



# Financial Management Policy

AIRDRIE RINGETTE ASSOCIATION  
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### REVISION SUMMARY

1	Issued for Implementation	2025-05-22

## **1.0 Definitions**

The following terms have these meanings in this Policy:

- 1.1 “Club” – Airdrie Ringette Association
- 1.2 “Base Fees” - Total registration fees collected for players to partake in the season
- 1.3 “Operating Budget” - The total projected cost to operate the Association and Teams for the season, includes ice for games, practices and programming such as powerskating, equipment purchases etc. Does not include expenses related to Ring of Fire or ancillary programs such as optional morning powerskating or spring ringette
- 1.4 “Base Operating Deficit” - the deficit resulting from the basic operation of the Association versus the player fees collected.

## **2.0 Purpose**

2.1 To set financial covenants, planning and budgeting procedure for the Airdrie Ringette Association and its long term financial viability. The goal of the policy is:

- Ensure adequate funds are available to operate the Club
- Maintain athlete development, fairness and equity for all athletes
- Minimize annual fee increases to ensure the sport remains accessible for members, both future and current

## **3.0 Revenue Sources**

3.1 The main revenue source for the Club shall be the collection of registration fees, it is anticipated that operating costs will exceed the funds collected, creating a deficit. The Club must undertake activities to generate necessary funds to offset operating deficits, these activities include but are not limited to:

- Tournament hosting (Ring of Fire, Regionals, Provincials etc.)
- Raffles and Prize Draws
- Casinos
- Sponsorship Opportunities
- Community Grants
- Special Events and Fundraising Opportunities (e.g., Halloween Howler, Golf Tournament, Pub Nights etc)
- Optional Athlete Development Sessions (Additional power skating, skill development, Spring 3V3 Ringette)
- Merchandise Sales

## 4.0 Budget Development

4.1 By August 31<sup>st</sup> of each year the Board of Directors must approve the Annual Operating Budget for the coming season. The Budget must reflect the cost to operate the Association and items that are critical to athlete development, fairness and equity, which includes but not limited to:

- Equitable access to ice time for all age groups
- Use of Independent 3<sup>rd</sup> Party Evaluators for athlete evaluation and team selection
- Skill development and power skating
- Goalie development and player retention

Items deemed critical, shall be amended via vote by membership at the Annual General Meeting.

Furthermore the budget must also include:

- Equipment costs (Jerseys, rings, coaching supplies)
- Coach development costs
- Administrative costs to operate (office supplies, room rental etc)
- Referee expenses
- Ringette Alberta and League Fees
- Estimated Ice Rental Cost
- Annual Year End Athlete Celebration

The projected operating deficit based on registration fees collected to date for the coming season and will be calculated as follows:

$$(Op\ Budget) - (Fees\ Collected) = Base\ Operating\ Deficit$$

Example:

2024-25 Fees Collected: \$179,500

Operating Budget (team operation + association operation): \$252,000

Base Operating Deficit = \$72,500

Please see sample budget and calculation in Appendix 1.

4.2 Based on the projected operating deficit, the Board shall plan and budget additional revenue sources to achieve the following:

- Offset the projected Operating Deficit
- Maintain accessible cash and/or financial instruments

## 5.0 Financial Covenants

5.1 As a safeguard against significant unplanned expenditures or changes in economic conditions. The Board shall ensure a cash balance and/or accessible financial instruments at its Fiscal Year End of April 30<sup>th</sup>), that is equal to between 1.25 and 1.75 times a weighted 3 yr rolling average of actual Base Operating Deficits of the previous 3

yrs. The 3 year weighted average is designed to reflect the most recent economic conditions.

*Year 1: Base Operating Deficit X 20%*

*Year 2: Base Operating Deficit X 30%*

*Year 3 (most recent): Base Operating Deficit X 50%*

*$(Y1 + Y2 + Y3) \times 1.25 = YE \text{ Cash Balance}$*

5.2 Unless otherwise deemed appropriate by the Board the 2024/25 will constitute Year 1, refer to Table 1 for the schedule of weighting by year until the policy has been in effect for 3 years.

5.3 Unless deemed absolutely critical by the Executive Committee shall use its borrowing powers as a last resort to maintaining association operations. In doing so the Board must report it with justification and acceptable plan to pay back within 2 years from the date of the loan.

## **6.0 Excess Funds**

6.1 Funds in excess of the calculated Year End Cash Balance may be utilized in the following manner unless otherwise determined as more suitable by the Board:

- Bursary Program for Graduating Athletes (\$2,000 or 10% of excess funds to a maximum of \$4,000)
- Purchase equipment above and beyond operating budget (i.e., Goalie Gear, shot clocks, etc)
- Offset or minimize potential fee increases
- Investment into longer term financial instruments (i.e., GICs or Bonds)

## APPENDIX I

**Table 1: Fund Retention Calculation**

Operating Year	Year Allocation	Season	Deficit Weighting	Cash Target x's Deficit
2025/26	1	2024/25	100%	1.25
2026/27	1	2024/25	40%	1.25
	2	2025/26	60%	
2027/28	1	2024/25	20%	1.5
	2	2025/26	30%	
	3	2026/27	50%	
2028/29	1	2025/26	20%	1.5
	2	2026/27	30%	
	3	2027/28	50%	
2029/30	1	2026/27	20%	1.5
	2	2027/28	30%	
	3	2029/30	50%	

