

**RIDGE MEADOWS MINOR
HOCKEY ASSOCIATION**

Financial Statements

March 31, 2016



**MAPLE RIDGE
LANGLEY**

**CHARTERED
PROFESSIONAL
ACCOUNTANTS**

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INDEPENDENT AUDITORS' REPORT

To The Members of
Ridge Meadows Minor Hockey Association

We have audited the accompanying financial statements of Ridge Meadows Minor Hockey Association, which comprise the statement of financial position as at March 31, 2016 and the statement 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, these financial statements present fairly, in all material respects, the financial position of the Ridge Meadows Minor Hockey Association as at March 31, 2016 and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

EPR

**EPR MAPLE RIDGE LANGLEY
CHARTERED PROFESSIONAL ACCOUNTANTS**

Maple Ridge, BC
September 15, 2016

RIDGE MEADOWS MINOR HOCKEY ASSOCIATION

STATEMENT 1

STATEMENT OF OPERATIONS

Year Ended March 31, 2016

| | 2016 | 2015 |
|---|------------------|--------------------|
| Revenue | | |
| Development income | \$ 25,179 | \$ 24,982 |
| Direct access grant | 100,000 | 100,000 |
| Finance fees | 6,983 | 3,923 |
| Fundraising and donations | 31,132 | 17,268 |
| Interest income | 906 | 1,414 |
| Jersey rentals | 34,783 | - |
| Registration fees | 698,275 | 596,574 |
| Rep player fees | 156,735 | 148,576 |
| RMBA distributions | 5,077 | 5,077 |
| Sponsorships | 12,000 | 7,347 |
| Tournament income - net | 41,998 | 38,429 |
| | 1,113,068 | 943,590 |
| Expenses | | |
| Advertising and promotion | 9,385 | 9,827 |
| Amortization | 32,534 | 28,900 |
| Auditing fees | 6,250 | 6,775 |
| Bank charges | 16,701 | 15,773 |
| Bookkeeping | 12,258 | 10,761 |
| Coaching development | 972 | 2,157 |
| Conventions | 5,901 | 4,465 |
| Hockey supplies | 27,452 | 34,606 |
| Ice rental | 607,338 | 586,175 |
| Insurance | 31,863 | 32,973 |
| Legal fees | 458 | - |
| Membership dues | 49,451 | 48,920 |
| Office and telephone | 7,495 | 5,840 |
| Player instruction | 92,989 | 74,041 |
| Provincials | 1,988 | - |
| Referees | 68,681 | 65,340 |
| Risk management | 7,995 | 1,652 |
| Scholarships | 2,500 | 1,770 |
| Wages and benefits | 69,459 | 69,980 |
| | 1,051,670 | 999,955 |
| Net surplus (deficit) for the year | \$ 61,398 | \$ (56,365) |

The accompanying notes are an integral part of these financial statements.



RIDGE MEADOWS MINOR HOCKEY ASSOCIATION

STATEMENT 2

CHANGES IN NET ASSETS

Year Ended March 31, 2016

| | 2016 | 2015 |
|--|-------------------|-------------------|
| UNRESTRICTED NET ASSETS | | |
| General Reserve | | |
| Balance, beginning of year | \$ 154,824 | \$ 211,189 |
| Net surplus (deficit) for the year | 61,398 | (56,365) |
| | 216,222 | 154,824 |
| Transfer to tangible capital replacement reserve | (34,783) | - |
| Balance, end of year | \$ 181,439 | \$ 154,824 |
| INTERNALLY RESTRICTED NET ASSETS | | |
| Contingency Reserve | | |
| Balance, beginning of year | \$ 127,007 | \$ 125,228 |
| Interest earned | 657 | 1,779 |
| Balance, end of year | 127,664 | 127,007 |
| Tangible Capital Replacement Reserve | | |
| Balance, beginning of year | - | - |
| Transfer from unrestricted general reserve | 34,783 | - |
| Balance, end of year | 34,783 | - |
| Total Internally Restricted Net Assets | \$ 162,447 | \$ 127,007 |
| TOTAL NET ASSETS | \$ 343,886 | \$ 281,831 |

The accompanying notes are an integral part of these financial statements.



RIDGE MEADOWS MINOR HOCKEY ASSOCIATION

STATEMENT 3

STATEMENT OF CASH FLOWS

Year Ended March 31, 2016

| | 2016 | 2015 |
|--|-------------------|-------------------|
| Cash flows from (for) operating activities: | | |
| Net surplus (deficit) for the year | \$ 61,398 | \$ (56,365) |
| Items not requiring an outlay of funds | | |
| Amortization | 32,534 | 28,900 |
| | 93,932 | (27,465) |
| Changes in non-cash working capital | | |
| Accounts receivable | (770) | (5,301) |
| Prepaid expenses | (500) | 5,867 |
| Accounts payable and accrued liabilities | 5,849 | (9,402) |
| Government agencies payable | 3,441 | (25) |
| Prepaid registration deposits | (11,009) | (20,896) |
| | 90,943 | (57,222) |
| Cash flows from (for) investing activities: | | |
| Purchase of tangible capital assets | (61,831) | (8,609) |
| Increase (decrease) in cash | 29,112 | (65,831) |
| Cash, beginning of year | 103,571 | 169,402 |
| Cash, end of year | \$ 132,683 | \$ 103,571 |

The accompanying notes are an integral part of these financial statements.



