

CAMBRIDGE MINOR HOCKEY ASSOCIATION

**FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2020**



CAMBRIDGE MINOR HOCKEY ASSOCIATION

MARCH 31, 2020
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INDEPENDENT AUDITORS' REPORT

To the Members of
Cambridge Minor Hockey Association

Qualified Opinion

We have audited the accompanying financial statements of **Cambridge Minor Hockey Association** (the Association), which comprise the statement of financial position as at March 31, 2020, and the statements of revenue, expenditure and 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, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Association as at March 31, 2020, and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Qualified Opinion

In common with many community service organizations, the Association derives revenue from fees, sponsorships and fundraising, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Association and we were not able to determine whether any adjustments might be necessary to revenue, excess (deficiency) of revenue over expenditure, assets and net assets.

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 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 qualified opinion.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, 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 the Board of Directors 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.

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 auditors' 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.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgement 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.



Cambridge, Ontario
August 20, 2020

Chartered Professional Accountants, authorized to practise public
accounting by the Chartered Professional Accountants of Ontario



CAMBRIDGE MINOR HOCKEY ASSOCIATION

STATEMENT OF REVENUE, EXPENDITURE AND NET ASSETS YEAR ENDED MARCH 31, 2020

	2020 \$	2019 \$
Revenue		
Registration fees	484,035	458,694
Gate, booster, and carding fees	312,795	257,561
Galt Minor Hockey School registration fees - Mite Program	34,445	35,260
Galt Minor Hockey School registration fees - Learn to Skate	39,690	37,740
Tryout fees	56,957	45,275
Day of champions	13,750	15,072
Sponsorships and donations	27,615	34,975
Galt Minor Hockey School general operations (net) (note 5)	16,035	4,633
Investment income	5,299	6,639
Other income	6,361	21,141
	996,982	916,990
Expenditure		
Ice rental	554,440	583,791
Hockey equipment, trophies, and crests	109,440	61,069
Referees and timekeepers	72,706	74,339
Insurance and Minor Hockey Alliance of Ontario fees	70,438	70,833
Office salary and benefits	59,581	59,423
Meeting and travel expenses	2,130	2,795
Special events	19,729	23,033
Day of champions	18,972	21,515
Office expenses	10,819	13,653
Coaches' and trainers' expenses	8,183	11,654
Player skills development clinics	498	
Professional fees	7,266	7,916
Bank charges and credit card fees	18,514	17,189
Repairs and maintenance	36	1,041
Advertising		96
Amortization expense	2,156	1,055
	954,908	949,402
Excess (deficiency) of revenue over expenditure for the year	42,074	(32,412)
Net assets at beginning of year	382,251	414,663
Net assets at end of year	424,325	382,251

The explanatory financial notes form an integral part of these financial statements.



CAMBRIDGE MINOR HOCKEY ASSOCIATION

FINANCIAL POSITION MARCH 31, 2020

	2020 \$	2019 \$
ASSETS		
Cash		
Cambridge Minor Hockey Association	405,874	352,552
Galt Minor Hockey School	46,062	30,027
Accounts receivable		7,050
Prepaid expenses	3,357	1,662
Current assets	455,293	391,291
Capital assets (note 3)	8,424	4,314
	463,717	395,605
LIABILITIES		
Accounts payable and accrued liabilities (note 4)	21,992	13,354
Deferred revenue	17,400	
	39,392	13,354
NET ASSETS		
Net assets	424,325	382,251
	463,717	395,605

APPROVED BY THE BOARD:

_____ Director

_____ Director

The explanatory financial notes form an integral part of these financial statements.



