

**RIDGE MEADOWS MINOR
HOCKEY ASSOCIATION**

Financial Statements

March 31, 2018



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, 2018 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, 2018 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 25, 2018

RIDGE-MEADOWS MINOR HOCKEY ASSOCIATION
STATEMENT OF OPERATIONS

STATEMENT 1

Year Ended March 31, 2018

	2018	2017
Revenue		
A Player fees	\$ 188,361	\$ 197,770
Community gaming grant - note 6	100,000	100,000
Development income	28,685	45,908
Finance fees	4,950	5,650
Fundraising and donations	65,847	39,876
Interest income	86	268
Jersey rentals	36,100	37,668
Registration fees	774,477	704,378
RMBA distributions	5,077	5,077
Tournament income	105,913	77,678
	1,309,496	1,214,273
Expenses		
Advertising and promotion	53,554	7,921
Amortization	47,016	41,781
Auditing fees	7,978	6,870
Bank charges	12,134	5,339
Bookkeeping	7,110	2,031
Coaching development	750	927
Conventions	8,445	5,278
Fundraising expenses	22,498	15,302
Hockey supplies	18,010	28,373
Ice rental	546,157	613,657
Insurance	31,088	30,977
Legal fees	4,487	3,727
Membership dues	53,884	54,643
Office and telephone	12,888	8,665
Player evaluation, development and coaching	113,270	117,043
Referees	94,040	75,275
Risk management	1,541	4,799
Scholarships	2,373	2,000
Tournament expense	76,957	47,991
Wages and benefits	109,855	99,049
	1,224,035	1,171,648
Net surplus for the year	\$ 85,461	\$ 42,625

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, 2018

	2018	2017
UNRESTRICTED NET ASSETS		
General Reserve		
Balance, beginning of year	\$ 248,920	\$ 181,439
Net surplus for the year	85,461	42,625
	334,381	224,064
Transfer to (from) tangible capital replacement reserve	(3,752)	24,856
Contribution to Jim Lindsay Memorial Scholarship	(1,635)	-
Balance, end of year	\$ 328,994	\$ 248,920
INTERNALLY RESTRICTED NET ASSETS		
Contingency Reserve - note 4		
Balance, beginning of year	\$ 130,876	\$ 127,664
Contributions to Jim Lindsay Memorial Scholarship	1,635	2,810
Interest earned	345	402
	1,980	3,212
Balance, end of year	\$ 132,856	\$ 130,876
Tangible Capital Replacement Reserve - note 5		
Balance, beginning of year	\$ 9,927	\$ 34,783
Jersey rental fees	36,100	37,667
Capital equipment expenditures	(32,348)	(62,523)
	3,752	(24,856)
Balance, end of year	\$ 13,679	\$ 9,927
Total Internally Restricted Net Assets	\$ 146,535	\$ 140,803
TOTAL NET ASSETS	\$ 475,529	\$ 389,723

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, 2018

	2018	2017
Cash flows from (for) operating activities:		
Net surplus for the year	\$ 85,461	\$ 42,625
Items not requiring an outlay of funds		
Amortization	47,016	41,781
	132,477	84,406
Changes in non-cash working capital		
Accounts receivable	(5,825)	6,691
Prepaid expenses	-	500
Accounts payable and accrued liabilities	36,028	(6,659)
Government agencies payable	-	(5,203)
Prepaid registration deposits	(2,178)	1,203
	160,502	80,938
Cash flows from (for) investing activities:		
Purchase of tangible capital assets	(52,030)	(89,078)
Transfer from unappropriated equity to appropriated	(1,635)	-
	106,837	(8,140)
Increase (decrease) in cash	106,837	(8,140)
Cash, beginning of year	124,543	132,683
Cash, end of year	\$ 231,380	\$ 124,543

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



RIDGE-MEADOWS MINOR HOCKEY ASSOCIATION

STATEMENT 4

STATEMENT OF FINANCIAL POSITION

March 31, 2018

	2018	2017
ASSETS		
Current:		
Cash	\$ 231,380	\$ 124,543
Accounts receivable - note 2	6,756	933
	238,136	125,476
Tangible capital assets - note 3	144,804	139,789
Internally restricted deposits - note 4	132,856	130,875
	\$ 515,796	\$ 396,140
LIABILITIES AND NET ASSETS		
Current:		
Accounts payable and accrued liabilities	\$ 40,267	\$ 4,239
Prepaid registration deposits	-	2,178
	40,267	6,417
Net assets		
Unrestricted net assets	328,994	248,920
Internally restricted net assets	146,535	140,803
	475,529	389,723
	\$ 515,796	\$ 396,140

On behalf of the Board

_____ Director

_____ Director

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, 2018

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, 2018

2. ACCOUNTS RECEIVABLE

Accounts receivable are net of a \$500 allowance for doubtful accounts (2017 \$500).

3. TANGIBLE CAPITAL ASSETS

	2018		2017	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Computer equipment	\$ 7,640	\$ 4,758	\$ 2,882	\$ 2,243
Furniture and equipment	46,156	11,929	34,227	23,659
Hockey equipment	265,324	157,629	107,695	113,887
	<u>\$ 319,120</u>	<u>\$ 174,316</u>	<u>\$ 144,804</u>	<u>\$ 139,789</u>

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.

	2018	2017
Cash to be held for future contingencies. Requires authorization of an Annual General Meeting for expenditure.	\$ 121,038	\$ 120,691
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.	4,444	2,810
	<u>\$ 132,856</u>	<u>\$ 130,875</u>



RIDGE-MEADOWS MINOR HOCKEY ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

Year Ended March 31, 2018

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 (2017 \$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.