<b>Example Calcs:</b>	Year 1	Year 2	Year 3	
Base Op Deficits:	\$72,500	\$ 70,000.00	\$ 85,000.00	
2025/26	$\$72,500 \times 100\% =$	$\$72,500$	Weighted Avg Deficit	
	$1.25 \times \$72,500 =$	$\$90,625.00$	Target cash available to ARA at season end	
2026/27	$(\$72,500 \times 0.40) + (\$70,000 \times 0.60) =$	$\$71,000$	Weighted Avg Deficit	
	$1.25 \times \$71,000 =$	$\$88,750.00$	Target cash available to ARA at season end	
2027/28	$(\$72,500 \times 0.20) + (\$70,000 \times 0.30) + (\$85,000 \times 0.50) =$	$\$78,000$	Weighted Avg Deficit	
	$1.5 \times \$78,000 =$	$\$ 117,000.00$	Target cash available to ARA at season end	
2025/26				
Fees Collected	\$180,000			
Operating Cost	\$252,500			

## Sample Budget

Registration Revenue	AS	U10 S1-2	U10 S3	U12	U14	U16	U19	Goalies	Sub total
	\$ 4,886	\$27,008	\$11,235	\$33,248	\$ 24,168	\$34,457	\$ 35,683	\$ 8,040	\$ 178,724
<b>Expenses</b>									
<b>ICE</b>									
Evaluations		\$ 1,220	\$ 389	\$ 1,980	\$ 1,100	\$ 1,540	\$ 1,716	\$ 365	\$ 8,311
Game		\$ 2,640	\$ 2,640	\$ 7,920	\$ 5,280	\$ 9,900	\$ 7,700		\$ 36,080
Powerskating		\$ 2,640	\$ 660	\$ 1,980	\$ 1,320	\$ 1,980	\$ 880		\$ 9,460
Practice	\$ 4,600	\$ 6,600	\$ 3,300	\$12,364	\$ 9,075	\$14,850	\$ 14,850	\$ 1,600	\$ 67,239
									\$ 151,090
Power Skating Instruction		\$ 1,620	\$ 555	\$ 1,665	\$ 1,110	\$ 1,665	\$ 740	\$ 3,800	\$ 11,155
Reffing		\$ 696	\$ 768	\$ 2,304	\$ 1,824	\$ 550	\$ 5,850		\$ 17,992
League Fees	\$ 250	\$ 1,250	\$ 350	\$ 3,300	\$ 3,650	\$ 4,950	\$ 7,250		\$ 21,000
Misc (Coach Dev, Goalie camp)	\$ 298	\$ 2,274	\$ 577	\$ 2,545	\$ 1,740	\$ 2,620	\$ 2,570	\$ 1,753	\$ 14,377
Jerseys		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ 7,635
Eval/UAA		\$ 1,388	\$ 443	\$ 5,075	\$ 3,691	\$ 3,689	\$ 3,775	\$ 858	\$ 18,919
									\$ 90,445
<b>ARA OP COSTS</b>									
Insurance									\$ 2,252
Bank Charges									\$ 250
Book Keeping									\$ 2,000
Dues/Subscriptions									\$ 2,500
Merchant Fees									\$ 10,974
Office/Room Rental									\$ 2,769
Legal									\$ 500
Accounting									\$ 1,000
Bank Charges									\$ 9
Sanctioning Fees									\$ 868
RAB Fees									\$ 4,200
G&A									\$ 870
									\$ 28,191
<b>Total Operational Cost</b>									\$ 269,726
<b>Base Operating Deficit</b>									<b>-\$ 91,001</b>
<b>Fundraising/Offsets</b>	Casino	Howler	OF Tourne	ROF FR	Raffles	Donation	NP Income		
Income	\$ 65,018	\$10,045	\$46,600	\$20,362	\$ 10,000	\$ 403	\$ 800		
Expenses	\$ 2,000	\$ 4,456	\$23,000	\$13,716	\$ 2,500	\$ -			
Net Total	\$ 63,018	\$ 5,589	\$23,600	\$ 6,647	\$ 7,500	\$ 403	\$ 800		\$ 107,556
Merch Sales									\$ 909
Interest	\$ 1,336	\$ 391							\$ 1,727
Ice Rental Income									\$ 3,573
									\$ 6,208
<b>Additional Programs</b>	Morning PS (Fall)	ing PS (Wi	Spring 3v3						
Income	\$ 8,400	\$ 6,150	\$15,400						
Ice	\$ 2,221	\$ 2,221	\$ 7,880						
Instruction	\$ 1,840	\$ 1,840							
Expenses			\$ 400						
Net Total	\$ 4,339	\$ 2,089	\$ 7,120						\$ 13,548
<b>Total Proj'd Income</b>	\$ 306,037								
<b>Total Proj'd Expenses</b>	\$ 269,726								
<b>Projected Net Income</b>	\$ 36,311								
<b>2024 Bank Balance</b>	\$ 90,328								
<b>Projected Balance @YE</b>	\$ 126,640								
<b>Target Balance (1.25x Deficit)</b>	\$ 113,752								
<b>Projected Surplus</b>	\$ 12,888								