

BOW VALLEY HOCKEY SOCIETY
Financial Statements
Year Ended May 31, 2022

BOW VALLEY HOCKEY SOCIETY
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Year Ended May 31, 2022

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INDEPENDENT AUDITOR'S REPORT

To the Members of Bow Valley Hockey Society

Opinion

I have audited the financial statements of Bow Valley Hockey Society (the society), which comprise the statement of financial position as at May 31, 2022, and the statements of revenues and expenditures 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 my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the society as at May 31, 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

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

Other Matter

Last year audited financial statements were prepared by another Chartered Professional Corporation.

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.

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Auditor's Responsibilities for the Audit of the Financial Statements

My 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 my 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, I exercise professional judgment and maintain professional skepticism throughout the audit. I 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 my 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 I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my 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.

I 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 I identify during my audit.

Calgary, Alberta

PROFESSIONAL CORPORATION
CHARTERED PROFESSIONAL ACCOUNTANT

BOW VALLEY HOCKEY SOCIETY
Statement of Financial Position
May 31, 2022

	2022	2021
ASSETS		
CURRENT		
Cash	\$ 472,353	\$ 289,551
Restricted cash (Note 5)	5,900	4,198
Accounts receivable	495	-
Prepaid expenses	50	71,292
	478,798	365,041
EQUIPMENT (Note 4)	2,008	3,130
	\$ 480,806	\$ 368,171
 LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable	\$ 50,029	\$ 4,765
DEFERRED REGISTRATION REVENUE (NOTE 6)	155,487	126,993
DEFERRED INCOME - RESTRICTED (NOTE 5)	5,900	4,198
	211,416	135,956
NET ASSETS - UNRESTRICTED	269,390	232,215
	\$ 480,806	\$ 368,171

Approved on behalf of the Board

_____ Director

_____ Director

BOW VALLEY HOCKEY SOCIETY
Statement of Revenues and Expenditures and Changes in Net Assets
Year Ended May 31, 2022

	2022	2021
REVENUE		
Registrations	\$ 1,173,691	\$ 612,352
Academy revenue	349,399	161,065
Tournament revenue	54,575	-
Volunteer bond	36,800	2,800
Alberta Relaunch Grant	-	30,000
Other income	13,958	3,452
	<u>1,628,423</u>	<u>809,669</u>
EXPENSES		
Ice rental	770,134	234,975
Other hockey expenses	182,426	105,645
Contracted services	174,292	206,226
Player evaluations	144,079	106,774
Hockey fees	128,144	82,532
Hockey socks and on-ice supplies	69,197	101,845
Tournament expenses	52,367	-
Office	44,361	40,500
Coach training	9,194	10,931
Professional fees	8,663	7,350
Insurance	5,285	4,718
Advertising and promotion	1,984	1,224
Amortization	1,122	1,122
	<u>1,591,248</u>	<u>903,842</u>
NET EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	37,175	(94,173)
NET ASSETS - BEGINNING OF YEAR	232,215	326,388
NET ASSETS - END OF YEAR	\$ 269,390	\$ 232,215

See notes to financial statements

BOW VALLEY HOCKEY SOCIETY
Statement of Cash Flows
Year Ended May 31, 2022

	2022	2021
OPERATING ACTIVITIES		
Excess (deficiency) of revenue over expenses	\$ 37,175	\$ (94,173)
Item not affecting cash:		
Amortization of equipment	1,122	1,122
	<u>38,297</u>	<u>(93,051)</u>
Changes in non-cash working capital:		
Accounts receivable	(495)	-
Accounts payable	45,266	(3,097)
Prepaid expenses	71,243	(54,623)
Deferred registration revenue (Note 6)	28,493	52,304
Deferred income - restricted	1,702	798
	<u>146,209</u>	<u>(4,618)</u>
INCREASE (DECREASE) IN CASH FLOW	184,506	(97,669)
Cash - beginning of year	<u>293,747</u>	<u>391,416</u>
CASH - END OF YEAR	\$ 478,253	\$ 293,747
CASH CONSISTS OF:		
Cash	\$ 472,353	\$ 289,550
Restricted cash (Note 5)	<u>5,900</u>	<u>4,197</u>
	\$ 478,253	\$ 293,747

See notes to financial statements

BOW VALLEY HOCKEY SOCIETY

Notes to Financial Statements

Year Ended May 31, 2022

1. PURPOSE OF THE SOCIETY

Bow Valley Hockey Society (the "society") is a not-for-profit organization incorporated provincially under the Societies Act of Alberta. As a registered charity 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. BASIS OF PRESENTATION

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO). Canadian accounting standards for not-for-profit organizations are part of Canadian GAAP.

