
ONTARIO RINGETTE ASSOCIATION

FINANCIAL STATEMENTS

MARCH 31, 2012

ONTARIO RINGETTE ASSOCIATION

MARCH 31, 2012

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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 accompanying financial statements of Ontario Ringette Association which comprise the balance sheet as at March 31, 2012, and the statements of revenue and expenditures, changes in fund balance and cash flow statement 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 generally accepted accounting principles, 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, 2012, and its financial performance and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Etobicoke, Ontario
May 28, 2012



Lynne D. Remigio, C.A.
Licensed Public Accountant

ONTARIO RINGETTE ASSOCIATION
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2012

ASSETS		<u>2012</u>	<u>2011</u>
CURRENT			
Cash	\$	287,911	\$ 316,822
Short term investments		151,875	150,000
Accounts receivable		21,680	1,281
Inventory		13,214	15,213
Prepaid expenses		<u>3,201</u>	<u>6,537</u>
		<u>477,881</u>	<u>489,853</u>
CAPITAL ASSETS (Note 3)		<u>951</u>	<u>1,585</u>
	\$	<u><u>478,832</u></u>	\$ <u><u>491,438</u></u>

LIABILITIES			
CURRENT			
Accounts payable and accrued liabilities	\$	65,425	\$ 91,141
Deferred revenue		3,040	3,040
Camp fees collected in advance		<u>2,125</u>	<u>6,018</u>
		<u>70,590</u>	<u>100,199</u>

NET ASSETS			
NET ASSETS			
Restricted Funds		357,576	349,040
Unrestricted, Operating Fund		<u>50,666</u>	<u>42,199</u>
		<u>408,242</u>	<u>391,239</u>
	\$	<u><u>478,832</u></u>	\$ <u><u>491,438</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, 2012

REVENUE	<u>2012</u>	<u>2011</u>
Government grants		
Government of Ontario grant, base funding	\$ 136,644	\$ 136,644
Government of Ontario Active 2010 funding	-	7,000
Quest for Gold coaching and team development	6,000	28,838
Ontario Winter Games travel and team grants	2,944	-
Ontario Trillium Foundation grants	<u>28,200</u>	<u>13,300</u>
	<u>173,788</u>	<u>185,782</u>
Association generated revenues		
Member registration fees and dues	387,486	287,065
Event fees	253,598	221,517
Sponsorship income	35,881	32,917
Net resource revenue	3,649	3,284
AGM registrations	8,997	7,319
Interest and other revenue	<u>23,670</u>	<u>20,732</u>
	<u>713,281</u>	<u>572,834</u>
	<u>887,069</u>	<u>758,616</u>
EXPENDITURES		
Association management		
Salaries and benefits	161,114	145,290
Ringette Canada participation	147,231	149,367
General office expense	25,844	24,211
Program management		
Travel accommodation and meetings	78,313	57,705
Printing and postage	9,526	9,641
Telephone	3,114	3,146
Strategic planning	-	6,000
Competitive events	272,446	222,510
Education and member development		
Training and development	91,976	178,017
Annual conference	23,064	16,408
Ontario Trillium Foundation and other grants	28,200	13,300
Financial management		
Member Insurance	20,361	21,611
Audit, accounting and legal	7,893	5,339
Interest, bank charges and bad debts	924	1,135
Depreciation	<u>634</u>	<u>2,389</u>
	<u>870,640</u>	<u>856,069</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>\$ 16,429</u>	<u>\$ (97,453)</u>

