

KANATA MINOR HOCKEY ASSOCIATION
Financial Statements
Year Ended April 30, 2025

KANATA MINOR HOCKEY ASSOCIATION
Index to Financial Statements
Year Ended April 30, 2025

	Page
INDEPENDENT AUDITOR'S REPORT	1 - 2
FINANCIAL STATEMENTS	
Statement of Financial Position	3
Statement of Revenues and Expenditures	4
Statement of Changes in Net Assets	5
Statement of Cash Flows	6
Notes to Financial Statements	7 - 10



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INDEPENDENT AUDITOR'S REPORT

To the Members of Kanata Minor Hockey Association

Opinion

We have audited the financial statements of Kanata Minor Hockey Association (the "organization"), which comprise the statement of financial position as at April 30, 2025, and the statements of revenues and expenditures, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the organization as at April 30, 2025, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the organization in accordance with ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with 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.

In preparing the financial statements, management is responsible for assessing the organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the organization's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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Independent Auditor's Report to the Members of Kanata Minor Hockey Association (*continued*)

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

PDC Accounting Evolved

Dome Duong, CPA, CA, MBA
Partner

Ottawa, Ontario
March 25, 2026

PDC ACCOUNTING EVOLVED PROFESSIONAL CORPORATION
CHARTERED PROFESSIONAL ACCOUNTANTS
Authorized to practise public accounting by the
Chartered Professional Accountants of Ontario



KANATA MINOR HOCKEY ASSOCIATION

Statement of Financial Position

April 30, 2025

	Operating fund	Capital asset fund	2025	2024
ASSETS				
CURRENT				
Cash	\$ 301,288	\$ -	\$ 301,288	\$ 259,327
Prepaid expenses	32,370	-	32,370	30,084
Due from operating fund	-	233,388	233,388	-
	333,658	233,388	567,046	289,411
CAPITAL ASSETS (Note 4)	-	1,652	1,652	39,550
	\$ 333,658	\$ 235,040	\$ 568,698	\$ 328,961
LIABILITIES AND NET ASSETS				
CURRENT				
Accounts payable and accrued liabilities	\$ 8,375	\$ -	\$ 8,375	\$ 25,059
Government remittances	-	-	-	3,186
Deferred income (Note 8)	57,000	-	57,000	-
Due to capital asset fund	233,388	-	233,388	-
	298,763	-	298,763	28,245
NET ASSETS				
Operating fund	34,895	-	34,895	27,777
Capital asset fund (Note 5)	-	235,040	235,040	272,939
	34,895	235,040	269,935	300,716
	\$ 333,658	\$ 235,040	\$ 568,698	\$ 328,961

Approved by the Directors


 _____ Director

 _____ Director

KANATA MINOR HOCKEY ASSOCIATION
Statement of Revenues and Expenditures
Year Ended April 30, 2025

	Operating fund	Capital asset fund	2025	2024
REVENUES				
Registration fees	\$ 1,015,718	\$ -	\$ 1,015,718	\$ 962,150
Clinics	-	-	-	27,453
Ice rentals	224,355	-	224,355	219,104
Referee	99,196	-	99,196	72,550
Other income	64,071	-	64,071	58,409
	<u>1,403,340</u>	<u>-</u>	<u>1,403,340</u>	<u>1,339,666</u>
EXPENSES				
Referee costs	184,425	-	184,425	156,423
Ice rental & scheduling costs (Notes 11, 14)	894,160	-	894,160	867,070
Development & clinics	27,258	-	27,258	26,184
League fees	14,101	-	14,101	15,572
Equipment expense	39,950	-	39,950	42,573
Programs expense	37,718	-	37,718	42,886
Insurance	78,834	-	78,834	69,862
Rental	13,786	-	13,786	13,312
Office and administration	91,317	-	91,317	84,303
Professional fees	9,968	-	9,968	7,520
Interest and bank charges	18,510	-	18,510	24,155
Amortization	-	37,899	37,899	37,899
	<u>1,410,027</u>	<u>37,899</u>	<u>1,447,926</u>	<u>1,387,759</u>
INCOME (LOSS) FROM GENERAL OPERATIONS	<u>(6,687)</u>	<u>(37,899)</u>	<u>(44,586)</u>	<u>(48,093)</u>
FUNDRAISING ACTIVITIES				
Bantam tournament revenue and donations	46,793	-	46,793	38,789
Bantam tournament expense	(32,990)	-	(32,990)	(23,979)
	<u>13,803</u>	<u>-</u>	<u>13,803</u>	<u>14,810</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	<u>\$ 7,116</u>	<u>\$ (37,899)</u>	<u>\$ (30,783)</u>	<u>\$ (33,283)</u>

