

Minor Hockey Association of Calgary
o/a Hockey Calgary
Financial Statements
June 30, 2025

Independent Auditors Report

To: The Members of **Minor Hockey Association of Calgary**

Opinion

We have audited the financial statements of **Minor Hockey Association of Calgary** (the "Association"), which comprise the statement of financial position as at **June 30, 2025**, and the statements of operations, 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 June 30, 2025, 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 Auditors 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.

Auditors 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 auditors' 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 judgement 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.

Independent Auditors Report (continued)

- 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 auditors' 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 auditors 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

September 16, 2025
Calgary, Alberta

Minor Hockey Association of Calgary
o/a Hockey Calgary
Statement of Financial Position

| As at June 30, | 2025 | 2024 |
|--|---------------------|---------------------|
| Assets | | |
| Current assets | | |
| Cash | \$ 225,412 | \$ 396,247 |
| AGLC restricted cash | 4,711 | 4,435 |
| Accounts receivable | 29,960 | 24,516 |
| Short-term investments (note 4) | 2,491,674 | 2,573,007 |
| Inventory | 7,004 | - |
| Prepaid expenses | 121,739 | 52,889 |
| | <u>2,880,500</u> | <u>3,051,094</u> |
| Externally restricted cash | - | 85,398 |
| Externally restricted investments (note 4) | - | 1,521,948 |
| Internally restricted investments (note 4) | 463,602 | 500,000 |
| Capital assets (note 5) | 69,493 | 37,571 |
| Intangible asset (note 6) | 4,600,000 | 2,800,000 |
| | <u>\$ 8,013,595</u> | <u>\$ 7,996,011</u> |
| Liabilities and Net Assets | | |
| Current liabilities | | |
| Accounts payable and accrued liabilities | \$ 61,690 | \$ 317,369 |
| Deferred revenue | 240 | 7,100 |
| | <u>61,930</u> | <u>324,469</u> |
| Restricted contributions - Access to the Game | 116,913 | 85,398 |
| Restricted contributions - Future projects (note 7) | - | 1,521,948 |
| | <u>178,843</u> | <u>1,931,815</u> |
| Contractual obligations (note 8) | | |
| Net assets | | |
| Unrestricted | 2,701,657 | 2,726,625 |
| Internally restricted (note 4) | 463,602 | 500,000 |
| Invested in capital assets | 69,493 | 37,571 |
| Invested in intangible asset | 4,600,000 | 2,800,000 |
| | <u>7,834,752</u> | <u>6,064,196</u> |
| | <u>\$ 8,013,595</u> | <u>\$ 7,996,011</u> |

Approved by the Board



Director



Director

See accompanying notes to the financial statements

Minor Hockey Association of Calgary
o/a Hockey Calgary
Statement of Operations

| For the year ended June 30, | 2025 | 2024 |
|--|------------------|-------------------|
| Revenues | | |
| Operations | \$ 5,594,414 | \$ 5,400,998 |
| Member services | 2,216,325 | 2,080,344 |
| Events | 317,202 | 365,973 |
| Development | 267,807 | 242,511 |
| Administration | 127,653 | 141,631 |
| Marketing | 32,350 | 9,450 |
| Funding | 21,783 | 102,425 |
| | <u>8,577,534</u> | <u>8,343,332</u> |
| Expenses | | |
| Operations | 5,557,376 | 5,323,259 |
| Member services | 1,133,709 | 1,039,988 |
| Administration | 850,761 | 857,542 |
| Events | 629,891 | 605,364 |
| Development | 355,958 | 276,728 |
| Marketing | 33,328 | 57,723 |
| Funding | 9,557 | 8,155 |
| | <u>8,570,580</u> | <u>8,168,759</u> |
| Excess of revenue over expenses | <u>\$ 6,954</u> | <u>\$ 174,573</u> |

See accompanying notes to the financial statements

Minor Hockey Association of Calgary
o/a Hockey Calgary
Statement of Changes in Net Assets

