
NEPEAN MINOR HOCKEY ASSOCIATION

FINANCIAL STATEMENTS

MAY 31, 2009



CHARTERED ACCOUNTANT

AUDITOR'S REPORT

To the Members of the
Nepean Minor Hockey Association:

I have audited the statement of financial position of The Nepean Minor Hockey Association as at May 31, 2009 and the statements of revenue, expenses and net assets and cash flows for the year then ended. These financial statements are the responsibility of the Association's management. My responsibility is to express an audit opinion on these financial statements based on my audit.

Except as explained in the following paragraph, I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In common with many similar organizations, the Association derives revenue from fundraising activities, the completeness of which is not susceptible of satisfactory audit verification. Accordingly, my verification of these fundraising activities was limited to the amounts recorded in the records of the Association and I was not able to determine whether any adjustments might be necessary to net fundraising activities, assets and net assets.

In my opinion, except for the effect of adjustments, if any, which I might have determined to be necessary had I been able to satisfy myself concerning the completeness of the revenues referred to in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of the Association as at May 31, 2009 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Thomas Foran

Thomas Foran FCA, Licenced Public Accountant

Ottawa, Ontario
August 5, 2010

NEPEAN MINOR HOCKEY ASSOCIATION
STATEMENT OF FINANCIAL POSITION
AS AT MAY 31, 2009

	Operating Fund	2009 Other Funds (Note 4)	Total	2008 Total
	\$	\$	\$	\$
Assets				
Current				
Cash	517,221	-	517,221	267,698
Short term investment (note 3)	32,906	-	32,906	32,477
Accounts receivable	30,457	-	30,457	-
Prepaid expenses	27,739	-	27,739	796
Inventory	15,614	-	15,614	25,588
Interfund loans	(45,890)	45,890	-	-
	578,047	45,890	623,937	326,559
Capital				
Office equipment and software	-	45,222	45,222	42,387
Leasehold improvements	-	33,837	33,837	33,837
	-	79,059	79,059	76,224
Less: accumulated amortization	-	76,619	76,619	68,827
	-	2,440	2,440	7,397
	578,047	48,330	626,377	333,956
Liabilities				
Accounts payable	17,271	-	17,271	17,860
Employee taxes payable	1,911	-	1,911	1,962
Deferred revenue	613,122	-	613,122	359,702
Deferred Trillium Grant Funding	15,263	-	15,263	-
	647,567	-	647,567	379,524
Net assets	<u>(69,520)</u>	<u>48,330</u>	<u>(21,190)</u>	<u>(45,568)</u>
Represented by				
Operating fund	(69,520)	-	(69,520)	(60,928)
Other funds (note 4)				
Invested in capital assets	-	2,440	2,440	7,397
Charlie Conacher fund	-	2,457	2,457	2,424
Internally restricted sweater fund	-	43,433	43,433	5,539
	<u>(69,520)</u>	<u>48,330</u>	<u>(21,190)</u>	<u>(45,568)</u>

_____, *President*

_____, *Vice-President*

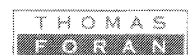
(See accompanying notes to the financial statements)



NEPEAN MINOR HOCKEY ASSOCIATION
STATEMENT OF REVENUE, EXPENSES AND NET ASSETS
FOR THE YEAR ENDED MAY 31, 2009

	Operating Fund	2009	Total	2008
		Other Funds (Note 4)		Total
	\$	\$	\$	\$
Revenue				
Registration	1,304,284	-	1,304,284	888,981
Ice rentals	119,231	-	119,231	355,604
Tournaments	52,536	-	52,536	49,578
Raiders equipment	4,640	-	4,640	3,860
Team sponsor contributions	11,300	-	11,300	20,800
Interest	428	33	461	1,145
Camps, clinics and tryouts	183,978	-	183,978	205,107
Miscellaneous	22,554	-	22,554	34,691
	1,698,951	33	1,698,984	1,559,766
Expenses				
Ice rental (note 6)	937,195	-	937,195	924,737
Tournaments	2,280	-	2,280	1,760
Referees and timekeepers	189,742	-	189,742	192,576
Office and administration	77,750	-	77,750	80,935
Players' equipment	33,064	27,106	60,170	199,991
Insurance	84,380	-	84,380	87,662
Team registration fees	32,983	-	32,983	32,074
Clinics and camps	103,934	-	103,934	83,132
Development program	28,427	-	28,427	34,492
Year-end awards	20,105	-	20,105	18,442
Coaches and trainers	6,182	-	6,182	2,636
Coach development	55,674	-	55,674	32,371
Player assistance	1,116	-	1,116	3,003
Legal, audit and accounting	12,543	-	12,543	11,711
Executive and general meetings	10,912	-	10,912	8,810
Amortization	-	7,791	7,791	7,034
Equipment room rent	14,517	-	14,517	12,828
Miscellaneous	28,081	-	28,081	18,012
	1,638,885	34,897	1,673,782	1,752,206
Income (loss) from operations	60,066	(34,864)	25,202	(192,440)
Fundraising activities - net of costs	(824)	-	(824)	2,327
Excess (deficiency) of revenues over expenses for the year	59,242	(34,864)	24,378	(190,113)
Net assets (deficit), beginning of the year	(60,928)	15,360	(45,568)	144,545
	(1,686)	(19,504)	(21,190)	(45,568)
Transfers between funds				
Purchase of capital assets	(2,834)	2,834	-	-
Transfer to the sweater fund	(65,000)	65,000	-	-
Net assets (deficit), end of the year	(69,520)	48,330	(21,190)	(45,568)

(See accompanying notes to the financial statements)



NEPEAN MINOR HOCKEY ASSOCIATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MAY 31, 2009

