

RIDGE-MEADOWS MINOR HOCKEY ASSOCIATION
FINANCIAL STATEMENTS
Year Ended March 31, 2021

INDEPENDENT AUDITOR'S REPORT

To the Members of Ridge-Meadows Minor Hockey Association

Report on the Financial Statements

Opinion

We have audited the financial statements of Ridge-Meadows Minor Hockey Association (the Association), which comprise the statement of financial position as at March 31, 2021, and the statements of revenues and expenditures 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, 2021, 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 the 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 relating 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:

(continues)

Independent Auditor's Report to the Members of Ridge-Meadows Minor Hockey Association *(continued)*

- 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.

Report on Other Legal and Regulatory Requirements

As required by the British Columbia Societies Act, we report that, in our opinion, the Society's financial statements have been prepared following Canadian accounting standards for not-for-profit organizations.

EPR

**EPR MAPLE RIDGE LANGLEY
CHARTERED PROFESSIONAL ACCOUNTANTS**

Maple Ridge, BC
October 12, 2021

RIDGE-MEADOWS MINOR HOCKEY ASSOCIATION
STATEMENT OF REVENUES AND EXPENDITURES
Year Ended March 31, 2021

	2021	2020
REVENUES		
A Player fees	\$ 125,428	\$ 183,635
Community gaming grant (Note 7)	100,000	100,000
Development income	59,880	65,148
Finance fees	550	4,450
Fundraising and donations	17,485	27,032
Jersey rentals	28,370	35,805
Merchandise sales	2,194	-
RMBA distributions	-	9,079
Registration fees	599,993	829,290
Tournament income	-	157,845
	933,900	1,412,284
EXPENSES		
Advertising and promotion	6,348	11,809
Amortization	57,071	60,736
Auditing fees	6,510	6,720
Bank charges	4,208	2,541
Bookkeeping	12,529	19,845
Coaching development	23,713	19,467
Conventions	1,427	6,175
Fundraising expenses (recoveries)	(3,357)	21,518
Hockey supplies	27,846	38,680
Ice rental	409,528	540,001
Insurance	37,329	36,913
Legal fees	3,870	1,930
Membership dues	53,947	57,660
Office and telephone	13,923	18,440
Player evaluation, development and coaching	150,511	121,306
Referees	24,043	106,126
Risk management	2,351	1,230
Scholarships	3,000	3,500
Tournament expense	-	112,053
Wages and benefits	121,130	217,864
	955,927	1,404,514
Excess (deficiency) of revenues over expenses from operations	(22,027)	7,770
Other income		
Canada Emergency Wage Subsidy (Note 8)	9,661	-
CEBA Grant (Note 8)	10,000	-
Interest income	1,130	-
	20,791	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	\$ (1,236)	\$ 7,770

See notes to financial statements

RIDGE-MEADOWS MINOR HOCKEY ASSOCIATION
STATEMENT OF CHANGES IN NET ASSETS
Year Ended March 31, 2021

	2021	2020
UNRESTRICTED NET ASSETS		
General Reserve		
Balance, beginning of year	\$ 319,856	\$ 303,787
Net surplus (deficit)	(1,236)	7,770
	318,620	311,557
Contribution to Jim Lindsay Memorial Scholarship	-	(3,538)
Transfer (to) from tangible capital replacement reserve	(28,370)	11,837
Balance, end of year	290,250	319,856
INTERNALLY RESTRICTED NET ASSETS		
Contingency Reserve		
Balance, beginning of year	138,385	133,806
Interest earned	1,090	1,041
Contribution to Jim Lindsay Memorial Scholarship	-	3,538
Balance, end of year	139,475	138,385
Tangible Capital Replacement Reserve		
Balance, beginning of year	(17,662)	(5,824)
Jersey rental fees	28,370	35,805
Capital equipment expenditures	-	(47,643)
Balance, end of year	10,708	(17,662)
Total Internally Restricted Net Assets	150,183	120,723
TOTAL NET ASSETS	\$ 440,433	\$ 440,579