RIDGE MEADOWS MINOR HOCKEY ASSOCIATION
STATEMENT OF FINANCIAL POSITION
 March 31, 2016

STATEMENT 4

| | 2016 | 2015 |
|--|-------------------|-------------------|
| ASSETS | | |
| Current: | | |
| Cash | \$ 132,683 | \$ 103,571 |
| Accounts receivable | 7,625 | 6,854 |
| Prepaid expenses | 500 | - |
| | 140,808 | 110,425 |
| Tangible capital assets - note 2 | 92,493 | 63,196 |
| Restricted deposits - note 3 | 127,661 | 127,005 |
| | \$ 360,962 | \$ 300,626 |
| LIABILITIES AND NET ASSETS | | |
| Current: | | |
| Accounts payable and accrued liabilities | \$ 10,898 | \$ 5,049 |
| Government agencies payable | 5,203 | 1,762 |
| Prepaid registration deposits | 975 | 11,984 |
| | 17,076 | 18,795 |
| Net assets | | |
| Unrestricted net assets | 181,439 | 154,824 |
| Internally restricted net assets | 162,447 | 127,007 |
| | 343,886 | 281,831 |
| | \$ 360,962 | \$ 300,626 |

On behalf of the Board

[Signature] Director
09/29/2016 Date

[Signature] Director
09/29/2016 Date

The accompanying notes are an integral part of these financial statements.



RIDGE MEADOWS MINOR HOCKEY ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

Year Ended March 31, 2016

Ridge Meadows Minor Hockey Association is a non-profit society incorporated under the Societies Act of British Columbia. The purposes of the Association are to encourage, promote and conduct amateur hockey in the Municipalities and Districts of Maple Ridge and Pitt Meadows, British Columbia.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Association have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies.

Tangible Capital Assets and Amortization

Tangible capital assets are recorded at cost. Amortization is provided annually at rates calculated to write-off the assets over their estimated useful lives as follows except in the year of acquisition when one half of the rate is used:

| | | |
|-------------------------|---------|---------------|
| Computer equipment | 5 years | straight-line |
| Furniture and equipment | 5 years | straight-line |
| Hockey equipment | 5 years | straight-line |

Income Taxes

The Association is exempt from Federal and Provincial income taxes.

Revenue Recognition

Tournament, Development and Player fees are recognized as received in the current season. Fees received in advance of the following season are recorded as prepaid registration deposits.

Use of Estimates

The preparation of the Association's financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as at the date of the financial statements as well as reported amounts of revenues and expenses during the reported period. Actual results could differ from these estimates.

2. TANGIBLE CAPITAL ASSETS

| | 2016 | | 2015 | |
|-------------------------|------------|--------------------------|----------------|----------------|
| | Cost | Accumulated Amortization | Net Book Value | Net Book Value |
| Computer equipment | \$ 5,189 | \$ 3,525 | \$ 1,664 | \$ 2,619 |
| Furniture and equipment | 3,210 | 1,361 | 1,849 | 2,311 |
| Hockey equipment | 202,559 | 113,579 | 88,980 | 58,266 |
| | \$ 210,958 | \$ 118,465 | \$ 92,493 | \$ 63,196 |



RIDGE MEADOWS MINOR HOCKEY ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

Year Ended March 31, 2016

3. RESTRICTED DEPOSITS

| | 2016 | 2015 |
|--|------------|------------|
| Cash to be held for future contingencies. Requires authorization of an Annual General Meeting for expenditure. | \$ 120,287 | \$ 119,888 |
| Cash to be held for future Scholarship Fund. This fund is used to award two annual scholarships of \$1,000 each to a minor hockey player graduating from high school and advancing to post secondary school. | 7,374 | 7,117 |
| | \$ 127,661 | \$ 127,005 |

4. FINANCIAL INSTRUMENTS

Fair Value

As at March 31, 2016 and 2015, the carrying amounts of the Association's current financial instruments, including cash and short-term deposits, accounts receivable and accounts payable and accrued liabilities approximate their fair value due to the immediate or short-term maturity of these financial instruments.

5. COMPARATIVE FIGURES

Certain balances of the preceding period have been reclassified to conform with the current year's financial statement presentation.