See accompanying notes to financial statements

ONTARIO RINGETTE ASSOCIATION
STATEMENT OF CHANGES IN FUND BALANCES
FOR THE YEAR ENDED MARCH 31, 2012

UNRESTRICTED FUNDS	<u>2012</u>	<u>2011</u>
Members' Fund		
Net assets, beginning of year	\$ 42,199	\$ 379,559
Excess of revenue over expenditures	16,429	(97,453)
Transfers from (to) restricted funds	<u>(7,962)</u>	<u>(239,907)</u>
Net assets, end of year	<u>50,666</u>	<u>42,199</u>
 RESTRICTED FUNDS		
Operating Stabilization Fund (Note 4)		
Net assets, beginning of year	250,000	-
Transfer from (to) members' fund	<u>-</u>	<u>250,000</u>
	<u>250,000</u>	<u>250,000</u>
 Office Equipment and Technology Fund (Note 5)		
Net assets, beginning of year	20,000	-
Transfer from (to) members' fund	<u>-</u>	<u>20,000</u>
	<u>20,000</u>	<u>20,000</u>
 Scholarship Fund (Note 6)		
Net assets, beginning of year	52,038	50,093
Investment income for the year	574	197
Contributions during the year	-	1,841
Transfer prior year investment income to members' fund	<u>(2,038)</u>	<u>(93)</u>
	<u>50,574</u>	<u>52,038</u>
 Canada Winter Games Fund (Note 7)		
Net assets, beginning of year	27,002	56,947
Investment income for the year	-	55
Transfer from (to) operating fund	<u>10,000</u>	<u>(30,000)</u>
	<u>37,002</u>	<u>27,002</u>
Total Restricted Funds	<u>357,576</u>	<u>349,040</u>
TOTAL FUND BALANCES	<u>\$ 408,242</u>	<u>\$ 391,239</u>

See accompanying notes to financial statements

**ONTARIO RINGETTE ASSOCIATION
STATEMENT OF CASH FLOWS**

MARCH 31, 2012

	<u>2012</u>	<u>2011</u>
CASH PROVIDED BY OPERATING ACTIVITIES		
Net income (loss)	\$ 16,429	\$ (97,453)
Interest income, restricted funds	574	252
Cash contributions, scholarship fund	-	1,841
Items not requiring an outlay of cash:		
Depreciation	<u>634</u>	<u>2,389</u>
	<u>17,637</u>	<u>(92,971)</u>
Changes in non-cash working capital:		
Increase in deferred revenue	-	3,000
Decrease in camp fees collected in advance	(3,893)	(2,311)
(Decrease) increase in accounts payable and accrued liabilities	(25,716)	47,241
Decrease (increase) in inventories	1,998	(1,331)
Decrease in prepaid expenses	3,336	3,664
(Increase) decrease in accounts receivable	<u>(20,398)</u>	<u>6,708</u>
	<u>(44,673)</u>	<u>56,971</u>
	<u>(27,036)</u>	<u>(36,000)</u>
CASH FLOWS FROM FINANCING ACTIVITIES	<u>-</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
(Increase) in investments	<u>(1,875)</u>	<u>(150,000)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(28,911)	(186,000)
Cash and cash equivalents, beginning of year	<u>316,822</u>	<u>502,822</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 287,911</u>	<u>\$ 316,822</u>

See accompanying notes to financial statements

ONTARIO RINGETTE ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2012

1. 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Short Term Investments

Short term investments are recorded at their market value in accordance with the recommendations of section 3855 of the CICA handbook.

(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) 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.

(f) 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.

ONTARIO RINGETTE ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2012

3. CAPITAL ASSETS

	<u>Cost</u>	<u>Amortization</u>	<u>Net 2012</u>	<u>Net 2011</u>
Furniture and fixtures	\$ 4,663	\$ 3,712	\$ 951	\$ 1,585
Computer equipment	10,532	10,532	-	-
Shot clocks	<u>68,310</u>	<u>68,310</u>	<u>-</u>	<u>-</u>
	<u>\$ 83,505</u>	<u>\$ 82,554</u>	<u>\$ 951</u>	<u>\$ 1,585</u>

4. OPERATING STABILIZATION FUND

The operating stabilization fund is an internally restricted fund established under a new reserve funding strategy approved in November, 2010. The fund has been established to provide funds 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.

5. OFFICE EQUIPMENT & TECHNOLOGY FUND

The office equipment and technology fund is an internally restricted fund established under the new reserve funding strategy approved in November, 2010. The fund has been established 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.

6. SCHOLARSHIP FUND

The scholarship fund is an internally restricted fund established in 2008. A transfer from the fund of \$2,038, representing the prior year's accumulated interest and the prior year scholarship fund contributions, was made to the members' fund in the fiscal year ended March 31, 2012 to support scholarships given during the 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.

ONTARIO RINGETTE ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2012

7. 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 will require a transfer of \$10,000 per year from current operations be made to the Canada Winter Games Fund in non Canada Winter Games years.

8. FINANCIAL INSTRUMENTS

The association's financial instruments consist of cash, short term investments, accounts receivable and accounts payable and accrued liabilities, the fair value of which approximates their carrying value. It is management's opinion that the association is not exposed to significant interest, currency or credit risks arising from these financial instruments.

9. SUPPLEMENTAL CASH FLOW INFORMATION

	<u>2012</u>	<u>2011</u>
Cash flow from interest:		
Interest received	\$ 1,986	\$ 28