

**RIDGE-MEADOWS MINOR HOCKEY ASSOCIATION**  
**FINANCIAL STATEMENTS**  
**Year Ended March 31, 2023**

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## INDEPENDENT AUDITOR'S REPORT

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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, 2023, and the statements of revenues and expenditures and cash flow 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, 2023, and the results of its operations and cash flow 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 association in accordance with 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 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.

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

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.

*Report on Other Legal and Regulatory Requirements*

As required by the Societies Act of British Columbia, we report that, in our opinion, the accounting policies applied in preparing and presenting the financial statements in accordance with Canadian Accounting Standards for Not-for-profit Organizations have been applied on a basis consistent with that of the preceding year.

*Empire CPA*

**EMPIRE, CHARTERED PROFESSIONAL ACCOUNTANTS**

Maple Ridge, BC  
January 10, 2024

**RIDGE-MEADOWS MINOR HOCKEY ASSOCIATION**  
**STATEMENT OF REVENUES AND EXPENDITURES**  
**Year Ended March 31, 2023**

	2023	2022
<b>REVENUES</b>		
A Player fees	\$ 264,647	\$ 219,861
Community gaming grant <i>(Note 7)</i>	100,000	100,000
Development income	104,625	95,718
Fundraising and donations	65,679	46,444
Jersey rentals	35,805	35,805
Registration fees	885,001	743,415
Tournament income	231,261	55,300
	1,687,018	1,296,543
<b>EXPENDITURES</b>		
Advertising and promotion	8,966	7,122
Amortization	52,328	56,340
Auditing fees	7,875	6,825
Bank charges	7,657	4,853
Bookkeeping	17,199	16,065
Coaching development	3,581	75
Conventions	7,566	3,093
Fundraising expenses	14,377	1,499
Hockey supplies	32,320	19,966
Ice rental	695,055	585,274
Insurance	35,919	37,887
Legal fees	5,106	4,803
Membership dues	67,595	27,724
Office	22,145	24,191
Player evaluation, development and coaching	223,766	210,132
Referees	141,852	94,631
Scholarships	2,000	1,000
Tournament expenses	145,332	38,290
Wages and benefits	163,457	167,878
	1,654,096	1,307,648
<b>Excess (deficiency) of revenues over expenditures from operations</b>	<b>32,922</b>	<b>(11,105)</b>
<b>Other income</b>		
Canada Emergency Business Account <i>(Note 10)</i>	-	10,000
Interest income	2,320	196
	2,320	10,196
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>\$ 35,242</b>	<b>\$ (909)</b>

See notes to financial statements

**RIDGE-MEADOWS MINOR HOCKEY ASSOCIATION**  
**STATEMENT OF CHANGES IN NET ASSETS**  
**Year Ended March 31, 2023**

	2023	2022
<b>UNRESTRICTED NET ASSETS</b>		
<b>General Reserve</b>		
Balance, beginning of year	\$ 253,536	\$ 290,250
Excess (deficiency) of revenues over expenditures	35,242	(909)
	288,778	289,341
Transfer to tangible capital replacement reserve	(35,805)	(35,805)
<b>Balance, end of year</b>	<b>252,973</b>	<b>253,536</b>
<b>INTERNALLY RESTRICTED NET ASSETS</b>		
<b>Contingency Reserve</b>		
Balance, beginning of year	139,691	139,475
Interest earned	1,666	216
<b>Balance, end of year</b>	<b>141,357</b>	<b>139,691</b>
<b>Tangible Capital Replacement Reserve</b>		
Balance, beginning of year	46,513	10,708
Jersey rental fees	35,805	35,805
<b>Balance, end of year</b>	<b>82,318</b>	<b>46,513</b>
<b>Total Internally Restricted Net Assets</b>	<b>223,675</b>	<b>186,204</b>
<b>TOTAL NET ASSETS</b>	<b>\$ 476,648</b>	<b>\$ 439,740</b>

See notes to financial statements

**RIDGE-MEADOWS MINOR HOCKEY ASSOCIATION**  
**STATEMENT OF CASH FLOWS**  
**Year Ended March 31, 2023**

	2023	2022
<b>OPERATING ACTIVITIES</b>		
Excess (deficiency) of revenues over expenditures	\$ 35,242	\$ (909)
Item not affecting cash:		
Amortization of tangible capital assets	52,328	56,340
	87,570	55,431
Changes in non-cash working capital:		
Accounts receivable	11,028	(9,449)
Prepaid expenses	-	45,000
Accounts payable and accrued liabilities	(51,793)	47,438
	(40,765)	82,989
Cash flow from operating activities	46,805	138,420
<b>INVESTING ACTIVITY</b>		
Purchase of tangible capital assets	(27,522)	(98,655)
<b>FINANCING ACTIVITY</b>		
Canada Emergency Business Account		10,000
<b>INCREASE IN CASH FLOW</b>	19,283	49,765
Cash - beginning of year	261,669	211,904
<b>CASH - END OF YEAR</b>	\$ 280,952	\$ 261,669
<b>CASH CONSISTS OF:</b>		
Cash	\$ 105,010	\$ 261,669
Term deposits	175,942	-
	\$ 280,952	\$ 261,669

