BOW VALLEY HOCKEY SOCIETY

FINANCIAL STATEMENTS

MAY 31, 2025

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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, 2025, 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, 2025, 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

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.

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
OCTOBER 27, 2025

CHARTERED PROFESSIONAL ACCOUNTANTS

BOW VALLEY HOCKEY SOCIETY
STATEMENT OF FINANCIAL POSITION
MAY 31, 2025

	2025	2024
Assets		
Current		
Cash	$ 649,030	$ 541,076
Restricted cash (Note 3)	2,982	86,054
Accounts receivable	-	41,226
Prepaid expenses	53,039	-
	$ 705,051	$ 668,356
Liabilities and net assets		
Current		
Accounts payable and accrued liabilities	$ 78,078	$ 62,947
Deferred revenue (Note 3)	238,467	262,301
	316,545	325,248
Net assets	388,506	343,108
	$ 705,051	$ 668,356

Commitments (Note 5)

Approved on behalf of the Board

_______________________ Member

_______________________ Member

BOW VALLEY HOCKEY SOCIETY
STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED MAY 31, 2025

	2025	2024
Revenues		
Registrations	$ 1,571,146	$ 1,474,770
Academy revenue	572,712	476,773
Tournament revenue	174,946	134,800
Casino revenue	83,065	-
Volunteer bond	71,875	57,750
Donations and other revenue	18,469	5,674
	2,492,213	2,149,767
Expenses		
Ice rental	873,528	835,291
Program expenses	391,522	281,589
Contracted services	275,514	223,292
Hockey fees	252,164	179,094
Player evaluations	218,694	222,354
Tournament expenses	214,090	167,082
Hockey socks and on-ice supplies	115,888	149,679
Office	54,978	49,141
Professional fees	26,387	17,865
Coach training	13,324	13,062
Insurance	5,943	5,929
Advertising and promotion	4,783	27,809
	2,446,815	2,172,187
Excess (deficiency) of revenues over expenses for the year	45,398	(22,420)
Net assets, beginning of year	343,108	365,528
Net assets, end of year	$ 388,506	$ 343,108

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, 2025

	2025	2024
Cash flows from operating activities		
Excess (deficiency) of revenues over expenses for the year	$ 45,398	$ (22,420)
Change in non-cash working capital items		
Accounts receivable	41,226	(41,226)
Prepaid expenses	(53,039)	-
Accounts payable and accrued liabilities	15,131	(39,805)
Deferred revenue	(23,834)	78,758
Increase (decrease) in cash	24,882	(24,693)
Cash, beginning of year	627,130	651,823
Cash, end of year	$ 652,012	$ 627,130
Represented by:		
Cash	$ 649,030	$ 541,076
Restricted cash (Note 3)	2,982	86,054
	$ 652,012	$ 627,130

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

(i) Measurement of financial instruments

The Society initially measures its financial assets and liabilities at fair value. It subsequently measures financial assets and financial liabilities at amortized cost except for certain related party transactions that are measured at the carrying amount or exchange amount, as appropriate.

The Society subsequently measures all its financial assets and financial liabilities at cost or amortized cost.

Financial assets measured at amortized cost include cash.

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

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

2. **Significant accounting policies, continued**

(b) **Financial instruments, continued**

(ii) **Impairment**

For financial assets measured at amortized cost, the Society determines whether there are indications of possible impairment. When there is an indication of impairment, and the Society determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows, a write-down is recognized in excess (deficiency) of revenues over expenses. A previously recognized impairment loss may be reversed to the extent of the improvement. The carrying amount of the financial asset may not be greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in excess (deficiency) of revenues over expenses.

(c) **Deferred revenue**

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

(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 society 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.

2. Significant accounting policies, continued

(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.

3. Deferred revenue

Restricted accounts relate to casino and raffle funds received which have external restrictions based on Alberta Gaming, Liquor and Cannabis (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 year end.

	2025	2024
Deferred revenue - restricted accounts		
Raffle	$ 2,844	$ 2,974
Casino	138	83,080
	2,982	86,054
Deferred revenue - registrations		
Summer camp	200,486	138,992
Fall camp	28,659	12,555
Other camps	6,340	-
Spring camp	-	24,700
	235,485	176,247
	$ 238,467	$ 262,301

4. **Commitments**

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

5. **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.

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