The accompanying notes are an integral part of these financial statements

KANATA MINOR HOCKEY ASSOCIATION
Statement of Changes in Net Assets
Year Ended April 30, 2025

	Operating Fund	Capital asset fund	2025	2024
NET ASSETS - BEGINNING OF YEAR	\$ 27,777	\$ 272,939	\$ 300,715	\$ 334,000
Deficiency of revenues over expenses	7,116	(37,899)	(30,783)	(33,283)
NET ASSET - END OF YEAR	\$ 34,893	\$ 235,040	\$ 269,932	\$ 300,717

The accompanying notes are an integral part of these financial statements

KANATA MINOR HOCKEY ASSOCIATION

Statement of Cash Flows

Year Ended April 30, 2025

	2025	2025	2025	2024
OPERATING ACTIVITIES				
Excess (deficiency) of revenues over expenses	\$ 7,116	\$ (37,899)	\$ (30,783)	\$ (33,283)
Item not affecting cash:				
Amortization of capital assets	-	37,899	37,899	37,899
	<u>7,116</u>	<u>-</u>	<u>7,116</u>	<u>4,616</u>
Changes in non-cash working capital:				
Accounts payable and accrued liabilities	(16,683)	-	(16,683)	18,059
Deferred income	57,000	-	57,000	-
Prepaid expenses	(2,286)	-	(2,286)	(21,283)
Government remittances payable	(3,186)	-	(3,186)	1,735
	<u>34,845</u>	<u>-</u>	<u>34,845</u>	<u>(1,489)</u>
Cash flow from operating activities	<u>41,961</u>	<u>-</u>	<u>41,961</u>	<u>3,127</u>
INVESTING ACTIVITY				
Purchase of capital assets	-	-	-	(2,753)
INCREASE IN CASH FLOW	41,961	-	41,961	374
Cash - beginning of year	<u>259,327</u>	<u>-</u>	<u>259,327</u>	<u>258,953</u>
CASH - END OF YEAR	<u>\$ 301,288</u>	<u>\$ -</u>	<u>\$ 301,288</u>	<u>\$ 259,327</u>

The accompanying notes are an integral part of these financial statements

KANATA MINOR HOCKEY ASSOCIATION

Notes to Financial Statements

Year Ended April 30, 2025

1. BASIS OF PRESENTATION

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPPO).

2. PURPOSE OF THE ORGANIZATION

The Association is incorporated as a non-profit organization under The Corporations Act of Ontario. As such it is exempt from income taxes.

The Association historically has had approximately 1,600 children playing in House League and Competitive divisions. The objective of the Association is to foster and encourage the sport of minor hockey throughout the former City of Kanata (now part of the City of Ottawa).

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Fund accounting

The Association follows the restricted fund method of accounting for contributions.

The operating fund reports registration fees collected from teams and registrants, and expenses related to the operations and administration of the Association.

The capital asset fund reports the amounts appropriated for the acquisition of capital assets less accumulated amortization of the assets acquired. Amounts appropriated to capital assets include amounts approved by the Executive over and above amounts spent or intended to be spent in any current fiscal year.

Capital assets

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

Sweaters	3 years
Office and computer equipment	5 years

The organization regularly reviews its capital assets to eliminate obsolete items. Government grants are treated as a reduction of capital assets cost.

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

Financial instruments

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.

Use of estimates

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.

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KANATA MINOR HOCKEY ASSOCIATION
Notes to Financial Statements
Year Ended April 30, 2025

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

Revenue recognition

Revenue is recognized when the Association has provided the related services, the amount can be reasonably measured and collection is reasonably assured.

The Association's primary sources of revenue include registration fees, ice rentals, referee fees, clinics, fundraising activities, donations and other miscellaneous income.

Registration fees are recognized over the course of the hockey season as the related programs and ice time are delivered.