**RIDGE-MEADOWS MINOR HOCKEY ASSOCIATION**  
**STATEMENT OF FINANCIAL POSITION**  
**March 31, 2023**

	2023	2022
<b>ASSETS</b>		
Current		
Cash	\$ 105,010	\$ 261,669
Term deposits (Note 3)	175,942	-
Accounts receivable	-	11,028
	280,952	272,697
Tangible capital assets (Note 4)	107,645	132,450
Internally restricted deposits (Note 5)	141,357	139,691
	\$ 529,954	\$ 544,838
<b>LIABILITIES AND NET ASSETS</b>		
Current		
Accounts payable and accrued liabilities	\$ 13,306	\$ 65,098
Canada Emergency Business Account (Note 10)	40,000	-
	53,306	65,098
Canada Emergency Business Account (Note 10)	-	40,000
	53,306	105,098
<b>NET ASSETS</b>		
Unrestricted net assets	252,973	253,536
Internally restricted net assets	223,675	186,204
	476,648	439,740
	\$ 529,954	\$ 544,838

**APPROVED BY THE DIRECTORS**

*Derek Dudulec*

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Director

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Director

See notes to financial statements

# RIDGE-MEADOWS MINOR HOCKEY ASSOCIATION

## NOTES TO FINANCIAL STATEMENTS

Year Ended March 31, 2023

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### 1. 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.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations set out in Part III of the CPA Canada Handbook - Accounting, as issued by the Accounting Standards Board in Canada, and include the following 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.

Interest income on short-term investments is recorded on an accrual basis.

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.

Tournament, development, registration and jersey rental income are recognized as they are earned in accordance to their applicable registration periods.

#### Tangible capital assets

Tangible capital assets and amortization is stated at cost or deemed cost less accumulated amortization and is amortized over its estimated useful life at the following rates and methods:

Computer equipment	55%	declining balance method
Furniture and equipment	20%	declining balance method
Hockey equipment	20%	declining balance method

The association regularly reviews its tangible capital assets and amortization to eliminate obsolete items. Government grants are treated as a reduction of tangible capital assets and amortization cost.

Tangible capital assets and amortization acquired during the year but not placed into use are not amortized until they are placed into use.

#### 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.

#### Income taxes

The Association is exempt from Federal and Provincial income taxes.

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**RIDGE-MEADOWS MINOR HOCKEY ASSOCIATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**Year Ended March 31, 2023**

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

**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.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of tangible capital assets.

By their nature, these judgments are subject to measurements uncertainty, and the effect on the financial statements of changes in such estimates and assumptions in future years could be material. These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in excess of revenues over expenses in the years in which they become known.

**Financial instruments**

Financial instruments of the Association consist of cash, accounts receivable, accounts payable and accrued liabilities, and long term debt. 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.

**Financial asset impairment**

The Association assesses impairment of all its financial assets measured at cost or amortized cost. The Association groups assets for impairment testing when available information is not sufficient to permit identification of each individually impaired financial asset in the group. Management considers whether the issuer is having significant financial difficulty; whether there has been a breach in contract, such as a default or delinquency in interest or principal payments etc. in determining whether it has resulted in a significant adverse change in the expected timing or amount of future cash flows during the year.

Any impairment, which is not considered temporary, is included in current year excess of revenue over expenses.

The Association reverses impairment losses on financial assets when there is a decrease in impairment and the decrease can be objectively related to an event occurring after the impairment loss was recognized. The amount of the reversal is recognized in excess of revenue over expenses in the year the reversal occurs.

**3. TERM DEPOSITS**

Term deposits consist of guaranteed investment certificates earning fixed interest of 2.56% that matured September 2023.

**RIDGE-MEADOWS MINOR HOCKEY ASSOCIATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**Year Ended March 31, 2023**

**4. TANGIBLE CAPITAL ASSETS**

	Cost	Accumulated amortization	2023 Net book value	2022 Net book value
Furniture and equipment	\$ 19,000	\$ 18,900	\$ 100	\$ 2,100
Hockey equipment	272,399	164,854	107,545	130,350
	\$ 291,399	\$ 183,754	\$ 107,645	\$ 132,450

**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.

	2023	2022
Cash to be held for future contingencies. Requires authorization of an Annual General Meeting for expenditure.	\$ 127,715	\$ 124,335
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.	6,268	7,982
	\$ 141,357	\$ 139,691

**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.

**7. COMMUNITY GAMING GRANT REVENUE**

The Association received a Community Gaming Grant of \$100,000 (2022 - \$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, 2023**

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**8. REMUNERATION PAID**

During the year, the Association paid wages of \$95,600 to one employee (2022 - \$85,600 to one employee) who was paid in excess of \$75,000.

**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. CANADA EMERGENCY BUSINESS ACCOUNT**

The Canada Emergency Business Account (CEBA) loan is interest free if repaid by January 18, 2024 and the Government of Canada will forgive 33%, up to \$20,000, of the loan amount if repaid on time. The estimated repayable amount has been reflected in the financial statements as a liability with \$20,000 of the forgivable amount being reported as other income in previous years. If the Association is unable to payback the CEBA loan by January 18, 2024, the entire \$60,000 will be converted into a two year term loan with interest at 5%. There will be no forgivable portion if the CEBA loan is repaid after January 18, 2024. The CEBA loan was presented as a long term liability in 2022.

**11. FINANCIAL INSTRUMENTS**

Financial instruments of the Association consist of cash, accounts receivable, accounts payable and accrued liabilities, and long term debt. 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.

**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's main credit risk relates to its accounts receivable. The Association assesses the credit worthiness of the entities comprising amounts receivable, and provide allowances for amounts potentially uncollectible.

**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. In seeking to minimize the risks from interest rate fluctuations, the Association manages exposure through investing in Guaranteed Investment Certificates (GICs) with fixed interest rates.

**RIDGE-MEADOWS MINOR HOCKEY ASSOCIATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**Year Ended March 31, 2023**

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**12. COMPARATIVE FIGURES**

Some of the comparative figures have been reclassified to conform to the current year's presentation. Player summer development training expense has been reclassified from referees to player evaluation, development and coaching. First aid expense has been reclassified to office expenses.