

Dean Orlando Professional Corporation

Audited Financial Statements

Cochrane Minor Hockey Association

April 30, 2018

Table of Contents

	Page
Independent Auditor's Report	3
Statement of Financial Position	4
Statement of Operations and Changes in Fund Balances	5
Statement of Changes in Net Assets	6
Statement of Cash Flow	7
Notes to Financial Statements	8

Independent Auditor's Report

To the Members of Cochrane Minor Hockey Association,

I have audited the accompanying financial statements of the Cochrane Minor Hockey Association, which comprise the statements of financial position as at April 30, 2018 and the statements of operations and changes in fund balances and of cash flows for the year ended April 30, 2018 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.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Cochrane Minor Hockey Association as at April 30, 2018 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.

September 5, 2018

Cochrane, Alberta


Dean Orlando Professional Corporation, Chartered
Professional Accountant

Cochrane Minor Hockey Association
STATEMENT OF FINANCIAL POSITION

As at April 30, 2018

	General fund	Externally restricted funds	Internally restricted funds	Total	
				2018	2017
Current assets					
Cash (Notes 2 and 3)	\$ 279,930	\$ —	\$ —	\$ 279,930	\$ 284,455
Restricted cash (Note 3)	—	86	133,472	133,558	186,047
Accounts receivable	25,392	—	—	25,392	22,316
Prepaid expenses	5,465	—	—	5,465	347
	310,787	86	133,472	444,345	493,165
Investments (Note 2)	27,062	—	—	27,062	26,912
	\$ 337,849	\$ 86	\$ 133,472	\$ 471,407	\$ 520,077
Current liabilities					
Accounts payable and accrued liabilities	\$ 31,017	\$ —	\$ —	\$ 31,017	\$ 22,008
Unearned revenue (Note 4)	11,431	—	—	11,431	17,226
	42,448	—	—	42,448	39,234
Deferred casino revenue (Note 4)	—	86	—	86	52,612
	42,448	86	—	42,534	91,846
Fund balances					
Externally restricted	—	—	—	—	—
Internally restricted (Note 5)	—	—	133,472	133,472	133,435
Unrestricted (Note 7)	295,401	—	—	295,401	294,796
	295,401	—	133,472	428,873	428,231
	\$ 337,849	\$ 86	\$ 133,472	\$ 471,407	\$ 520,077

The accompanying notes are an integral part of these financial statements.

Some figures may be rounded.

APPROVED BY THE BOARD

_____**Director**

_____**Director**

Cochrane Minor Hockey Association

STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCES

As at April 30, 2018

		2018	2017
Revenues			
Registration fees	\$	1,018,436	\$ 915,849
User group income	\$	307,321	\$ 226,039
Tournament	\$	71,685	\$ 47,421
Casino	\$	52,539	\$ 2,279
Donations & Fundraising	\$	15,810	\$ 22,490
Other	\$	5,204	\$ 4,797
Interest (Note 6)	\$	1,196	\$ 1,527
	\$	1,472,191	\$ 1,220,402
Expenses			
Ice fees	\$	485,853	\$ 457,871
User group expenses	\$	307,866	\$ 226,036
Coaching & clinic costs	\$	167,928	\$ 142,560
Evaluations	\$	88,913	\$ 59,623
Subcontracting-office admin	\$	84,904	\$ 75,984
Referee	\$	75,288	\$ 66,082
Tournament expenses	\$	65,498	\$ 40,771
League association fees	\$	64,487	\$ 63,150
Sports equipment & jerseys	\$	53,062	\$ 11,013
Bank charges and credit card fees	\$	32,979	\$ 21,425
Photography	\$	10,903	\$ 11,869
Professional fees	\$	10,637	\$ 10,569
Office	\$	9,445	\$ 5,913
Donations & sponsorship	\$	7,490	\$ 3,059
Advertising, AGM & meetings exp	\$	5,775	\$ 5,694
Casino	\$	-	\$ 2,279
	\$	1,471,028	\$ 1,203,898
Excess of revenues over expenses	\$	1,163	\$ 16,504

The accompanying notes are an integral part of these financial statements.
Some figures may be rounded.

