
ONTARIO RINGETTE ASSOCIATION

FINANCIAL STATEMENTS

MARCH 31, 2014

ONTARIO RINGETTE ASSOCIATION

MARCH 31, 2014

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INDEPENDENT AUDITOR'S REPORT

To the Members and Board of Directors of:
Ontario Ringette Association

Report on the Financial Statements

I have audited the the accompanying financial statements of Ontario Ringette Association which comprise the balance sheet as at March 31, 2014 and the statements of revenue and expenditures, changes in fund balances 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 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.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of Ontario Ringette Association as at March 31, 2014, and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not for profit organizations.



Etobicoke, Ontario
May 20, 2014

Lynne D. Remigio, CPA CA
Licensed Public Accountant

ONTARIO RINGETTE ASSOCIATION
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2014

ASSETS		<u>2014</u>	<u>2013</u>
CURRENT			
Cash	\$	242,054	\$ 268,117
Short term investments		154,468	153,242
Accounts receivable		46,490	38,993
Inventory		11,317	16,969
Prepaid expenses		<u>13,234</u>	<u>3,926</u>
		<u>467,563</u>	<u>481,247</u>
CAPITAL ASSETS (Note 2)		<u>3,063</u>	<u>4,134</u>
	\$	<u><u>470,626</u></u>	\$ <u><u>485,381</u></u>

LIABILITIES			
CURRENT			
Accounts payable and accrued liabilities	\$	103,182	\$ 60,572
Government remittances payable		3,710	5,161
Deferred revenue		3,000	3,040
Camp fees collected in advance		<u>1,795</u>	<u>375</u>
		<u>111,687</u>	<u>69,148</u>

NET ASSETS			
NET ASSETS			
Restricted Funds		366,294	368,015
Unrestricted, Operating Fund		<u>(7,355)</u>	<u>48,218</u>
		<u>358,939</u>	<u>416,233</u>
	\$	<u><u>470,626</u></u>	\$ <u><u>485,381</u></u>

APPROVED ON BEHALF OF THE BOARD:

_____ Director

_____ Director

See accompanying notes to financial statements

ONTARIO RINGETTE ASSOCIATION
STATEMENT OF REVENUES AND EXPENDITURES
FOR THE YEAR ENDED MARCH 31, 2014

REVENUE	<u>2014</u>	<u>2013</u>
Government grants		
Government of Ontario grant, base funding	\$ 136,148	\$ 136,644
Quest for Gold coaching and team development	28,519	6,000
Ontario Winter Games travel and team grants	2,172	-
Ontario Trillium Foundation grants	<u>6,900</u>	<u>-</u>
	<u>173,739</u>	<u>142,644</u>
Association generated revenues		
Member registration fees and dues	361,897	375,185
Event fees	252,185	238,140
Sponsorship income	38,085	37,011
Net resource revenue	4,084	8,253
AGM registrations	6,439	5,368
Interest and other revenue	<u>10,355</u>	<u>8,069</u>
	<u>673,045</u>	<u>672,026</u>
	<u>846,784</u>	<u>814,670</u>
EXPENDITURES		
Association management		
Salaries and benefits	166,397	165,270
Ringette Canada participation	167,726	155,789
General office expense	25,531	22,145
Program management		
Travel accommodation and meetings	70,208	53,081
Printing and postage	10,291	9,978
Telephone	3,104	2,606
Strategic planning	4,500	-
Competitive events	322,208	290,695
Education and member development		
Training and development	77,905	63,175
Annual conference	15,273	16,804
Ontario Trillium Foundation and other grants	6,900	-
Financial management		
Member Insurance	20,727	20,598
Audit, accounting and legal	10,762	4,763
Interest, bank charges and bad debts	827	818
Depreciation	<u>1,998</u>	<u>1,397</u>
	<u>904,357</u>	<u>807,119</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ <u>(57,573)</u>	\$ <u>7,551</u>

