

STONY PLAIN MINOR HOCKEY ASSOCIATION

Financial Statements

For The Year Ended June 30, 2022

Draft

Prepared by	Reviewed by	Reviewed by
JLJ 4/06/23	JLJ 4/06/23	CF 4/20/23

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

Management of Stony Plain Minor Hockey Association is responsible for the integrity of the accompanying financial statements. The financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations.

To assist in meeting its responsibility, management maintains appropriate systems of internal and administrative controls designed to provide reasonable assurance that transactions are appropriately authorized and accurately recorded, that assets are properly accounted for and safeguarded, and that financial information produced is relevant and reliable.

The preparation of the financial statements necessarily includes some amounts which are based on the best estimates and judgments of management.

Prior to their submission to the Members, the financial statements have been reviewed and recommended for approval by the Board of Directors. The financial statements have been audited by the independent firm of Metrix Group LLP, Chartered Professional Accountants. Their report to the Members, stating the scope of their examination and opinion on the financial statements follows.

Ray Saruk, Treasurer

Miranda Niebergall, President

Stony Plain, Alberta
April 24, 2023

INDEPENDENT AUDITORS' REPORT

To the Members of Stony Plain Minor Hockey Association

Opinion

We have audited the financial statements of Stony Plain Minor Hockey Association (the Association), which comprise the statement of financial position as at June 30, 2022, and the statements of operations, 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 Association as at June 30, 2022, 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 *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Association 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 Association'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 Association or to cease operations, or has no realistic alternative but to do so.

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

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Auditors' 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.

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 Association'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 Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Association 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.

METRIX GROUP LLP

Chartered Professional Accountants

Edmonton, Alberta
April 24, 2023

STONY PLAIN MINOR HOCKEY ASSOCIATION

Statement of Financial Position

As at June 30, 2022

	2022	2021
ASSETS		
CURRENT		
Cash and cash equivalents (Note 2)	\$ 350,764	\$ 367,107
Interest receivable	60	32
	<u>350,824</u>	<u>367,139</u>
TANGIBLE CAPITAL ASSETS (Note 3)	<u>1,868</u>	<u>3,465</u>
	<u>\$ 352,692</u>	<u>\$ 370,604</u>
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 1,401	\$ 1,378
Deferred revenue	179,026	184,431
	<u>180,427</u>	<u>185,809</u>
NET ASSETS		
Unrestricted	127,412	118,560
Investment in tangible capital assets	1,868	3,465
Internally restricted reserve (Note 4)	42,985	62,770
	<u>172,265</u>	<u>184,795</u>
	<u>\$ 352,692</u>	<u>\$ 370,604</u>

ON BEHALF OF THE BOARD

_____ Director

_____ Director

Printed: April 21, 2023 10:39 AM Prep _____ Added _____ Approved _____

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

STONY PLAIN MINOR HOCKEY ASSOCIATION**Statement of Operations****For The Year Ended June 30, 2022**

	2022	2021
REVENUE		
Registration	\$ 305,237	\$ 62,693
Fundraising raffle	80,600	79,580
Bingo	20,492	21,367
Other income	2,573	1,261
Sponsorship and donations	751	-
Interest	591	973
	<u>410,244</u>	<u>165,874</u>
EXPENDITURES		
Ice rentals	227,570	64,802
Clinics and development	55,555	19,556
League fees	36,209	15,380
Equipment	26,161	24,897
Referees	24,990	499
Raffle expense	19,010	18,902
Office	8,889	3,599
Team pictures	8,783	158
Professional fees	8,175	9,750
Bingo	3,210	3,719
Rent	1,449	1,155
Loss on disposal of tangible capital assets	983	-
Insurance	700	1,140
Advertising and promotion	532	-
Amortization	473	875
Dance	71	-
Bank charges	14	632
	<u>422,774</u>	<u>165,064</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	<u>\$ (12,530)</u>	<u>\$ 810</u>

STONY PLAIN MINOR HOCKEY ASSOCIATION

Statement of Changes in Net Assets

For The Year Ended June 30, 2022

	Unrestricted	Investment in Tangible Capital Assets	Internally Restricted Reserve	2022	2021
NET ASSETS - BEGINNING OF YEAR	\$ 118,560	\$ 3,465	\$ 62,770	\$ 184,795	\$ 183,985
Excess (deficiency) of revenue over expenditures	(12,530)	-	-	(12,530)	810
Transfer to reserves	19,785	-	(19,785)	-	-
Disposal of tangible capital assets	1,124	(1,124)	-	-	-
Amortization of tangible capital assets	473	(473)	-	-	-
NET ASSETS - END OF YEAR	\$ 127,412	\$ 1,868	\$ 42,985	\$ 172,265	\$ 184,795

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STONY PLAIN MINOR HOCKEY ASSOCIATION**Statement of Cash Flows****For The Year Ended June 30, 2022**

