Financial Statements of

PRAIRIE STORM MINOR HOCKEY ASSOCIATION INC.

And Independent Auditor's Report thereon

Year ended April 30, 2024

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The accompanying financial statements of **Prairie Storm Minor Hockey Association Inc.** have been prepared by the Association's management in accordance with Canadian accounting standards for not-for-profit organizations and necessarily include some amounts based on informed judgement and management estimates.

To assist management in fulfilling its responsibilities, a system of internal controls has been established to provide reasonable assurance that the financial statements are accurate and reliable and that assets are safeguarded.

The board of directors have reviewed and approved these financial statements.

These financial statements have been examined by the independent auditors, KPMG LLP, and their report is presented separately.

Dustin Melnyk
President

Nadine Witwicki
Treasurer

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INDEPENDENT AUDITOR'S REPORT

To the Members of Prairie Storm Minor Hockey Association Inc.

Opinion

We have audited the financial statements of Prairie Storm Minor Hockey Association Inc. (the Entity), which comprise:

- the statement of financial position as at April 30, 2024
- the statement of operations for the year then ended
- the statement of changes in net assets for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at April 30, 2024, 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 auditor's report.

We are independent of the Entity 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.

KPMG LLP, an Ontario limited liability partnership and member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.
KPMG Canada provides services to KPMG LLP.

In preparing the financial statements, management is responsible for assessing the Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity'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 the 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:

- 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 Entity'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 Entity'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 Entity 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.
- 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.

KPMG LLP

Chartered Professional Accountants

Regina, Canada

June 13, 2024

PRAIRIE STORM MINOR HOCKEY ASSOCIATION INC.
Statement of Financial Position

As at April 30, 2024, with comparative information for 2023

		2024		2023
Assets				
Current assets:				
Cash	$	281,055	$	201,519
Accounts receivable		9,007		5,137
Inventories		14,975		12,970
Government remittances receivable		299		853
Short-term investments (note 2)		106,617		-
		411,953		220,479
Investments (note 2)		-		103,102
Property, plant and equipment (note 3)		80,675		76,601
	$	492,628	$	400,182
Liabilities and Net Assets				
Current liabilities:				
Accounts payable and accrued liabilities	$	20,849	$	23,272
Funds held under administration (note 4)		24,680		14,704
		45,529		37,976
Net assets:				
Invested in property, plant and equipment		80,675		76,601
Unrestricted		366,424		285,605
		447,099		362,206
	$	492,628	$	400,182

See accompanying notes to financial statements.

On behalf of the Board:

________________________ Director

________________________ Director

PRAIRIE STORM MINOR HOCKEY ASSOCIATION INC.

Statement of Operations

Year ended April 30, 2024, with comparative information for 2023

		2024		2023
Revenue				
Registration fees	$	686,180	$	593,049
Ice rental		57,248		37,598
Hockey camps		49,300		46,550
Tournament fees		36,566		44,944
Donations and fundraising		23,259		13,300
Grants		18,715		6,348
Bingos		14,704		16,507
Interest		12,005		7,885
Miscellaneous		(723)		2,629
		897,244		768,810
Expenses				
Ice rental		518,583		534,961
Insurance		50,744		40,775
Salaries and benefits		44,513		34,900
Payment processing fees		26,459		21,785
Amortization		26,087		24,667
Tournaments		24,300		16,499
League fees		23,000		18,850
Ice scheduler		16,250		-
Evaluations		15,263		21,885
Professional fees		13,530		7,660
Referee and timekeeper fees		13,170		8,444
Honorariums		7,486		6,489
Hockey camps		7,285		8,275
Miscellaneous		6,148		6,806
Goalie credits		5,963		6,844
Development and clinics		4,604		6,228
Office and general		4,432		4,046
Volunteer/referee appreciation		2,358		2,478
Mileage		1,627		-
Equipment		549		-
		812,351		771,392
Excess (deficiency) of revenues over expenses	$	84,893	$	(2,582)

See accompanying notes to financial statements

PRAIRIE STORM MINOR HOCKEY ASSOCIATION INC.

Statement of Changes In Net Assets

Year ended April 30, 2024, with comparative information for 2023

	Invested in property, plant and equipment	Unrestricted	2023	2022
Balance, beginning of year	$ 76,601	$ 285,605	$ 362,206	$ 364,788
Excess (deficiency) of revenues over expenses	-	84,893	84,893	(2,582)
Purchase of property, plant and equipment	30,161	(30,161)	-	-
Amortization	(26,087)	26,087	-	-
Balance, end of year	$ 80,675	$ 366,424	$ 447,099	$ 362,206

See accompanying notes to financial statements.

