

**RINGETTE ALBERTA ASSOCIATION**

**FINANCIAL STATEMENTS**  
(Unaudited)

**FOR THE YEAR ENDED JULY 31, 2017**



# RINGETTE ALBERTA ASSOCIATION

FOR THE YEAR ENDED JULY 31, 2017

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## REVIEW ENGAGEMENT REPORT

To the Members of

### RINGETTE ALBERTA ASSOCIATION

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We have reviewed the statement of financial position of **Ringette Alberta Association** as at July 31, 2017 and the statements of changes in net assets, operations and cash flows for the year then ended. Our review was made in accordance with Canadian generally accepted standards for review engagements and accordingly consisted primarily of enquiry, analytical procedures and discussion related to information supplied to us by the Association.

A review does not constitute an audit and consequently we do not express an audit opinion on these financial statements.

Based on our review, nothing has come to our attention that causes us to believe that these financial statements are not, in all material respects, in accordance with Canadian accounting standards for not-for-profit organizations.

Edmonton, Alberta  
November 20, 2017



CHARTERED ACCOUNTANTS

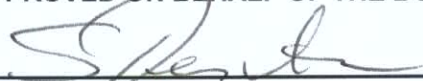
# RINGETTE ALBERTA ASSOCIATION

## STATEMENT OF FINANCIAL POSITION (Unaudited)

AS AT JULY 31, 2017

	2017	2016
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash in accounts - unrestricted (Note 3)	\$ 218,129	\$ 160,067
Accounts receivable (Note 4)	2,055	17,822
Inventory (Note 5)	11,816	7,835
Prepaid expenses	1,834	4,830
	<b>233,834</b>	<b>190,554</b>
<b>CASH IN ACCOUNTS - RESTRICTED</b> (Note 3)	<b>289,090</b>	<b>234,883</b>
<b>PROPERTY AND EQUIPMENT</b> (Note 6)	<b>6,660</b>	<b>7,440</b>
	<b>\$ 529,584</b>	<b>\$ 432,877</b>
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities	\$ 11,910	\$ 10,306
Deferred revenue (Note 7)	141,489	73,658
	<b>153,399</b>	<b>83,964</b>
<b>NET ASSETS</b>		
<b>OPERATING RESERVE</b>	<b>169,525</b>	<b>141,473</b>
<b>FINANCIAL RESERVE</b> (Note 10)	<b>200,000</b>	<b>200,000</b>
<b>PROPERTY AND EQUIPMENT RESERVE</b>	<b>6,660</b>	<b>7,440</b>
	<b>376,185</b>	<b>348,913</b>
	<b>\$ 529,584</b>	<b>\$ 432,877</b>

APPROVED ON BEHALF OF THE BOARD:

  
 \_\_\_\_\_ Director

  
 \_\_\_\_\_ Director



# RINGETTE ALBERTA ASSOCIATION

## STATEMENT OF CHANGES IN NET ASSETS (Unaudited)

FOR THE YEAR ENDED JULY 31, 2017

	2017	2016
<b>OPERATING RESERVE</b>		
Balance, beginning of year	\$ 141,473	\$ 203,501
Purchase of property and equipment	(1,249)	(2,777)
Disposal of property and equipment	-	7,118
Amortization	2,029	1,970
Excess (deficiency) of revenue over expenses for the year	27,272	(68,339)
	<b>169,525</b>	<b>141,473</b>
<b>FINANCIAL RESERVE</b>		
Balance, beginning and end of year	<b>200,000</b>	<b>200,000</b>
<b>PROPERTY AND EQUIPMENT RESERVE</b>		
Balance, beginning of year	7,440	13,751
Purchase of property and equipment	1,249	2,777
Disposal of property and equipment	-	(7,118)
Amortization	(2,029)	(1,970)
	<b>6,660</b>	<b>7,440</b>
	<b>\$ 376,185</b>	<b>\$ 348,913</b>





