

**Guelph Minor Hockey Association
Financial Statements
For the Year Ended March 31, 2024**

Draft - Subject to Change

**Guelph Minor Hockey Association
Financial Statements
For the Year Ended March 31, 2024**

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Independent Auditor's Report

To the Members of Guelph Minor Hockey Association

Opinion

We have audited the financial statements of Guelph Minor Hockey Association (the association), which comprise the statement of financial position as at March 31, 2024, the statements of revenue and expenditures, 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 March 31, 2024, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

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 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 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 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.

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 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 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 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.

Chartered Professional Accountants, Licensed Public Accountants

Guelph, Ontario
June 25, 2024

**Guelph Minor Hockey Association
Statement of Financial Position**

March 31	2024	2023
Assets		
Current		
Cash (Note 2)	\$ 518,822	\$ 455,338
Accounts receivable	26,360	25,586
Prepaid expenses	12,086	12,302
	557,268	493,226
University of Guelph trademark and dressing room	-	10,000
Capital assets (Note 3)	8,314	594
	\$ 565,582	\$ 503,820
Liabilities and Net Assets		
Current		
Accounts payable and accrued liabilities	\$ 73,919	\$ 71,413
Deferred revenue	13,645	19,210
Due to the University of Guelph	-	10,000
	87,564	100,623
Net Assets		
Net assets invested in capital assets	8,314	594
Internally restricted net assets (Note 4)	200,000	200,000
Unrestricted net assets	269,704	202,603
	478,018	403,197
	\$ 565,582	\$ 503,820

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

**Guelph Minor Hockey Association
Statement of Changes in Net Assets**

For the year ended March 31	Invested in Capital Assets	Restricted	Unrestricted	2024 Total	2023 Total
Net assets - beginning of the year	\$ 594	\$ 200,000	\$ 202,603	\$ 403,197	\$ 324,135
Excess (deficiency) of revenue over expenditures	(1,558)	-	76,379	74,821	79,062
Investment in capital assets	9,278	-	(9,278)	-	-
Net assets - end of the year	\$ 8,314	\$ 200,000	\$ 269,704	\$ 478,018	\$ 403,197

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

Guelph Minor Hockey Association Statement of Revenue and Expenditures

For the year ended March 31	2024	2023
Revenue		
Registration, team and tryout fees	\$ 1,831,775	\$ 1,801,745
Power play tournament	156,199	133,812
Sponsorship	30,120	34,320
Other revenue	19,555	-
	2,037,649	1,969,877
Expenses		
AAA coach honorarium	114,000	56,000
Amortization of capital assets	1,558	2,137
Amortization of trademark / sponsorship with U of G	10,000	10,000
Bad debts	-	1,200
Banquets and trophies	6,198	5,663
Coaching clinic and tools	10,974	7,604
Hockey supplies and equipment	57,283	241,707
Ice rental (Note 5)	927,476	904,267
Insurance	60,942	38,485
Interest and bank charges	34	331
League and team fees	85,365	53,424
Office	19,817	13,247
On-line registration	28,032	22,096
Photographs and printing	3,976	2,763
Player development	186,996	151,376
Power play tournament	115,360	73,147
Professional fees	16,512	14,210
Referees and timekeepers	152,017	135,968
Rent	36,436	35,595
Repairs and maintenance	8,938	5,225
Salaries and wages (Note 6)	114,218	111,728
Telephone	4,883	4,166
Travel	1,813	476
	1,962,828	1,890,815
Excess of revenue over expenditures	\$ 74,821	\$ 79,062

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

Guelph Minor Hockey Association Statement of Cash Flows

For the year ended March 31	2024	2023
Cash flows from operating activities		
Excess of revenues over expenditures	\$ 74,821	\$ 79,062
Items not affecting cash:		
Amortization of capital assetst	1,558	2,137
Amortization of trademark / sponsorship with U of G	10,000	10,000
University of Guelph loan forgiveness	(10,000)	-
	<u>76,379</u>	<u>91,199</u>
Changes in non-cash working capital:		
Accounts receivable	(774)	(25,586)
Prepaid expenses	216	5,285
Accounts payable and accrued liabilities	2,506	(181,766)
Deferred revenue	(5,565)	13,270
	<u>72,762</u>	<u>(97,598)</u>
Cash flows from investing activities		
Purchase of capital assets	(9,278)	-
Cash flows from financing activities		
Repayment to the University of Guelph	-	(5,000)
Net increase (decrease) in cash	63,484	(102,598)
Cash, beginning of the year	455,338	557,936
Cash, end of the year	\$ 518,822	\$ 455,338

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

Guelph Minor Hockey Association

Notes to Financial Statements

March 31, 2024

1. Significant Accounting Policies

Nature of Operations Guelph Minor Hockey Association (the "association") is a not-for-profit group incorporated without share capital under the laws of the Province of Ontario. The association is not subject to income taxes under the Income Tax Act. The association's principal operations are the organization of minor hockey leagues in the city of Guelph.