CAMBRIDGE MINOR HOCKEY ASSOCIATION

STATEMENT OF CASH FLOWS YEAR ENDED MARCH 31, 2020

	2020 \$	2019 \$
Cash flows from operating activities:		
Excess (deficiency) of revenue over expenditure for the year	42,074	(32,412)
Item not involving cash:		
Amortization	2,156	1,055
	44,230	(31,357)
Net change in non-cash working capital balances relating to operations:		
Accounts receivable	7,050	(4,360)
Prepaid expenses	(1,695)	(79)
Accounts payable and accrued liabilities	8,638	(507)
Deferred revenue	17,400	(1,275)
	75,623	(37,578)
Cash flows from investment activities:		
Net additions to capital assets	(6,266)	(3,054)
Net increase (decrease) in cash	69,357	(40,632)
Cash, beginning of year	382,579	423,211
Cash, end of year	451,936	382,579
Cash position includes:		
Cambridge Minor Hockey Association	405,874	352,552
Galt Minor Hockey School	46,062	30,027
	451,936	382,579

The explanatory financial notes form an integral part of these financial statements.



CAMBRIDGE MINOR HOCKEY ASSOCIATION

EXPLANATORY FINANCIAL NOTES YEAR ENDED MARCH 31, 2020

1. Nature of Operations

The Association was incorporated as a non-profit organization under the laws of Ontario by letters patent dated June 25, 1980 and, accordingly, is exempt for income tax purposes. The Association's objective is to promote and develop the game of hockey for children in the City of Cambridge.

2. Significant Accounting Policies

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

(a) Revenue and expenditure

The Association follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenditures are incurred. Unrestricted contributions are recognized as revenue when they are received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Registration fees are recognized as revenue in the fiscal year to which they relate.

Certain categories of revenue and expenditure are presented net of related expenditure and revenue respectively for financial statement purposes.

(b) Contributed services and materials

Donations of materials and services are not reflected in these financial statements because of the impracticality of the record keeping and valuation of them.

(c) Amortization of capital assets

The Association amortizes capital assets using the declining-balance method and the following annual rates which will amortize the assets over their estimated useful lives:

Computer hardware	30%
Office equipment	20%

(d) Financial instruments

All financial assets and liabilities are recorded at amortized cost less any discovered impairment.

(e) Use of estimates

The preparation of these 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, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the current period. These estimates are reviewed periodically and adjustments are made to income as appropriate in the year they become known.

CAMBRIDGE MINOR HOCKEY ASSOCIATION



EXPLANATORY FINANCIAL NOTES YEAR ENDED MARCH 31, 2020

	2020 \$	2019 \$
3. Capital Assets		
Cost		
Computer hardware	21,824	15,558
Office equipment	9,638	9,638
	31,462	25,196
Accumulated amortization		
Computer hardware	14,027	12,028
Office equipment	9,011	8,854
	23,038	20,882
Net Book Value	8,424	4,314

4. Accounts Payable and Accrued Liabilities

There were no amounts payable with respect to government remittances as of the year end date.

5. Galt Minor Hockey School General Operations

Revenue	30,165	34,580
Expenditure	14,130	29,947
Excess of revenue over expenditure for the year	16,035	4,633

This note does not include registration fee revenue or ice rental expense related to the Galt Minor Hockey School.

6. Financial Instruments

The entity is exposed to various risks through its financial instruments. The following analysis provides a measure of the entity's risk exposure and concentrations at the year end date.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The entity is exposed to this risk mainly in respect of its accounts payable and accrued liabilities. This risk is reduced because of considerable sums held in cash.



CAMBRIDGE MINOR HOCKEY ASSOCIATION

EXPLANATORY FINANCIAL NOTES YEAR ENDED MARCH 31, 2020

6. Financial Instruments (continued)

Credit risk

The entity is exposed to credit risk with respect to its accounts receivable. The entity regularly assesses the collectibility of its accounts receivable.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The entity is not exposed to significant market risk.

7. Comparative Figures

Comparative figures have, in some instances, been reclassified in order to present them in a form comparable to those for the current year.

8. Uncertainty Regarding COVID-19

As the COVID-19 pandemic continues to impact the economy, it could result in a significant negative impact on the Association's operations. As of the time of authorization of these financial statements, it is not possible to estimate the length and severity of these developments and their impact on the financial results and operations of the Association.