# RINGETTE ALBERTA ASSOCIATION

## STATEMENT OF OPERATIONS (Unaudited)

FOR THE YEAR ENDED JULY 31, 2017

	2017	2016
<b>REVENUE</b>		
Casino	\$ 18,441	\$ 56,922
Grants (Schedule)	103,901	118,601
Interest	1,646	691
Memberships, registrations and participant fees	758,542	722,119
Other	18,558	40,262
Sponsorship	-	2,308
	<b>901,088</b>	<b>940,903</b>
<b>EXPENSES</b>		
Advertising and promotion	9,858	14,803
Amortization	2,029	1,970
Bad debt (recovery)	(17,760)	18,720
Bank charges and interest	9,087	8,782
Computer and licenses	10,548	15,140
Facility rental	81,168	75,857
Financial assistance to clubs and members	7,906	56,010
Honorariums	17,872	26,839
Insurance	11,741	11,972
Memberships	293,969	270,502
Office	26,121	19,051
Professional fees	24,302	57,613
Recognition and awards	15,916	11,002
Supplies	20,921	34,783
Travel	52,307	58,672
Uniforms and jerseys	16,030	26,251
Utilities	6,213	5,775
Wages and benefits	285,588	295,500
	<b>873,816</b>	<b>1,009,242</b>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES</b>		
<b>FOR THE YEAR</b>	<b>\$ 27,272</b>	<b>\$ (68,339)</b>



# RINGETTE ALBERTA ASSOCIATION

## STATEMENT OF CASH FLOWS (Unaudited)

FOR THE YEAR ENDED JULY 31, 2017

	2017	2016
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash receipts from funders, members and others	\$ 947,415	\$ 933,145
Cash paid to suppliers and employees	(835,543)	(1,050,304)
Interest received	1,646	691
	<u>113,518</u>	<u>(116,468)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITY</b>		
Purchase of property and equipment	(1,249)	(2,777)
	<u>112,269</u>	<u>(119,245)</u>
<b>INCREASE (DECREASE) IN CASH DURING THE YEAR</b>	<b>112,269</b>	<b>(119,245)</b>
<b>CASH, beginning of year</b>	<u>394,950</u>	<u>514,195</u>
<b>CASH, end of year</b>	<u>\$ 507,219</u>	<u>\$ 394,950</u>



# RINGETTE ALBERTA ASSOCIATION

## NOTES TO FINANCIAL STATEMENTS (Unaudited)

FOR THE YEAR ENDED JULY 31, 2017

### 1. NATURE OF OPERATIONS

Ringette Alberta Association is a not-for-profit organization incorporated under the Societies Act of the Province of Alberta. The Association provides for the advancement of amateur recreational ringette in the province of Alberta. The Association is exempt from the payment of income taxes under Section 149 of the Income Tax Act.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. Because a precise determination of many assets and liabilities is dependent upon future events, the preparation of financial statements for a period necessarily involves the use of estimates which have been made using careful judgement. These financial statements have, in management's opinion, been prepared within the reasonable limits of materiality and the framework of the significant accounting policies summarized below:

#### (a) Financial Instruments

##### *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 of its financial assets and financial liabilities at amortized cost, except in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in net income.

Financial assets measured at amortized cost include cash and accounts receivable.

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

The Association's financial assets, if any, measured at fair value include investments that are quoted shares.

##### *Impairment*

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in net income. 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 net income.

##### *Transaction costs*

The Association recognizes its transaction costs, if any, in net income in the period incurred. However, financial instruments that will not be subsequently measured at fair value are adjusted by the transaction costs that are directly attributable to their origination, issuance or assumption.





# RINGETTE ALBERTA ASSOCIATION

## NOTES TO FINANCIAL STATEMENTS (Unaudited)

FOR THE YEAR ENDED JULY 31, 2017

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Contributed Services and Materials

Volunteers contribute time each year to aid the Association in carrying out its service delivery activities. Because of the difficulty in determining fair value, the financial value of contributed services is not recognized in these financial statements.

Other contributed services and materials are recognized only to the extent that they would have been purchased in the normal course of operations and their value is reasonably determinable.

(c) Inventory

Inventory is valued at the lower of cost and net realizable value.

