

BOW VALLEY HOCKEY SOCIETY

FINANCIAL STATEMENTS

MAY 31, 2024

BOW VALLEY HOCKEY SOCIETY
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INDEPENDENT AUDITOR'S REPORT

**To: The Members of
Bow Valley Hockey Society**

Opinion

We have audited the financial statements of Bow Valley Hockey Society (the "Society"), which comprise the statement of financial position as at May 31, 2024, and the statements of operations and 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 Society as at May 31, 2024, 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 ("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 Society in accordance with the 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 Society'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 Society or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Society'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

INDEPENDENT AUDITOR'S REPORT, continued

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 Society'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 Society'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 Society 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.

INDEPENDENT AUDITOR'S REPORT, continued

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.

Baker Tilly Catalyst LLP

**CALGARY, ALBERTA
JANUARY 17, 2025**

**CHARTERED PROFESSIONAL
ACCOUNTANTS**

BOW VALLEY HOCKEY SOCIETY
STATEMENT OF FINANCIAL POSITION
MAY 31, 2024

	2024	2023
Assets		
Current		
Cash	\$ 541,076	\$ 645,756
Restricted cash	86,054	6,067
Accounts receivable	41,226	-
	<u>\$ 668,356</u>	<u>\$ 651,823</u>
Liabilities and net assets		
Current		
Accounts payable and accrued liabilities	\$ 62,947	\$ 102,752
Deferred revenue (Note 3)	262,301	183,543
	325,248	286,295
Net assets	<u>343,108</u>	<u>365,528</u>
	<u>\$ 668,356</u>	<u>\$ 651,823</u>

Commitments (Note 4)

Approved on behalf of the Board

Troy Laurson

Member

Scott Robson

Member

BOW VALLEY HOCKEY SOCIETY
STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED MAY 31, 2024

	2024	2023
Revenues		
Registrations	\$ 1,474,770	\$ 1,357,761
Academy revenue	476,773	429,698
Tournament revenue	134,800	93,000
Volunteer bond	57,750	36,500
Donations and other revenue	5,674	4,578
Casino revenue	-	73,538
Raffle sales	-	581
	<u>2,149,767</u>	<u>1,995,656</u>
Expenses		
Ice rental	835,291	825,782
Contracted services	223,292	190,961
Player evaluations	222,354	186,606
Other hockey expenses	281,589	242,976
Hockey socks and on-ice supplies	149,679	145,183
Hockey fees	179,094	146,842
Tournament expenses	167,082	72,140
Office	49,141	56,477
Advertising and promotion	27,809	7,988
Professional fees	17,865	7,913
Coach training	13,062	9,075
Insurance	5,929	5,566
	<u>2,172,187</u>	<u>1,897,509</u>
Excess (deficiency) of revenues over expenses from operations	(22,420)	98,147
Other expenses		
Loss on disposal of capital assets	-	(2,009)
Excess (deficiency) of revenues over expenses for the year	(22,420)	96,138
Net assets, beginning of year	<u>365,528</u>	<u>269,390</u>
Net assets, end of year	<u>\$ 343,108</u>	<u>\$ 365,528</u>

The accompanying notes are an integral part of the financial statements

BOW VALLEY HOCKEY SOCIETY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MAY 31, 2024

	2024	2023
Cash flows from operating activities		
Excess (deficiency) of revenues over expenses for the year	\$ (22,420)	\$ 96,138
Adjustment for		
Loss on disposal of capital assets	-	2,009
	(22,420)	98,147
Change in non-cash working capital items		
Accounts receivable	(41,226)	495
Prepaid expenses	-	50
Accounts payable and accrued liabilities	(39,805)	51,219
Deferred revenue	78,758	22,156
	(24,693)	172,067
Increase (decrease) in cash		
Cash, beginning of year	651,823	479,756
Cash, end of year	\$ 627,130	\$ 651,823
 Represented by:		
Cash	\$ 541,076	\$ 645,756
Restricted cash	86,054	6,067
	\$ 627,130	\$ 651,823

BOW VALLEY HOCKEY SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MAY 31, 2024

1. Nature of operations

Bow Valley Hockey Society (the "Society") is a not-for-profit organization incorporated provincially under the Societies Act of Alberta. The Society is exempt from the payment of income tax under Section 149(1) of the Income Tax Act.

The Society is dedicated to promoting and governing the sport of minor hockey within the boundaries of the Bow Valley jurisdiction.

2. Significant accounting policies

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations. The significant accounting policies are detailed as follows:

(a) Cash

Cash is defined as cash on hand and cash on deposit, net of cheques issued and outstanding at the report date.

(b) Financial instruments

The Association initially measures its financial assets and financial liabilities at fair value. It subsequently measures financial assets and financial liabilities at amortized cost.

Financial assets include cash. Financial liabilities include accounts payables and accrued liabilities.

The Association has not designated any financial asset or financial liability to be measured at fair value.

Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment.

(c) Deferred revenue

Deferred revenue consists of restricted amounts received from gaming income and not yet spent prior to the end of the period, as well as amounts received in advance for registrations related to the next season.

BOW VALLEY HOCKEY SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MAY 31, 2024

2. Significant accounting policies, continued

(d) Revenue recognition

The Society 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. Unrestricted investment income is recognized as revenue when earned. Registration fees are recognized in the year to which they relate.

(e) 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.

(f) Measurement uncertainty

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 period. Significant areas requiring the use of estimates include: accrued liabilities.. Actual results may differ from management's best estimates as additional information becomes available in the future.

BOW VALLEY HOCKEY SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MAY 31, 2024

3. Deferred revenue

Restricted accounts relate to casino and raffle funds received which have external restrictions based on AGLC requirements. Such revenues are recognized in the statement of operations and changes in net assets when the required expenditures are incurred.

Registrations represent amounts collected in advance for events that will take place subsequent to yearend.

	<u>2024</u>	<u>2023</u>
Deferred revenue - restricted accounts		
Casino	\$ 83,080	\$ 3,069
Raffle	2,974	2,998
	<u>86,054</u>	<u>6,067</u>
Deferred revenue - registrations		
Summer camp	138,992	177,476
Spring camp	24,700	-
Fall conditioning camp	12,555	-
	<u>\$ 262,301</u>	<u>\$ 183,543</u>

BOW VALLEY HOCKEY SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MAY 31, 2024

4. Commitments

The Society occupies the leased premises subject to monthly rent of \$808 including GST until March 31, 2035.

5. Comparative figures

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year. The changes do not affect prior year earnings.

BOW VALLEY HOCKEY SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MAY 31, 2024

6. Financial instruments

The Society is exposed to various financial risks through transactions in financial instruments. The following provides helpful information in assessing the extent of the Society's exposure to these risks.

(a) Liquidity risk

Liquidity risk is the risk that the Society will encounter difficulty in meeting obligations associated with financial liabilities. The Society is exposed to this risk mainly in respect of its accounts payable and accrued liabilities and operating lease commitments.

(b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Society is exposed to interest rate risk on its fixed interest rate financial instruments. Fixed-rate financial instruments subject the Society to a fair value risk.

It is management's opinion that the Society is not exposed to significant other risks arising from its financial instruments.