PRAIRIE STORM MINOR HOCKEY ASSOCIATION INC.

Statement of Cash Flows

Year ended April 30, 2024, with comparative information for 2023

		2024		2023
Cash provided by (used in):				
Operations:				
Excess (deficiency) of revenues over expenses	$	84,893	$	(2,582)
Item not involving cash:				
Amortization		26,087		24,667
Changes in non-cash operating working capital:				
Accounts receivable		(3,870)		10,257
Inventories		(2,005)		(10,178)
Government remittances receivable		554		1,003
Accounts payable and accrued liabilities		(2,423)		(1,189)
Funds held under administration		9,976		(2,999)
		113,212		18,979
Investing:				
Purchase of investments		(3,515)		(103,102)
Purchase of property, plant and equipment		(30,161)		(37,249)
		(33,676)		(140,351)
Increase (decrease) in cash		79,536		(121,372)
Cash, beginning of year		201,519		322,891
Cash, end of year	$	281,055	$	201,519

See accompanying notes to financial statements.

Nature of operations:

Prairie Storm Minor Hockey Association Inc. (the "Association") was incorporated under *The Non-Profit Corporations Act, 1995* in the province of Saskatchewan. The Association is the governing body for minor hockey for an area which includes the communities of Balgonie, Pilot Butte, White City and Emerald Park.

1. Significant accounting policies:

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations. The Association's significant accounting policies are as follows:

(a) Revenue recognition:

Registration fees are recognized as revenue over the playing season. Tournament revenue and sponsorships are recognized when the event occurs. Ice rental recovery is recognized when the ice time is provided. Fundraising, bingo, and donation revenues are recognized when the funds are received. Interest and other revenue are recognized as they are earned.

(b) Inventories:

Inventories consist of hockey socks, pucks and other branded merchandise intended for resale and is recorded at lower of cost or net realizable value.

(c) Property, plant and equipment:

Property, plant and equipment is recorded at cost less accumulated amortization. No amortization is taken in the year of disposal.

Amortization is calculated using the declining balance method over their estimated useful lives as follows:

Asset	Rate
Hockey jerseys	25%
Furniture and fixtures	20%

(d) Contributed services:

Volunteers contribute their time each year to assist the Association in carrying out its service delivery activities. Because of the difficulty in determining the fair value of contributed services, volunteer contributions are not recognized in the financial statements.

1. **Significant accounting policies (continued):**

(e) Income taxes:

The Association is exempt from income taxes under section 149(1)(l) of *The Income Tax Act*.

(f) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. All other financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. The Association has elected to carry investments at amortized cost.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the Association determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the Association expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future year, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

(g) Use of estimates:

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenue and expenses during the reporting period. Significant items subject to such estimates and assumptions include the estimated useful lives of property, plant and equipment. Actual results could differ from these estimates.

2. Investments:

	2024	2023
Guaranteed investment certificate bearing interest at 3.4% annually, maturing in November 2024	$ 106,617	$ 103,102

3. Property, plant and equipment:

	Cost	Accumulated amortization	2024 Net book value	2023 Net book value
Hockey jerseys	$ 229,400	$ 158,383	$ 71,017	$ 66,192
Furniture and fixtures	19,884	10,226	9,658	10,409
	$ 249,284	$ 168,609	$ 80,675	$ 76,601

4. Funds held under administration:

	2024	2023
Prairie Storm Bingo Parent's Association	$ 24,680	$ 14,704

Funds held under administration consists of cash balances that have been earned by the Parent's Association through the operation of bingo games. These balances are used to offset future year's registration fees or tournament fees for the individuals to whom the earned balance relates. These funds are held in a separate bank account of the Association.

5. Financial risks and concentration of risk:

The Association, through its financial assets and liabilities, has exposures to the following risks from its use of financial instruments. There has been no change to the risk exposure from prior year.

(a) Liquidity risk:

Liquidity risk is the risk that the Association will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The Association manages its liquidity risk by monitoring its operating requirements. The Association prepares budget and cash forecasts to ensure it has sufficient funds to fulfill its obligations.

(b) Credit risk:

The Association is exposed to credit risk from accounts receivable, cash, and investments. The carrying amounts of financial assets on the statement of financial position represent the Association's maximum credit exposure at the year-end date.

The amounts disclosed in the statement of financial position are net of allowance for doubtful accounts, estimated by management of the Association based on previous experience and its assessment of the current economic environment. The Association does not have significant exposure to any individual and has not incurred any significant bad debts during the year. Dealing with institutions that have strong credit ratings minimizes credit risk related to cash and investments.