

RINGETTE ALBERTA ASSOCIATION

FINANCIAL STATEMENTS
(Unaudited)

FOR THE YEAR ENDED JULY 31, 2018



RINGETTE ALBERTA ASSOCIATION

FOR THE YEAR ENDED JULY 31, 2018

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INDEPENDENT PRACTITIONERS' REVIEW ENGAGEMENT REPORT

To the Members of
RINGETTE ALBERTA ASSOCIATION

We have reviewed the accompanying financial statements of **Ringette Alberta Association** that comprise the statement of financial position as at July 31, 2018 and the statements of changes in net assets, operations and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for private enterprises, 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.

Practitioner's Responsibility

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that these financial statements do not present fairly, in all material respects, the financial position of **Ringette Alberta Association** as at July 31, 2018, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for private enterprises.

Edmonton, Alberta
December 10, 2018

SVS Group LLP

CHARTERED PROFESSIONAL ACCOUNTANTS


RINGETTE ALBERTA ASSOCIATION


STATEMENT OF FINANCIAL POSITION (Unaudited)

AS AT JULY 31, 2018

	2018	2017
ASSETS		
CURRENT		
Cash in accounts - unrestricted (Note 3)	\$ 215,834	\$ 218,129
Accounts receivable (Note 4)	-	2,055
Inventory (Note 5)	9,904	11,816
Prepaid expenses	1,334	1,834
	227,072	233,834
CASH IN ACCOUNTS - RESTRICTED (Note 3)	210,810	289,090
PROPERTY AND EQUIPMENT (Note 6)	4,974	6,660
	\$ 442,856	\$ 529,584
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 6,466	\$ 11,910
Deferred revenue (Note 7)	74,931	141,489
	81,397	153,399
NET ASSETS		
OPERATING RESERVE	156,485	169,525
FINANCIAL RESERVE (Note 10)	200,000	200,000
PROPERTY AND EQUIPMENT RESERVE	4,974	6,660
	361,459	376,185
	\$ 442,856	\$ 529,584

APPROVED ON BEHALF OF THE BOARD:


 _____ Director


 _____ Director



RINGETTE ALBERTA ASSOCIATION

STATEMENT OF CHANGES IN NET ASSETS (Unaudited)

FOR THE YEAR ENDED JULY 31, 2018

	2018	2017
OPERATING RESERVE		
Balance, beginning of year	\$ 169,525	\$ 141,473
Purchase of property and equipment	-	(1,249)
Amortization	1,686	2,029
Excess (deficiency) of revenue over expenses for the year	(14,726)	27,272
	156,485	169,525
FINANCIAL RESERVE		
Balance, beginning and end of year	200,000	200,000
PROPERTY AND EQUIPMENT RESERVE		
Balance, beginning of year	6,660	7,440
Purchase of property and equipment	-	1,249
Amortization	(1,686)	(2,029)
	4,974	6,660
	\$ 361,459	\$ 376,185



RINGETTE ALBERTA ASSOCIATION

STATEMENT OF OPERATIONS (Unaudited)

FOR THE YEAR ENDED JULY 31, 2018

	2018	2017
REVENUE		
Casino	\$ 78,280	\$ 18,441
Grants (Schedule)	119,592	103,901
Interest	1,874	1,646
Memberships, registrations and participant fees	873,052	758,542
Other	12,574	18,558
Sponsorship	60	-
	1,085,432	901,088
EXPENSES		
Advertising and promotion	20,225	9,858
Amortization	1,686	2,029
Bad debt recovery	-	(17,760)
Bank charges and interest	12,378	9,087
Computer and licenses	13,563	10,548
Facility rental	107,527	81,168
Financial assistance to clubs and members	17,000	7,906
Honorariums	24,310	17,872
Insurance	13,509	11,741
Memberships	355,749	293,969
Office	17,649	26,121
Professional fees	8,241	24,302
Recognition and awards	7,964	15,916
Supplies	34,466	20,921
Travel	92,756	52,307
Uniforms and jerseys	31,923	16,030
Utilities	5,093	6,213
Wages and benefits	336,119	285,588
	1,100,158	873,816
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES FOR THE YEAR	\$ (14,726)	\$ 27,272



RINGETTE ALBERTA ASSOCIATION

STATEMENT OF CASH FLOWS (Unaudited)

FOR THE YEAR ENDED JULY 31, 2018

	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from funders, members and others	\$ 1,114,034	\$ 947,415
Cash paid to suppliers and employees	(1,196,483)	(835,543)
Interest received	1,874	1,646
	<u>(80,575)</u>	<u>113,518</u>
CASH FLOWS FROM INVESTING ACTIVITY		
Purchase of property and equipment	-	(1,249)
	<u>-</u>	<u>(1,249)</u>
INCREASE (DECREASE) IN CASH DURING THE YEAR	(80,575)	112,269
CASH, beginning of year	507,219	394,950
CASH, end of year	\$ 426,644	\$ 507,219



RINGETTE ALBERTA ASSOCIATION

NOTES TO FINANCIAL STATEMENTS (Unaudited)

FOR THE YEAR ENDED JULY 31, 2018

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, 2018

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, 2018

3. CASH

	2018	2017
Operating account	\$ 206,066	\$ 216,054
Paypal account	9,768	2,075
Financial reserve (restricted cash)	200,000	200,000
Casino account (restricted cash)	810	79,090
Term deposits (restricted cash)	10,000	10,000
	\$ 426,644	\$ 507,219

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, 2018, the Association had \$810 (2017 - \$79,090) of restricted cash on hand which has been recorded as deferred revenue.

4. ACCOUNTS RECEIVABLE

	2018	2017
Trade	\$ -	\$ 2,055

5. INVENTORY

	2018	2017
Resources and materials held for sale	\$ 9,904	\$ 11,816

6. PROPERTY AND EQUIPMENT

	2018		2017	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Computer equipment	\$ 13,321	\$ 10,843	\$ 2,478	\$ 3,540
Office equipment	31,371	28,875	2,496	3,120
	\$ 44,692	\$ 39,718	\$ 4,974	\$ 6,660



RINGETTE ALBERTA ASSOCIATION

NOTES TO FINANCIAL STATEMENTS (Unaudited)

FOR THE YEAR ENDED JULY 31, 2018

7. DEFERRED REVENUE

	2018	2017
Casino	\$ 810	\$ 79,090
Alberta Sport Connection	54,121	48,901
Alberta Sport Connection - 2018 Winter Games	-	2,498
Alberta Sport Connection - 2019 Winter Games	20,000	11,000
	<u>\$ 74,931</u>	<u>\$ 141,489</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, 2018

	2018	2017
Alberta Sport Connection	\$ 97,801	\$ 97,801
Canada Winter Games	5,545	-
Alberta Winter Games	2,498	3,500
Other	13,748	2,600
	<u>\$ 119,592</u>	<u>\$ 103,901</u>