See notes to financial statements

RIDGE-MEADOWS MINOR HOCKEY ASSOCIATION
STATEMENT OF CASH FLOWS
Year Ended March 31, 2021

	2021	2020
OPERATING ACTIVITIES		
excess (deficiency) of revenues over expenses	\$ (1,236)	\$ 7,770
Item not affecting cash:		
Amortization of tangible capital assets	57,071	60,736
	55,835	68,506
Changes in non-cash working capital:		
Accounts receivable	(435)	42,204
Prepaid expenses	(25,806)	(19,194)
Accounts payable and accrued liabilities	(1,595)	(17,033)
	(27,836)	5,977
Cash flow from operating activities	27,999	74,483
INVESTING ACTIVITIES		
Purchase of tangible capital assets	-	(48,279)
Transfer from unappropriated equity to appropriated	-	(3,538)
Cash flow used by investing activities	-	(51,817)
FINANCING ACTIVITY		
CEBA Loan	30,000	-
INCREASE IN CASH FLOW	57,999	22,666
Cash - beginning of year	153,905	131,239
CASH - END OF YEAR	\$ 211,904	\$ 153,905
CASH CONSISTS OF:		
Cash	\$ 114,030	\$ 56,905
Term deposits	97,874	97,000
	\$ 211,904	\$ 153,905

See notes to financial statements

RIDGE-MEADOWS MINOR HOCKEY ASSOCIATION
STATEMENT OF FINANCIAL POSITION
March 31, 2021

	2021	2020
ASSETS		
Current		
Cash	\$ 114,030	\$ 56,905
Term deposits	97,874	97,000
Accounts receivable	1,579	1,144
Prepaid expenses (Note 3)	45,000	19,194
	258,483	174,243
Tangible capital assets (Note 4)	90,136	147,207
Internally restricted deposits (Note 5)	139,475	138,385
	\$ 488,094	\$ 459,835
LIABILITIES		
Current		
Accounts payable and accrued liabilities	\$ 17,661	\$ 19,255
CEBA Loan (Note 8)	30,000	-
	47,661	19,255
NET ASSETS		
Unrestricted net assets	290,250	319,857
Internally restricted net assets	150,183	120,723
	440,433	440,580
	\$ 488,094	\$ 459,835

ON BEHALF OF THE BOARD

_____ Director

_____ Director

See notes to financial statements

RIDGE-MEADOWS MINOR HOCKEY ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

Year Ended March 31, 2021

PURPOSE AND NATURE OF THE ASSOCIATION

Ridge-Meadows Minor Hockey Association (the "Association") is a not-for-profit organization incorporated provincially under the Society Act of British Columbia. The Association encourages, promotes and conducts the sport of amateur hockey in the cities of Maple Ridge and Pitt Meadows, British Columbia.

1. BASIS OF PRESENTATION

The financial statements of the Association have been prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO) applied within the framework of the accounting policies summarized below.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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. 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.

Government grants are included in income when it is reasonably assured that the Association has complied with and will continue to comply with all the conditions of the grant.

Tangible Capital Assets and Amortization

Tangible capital assets are recorded at cost. Amortization is provided annually at rates calculated to write-off the assets over their estimated useful lives as follows:

Computer equipment	5 years	straight-line method
Furniture and equipment	5 years	straight-line method
Hockey equipment	5 years	straight-line method

Income taxes

The Association is exempt from Federal and Provincial income taxes.

Use of Estimates

The preparation of the Association's financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as at the date of the financial statements as well as reported amounts of revenues and expenses during the reported period. Actual results may differ from those estimates.

(continues)

RIDGE-MEADOWS MINOR HOCKEY ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
Year Ended March 31, 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial Instruments

Financial instruments of the Association consist of cash, accounts receivable, and accounts payable and accrued liabilities. The carrying amounts of these financial instruments approximate their fair value due to the immediate or short-term maturity of these financial instruments.

The Association recognizes its financial instruments when it becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at their fair value.