Basis of Accounting The financial statements have been prepared using Canadian accounting standards for not-for-profit organizations.

Capital Assets Capital assets are stated at cost less accumulated amortization. In the year of acquisition, one-half the normal amortization is claimed. Hockey equipment and supplies are expensed in the year of acquisition. Amortization is provided using the following methods and annual rates:

	Method	Rate
Equipment	diminishing balance	30%
Office equipment	diminishing balance	20%
Computer equipment	diminishing balance	30%
Computer software	diminishing balance	100%
Leasehold improvements	straight-line	5 years

Revenue Recognition The association follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Restricted revenues where expenses have not been incurred are recorded as deferred revenue. 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.

Gifts-in-kind Gifts and services in kind received by the association are recorded as both a revenue and an expense item, only when the fair value of the gift or service received can be reasonably estimated and when the good or service would have otherwise been purchased.

Volunteer Services Policy Volunteers contribute significant hours in the year to the association. Because of the difficulty in determining their fair value, contributed services are not recognized in these financial statements.

University of Guelph Trademark and Sponsorship This asset is being amortized over 10 years, which is the life of the agreement.

Guelph Minor Hockey Association Notes to Financial Statements

March 31, 2024

1. Significant Accounting Policies (continued)

Financial Instruments

Financial Instruments are recorded at fair value at initial recognition.

In subsequent periods, equities traded in an active market and derivatives are reported at fair value, with any change in fair value reported in income. All other financial instruments are reported at cost or amortized cost less impairment. Transaction costs on the acquisition, sale or issue of financial instruments are expensed for those items measured at fair value and charged to the financial instrument for those measured at amortized cost.

Financial assets are tested for impairment when indicators of impairment exist. When a significant change in the expected timing or amount of the future cash flows of the financial asset is identified, the carrying amount of the financial asset is reduced and the amount of the write-down is recognized in net income. A previously recognized impairment loss may be reversed to the extent of the improvement, provided it is not greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously, and the amount of the reversal is recognized in net income.

2. Cash

The association's bank account is held with one chartered bank.

3. Capital Assets

	2024		2023	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Equipment	\$ 8,925	\$ 8,889	\$ 8,925	\$ 8,874
Office equipment	9,644	9,539	9,644	9,513
Computer equipment	28,191	20,018	18,915	18,503
Computer software	674	674	674	674
Leasehold improvements	89,600	89,600	89,600	89,600
	137,034	128,720	127,758	127,164
		\$ 8,314		\$ 594

**Guelph Minor Hockey Association
Notes to Financial Statements**

March 31, 2024

4. Internally Restricted Net Assets

The Board of Directors may change the restricted status of these net assets by Board resolution at any time.

5. Ice Rental

Ice rental expense represents the net of reimbursement of sale of ice time. Gross revenue and expenses for the ice rental have not been recorded separately in the accounts. Sale and rebates of ice time in the current year amounts to \$62,846 (2023 - \$22,326).

6. Salaries and Wages

	2024	2023
Employee benefits	\$ 1,713	\$ 1,713
Honoraria	2,500	-
Ice scheduler	28,601	27,772
Office administration	71,154	71,168
Payroll taxes	9,250	8,449
Wage subsidies repaid	-	2,626
Wellness benefit	1,000	-
	\$ 114,218	\$ 111,728

7. Commitments

The association is committed under an operating lease agreement for rental of premises. The lease expires in July 2031. The association can be released from the agreement with a written six month notice.

During the year, the association entered into an agreement with the University of Guelph for facility rental and hockey development program delivery until April 2028.

The association's total obligations under these agreements are as follows:

2025	\$	48,657
2026		49,455
2027		49,854
2028		49,854
2029		28,916
Thereafter		60,908
	\$	287,644

Guelph Minor Hockey Association Notes to Financial Statements

March 31, 2024

8. Financial Instruments

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The association is exposed to credit risk resulting from the possibility that a customer or counterparty to a financial instrument defaults on their financial obligations. The association's financial instruments that are exposed to concentrations of credit risk relate primarily to its accounts receivable. This risk has not changed from the prior year.

Liquidity risk

Liquidity risk is the risk that the association will encounter difficulty in meeting its obligations associated with financial liabilities. Liquidity risk includes the risk that, as a result of operational liquidity requirements, the association will not have sufficient funds to settle a transaction on the due date; will be forced to sell financial assets at a value, which is less than what they are worth; or may be unable to settle or recover a financial asset. The association is exposed to this risk mainly in respect of its accounts payable and accrued liabilities and commitments. This risk has not changed from the prior year.

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