Some users may require further information as these statements have not been prepared for general purposes.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Cash and cash equivalents

Cash includes cash and cash equivalents. Cash received with regards to casinos and raffles are subject to restrictions imposed by the Alberta Gaming and Liquor Commission and is therefore restricted. All other cash funds are unrestricted. Term deposits are classified as held for trading and are recorded at fair value. Changes to fair value are recorded as interest income or loss.

Equipment

Equipment is initially recorded at cost. Contributed equipment is recorded at the fair value at the date of contribution with a corresponding credit to deferred contributions. Amortization on both the equipment and deferred contributions relating to contributed equipment is provided using the straight line method over five years and is intended to amortize the cost of equipment over its estimated useful life.

In the year of acquisition or when placed in use, whichever is later, a full year of amortization is taken.

Revenue recognition

Bow Valley Hockey 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.

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.

Financial instruments

Financial instruments are recorded at fair value when acquired or issued. It subsequently measures all its financial assets and financial liabilities at amortized cost, and tested for impairment at each reporting date.

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BOW VALLEY HOCKEY SOCIETY
Notes to Financial Statements
Year Ended May 31, 2022

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

Financial assets subsequently measured at amortized cost include cash, term deposits, investments and marketable securities, and trade and other receivables. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

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 expenses 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.

4. EQUIPMENT

	Cost	Accumulated amortization	2022 Net book value	2021 Net book value
Equipment	\$ 202,728	\$ 200,720	\$ 2,008	\$ 3,130

5. RESTRICTED REVENUES

Restricted revenues relate to casino and raffle funds received that have restrictions. Such donations are recognized in the Statement of operations and changes in net assets when the required expenditures are incurred.

	2022	2021
Casino	\$ 2,540	\$ 2,792
Raffle funds	3,360	1,406
	\$ 5,900	\$ 4,198

6. DEFERRED REGISTRATION REVENUE

Deferred registration revenue represents amounts collected in advance for events that will take place subsequent to yearend.

	2022	2021
<u>Summary</u>		
Hockey school	\$ 142,458	\$ 116,059
Junior Flames - fall	5,700	7,200
U15 checking clinic	2,079	1,484
Pre-evaluation skate sessions	5,250	2,250
	\$ 155,487	\$ 126,993

BOW VALLEY HOCKEY SOCIETY
Notes to Financial Statements
Year Ended May 31, 2022

7. CAPITAL MANAGEMENT

The Society defines capital as net assets plus deferred contributions. The Society receives the majority of these operating and capital funds from registration fees and fundraising events.

The Society manages its capital structure and makes the adjustments to it based on the funds available to the Society in order to support its ongoing programs and operations.

The Society is not subject to any capital requirements with respect to operating funding. Funding received for designated purposes and casino revenues must be used for the purposes outlined by the funding party or in compliance with regulations of Alberta Gaming and Liquor Commission. As at May 31, 2022, the Society complied with the external restrictions on all external funding provided.

8. COMPARATIVE FIGURES

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

9. FINANCIAL INSTRUMENTS

The society as part of its operations carries a number of financial instruments. It is management's opinion that the Society is not exposed to significant interest rate, currency or credit risks arising from these financial instruments except for the following:

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. Changes in market interest rates may have an effect on the cash flows associated with some financial assets and liabilities, known as cash flow risk, and on the fair value of other financial assets or liabilities, known as price risk. The Society is exposed to interest rate risk primarily relating to investments and marketable securities.

Fair value disclosure

The fair value of investments and marketable securities is determined by reference to quoted market prices. The fair value of cash, restricted cash, term deposits and accounts payable and accrued liabilities approximate their carrying value due to their short-term maturities.

Change in risk

There have been no significant changes in the Society's risk factors from the prior year.