For the year ended June 30,

2025

| | Unrestricted | Internally restricted - Access to the Game | Invested in capital assets | Invested in intangible assets | Total |
|---|---------------------|---|-------------------------------|-------------------------------------|---------------------|
| Balance, beginning of year | \$ 2,726,625 | \$ 500,000 | \$ 37,571 | \$ 2,800,000 | \$ 6,064,196 |
| Excess (deficiency) of revenues over expenses | 22,405 | - | (15,451) | - | 6,954 |
| Invested in capital assets | (47,373) | - | 47,373 | - | - |
| Invested in intangible assets | - | (36,398) | - | 1,800,000 | 1,763,602 |
| Balance, end of year | \$ 2,701,657 | \$ 463,602 | \$ 69,493 | \$ 4,600,000 | \$ 7,834,752 |

2024

| | Unrestricted | Internally restricted - Access to the Game | Invested in capital assets | Invested in intangible assets | Total |
|---|---------------------|---|-------------------------------|-------------------------------------|---------------------|
| Balance, beginning of year | \$ 2,513,846 | \$ 500,000 | \$ 75,777 | \$ 2,800,000 | \$ 5,889,623 |
| Excess (deficiency) of revenues over expenses | 215,424 | - | (40,851) | - | 174,573 |
| Invested in capital assets | (2,645) | - | 2,645 | - | - |
| Balance, end of year | \$ 2,726,625 | \$ 500,000 | \$ 37,571 | \$ 2,800,000 | \$ 6,064,196 |

Minor Hockey Association of Calgary
o/a Hockey Calgary
Statement of Cash Flows

| For the year ended June 30, | 2025 | 2024 |
|---|-------------------|-------------------|
| Operating activities | | |
| Excess of revenue over expenses | \$ 6,954 | \$ 174,573 |
| Item not affecting cash | | |
| Amortization | 15,451 | 40,851 |
| | <u>22,405</u> | <u>215,424</u> |
| Changes in non-cash working capital items | | |
| Accounts receivable | (5,444) | (3,525) |
| Inventory | (7,004) | - |
| Prepaid expenses | (68,850) | (36,750) |
| Accounts payable and accrued liabilities | (255,679) | 285,319 |
| Deferred revenue | (6,860) | (28,700) |
| Restricted contributions - Access to the Game | 31,515 | 7,342 |
| | <u>(289,917)</u> | <u>439,110</u> |
| Investing activities | | |
| Purchase of capital assets | (47,373) | (2,645) |
| Purchase of short-term investments | 81,333 | (129,838) |
| Sale of investments | 1,800,000 | - |
| Investment in intangible asset | (1,800,000) | - |
| | <u>33,960</u> | <u>(132,483)</u> |
| (Decrease) increase in cash | (255,957) | 306,627 |
| Cash, beginning of year | 486,080 | 179,453 |
| Cash, end of year | \$ 230,123 | \$ 486,080 |
| Cash consists of: | | |
| Cash | \$ 225,412 | \$ 396,247 |
| AGLC restricted cash | 4,711 | 4,435 |
| Externally restricted cash | - | 85,398 |
| | <u>\$ 230,123</u> | <u>\$ 486,080</u> |

See accompanying notes to the financial statements

Minor Hockey Association of Calgary

o/a Hockey Calgary

Notes to Financial Statements

June 30, 2025

1. Nature of operations

The Minor Hockey Association of Calgary (the “Association”) was incorporated under the laws of the Province of Alberta on June 26, 1970 as a not-for-profit organization. The purpose of the Association is to coordinate minor hockey in the Calgary region. The Association operates under the name Hockey Calgary. During the 2023/2024 period, the Association changed its fiscal year end from April 30 to June 30.

The Association is a not-for-profit organization under the Income Tax Act and as such is exempt from income taxes.