	Operating Fund	2009 Other Funds (Note 4)	Total	2008 Total
	\$	\$	\$	\$
Cash provided by (used in) operating operating activities				
Excess (deficiency) of revenue over expenses for the year	59,242	(34,864)	24,378	(190,113)
Non-cash expense-amortization	-	7,791	7,791	7,034
Change in non-cash working capital amounts				
Accounts receivable	(30,457)	-	(30,457)	5,971
Prepaid expenses	(26,943)	-	(26,943)	(401)
Inventory	9,974	-	9,974	11,491
Accounts payable	(589)	-	(589)	3,881
Taxes payable	(51)	-	(51)	(60)
Deferred revenue	253,420	-	253,420	127,418
Deferred Trillium Grant funding	15,263	-	15,263	-
Interfund loans	(29,907)	29,907	-	-
	249,952	2,834	252,786	(34,779)
Cash provided by (used in) investing activities:				
Purchase of capital assets	-	(2,834)	(2,834)	(725)
	-	(2,834)	(2,834)	(725)
Increase (decrease) in cash and cash equivalents during the year	249,952	-	249,952	(35,504)
Cash and cash equivalents, beginning of the year	300,175	-	300,175	335,679
Cash and cash equivalents, end of the year	550,127	-	550,127	300,175
Cash and cash equivalents:				
Cash	517,221	-	517,221	267,698
Short term investment	32,906	-	32,906	32,477
	550,127	-	550,127	300,175
Supplemental information				
Interest received	-	428	428	1,075

(See accompanying notes to the financial statements)

NEPEAN MINOR HOCKEY ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

MAY 31, 2009

1. Nature of operations

The Association is incorporated as a non-profit organization under The Corporations Act of Ontario. As such it is exempt from income taxes.

It is one of the largest hockey associations in Canada, with over 2,900 children playing in Initiation, House League and Competitive divisions. The objective of the Association is to foster and encourage the sport of minor hockey throughout the former City of Nepean (now part of Ottawa).

2. Significant accounting principles

The Association adheres to the following accounting policies:

(a) Office equipment and software

Office equipment and software is recorded at cost on the statement of financial position. Amortization is calculated using the straight-line method over two years.

(b) Leasehold improvements

Leasehold improvements are recorded at cost on the statement of financial position. Amortization is calculated using the straight-line method over five years.

(c) Hockey equipment

Hockey equipment is expensed in the year of acquisition.

(d) Fundraising activities

Fundraising activities from Bingo and raffle ticket sales are kept in a separate bank account, which on these financial statements, is included in the assets of the operating fund.

(e) Deferred revenue

The deferred revenue consists of amounts received during the year, mainly registration fees, which pertain to the next fiscal year.

(f) Inventory

Inventory consists of items held for resale. These are valued at the lower of actual cost, determined on a specific identification basis, and net realizable value.

(g) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and balances with banks, and investments in money market instruments. Amounts are reported at their market value.

(h) Use of estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.

The significant areas that require the use of estimates includes the estimated useful life of capital assets for the purposes of calculating the amortization expense.

NEPEAN MINOR HOCKEY ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

MAY 31, 2009

3. Financial instruments

The Association's financial instruments consist of cash, accounts receivable, short term investment and accounts payable. Unless otherwise noted, it is management's opinion that the Association is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these financial instruments approximates their carrying values, unless otherwise noted.

The investment consists of monies held in a Scotia Premium T-Bill Fund.

4. Other funds

a) Net assets invested in capital

The change in net assets invested in capital assets is as following:

	2009	2008
	\$	\$
Balance, beginning of the year	7,397	13,706
Capital assets purchased during the year	2,834	725
Amortization expense	(7,791)	(7,034)
Balance, end of the year	<u>2,440</u>	<u>7,397</u>

b) Charlie Conacher fund

The Association is the trustee of The Charlie Conacher Fund. The purpose of the fund is to finance projects, not operations, at the discretion of the Board. The activity in this account, during the year, is as follows:

	2009	2008
	\$	\$
Balance, beginning of the year	2,424	2,354
Interest	33	70
Balance, end of the year	<u>2,457</u>	<u>2,424</u>

c) Internally restricted sweater fund

The changes in the internally restricted sweater fund are as follows:

	2009	2008
	\$	\$
Balance, beginning of the year	5,539	163,251
Transfer to the sweater fund from the operating fund	65,000	-
Purchase of sweaters during the year	(27,106)	(157,712)
Balance, end of the year	<u>43,433</u>	<u>5,539</u>

NEPEAN MINOR HOCKEY ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

MAY 31, 2009

5. Deferred Trillium Grant Funding

During the year the Association received a grant from the Trillium Foundation of \$19,000. During the fiscal year the Association used \$3,737; \$2,237 for the purchase of capital assets and \$1,500 in coaching development. The remainder of the funds, \$15,263, is reported as deferred funding on the statement of financial position as at May 31, 2009.

6. Ice rental

The Association rents the most significant portion of its ice time from the City of Ottawa.

7. Volunteer services

The activities of the Association are dependent upon the voluntary services of many of its members. No amounts are reflected in the financial statements for these contributed services since there is no objective basis available to measure the value of these services.

8. Commitment

The Association and another company had entered into an arrangement to share office space. Under this arrangement the two parties had jointly entered into an operating lease with a landlord for a period of five years commencing August 1, 2004, the final payment being July 2009. The joint lease commitment was for \$13,008 per annum plus operating costs, which are estimated to be approximately \$7,805 per annum. The Association's share of the costs is approximately 57%.

The Association has entered into a new three year agreement to sublet premises from May 1, 2010 to April 30, 2013. The annual base rent is approximately \$7,600 plus applicable taxes. Additionally the Association is to pay for its share of the operating costs, billed to the Association on a monthly basis.