term investments with maturities of one year or less, net of cheques issued and outstanding at the reporting date. All balances are denominated in Canadian dollars and held with the Association's financial institution.

Revenue recognition

The Association follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenditures 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 and the remaining sources of revenue are recognized when received or receivable if the amount to be received can be reasonably estimated and collections is reasonably assured.

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

Interest income is recognized as revenue when earned.



**COCHRANE MINOR HOCKEY ASSOCIATION**  
**NOTES TO THE FINANCIAL STATEMENTS**

Year Ended April 30, 2016

*(Unaudited)*

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

Contributed goods and services

Volunteers contribute their labour each year to 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 materials and supplies that would otherwise be paid for by the Association are recorded at fair value when provided.

Use of estimates

The preparation of the financial statements of the Association are in conformity with Canadian Accounting Standards for Not-For-Profit Organizations that 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 amount of revenues and expenditures during the reporting period. Such estimates include the collection of accounts receivable. These estimates are subject to measurement uncertainty and may differ from actual results.

Financial instruments

The Association's financial instruments are measured 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. Transaction costs and financing fees relating to the financial instruments that are measured subsequently at fair value are recognized in operations in the year in which they are incurred.

For financial assets measured at 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 changes in operations. Any reversals of previously recognized impairment losses are recognized in operations in the year the reversal occurs.





**COCHRANE MINOR HOCKEY ASSOCIATION**  
**NOTES TO THE FINANCIAL STATEMENTS**

Year Ended April 30, 2016

(Unaudited)

**3. CASH AND SHORT TERM INVESTMENTS**

The major components of cash and short term investments are as follows:

	2016	2015
Cash on deposit	\$ 392,552	\$ 413,577
Less cheques issued and outstanding	<u>(5,755)</u>	<u>(6,637)</u>
	386,797	406,940
Bank Guaranteed Investment Certificate, bearing interest at a rate of 0.65%	<u>26,579</u>	<u>26,303</u>
	<u>\$ 413,376</u>	<u>\$ 433,243</u>
This amount consists of:		
Cash and short term investments - available for operations	\$ 283,376	\$ 303,243
Cash and short term investments - internally restricted	<u>130,000</u>	<u>130,000</u>
	<u>\$ 413,376</u>	<u>\$ 433,243</u>

**4. INTERNALLY RESTRICTED NET ASSETS**

The Board has internally restricted \$Nil (2015 - \$130,000) for future capital expenditures and to ensure the capability of operations in the event of unexpected changes in circumstances.

**5. NET ASSETS**

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

**6. MANAGEMENT OF CAPITAL**

The Association defines its capital as the amounts included in its Net Asset balance.

The Association sets the amount of the Net Asset balance in proportion to risk, manages the Net Asset structure and makes adjustments in light of changes in economic conditions and the risk characteristics of the underlying assets.

The Association's objective when managing capital is to safeguard its ability to sustain itself as a going concern so that it can continue to provide the appropriate level of benefits and services to its beneficiaries and stakeholders.



COCHRANE MINOR HOCKEY ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

Year Ended April 30, 2016

(Unaudited)

**6. MANAGEMENT OF CAPITAL (continued)**

Management and the Board of Directors carefully consider registration fees, power skating, conditioning and tryout fees, as well as interest income to ensure that sufficient funds will be available to meet the Association's short and long term objectives.

The Association monitors its financial performance against an annual budget. In the event that revenues decline, the Association will budget for reduced distributions and reduced operational expenditures. While an annual budget deficit may periodically arise, no such deficit shall be allowed to exceed the total funds available under unrestricted Net Assets.

**7. FINANCIAL INSTRUMENTS**

The Association's financial instruments included in the statement of financial position consist of cash and short term investments, accounts receivable, accounts payable and accrued liabilities. It is management's opinion that the Association is not exposed to significant currency risk arising from these financial instruments. The fair value of these financial instruments approximates their carrying values, unless otherwise noted.

*Fair Value*

The carrying value of cash and short term investments, account receivable and accounts payable and accrued liabilities approximates their fair value due to the immediate or short term maturity of these instruments.

*Credit risk*

The Association is exposed to credit risk on the accounts receivable from its members. The Association mitigates credit risk through regular review of its member accounts.

*Interest rate risk*

Interest rate risk is the risk that the fair value of the financial instrument or future cash flows associated with the instrument will fluctuate due to changes in market rates.

The Association's short term investments are subject to interest rate risk from the uncertainty of investment return due to changes in the market rates of interest.

*Liquidity risk*

Liquidity risk is the risk that the Association may not be able to meet a demand for cash or fund its obligations as they come due. Liquidity risk also includes the risk of the Association not being able to liquidate assets in a timely manner at a reasonable price.

The Association meets its liquidity requirements by preparing and monitoring detailed forecasts of cash flow from operations, investing and financing activities and seeking donations for specific projects and activities.



**COCHRANE MINOR HOCKEY ASSOCIATION**

**NOTES TO THE FINANCIAL STATEMENTS**

Year Ended April 30, 2016

*(Unaudited)*

**8. RELATED PARTY TRANSACTIONS**

During the year, the Association entered into an agreement with a corporation in which a board member is a shareholder.

This agreement allows the corporation to be the exclusive provider of technical consulting services, as well as player and coach development for the Association. The agreement is for a five-year term ending February 2020 with the option to renew the contract for an additional five years at the end of year four.

Costs of the contract will be determined on an annual basis based on player registration and required services. For the 2015 / 2016 hockey season, costs of player and coach development expenses were \$95,586 and are included Clinic Costs on the Statement of Revenues and Expenditures.

**9. BUDGET INFORMATION**

Budget information is included for comparative purposes only. It has not been audited or otherwise examined.

