

**RIDGE MEADOWS MINOR
HOCKEY ASSOCIATION**

Financial Statements

March 31, 2017



**MAPLE RIDGE
LANGLEY**

**CHARTERED
PROFESSIONAL
ACCOUNTANTS**

22377 Dewdney Trunk Road

Maple Ridge, BC
V2X 3J4

Tel: (604) 467-5561

Fax: (604) 467-1219

eprmr@eprcpa.ca

www.eprcpa.ca

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, 2017 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, 2017 and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Report on Other Legal and Regulatory Requirements

As required by the Societies Act (BC), we report that, in our opinion, the accounting principles used in preparing and presenting the financial statements are in accordance with Canadian accounting standards for not-for-profit organizations, and have been applied on a consistent basis with that of the preceding year.

EPR

**EPR MAPLE RIDGE LANGLEY
CHARTERED PROFESSIONAL ACCOUNTANTS**

Maple Ridge, BC
September 20, 2017

RIDGE-MEADOWS MINOR HOCKEY ASSOCIATION**STATEMENT 1****STATEMENT OF OPERATIONS**

Year Ended March 31, 2017

	2017	2016
Revenue		
Community gaming grant - note 6	\$ 100,000	\$ 100,000
Development income	45,908	25,179
Finance fees	5,650	6,983
Fundraising and donations	39,876	49,953
Interest income	268	906
Jersey rentals	37,668	34,783
Registration fees	704,378	698,275
Rep player fees	197,770	156,735
RMBA distributions	5,077	5,077
Tournament income	77,678	91,166
	1,214,273	1,169,057
Expenses		
Advertising and promotion	7,921	9,385
Amortization	41,782	32,534
Auditing fees	6,870	6,250
Bank charges	5,339	16,701
Bookkeeping	2,031	12,258
Coaching development	927	972
Conventions	5,278	5,901
Fundraising expenses	15,302	7,322
Hockey supplies	28,373	27,452
Ice rental	613,657	607,338
Insurance	30,977	31,863
Legal fees	3,727	458
Membership dues	54,643	49,451
Office and telephone	8,664	7,495
Player instruction	117,043	92,989
Provincials	-	1,988
Referees	75,275	68,681
Risk management	4,799	7,995
Scholarships	2,000	2,500
Tournament expense	47,991	48,668
Wages and benefits	99,049	69,459
	1,171,648	1,107,660
Net surplus for the year	\$ 42,625	\$ 61,397

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, 2017

	2017	2016
UNRESTRICTED NET ASSETS		
General Reserve		
Balance, beginning of year	\$ 181,439	\$ 154,824
Net surplus (deficit) for the year	42,625	61,398
	224,064	216,222
Transfer to (from) tangible capital replacement reserve	24,856	(34,783)
Balance, end of year	\$ 248,920	\$ 181,439
INTERNALLY RESTRICTED NET ASSETS		
Contingency Reserve - note 4		
Balance, beginning of year	\$ 127,664	\$ 127,007
Contributions to Jim Lindsay Memorial Scholarship	2,810	-
Interest earned	402	657
	3,212	657
Balance, end of year	130,876	127,664
Tangible Capital Replacement Reserve - note 5		
Balance, beginning of year	34,783	-
Jersey rental fees	37,667	34,783
Capital equipment expenditures	(62,523)	-
	(24,856)	34,783
Balance, end of year	9,927	34,783
Total Internally Restricted Net Assets	\$ 140,803	\$ 162,447
TOTAL NET ASSETS	\$ 389,723	\$ 343,886

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, 2017

	2017	2016
Cash flows from (for) operating activities:		
Net surplus for the year	\$ 42,625	\$ 61,397
Items not requiring an outlay of funds		
Amortization	41,782	32,534
	84,407	93,931
Changes in non-cash working capital		
Accounts receivable	6,690	(769)
Prepaid expenses	500	(500)
Accounts payable and accrued liabilities	(6,659)	5,849
Government agencies payable	(5,203)	3,441
Prepaid registration deposits	1,203	(11,009)
	80,938	90,943
Cash flows from (for) investing activities:		
Purchase of tangible capital assets	(89,078)	(61,831)
Increase (decrease) in cash	(8,140)	29,112
Cash, beginning of year	132,683	103,571
Cash, end of year	\$ 124,543	\$ 132,683