3. Prepaid Expenses

Prepaid expenses consist of a deposit made on jerseys for the 2021/22 hockey season.

4. TANGIBLE CAPITAL ASSETS

	Cost	Accumulated amortization	2021 Net book value	2020 Net book value
Computer equipment	\$ 3,927	\$ 3,816	\$ 111	\$ 461
Furniture and equipment	43,946	35,551	8,395	17,184
Hockey equipment	278,564	196,934	81,630	129,562
	\$ 326,437	\$ 236,301	\$ 90,136	\$ 147,207

RIDGE-MEADOWS MINOR HOCKEY ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
Year Ended March 31, 2021

5. INTERNALLY RESTRICTED DEPOSITS

The Association has allocated funds for future contingencies and scholarships. The Association may not make use of these internally restricted amounts for any other purposes without the approval of the Board of Directors.

	2021	2020
Cash to be held for future contingencies. Requires authorization of an Annual General Meeting for expenditure.	\$ 124,119	\$ 123,029
Cash to be held for future Scholarship Fund. This fund is used to award two annual scholarships of \$1,000 each to a minor hockey player graduating from high school and advancing to post secondary school.	7,374	7,374
Cash to be held for The RMMHA Jim Lindsay Memorial Scholarship Fund. This fund is used to award one annual scholarship of \$1,500 to a minor hockey player graduating from high school and advancing to post secondary school.	7,982	7,982
	\$ 139,475	\$ 138,385

6. TANGIBLE CAPITAL REPLACEMENT RESERVE

During the year ended March 31, 2016, the Board created a Tangible Capital Replacement Reserve. The purpose of this fund is to set aside revenue from registration fees for hockey equipment replacement.

The Tangible Capital Replacement Reserve is created from jersey rental fees charged to participants in the year. From this fund, future equipment purchases are to be deducted.

7. COMMUNITY GAMING GRANT REVENUE

The Association received a Community Gaming Grant of \$100,000 (2020 \$100,000) from the Province of British Columbia. This grant is directed to be used to assist with costs for ice rentals, development providers and other costs essential to program delivery. It is conditional upon submission of a successful grant application and available funding from the Community Gaming Grant Program.

RIDGE-MEADOWS MINOR HOCKEY ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
Year Ended March 31, 2021

8. GOVERNMENT GRANTS

As a result of the impacts of COVID-19 on businesses the government has created many subsidy and grant programs to support businesses and employees. The Association participated in the following programs in the year:

Canada Emergency Wage Subsidy

The Canada Emergency Wage Subsidy is a program available to eligible Canadian employers which have incurred a decrease in revenues since March 2020. The Association has received \$9,661 in income from the Canada Emergency Wage Subsidy.

CEBA Loan

The CEBA program provides interest-free loans to small businesses and not-for-profits with no repayment terms until December 31, 2022. Where all terms are met and repayment is made before December 31, 2022, \$10,000 of the loan will be forgiven. The Association received a \$40,000 CEBA loan during the year. The Association expects to repay the amount prior to the deadline, as such the forgivable portion of \$10,000 has been recorded as income.

9. CAPITAL DISCLOSURE

The Association defines its capital as the amounts included in its net asset balances.

The Association's objective when managing its capital is to safeguard the Association's ability to continue as a going concern so that it can continue to provide the appropriate level of benefits and services to the communities of Maple Ridge and Pitt Meadows through its amateur hockey programs.

10. REMUNERATION PAID

During the year, the Society paid wages of \$82,350 to one employee who was paid in excess of \$75,000.

11. RISK MANAGEMENT

It is management's opinion that the Association is not exposed to significant interest rate, credit, liquidity or other price risks arising from their financial instruments except as otherwise disclosed.

12. COMPARATIVE FIGURES

Certain balances of the preceding period have been reclassified to conform with the current year's financial statement presentation.

RIDGE-MEADOWS MINOR HOCKEY ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
Year Ended March 31, 2021

13. COVID-19

Since December 31, 2019, the outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and continued impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the continued impact on the financial results and condition of the Association.