(d) Property and Equipment

Property and equipment are stated at cost. Amortization is provided annually on the declining balance basis at rates calculated to write-off the assets over their estimated useful lives. One-half of normal rates are applied in the year of acquisition. These rates are as follows:

Computer equipment	30%
Office equipment	20%

(e) Revenue Recognition

The Association follows the deferral method of accounting for contributions for which the related restrictions remain unfulfilled and are accumulated as deferred revenues. 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.

(f) Basis of Presentation of Financial Statements

These financial statements include only the assets, liabilities, revenues and expenses of Ringette Alberta Association and do not include the accounts of any affiliates or projects which are not under the direct control of the Association.

(g) Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand, bank balances and investments in money market instruments which are readily convertible to stated value with an insignificant risk of change in value.



# RINGETTE ALBERTA ASSOCIATION

## NOTES TO FINANCIAL STATEMENTS (Unaudited)

FOR THE YEAR ENDED JULY 31, 2017

### 3. CASH

	2017	2016
Operating account	\$ 216,054	\$ 158,523
Paypal account	2,075	1,544
Financial reserve (restricted cash)	200,000	200,000
Casino account (restricted cash)	79,090	24,883
Term deposits (restricted cash)	10,000	10,000
	\$ 507,219	\$ 394,950

The regulations of the Alberta Gaming and Liquor Commission (AGLC) provide that the use of the net proceeds from a casino are restricted to certain approved expenses of the Association to be expended within a specified time frame. As at July 31, 2017, the Association had \$79,090 (2016 - \$24,882) of restricted cash on hand which has been recorded as deferred revenue.

### 4. ACCOUNTS RECEIVABLE

	2017	2016
Trade	\$ 2,055	\$ 36,542
Allowance for doubtful accounts	-	(18,720)
	\$ 2,055	\$ 17,822

### 5. INVENTORY

	2017	2016
Resources and materials held for sale	\$ 11,816	\$ 7,835

### 6. PROPERTY AND EQUIPMENT

	2017		2016	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Computer equipment	\$ 13,321	\$ 9,781	\$ 3,540	\$ 3,540
Office equipment	31,371	28,251	3,120	3,900
	\$ 44,692	\$ 38,032	\$ 6,660	\$ 7,440





# RINGETTE ALBERTA ASSOCIATION

## NOTES TO FINANCIAL STATEMENTS (Unaudited)

FOR THE YEAR ENDED JULY 31, 2017

### 7. DEFERRED REVENUE

	2017	2016
Casino	\$ 79,090	\$ 24,882
Alberta Sport Council	48,901	45,000
Officials development	-	3,776
Alberta Sport Council - 2018 Winter Games	2,498	-
Alberta Sport Council - 2019 Winter Games	11,000	-
	<u>\$ 141,489</u>	<u>\$ 73,658</u>

### 8. ECONOMIC DEPENDENCE

The ongoing operation of the Association is dependent to a significant extent on the Province of Alberta grant revenue that is approved on a yearly basis and casino fundraising revenues received from AGLC.

### 9. FINANCIAL INSTRUMENTS

#### *Risks and concentrations*

The Association is exposed to various risks through its financial instruments, without being exposed to concentrations of risk.

#### *Liquidity risk*

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial statement liabilities. The Association is exposed to this risk mainly in respect of its accounts payable and accrued liabilities.

#### *Credit risk*

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Association's main credit risks relate to accounts receivable. The Association provides credit to its clients in the normal course of operations.

#### *Market risk*

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is comprised of three types of risk: currency risk, interest rate risk and other price risk. The Association has no significant exposure to market risk.

### 10. FINANCIAL RESERVE

The funds in the financial reserve, to a maximum of \$200,000, are intended to be used to provide protection against unforeseen interruption of income or unanticipated expenses. Transfers to and from the financial reserve require Board approval.



# RINGETTE ALBERTA ASSOCIATION

## SCHEDULE OF GRANT INCOME (Unaudited)

FOR THE YEAR ENDED JULY 31, 2017

	2017	2016
Alberta Sport Connection	\$ 97,801	\$ 114,101
Alberta Winter Games	3,500	4,500
Other	2,600	-
	<b>\$ 103,901</b>	<b>\$ 118,601</b>