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



RIDGE-MEADOWS MINOR HOCKEY ASSOCIATION**STATEMENT 4****STATEMENT OF FINANCIAL POSITION**

March 31, 2017

	2017	2016
ASSETS		
Current:		
Cash	\$ 124,543	\$ 132,683
Accounts receivable - note 2	933	7,625
Prepaid expenses	-	500
	125,476	140,808
Tangible capital assets - note 3	139,789	92,493
Internally restricted deposits - note 4	130,875	127,661
	\$ 396,140	\$ 360,962
LIABILITIES AND NET ASSETS		
Current:		
Accounts payable and accrued liabilities	\$ 4,239	\$ 10,898
Government agencies payable	-	5,203
Prepaid registration deposits	2,178	975
	6,417	17,076
Net assets		
Unrestricted net assets	248,920	181,439
Internally restricted net assets	140,803	162,447
	389,723	343,886
	\$ 396,140	\$ 360,962

On behalf of the Board

Director_____
Director_____
Date_____
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, 2017

Ridge Meadows Minor Hockey Association (the "Association") is a not-for-profit society incorporated under the British Columbia Societies Act on February 17, 1975. The Association encourages, promotes and conducts the sport of amateur hockey in the Cities 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 (ASNPO) and include the following significant accounting policies.

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 may differ from those estimates.

Financial Instruments

Financial instruments of the Association consist of cash, accounts receivable, and accounts payable and accrued liabilities. The carrying amounts of these financial instruments approximate their fair value due to the immediate or short-term maturity of these financial instruments.

The Association recognizes its financial instruments when it becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at their fair value.

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

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.

RIDGE-MEADOWS MINOR HOCKEY ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

Year Ended March 31, 2017

2. ACCOUNTS RECEIVABLE

Accounts receivable are net of a \$500 allowance for doubtful accounts (2016 \$7,365).

3. TANGIBLE CAPITAL ASSETS

	2017		2016	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Computer equipment	\$ 5,958	\$ 3,715	\$ 2,243	\$ 1,665
Furniture and equipment	28,156	4,498	23,658	1,849
Hockey equipment	232,975	119,087	113,888	88,979
	\$ 267,089	\$ 127,300	\$ 139,789	\$ 92,493

4. INTERNALLY RESTRICTED DEPOSITS

The Association has allocated funds for future contingencies and scholarships. The Association may not make use of these internally restricted amounts for any other purposes without the approval of the Board of Directors.

	2017	2016
Cash to be held for future contingencies. Requires authorization of an Annual General Meeting for expenditure.	\$ 120,691	\$ 120,290
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	7,374
Cash to be held for The RMMHA Jim Lindsay Memorial Scholarship Fund. This fund is used to award one annual scholarship of \$1,500 to a minor hockey player graduating from high school and advancing to post secondary school.	2,810	-
	\$ 130,875	\$ 127,664

RIDGE-MEADOWS MINOR HOCKEY ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
Year Ended March 31, 2017

5. TANGIBLE CAPITAL REPLACEMENT RESERVE

During the year ended March 31, 2016, the Board created a Tangible Capital Replacement Reserve. The purpose of this fund is to set aside revenue from registration fees for hockey equipment replacement.

The Tangible Capital Replacement Reserve is created from jersey rental fees charged to participants in the year. From this fund, future equipment purchases are to be deducted.

6. COMMUNITY GAMING GRANT REVENUE

The Association received a Community Gaming Grant of \$100,000 (2016 \$100,000) from whom this grant is directed to be used to assist with costs for ice rentals. This annual grant is conditional upon submission of a successful grant application and available funding from the Community Gaming Grant Program.

7. CAPITAL DISCLOSURE

The Association defines its capital as the amounts included in its net asset balances.

The Association's objective when managing its capital is to safeguard the Association's ability to continue as a going concern so that it can continue to provide the appropriate level of benefits and services to the communities of Maple Ridge and Pitt Meadows through its amateur hockey programs.

8. RISK MANAGEMENT

It is management's opinion that the Association is not exposed to significant interest rate, credit, liquidity or other price risks arising from their financial instruments except as otherwise disclosed.

9. COMPARATIVE FIGURES

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