	2022	2021
OPERATING ACTIVITIES		
Excess (deficiency) of revenue over expenditures	\$ (12,530)	\$ 810
Items not affecting cash:		
Amortization	473	875
Loss on disposal of property and equipment	983	-
	<u>(11,074)</u>	<u>1,685</u>
Changes in non-cash working capital:		
Interest receivable	(26)	568
Prepaid expenses	-	712
Accounts payable and accrued liabilities	22	(6,281)
Deferred revenue	(5,405)	84,484
	<u>(5,409)</u>	<u>79,483</u>
	<u>(16,483)</u>	<u>81,168</u>
INVESTING ACTIVITY		
Proceeds on disposal of property and equipment	140	-
	<u>(16,343)</u>	<u>81,168</u>
INCREASE (DECREASE) IN CASH FLOW	(16,343)	81,168
Cash - beginning of year	<u>367,107</u>	<u>285,939</u>
CASH - END OF YEAR	\$ 350,764	\$ 367,107

STONY PLAIN MINOR HOCKEY ASSOCIATION

Notes to Financial Statements

Year Ended June 30, 2022

The Stony Plain Minor Hockey Association was incorporated under the Societies Act of the Province of Alberta on June 24, 1982 and is a non-profit organization. The Association is exempt from income taxes under Section 149(1)(l) of the Income Tax Act. The purpose of the Association is to provide minor hockey to Stony Plain and District.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

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

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 expenditures 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.

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 unrealised gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment when indicators of impairment exist. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

Financial assets measured at amortized cost include cash and cash equivalents and accounts receivable.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

The Association has no financial assets or liabilities measured at fair value.

When there is an indication of impairment and such an impairment is determined to have occurred, the carrying amount of financial assets measured at fair value or amortized cost is reduced to the greater of the discounted future cash flows expected of the proceeds that could be realized from sale of the financial asset. Such impairments can be subsequently reversed if the value subsequently improve

Cash and cash equivalents

Cash and cash equivalents includes operating and savings accounts, cash on hand and a guaranteed investment certificate. All amounts are readily converted into known amounts of cash and are subject to an insignificant change in value.

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STONY PLAIN MINOR HOCKEY ASSOCIATION

Notes to Financial Statements

Year Ended June 30, 2022

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

Inventory

Inventory is measured at the lower of cost or net realizable value. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Inventory includes all costs to purchase, convert, and bring the inventories to their present location and condition. Cost is determined using weighted-average cost formula.

Tangible capital assets

Tangible capital assets are stated at cost less accumulated amortization. Tangible capital assets are amortized over their estimated useful lives at the following rates and methods:

Equipment	20%	declining balance method
Office equipment	20%	declining balance method
Sound system equipment	20%	declining balance method
Computer equipment	30%	declining balance method

Contributed services

The operations of the organization depend on both the contribution of time by volunteers and donated materials from various sources. The fair value of donated materials and services cannot be reasonably determined and are therefore not reflected in these financial statements.

Revenue recognition

The Association recognizes revenues when they are earned, specifically when all the following conditions are met:

Registration fees are set annually by the Board of Directors and are recognized in the year to which they relate if the amount can be reasonably estimated and collection is reasonably assured. Accordingly, fees for the next fiscal year received prior to June 30, 2021 have been deferred and are recognized as revenue in the next year. The liability for the portion of registration revenue received in advance of a season is recorded as deferred revenue.

Concession and other transaction based revenues are recorded in the period they are earned.

Casino, bingo and other gaming proceeds as well as donations are recognized as revenue in the period they are earned.

Tournament and special event revenues are recognized in the period the event is held if the amount can be reasonably estimated and collection is reasonable assured.

Interest income is recognized as earned.

2. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include a guaranteed investment certificate for \$42,989, earning interest at a rate of 0.75% maturing April 2024.

STONY PLAIN MINOR HOCKEY ASSOCIATION

Notes to Financial Statements

Year Ended June 30, 2022

3. TANGIBLE CAPITAL ASSETS

	Cost	Accumulated amortization	2022 Net book value	2021 Net book value
Equipment	\$ 7,728	\$ 5,905	\$ 1,823	\$ 3,402
Office equipment	4,725	4,721	4	5
Sound system equipment	1,500	1,494	6	8
Computer equipment	5,857	5,822	35	50
	<u>\$ 19,810</u>	<u>\$ 17,942</u>	<u>\$ 1,868</u>	<u>\$ 3,465</u>

4. INTERNALLY RESTRICTED RESERVE

The reserve fund is restricted funds to be applied to next year's registration fees for players who's parent earned credits during the season.

5. COMPARATIVE FIGURES

The financial statements of the Association for the year ended June 30, 2021 were reviewed. A review does not constitute an audit, consequently, no audit opinion was made on comparative figures.

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

6. FINANCIAL INSTRUMENTS

It is management's opinion that the Association is not exposed to significant credit, liquidity, market, currency, interest rate or other price risk through its financial instruments which includes cash and cash equivalents, accounts receivable and accounts payable and accrued liabilities.