See accompanying notes to financial statements

ONTARIO RINGETTE ASSOCIATION
STATEMENT OF CHANGES IN FUND BALANCES
FOR THE YEAR ENDED MARCH 31, 2014

UNRESTRICTED FUNDS	<u>2014</u>	<u>2013</u>
Members' Fund		
Net assets, beginning of year	\$ 48,218	\$ 50,667
Excess (deficiency) of revenue over expenditures	(57,573)	7,551
Transfers from (to) restricted funds	<u>2,000</u>	<u>(10,000)</u>
Net assets, end of year	<u>(7,355)</u>	<u>48,218</u>
RESTRICTED FUNDS		
Operating Stabilization Fund (Note 3)		
Net assets, beginning of year	250,000	250,000
Transfer from (to) members' fund	<u>-</u>	<u>-</u>
	<u>250,000</u>	<u>250,000</u>
Office Equipment and Technology Fund (Note 4)		
Net assets, beginning of year	20,000	20,000
Transfer from (to) members' fund	<u>-</u>	<u>-</u>
	<u>20,000</u>	<u>20,000</u>
Scholarship Fund (Note 5)		
Net assets, beginning of year	51,013	50,574
Investment income for the year	279	439
Transfer to members' fund, current year scholarships	<u>(2,000)</u>	<u>-</u>
	<u>49,292</u>	<u>51,013</u>
Canada Winter Games Fund (Note 6)		
Net assets, beginning of year	47,002	37,002
Transfer from (to) operating fund	<u>-</u>	<u>10,000</u>
	<u>47,002</u>	<u>47,002</u>
Total Restricted Funds	<u>366,294</u>	<u>368,015</u>
TOTAL FUND BALANCES	<u>\$ 358,939</u>	<u>\$ 416,233</u>

See accompanying notes to financial statements

**ONTARIO RINGETTE ASSOCIATION
STATEMENT OF CASH FLOWS**

MARCH 31, 2014

	<u>2014</u>	<u>2013</u>
CASH PROVIDED BY OPERATING ACTIVITIES		
Net (loss) income	\$ (57,573)	\$ 7,551
Interest income, restricted funds	279	439
Items not requiring an outlay of cash:		
Depreciation	<u>1,998</u>	<u>1,397</u>
	<u>(55,296)</u>	<u>9,387</u>
Changes in non-cash working capital:		
Increase (decrease) in deferred revenue	(40)	-
Increase (decrease) in camp fees collected in advance	1,420	(1,750)
Increase in accounts payable and accrued liabilities	41,159	309
Decrease (increase) in inventories	5,653	(3,755)
(Increase) in prepaid expenses	(9,308)	(725)
(Increase) in accounts receivable	<u>(7,497)</u>	<u>(17,314)</u>
	<u>31,387</u>	<u>(23,235)</u>
	<u>(23,909)</u>	<u>(13,848)</u>
 CASH FLOWS FROM FINANCING ACTIVITIES	 <u>-</u>	 <u>-</u>
 CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to capital assets	(928)	(4,579)
(Increase) in investments	<u>(1,226)</u>	<u>(1,367)</u>
	<u>(2,154)</u>	<u>(5,946)</u>
 NET DECREASE IN CASH AND CASH EQUIVALENTS	 (26,063)	 (19,794)
Cash and cash equivalents, beginning of year	<u>268,117</u>	<u>287,911</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 242,054</u>	<u>\$ 268,117</u>

See accompanying notes to financial statements

ONTARIO RINGETTE ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2014

ORGANIZATIONAL HISTORY

The Ontario Ringette Association was incorporated, without share capital, under the laws of Ontario on May 20, 1980. Under letters patent filed on the same date, the association was established as a not for profit organization with the authority to govern and promote the sport of Ringette in the province of Ontario.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements were prepared in accordance with Canadian accounting standards for not for profit organizations in Part III of the CPA Canada Handbook and include the following significant accounting policies:

(a) Revenue Recognition

Event fees for clinics, camps and other programs are recognized in the period during which the event or programs are undertaken. Where championship events for the season ending in the fiscal year straddle the year end, the full cost of the event is recorded in the fiscal year of the competitive season.

Other association revenues are recognized when received or receivable.

(b) Inventory

Inventories of resources and supplies are valued at the lower of cost or net realizable value. Cost is determined using the average cost method.

(c) Capital Assets

Capital assets are recorded at cost. Depreciation is provided annually at rates calculated to write-off the assets over their estimated useful lives as follows:

Furniture and fixtures	- 20% straight line
Computer equipment	- 33 1/3% straight line
Shot clocks	- 20% straight line

One half of the normal annual depreciation is charged in the year of acquisition.

(d) Fund Accounting

The net assets of the association are segregated into unrestricted, members' funds and restricted funds which have been set aside for specified purposes or activities.

(e) Contributed Services

Volunteers contribute a considerable number of hours per year to assist the association in carrying out its service delivery activities. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

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NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2014

(f) Cash and Cash Equivalents

The association's policy is to present bank balances and petty cash under cash and cash equivalents. Short term investments, term deposits, are not included in cash and cash equivalents.