2. Basis of presentation

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles, specifically Canadian accounting standards for not-for-profit organizations (“ASNFPO”).

3. Significant accounting policies

(a) Measurement of financial instruments

The Association initially measures its financial assets and liabilities at fair value, except for certain non-arm’s length transactions.

The Association subsequently measures all its financial assets and financial liabilities at amortized cost, except for cash, short-term investments, restricted cash and restricted investments, which are measured at fair value. Changes in fair value of restricted assets are accounted for as restricted contributions.

Financial assets measured at amortized cost include accounts receivable. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in the statement of operations. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in the statement of operations.

Minor Hockey Association of Calgary

o/a Hockey Calgary

Notes to Financial Statements

June 30, 2025

3. Significant accounting policies, continued

(b) Inventory

Inventory is recorded at the lower of net realizable value and cost. The Association uses the average cost method to value inventory.

(c) Capital assets

Capital assets are recorded at cost. The Association provides for amortization using the straight-line method, designed to amortize the cost of the assets over their estimated useful lives. A full year's amortization is recorded in the year of acquisition. No amortization is recorded in the year of disposal. The annual amortization rates are as follows:

| | |
|------------------------------|------------|
| Computer equipment | 4-5 years |
| Office and other equipment | 5-10 years |
| Leasehold improvements | 5 years |
| Website development/software | 5 years |
| Promotional equipment | 5 years |
| Fitness equipment | 10 years |
| Skate shop | 10 years |

The Association records a write-down when its capital assets no longer contribute to the Association's ability to provide goods and services, or when the value of future economic benefits or service potential associated with them is less than net carrying amount. The excess net carrying amount over fair value or replacement cost is recognized as an expense in the statement of operations. Previous write-downs are not reversed.

(d) Intangible asset

The intangible asset with an indefinite life is not subject to amortization and is recorded at cost, less any provision for permanent impairment when the asset no longer contributes to the Association's ability to provide goods and services, or the value of future economic benefits or service potential associated with it is less than net carrying amount. The excess net carrying amount over its fair value or replacement cost is recognized as an expense in the statement of operations. Previous write-downs are not reversed.

Internally generated intangible assets are expensed for accounting purposes.

Minor Hockey Association of Calgary

o/a Hockey Calgary

Notes to Financial Statements

June 30, 2025

3. Significant accounting policies, continued

(e) Revenue recognition

The Association uses the deferral method of accounting for contributions.

Restricted contributions for expenses of one or more future periods are deferred and recognized as revenue in the same period or periods as the related expenses are recognized.

Restricted contributions for the purchase of intangible assets that will not be amortized are recognized as direct increases to net assets.

Restricted investment income is treated in the same manner as the related restricted contributions.

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.

Member services and other operating revenues are recognized when services are provided.

(f) Contributed services and materials

The Association records the value of contributed services and materials when the fair value can be reasonably estimated, when the services and materials are used in the normal course of the Association's operations and would otherwise have been purchased. Due to the difficulty of determining their fair value, volunteer services and other donated materials are not recognized in the financial statements.

4. Investments

At June 30, 2025, the Association holds funds in money market investments held with a chartered Canadian bank. Of these investments some amounts are unrestricted while some are internally and externally restricted. The externally restricted investments are to be utilized for future new ice surfaces and represent unspent restricted contributions and related investment income. Internally restricted investments are to be utilized for the Access to the Game program.

