

Ringette Canada Financial Statements For the year ended March 31, 2014

Contents

Independent Auditor's Report	2 - 3
Financial Statements	
Statement of Financial Position	4
Statement of Changes in Net Assets	5
Statement of Operations	6
Statement of Cash Flows	7
Notes to Financial Statements	8 - 11



Tél./Tel: 613 739 8221
Téléc./Fax: 613 739 1517
www.bdo.ca

BDO Canada LLP
1730 St-Laurent Boulevard
Suite 100
Ottawa ON K1G 5L1 Canada

Independent Auditor's Report

**To the members of
Ringette Canada**

We have audited the accompanying financial statements of Ringette Canada, which comprise the statement of financial position as at March 31, 2014, and the statements of operations, changes in net assets 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

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Opinion

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

BDO Canada LLP

Chartered Accountants, Licensed Public Accountants

Ottawa, Ontario
May 21, 2014

Ringette Canada
Statement of Changes in Net Assets

Ringette Canada
 Statement of Changes in Net Assets

For the year ended March 31	Internally restricted	Unrestricted	2014	2013
Balance, beginning of the year	\$ 14,201	\$ 567,732	\$ 581,933	\$ 601,220
Excess (deficiency) of revenues over expenses	-	64,943	64,943	(19,287)
Acquisition of tangible capital assets	1,767	(1,767)	-	-
Amortization of tangible capital assets	(8,885)	8,885	-	-
Balance, end of the year	\$ 7,083	\$ 639,793	\$ 646,876	\$ 581,933

**Ringette Canada
Statement of Operations**

For the year ended March 31

	2014	2013
Revenues		
Sport Canada contribution	\$ 517,000	\$ 509,000
Coaching Association of Canada	23,600	16,179
Resources sales	171,729	122,320
National team	120,182	515,794
National Ringette League	9,100	11,200
Interest	1,077	1,912
National Championship	153,107	145,046
Membership fees	9,000	9,000
Registration fees	527,146	482,541
Miscellaneous	22,670	14,642
50th Anniversary	27,520	-
	1,582,131	1,827,634
Expenses		
Administration	556,314	578,877
Meetings and planning	89,451	91,883
Technical and development	106,560	55,676
National team	282,468	646,424
National Championship	180,586	225,215
Promotion	175,744	199,851
50th Anniversary	126,065	48,995
	1,517,188	1,846,921
Excess (deficiency) of revenues over expenses	\$ 64,943	\$ (19,287)

The notes are an integral part of these financial statements.

**Ringette Canada
Statement of Cash Flows**

<u>For the year ended March 31</u>	<u>2014</u>	<u>2013</u>
Cash flows from operating activities		
Cash receipts from members, sales and government subsidies	\$ 1,468,735	\$ 1,789,580
Cash paid to suppliers and employees	<u>(1,534,025)</u>	<u>(1,809,784)</u>
	(65,290)	(20,204)
Cash flows from investing activities		
Acquisition of tangible capital assets	<u>(1,767)</u>	<u>(7,937)</u>
Net decrease in cash	(67,057)	(28,141)
Cash, beginning of the year	639,337	667,478
Cash, end of year	\$ 572,280	\$ 639,337

Ringette Canada Notes to Financial Statements

March 31, 2014

1. Significant Accounting Policies

Purpose of Association	Ringette Canada is a not-for-profit organization incorporated under the Canada Corporations Act and is a Registered Canadian Amateur Athletic Association under the Income Tax Act and as such is exempt from income tax. The mission of the Association is to provide leadership and assistance to member associations, players, coaches, officials and administrators at all levels of skill and for all age groups and to facilitate the standard development of ringette in Canada and abroad by providing programs and services.
Basis of Accounting	The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations.
Use of Estimates	The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.
Revenue Recognition	<p>The Association follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. 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.</p> <p>Resources sales are recorded as revenue when the goods are shipped.</p> <p>Registration fees and membership fees are recognized over the membership period.</p> <p>Fees for the National Team, National Ringette League and National Championship are recognized when the event takes place.</p>

Ringette Canada Notes to Financial Statements

March 31, 2014

1. Significant Accounting Policies (continued)

Financial Instruments

Measurement

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

Financial instruments measured at amortized cost are cash, accounts receivable, grants receivable and accounts payable and accrued liabilities.

Impairment

Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment.

Transaction costs

Financial instruments that are subsequently measured at amortized cost are adjusted by the transaction costs in the initial measurement of the asset or liability.

Inventory

Inventory is valued at the lower of cost and net realizable value. The cost is determined on a weighted average cost basis.

Tangible Capital Assets

Tangible capital assets are stated at cost less accumulated amortization. Amortization is provided on the basis of their useful lives using the straight-line basis and the following annual rates:

Computer equipment	2 years
Furniture and equipment	3 years

Contributed Services

Volunteers contribute numerous 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.

Contributed Materials and Services

Contributed materials and services which are used in the normal course of the Association's operations and would otherwise have been purchased are recorded at their fair value at the date of contribution if fair value can be reasonably estimated.

Sport Canada Contribution

Contributions received from Sport Canada are subject to specific terms and conditions regarding the expenditure of the funds. The Association's accounting records are subject to audit by Sport Canada to identify instances, if any, in which amounts charged against contributions have not complied with the agreed terms and conditions and which therefore would be refundable to Sport Canada. Adjustments to prior years' contributions are recorded in the year Sport Canada requests the adjustment.

Ringette Canada Notes to Financial Statements

March 31, 2014

2. Inventory

The amount of inventory recognized as an expense during the year was \$50,574 (2013 - \$35,702) and is reflected in administration expense on the statement of operations.

3. Tangible Capital Assets

	2014	2013		
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Computer equipment	\$ 34,427	\$ 34,427	\$ 34,427	\$ 34,427
Furniture and equipment	78,975	71,892	77,208	63,007
	<u>\$ 113,402</u>	<u>\$ 106,319</u>	<u>\$ 111,635</u>	<u>\$ 97,434</u>
Net book value	<u>\$ 7,083</u>		<u>\$ 14,201</u>	

Amortization expense totalled \$8,885 (2013 - \$9,819) for the year and is recorded in administration expense.

4. Accounts Payable and Accrued Liabilities

Included in accounts payable and accrued liabilities are government remittances payable of \$2,126 (2013 - \$1,758).

5. Deferred Revenue

	2014	2013
National Championship registrations	\$ 96,400	\$ 102,900
Sport Canada	60,000	50,000
Others	1,050	2,050
	<u>\$ 157,450</u>	<u>\$ 154,950</u>

Ringette Canada Notes to Financial Statements

March 31, 2014

6. Commitments

The Association leases its premises under a lease expiring in July 2015. Future minimum lease payments total \$33,484 and include the following payments over the next two years:

2015	\$ 25,113
2016	8,371

7. Contingencies

The Association has been named as a respondent in a claim served on March 17, 2014. The Association has retained legal counsel and has determined that it is premature to make any evaluation of the claim. The Association has also reviewed its insurance policy with the adjuster and such policy provides coverage except for any punitive damages, if any are awarded. Consequently, no provision for this claim has been made in the financial statements.

8. Economic Dependence

The Association receives 33% (2013 - 28%) of its revenues from Sport Canada. Should this funding not be continued or it can't be replaced, the Association wouldn't be able to continue its operations at the current level.

9. Financial Instruments

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 is also exposed to credit risk for its accounts and grants receivable. The Association provides credit to its members in the normal course of its operations.