(g) Financial Instruments Measurement

The association initially measures its financial assets and financial liabilities at fair value. It subsequently measures all its financial assets and liabilities at amortized cost.

The financial assets subsequently measured at amortized cost include cash, short term deposits, accounts receivable. The financial liabilities measured at amortized cost include accounts payable and accrued liabilities and government remittances payable.

(h) Team Ontario Revenues and Expenses

Revenues and expenses related to the participation of Team Ontario at events such as the Canada Winter Games are reflected in the financial statements of the association only to the extent that they have been received by or paid out by the association and as such do not include independent fund raising by the team, nor expenses paid directly by the team.

2. CAPITAL ASSETS

	<u>Cost</u>	<u>Amortization</u>	<u>Net 2014</u>	<u>Net 2013</u>
Furniture and fixtures	\$ 4,663	\$ 4,663	\$ -	\$ 317
Computer equipment	16,039	12,976	3,063	3,817
Shot clocks	<u>68,310</u>	<u>68,310</u>	<u>-</u>	<u>-</u>
	<u>\$ 89,012</u>	<u>\$ 85,949</u>	<u>\$ 3,063</u>	<u>\$ 4,134</u>

3. OPERATING STABILIZATION FUND

The operating stabilization fund is an internally restricted fund established under a reserve funding strategy approved in November, 2010. The purpose of the fund is provide cash resources to maintain and to carry out the operations of the association in the event of decreases in revenues or reductions in government funding. The fund may be drawn down by the Executive Director to meet the financial responsibilities of the approved operating budget in advance of the receipt of membership dues or if membership revenues are lower than expected. As at March 31 of each year, if the fund balance falls below the target level of \$250,000 then a transfer from operations of \$10,000 per year is to be made to the fund until it is again at the target level.

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NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2014

4. OFFICE EQUIPMENT & TECHNOLOGY FUND

The office equipment and technology fund is an internally restricted fund established in November, 2010. The purpose of the fund is to provide funds for any significant purchases of office equipment or to invest in improvements in technology. The fund may be drawn down with the approval of the board only after a business case has been submitted, reviewed and approved. As at March 31 of each year, if the fund balance falls below the target level of \$20,000 then a transfer from operating surplus of \$1,000 per year is to be made to the fund until it is again at the target level.

5. SCHOLARSHIP FUND

The scholarship fund is an internally restricted fund established in 2008. The purpose of the fund is to support scholarships given by the association each fiscal year. The fund is to be separately invested and the interest or contributions credited to the fund will be used to provide scholarships to qualified candidates. In accordance with reserve funding strategies established in November of 2010 annual transfers of \$1,500 if the fund falls below \$50,000 (\$2,000 if the fund balance falls below \$15,000) are to be made to the scholarship fund in years where there is an operating surplus. In the fiscal year ended March 31, 2014 a transfer from the scholarship fund to the members fund of \$2,000 was made to cover the scholarships given in the 2014 fiscal year.

6. CANADA WINTER GAMES FUND

The Canada Winter Games fund is an internally restricted fund established in 2008. The fund balance is to be maintained separate from operating funds and accumulated to make a pool of funds available for Canada Winter Games travel costs which are incurred every four years. Effective November 2010, a reserve funding policy is in place which requires a transfer of \$10,000 per year from current operations be made to the Canada Winter Games Fund in non Canada Winter Games years. No transfer was made in the 2014 fiscal year as the association incurred an operating deficit and the Canada Winter Games Fund was above it's target value.

7. FINANCIAL INSTRUMENTS AND RISK

The association is exposed to various risk through its financial instruments. The following analysis presents the association's exposures to significant risk at the reporting date

(a) Credit Risk

The association is exposed to credit risk in that it provides credit to member associations and regions in the normal course of its operations. The credit risk is mitigated by the fact that the majority of its accounts receivable are due from members of the association. The association regularly monitors accounts receivable, has the ability to suspend members for non payment and virtually never has had any bad debts.

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(b) Interest Rate Risk

The association is exposed to interest rate risk on its fixed rate investments. The interest rate risk is minimized by the short terms to maturity.

(c) Liquidity Risk

Liquidity risk is the risk of being unable to meet cash requirements or fund obligations as they become due. The association manages its liquidity risk by regularly monitoring forecasted and actual cash flows and by holding assets that can readily be converted to cash and by maintaining the operating stabilization fund.