Minor Hockey Association of Calgary

o/a Hockey Calgary

Notes to Financial Statements

June 30, 2025

5. Capital assets

| | 2025 | | |
|------------------------------|-------------------|--------------------------|------------------|
| | Cost | Accumulated Amortization | Net Book Value |
| Computer equipment | \$ 14,655 | \$ 9,778 | \$ 4,877 |
| Office and other equipment | 37,548 | 37,314 | 234 |
| Leasehold improvements | 23,548 | 21,002 | 2,547 |
| Website development/software | 315,803 | 315,803 | - |
| Promotional equipment | 104,168 | 103,372 | 795 |
| Fitness equipment | 20,000 | 6,333 | 13,667 |
| Skate shop | 47,373 | - | 47,373 |
| | <u>\$ 563,095</u> | <u>\$ 493,602</u> | <u>\$ 69,493</u> |
| | 2024 | | |
| | Cost | Accumulated Amortization | Net Book Value |
| Computer equipment | \$ 14,655 | \$ 6,601 | \$ 8,054 |
| Office and other equipment | 37,548 | 36,311 | 1,237 |
| Leasehold improvements | 23,549 | 17,946 | 5,603 |
| Website development/software | 315,802 | 313,293 | 2,509 |
| Promotional equipment | 104,168 | 99,667 | 4,501 |
| Fitness equipment | 20,000 | 4,333 | 15,667 |
| | <u>\$ 515,722</u> | <u>\$ 478,151</u> | <u>\$ 37,571</u> |

6. Intangible asset

The Association purchased Right of First Refusals (the “ROFR”) for ice times on three ice surfaces at two arenas owned and operated by the City of Calgary. The ROFR provides the Association with priority above all other users in choosing ice times. The ROFR has no set expiry date.

Minor Hockey Association of Calgary o/a Hockey Calgary

Notes to Financial Statements

June 30, 2025

7. Restricted contributions – Future projects

Restricted contributions represent the unamortized portion of restricted contributions that are to be used towards future new ice surfaces. Changes for the year in the restricted contributions balance are as follows:

| | 2025 | 2024 |
|-------------------------------------|--------------|--------------|
| Balance, beginning of the year | \$ 1,521,948 | \$ 1,297,337 |
| Contributions | 173,592 | 168,660 |
| Restricted interest income received | 68,062 | 55,951 |
| Transfer from Game Access Fund | 36,398 | - |
| Investment in Glenmore Arena | (1,800,000) | - |
| Balance, end of the year | \$ - | \$ 1,521,948 |

8. Contractual obligations

The Association's obligations under various operating leases are as follows:

| | |
|------|-------------------|
| 2026 | \$ 44,130 |
| 2027 | 33,459 |
| 2028 | 11,744 |
| 2029 | 11,744 |
| | <u>\$ 101,076</u> |

In addition to the above, under an agreement with the City of Calgary, the Association has committed to contribute funds for the construction of the Glenmore Twin Arena project. The agreement requires the Association to contribute \$1,200,000 in fiscal 2026 and an additional \$500,000 upon the completion of the project which is expected to be in fiscal 2027. Furthermore, under the agreement the Association has committed to contribute \$133,333 for 15 years once the arena is operational for a total of \$2,000,000.

9. Financial instruments

The Association's use of financial instruments and its exposure to risks associated with such instruments arises out of its normal course of operations and investing activities. Operations are located in Calgary, Alberta.

Minor Hockey Association of Calgary o/a Hockey Calgary

Notes to Financial Statements

June 30, 2025

9. Financial instruments, continued

Credit risk

Credit risk arises from the potential that a counterparty will fail to perform its obligations. The Association is exposed to credit risk with respect to its accounts receivable from local member associations and events. At year end, the Association had one (2024 – one) accounts receivable balance approximating 21% (2024 – 33%) of total accounts receivable. Credit risk is managed by the Association through monitoring procedures.

The Association is also exposed to credit risk on cash and investment deposits. The Association minimizes this risk by holding its deposits with creditworthy financial institutions in accordance with the Association's investment policies.

Financial assets

The carrying amounts of financial assets recognized in the financial statements consist of:

| | 2025 | 2024 |
|----------------------------|---------------------|---------------------|
| Measured at amortized cost | \$ 29,960 | \$ 24,516 |
| Measured at fair value | 3,185,399 | 5,081,035 |
| | <u>\$ 3,215,359</u> | <u>\$ 5,105,551</u> |