Cochrane Minor Hockey Association
STATEMENT OF CHANGES IN NET ASSETS
For the Year Ended April 30, 2018

	Internally restricted funds	Unrestricted funds	Total	
			2018	2017
Balance beginning of year,	\$ 133,435	\$ 294,796	\$ 428,231	\$ 412,017
Adjustment to opening balances		(521)	(521)	(290)
Excess of revenues over expenses	37	1,126	1,163	16,504
Balance, end of year	\$ 133,472	\$ 295,401	\$ 428,873	\$ 428,231

Cochrane Minor Hockey Association
STATEMENT OF CASH FLOW
For the Year Ended April 30, 2018

	2018	2017
Operating Activities		
Excess of revenues over expenses	\$ 1,163	\$ 16,504
Net changes in non-cash working operating balances		
Prepaid expenses	(5,118)	(347)
Accounts Receivable	(3,076)	(6,564)
Accounts Payable	9,009	4,948
Deferred casino revenue	(52,526)	52,271
Unearned revenue	(5,795)	17,226
Unrestricted net assets	(521)	-
	\$ (56,864)	\$ 84,038
Change in cash during the year	\$ (56,864)	\$ 84,038
Cash		
Cash balances, beginning of year	\$ 497,414	\$ 413,376
Cash balances, end of year	\$ 440,550	\$ 497,414
The accompanying notes are an integral part of these financial statements. Some figures may be rounded.		
Consists of general and externally restricted:		
Cash and short-term investments-avail for operations	\$ 307,078	\$ 363,979
Cash and short-term investments-internally restricted	\$ 133,472	\$ 133,435
	\$ 440,550	\$ 497,414

1. PURPOSE OF THE ORGANIZATION

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Association prepares its financial statements in accordance with Canadian Accounting Standards for Not-for-Profit Organizations. The significant accounting policies are detailed as follows:

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 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.

Advertising revenues and 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 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 revenue are recognized as revenue of the casino (restricted) fund when funds are expensed on approved uses as per the AGLC approved uses for casino funds.

Interest income is recognized as revenue when earned.

Cash and cash equivalents

Cash consists of cash on hand and bank deposits in excess of outstanding cheques. Highly liquid investments with maturities of one year or less at the date of purchase are the cash equivalents.

Cochrane Minor Hockey Association
NOTES TO FINANCIAL STATEMENTS
April 30, 2018

Investments

Investments are recorded at the lower of cost and market value, as at year-end. The general fund has a 365-day GIC. On May 16, 2017 it matured and was reinvested on the same day for a period of one year, at a value of \$26,926.08 at 0.55% interest.

Contributed goods and 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 the Association are recorded at fair value when provided.

Use of estimates

When preparing financial statements according to Canadian accounting standards for not-for-profit organizations. The association makes estimates and assumptions relating to:

- Reported amounts of revenue and expenses
- Reported amounts of assets and liabilities
- Disclosure of contingent assets and liabilities

The association bases its assumptions on several factors including historical experience, current events and actions that the organization may undertake in the future, and other assumptions that it believes are reasonable under the circumstances. Actual results could differ from those estimates under different conditions and assumptions.

3. CASH and RESTRICTED CASH

The operating cash account is unrestricted and is part of the general fund. The externally restricted cash is composed of the casino account whose purpose is for approved expenses by the Alberta Gaming and Liquor Commission, (AGLC), (see Note 4, amount at April 30, 2018 was \$86). The remainder of the cash is internally restricted and consists of money within a separate account.

Cochrane Minor Hockey Association
NOTES TO FINANCIAL STATEMENTS
 April 30, 2018

4. DEFERRED CASINO REVENUE and UNEARNED REVENUE

Deferred casino revenue which is inclusive within the restricted cash on the statement of financial position represents restricted operating funding received, but not yet expensed in the current period per the approved casino "use of funds" agreement between the association and the AGLC. Casino funds must be spent within a two year period for AGLC regulations. Changes in the deferred casino revenue balance are as follows:

	2018	2017
Beginning balance	\$ 52,612	\$ 51
Casino funds spent during the year:	(52,526)	(2,264)
Casino funds received during the year	-	54,825
Ending balance	\$ 86	\$ 52,612

Unearned revenue had an opening balance of \$17,226, an ending balance of \$ 11,431. This was the result of several deposits from parents of players who paid the fees for the 2017-2018 fiscal year program, in advance.

5. INTERFUND TRANSFERS AND INTERNALLY RESTRICTED ASSETS

The board has internally restricted \$ 133,472 (2017-\$ 133,435) for future capital expenditures and to ensure the capability of operations in the event of unexpected changes in circumstances.

6. INVESTMENT INCOME

	2018	2017
Investment income earned on:		
Non-redeemable GIC's	\$ 1,196	\$ 1,527

7. NET ASSETS

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

8. 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 the board'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, accounts 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 become 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.