
NEPEAN MINOR HOCKEY ASSOCIATION

FINANCIAL STATEMENTS

MAY 31, 2007

THOMAS
FORAN



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, 2007 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 net 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, 2007 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
February 1, 2008

NEPEAN MINOR HOCKEY ASSOCIATION
STATEMENT OF FINANCIAL POSITION
AS AT MAY 31, 2007

	2007		2006	
	Operating Fund	Other Funds (Note 4)	Total	Total
	\$	\$	\$	\$
Assets				
Current				
Cash	304,276	-	304,276	75,416
Investments	31,403	-	31,403	30,293
Accounts receivable	5,971	-	5,971	481
Prepaid expenses	395	-	395	4,055
Inventory	37,079	-	37,079	20,384
Interfund loans	(165,605)	165,605	-	-
	<u>213,519</u>	<u>165,605</u>	<u>379,124</u>	<u>130,629</u>
Capital				
Office equipment and software	-	41,662	41,662	41,320
Leasehold improvements	-	33,837	33,837	33,837
	-	75,499	75,499	75,157
Less: accumulated amortization	-	61,793	61,793	54,775
	-	13,706	13,706	20,382
	<u>213,519</u>	<u>179,311</u>	<u>392,830</u>	<u>151,011</u>
Liabilities				
Accounts payable	13,979	-	13,979	12,206
Employee taxes payable	2,022	-	2,022	1,186
Deferred revenue	232,284	-	232,284	32,260
	<u>248,285</u>	<u>-</u>	<u>248,285</u>	<u>45,652</u>
Net assets	(34,766)	179,311	144,545	105,359
Represented by				
Operating fund	(34,766)	-	(34,766)	(19,840)
Other funds (note 4)				
Invested in capital assets	-	13,706	13,706	20,382
Charlie Conacher fund	-	2,354	2,354	2,310
Internally restricted sweater fund	-	163,251	163,251	102,507
	<u>(34,766)</u>	<u>179,311</u>	<u>144,545</u>	<u>105,359</u>

_____, *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, 2007

	2007		2006	
	Operating Fund	Other Funds (Note 4)	Total	Total
	\$	\$	\$	\$
Revenue				
Registration	811,294	-	811,294	779,202
Ice rentals	346,875	-	346,875	333,826
Tournaments	47,863	-	47,863	38,060
Raiders equipment & cost revenue	4,420	-	4,420	5,120
Team sponsor contributions	18,405	-	18,405	9,925
Interest	1,110	44	1,154	786
Camps, clinics and tryouts	154,986	-	154,986	133,777
Miscellaneous	33,893	-	33,893	38,709
	<u>1,418,846</u>	<u>44</u>	<u>1,418,890</u>	<u>1,339,405</u>
Expenses				
Ice rental (note 5)	789,160	-	789,160	726,342
Tournaments	680	-	680	2,324
Referees and timekeepers	177,484	-	177,484	162,995
Office and administration	64,992	-	64,992	63,742
Players' equipment	32,491	4,255	36,746	106,579
Insurance	86,777	-	86,777	73,093
Team registration fees	35,908	-	35,908	40,563
Clinics and camps	52,868	-	52,868	54,799
Development program	22,834	-	22,834	15,548
Year-end awards	16,713	-	16,713	17,719
Coaches and trainers	1,992	-	1,992	1,036
Coach development	31,750	-	31,750	10,000
Player assistance	2,005	-	2,005	2,636
Legal, audit and accounting	12,234	-	12,234	13,224
Executive and general meetings	15,496	-	15,496	9,805
Amortization	-	7,019	7,019	8,847
Equipment room rent	13,167	-	13,167	12,564
Miscellaneous	19,290	-	19,290	29,701
	<u>1,375,841</u>	<u>11,274</u>	<u>1,387,115</u>	<u>1,351,517</u>
Income (loss) from operations	43,005	(11,230)	31,775	(12,112)
Fundraising activities - net of costs	7,411	-	7,411	11,270
Excess (deficiency) of revenues over expenses for the year	50,416	(11,230)	39,186	(842)
Net assets, beginning of the year	(19,840)	125,199	105,359	106,201
	30,576	113,969	144,545	105,359
Purchase of capital assets	(342)	342	-	-
Interfund transfer to sweater fund	(65,000)	65,000	-	-
Net assets, end of the year	<u>(34,766)</u>	<u>179,311</u>	<u>144,545</u>	<u>105,359</u>