Ice rental revenues are recognized in the period in which the ice time is provided.

Referee fees are recognized in the period in which the related games occur.

Clinic revenues are recognized when the clinics take place.

Donations are recognized when received or receivable provided the amount can be reasonably estimated and collection is reasonably assured.

Revenue from fundraising activities is recognized in the period in which the event occurs and when the funds are received.

Other revenues are recognized in the period in which the related services are provided.

Deferred Revenue

Registration fees received prior to the start of the hockey season are recorded as deferred revenue and recognized as revenue over the course of the season as the related services are provided.

4. CAPITAL ASSETS

	Cost	Accumulated amortization	2025 Net book value	2024 Net book value
Computer equipment	\$ 8,017	\$ 6,365	\$ 1,652	\$ 2,203
Sweaters	112,045	112,045	-	37,348
	\$ 120,062	\$ 118,410	\$ 1,652	\$ 39,551

5. CAPITAL ASSET FUND

The change in the capital asset fund is as follows:

	2025	2024
Balance, beginning of the year	\$ 272,939	\$ 308,085
Amounts transferred for the purchase of capital assets	-	2,753
Amortization expense	(37,899)	(37,899)
	\$ 235,040	\$ 272,939

KANATA MINOR HOCKEY ASSOCIATION

Notes to Financial Statements

Year Ended April 30, 2025

6. FINANCIAL INSTRUMENTS

The Association's financial instruments consist of cash, accounts payable and accrued liabilities, and deferred income.

The organization is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the organization's risk exposure and concentration as of April 30, 2025.

Liquidity risk

Liquidity risk is the risk that the Association will not be able to meet its obligations as they become due. The Association manages this risk by establishing budgets to fund its operating fund and capital asset fund expenditures. In addition, some of the Association's cash is held in an interest-bearing account which provides a rate of return as well as liquidity.

Interest rate risk

Interest rate risk is the risk of potential financial loss caused by fluctuations in fair value of future cash flow of the financial instruments due to changes in market interest rates. The Association is exposed to this risk through its interest-bearing assets. The Association manages this risk through investing in a fixed interest bank account.

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

7. COMMITMENTS

The Association had entered into a one-year agreement for the rental of office, board room and storage space from the City of Ottawa commencing January 01, 2025 and ending December 31, 2025. The lease is renewable on a year-to-year basis. The commitment for 2025 for the lease is \$13,928.

8. DEFERRED INCOME

Registration fees for hockey programs are collected in advance of the related season or program delivery. These amounts are recorded as deferred income upon receipt, as they represent obligations to provide future services (e.g., ice time, coaching, league play). Revenue is recognized proportionately over the course of the hockey season as the services are delivered.

As of April 30 2025, deferred income consists of fees received for programs that will take place in the subsequent period. The balance is recognized as revenue in the statement of operations as the season progresses and program obligations are fulfilled.

9. INCOME TAXES

The Association is a not-for-profit-organization and hence is exempt from income taxes.

10. REMUNERATION TO OFFICERS AND DIRECTORS

The remuneration to officers and directors during the year was nil (2024 – nil).

11. ECONOMIC DEPENDENCE

The Association rents the most significant portion of its ice from the City of Ottawa (2025 – 67%; 2024 – 71%).

KANATA MINOR HOCKEY ASSOCIATION

Notes to Financial Statements

Year Ended April 30, 2025

12. VOLUNTEER SERVICES

The activities of the Association are dependent upon the voluntary services of many of its members. No amounts are reflected in the financial statements for these contributed services since there is no objective basis available to measure the value of these services.

13. CAPITAL MANAGEMENT

As a not-for-profit entity, the Association's operations are reliant on revenues generated annually. Over its history, the Association has accumulated net assets in its operating fund. A portion of the accumulated net assets, in the operating fund, is retained as working capital which may be required from time to time due to timing delays in receiving external funding. The remaining balance in the operating fund is available for the use of the Association at management's discretion.

14. RELATED-PARTY TRANSACTIONS

A past president of the Association has provided services to the Association acting as the "Ice Scheduler." During 2025 the Ice Scheduler was paid \$18,000 (2024 - \$18,000). This cost is included in "Ice Rental and Scheduling Costs" on the Statement of Revenue and Expenditures.