(See accompanying notes to the financial statements)

NEPEAN MINOR HOCKEY ASSOCIATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MAY 31, 2007

	2007		2006	
	Operating Fund	Other Funds (Note 4)	Total	Total
	\$	\$	\$	\$
Cash provided by (used in) operating operating activities				
Excess (deficiency) of revenue over expenses for the year	50,416	(11,230)	39,186	(842)
Non-cash expense-amortization	-	7,019	7,019	8,847
Change in non-cash working capital amounts				
Accounts receivable	(5,490)	-	(5,490)	3,283
Prepaid expenses	3,660	-	3,660	(3,245)
Inventory	(16,695)	-	(16,695)	6,689
Accounts payable	1,773	-	1,773	(13,935)
Taxes payable	836	-	836	(68)
Deferred revenue	200,024	-	200,024	27,125
Equipment deposits	-	-	-	(1,000)
Interfund loans	(4,554)	4,554	-	-
	229,970	343	230,313	26,854
Cash provided by (used in) investing activities:				
Purchase of capital assets	-	(343)	(343)	(160)
	-	(343)	(343)	(160)
Increase (decrease) in cash and cash equivalents during the year	229,970	-	229,970	26,694
Cash and cash equivalents, beginning of the year	105,709	-	105,709	79,015
Cash and cash equivalents, end of the year	335,679	-	335,679	105,709
Cash and cash equivalents:				
Cash	304,276	-	304,276	75,416
Investments	31,403	-	31,403	30,293
	335,679	-	335,679	105,709

(See accompanying notes to the financial statements)

NEPEAN MINOR HOCKEY ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

MAY 31, 2007

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 2,600 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 balance sheet. Amortization is calculated using the straight-line method over two years.

(b) Leasehold improvements

Leasehold improvements are recorded at cost on the balance sheet. Amortization is calculated using the straight-line method over five years.

(c) Hockey equipment

Hockey equipment, including sweaters, is expensed in the year of acquisition.

(d) Fundraising activities

Fundraising activities from Bingo and raffle ticket sales are kept in separate funds.

(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 cost 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.

3. Financial instruments

The Association's financial instruments consist of cash, accounts receivable, temporary investments 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.

NEPEAN MINOR HOCKEY ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

MAY 31, 2007

4. Other funds

a) Net assets invested in capital

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

	2007	2006
	\$	\$
Balance, beginning of the year	20,382	29,069
Capital assets purchased	343	160
Amortization expense	(7,019)	(8,847)
Balance, end of the year	<u>13,706</u>	<u>20,382</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:

	2007	2006
	\$	\$
Balance, beginning of the year	2,310	2,266
Interest	44	44
Balance, end of the year	<u>2,354</u>	<u>2,310</u>

c) Internally restricted sweater fund

The change in the internally restricted sweater fund is as following:

	2007	2006
	\$	\$
Balance, beginning of the year	102,507	120,000
Interfund transfer to sweater fund	65,000	65,000
Purchase of sweaters	(4,256)	(82,493)
Balance, end of the year	<u>163,251</u>	<u>102,507</u>

NEPEAN MINOR HOCKEY ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

MAY 31, 2007

5. Ice rental

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

6. 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.

7. Commitments

The Association and another company have entered into an arrangement to share office space. Under this arrangement the two parties have jointly entered into an operating lease with a landlord for a period of five years commencing August 1, 2004. The joint lease commitment is 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%.