

**REGINA WATER POLO ASSOCIATION INC.**

**FINANCIAL STATEMENTS**

**AUGUST 31, 2016**



## **Independent Auditor's Report**

### **To the Members of Regina Water Polo Association Inc.**

I have audited the accompanying financial statements of Regina Water Polo Association Inc., which comprise the statement of financial position as at August 31, 2016, and the statement of operations and changes in net assets and cash flows for the year 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**

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 in my audit is sufficient and appropriate to provide a basis for my audit opinion.

### **Basis for Qualified Opinion**

In common with many not-for-profit organizations, Regina Water Polo Association Inc. derives revenue from fundraising activities the completeness of which is not susceptible of satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Regina Water Polo Association Inc. Therefore, I was not able to determine whether any adjustments might be necessary to fundraising revenue, excess of revenues over expenses, and cash flows from operations for the year ended August 31, 2016, current assets and net assets as at August 31, 2016.

### **Qualified Opinion**

In my opinion, except for the possible effects of the matter described in the "Basis for Qualified Opinion" paragraph, the financial statements present fairly, in all material respects, the financial position of Regina Water Polo Association Inc. as at August 31, 2016, and the results of its operations, changes in net assets and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

**Lorelei R. Johns, C.A. (firm)**

**Lorelei Rhodes Johns, Chartered Professional Accountant, Chartered Accountant, Licensed Professional Accountant**

**Regina, Saskatchewan  
December 14, 2016**

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**REGINA WATER POLO ASSOCIATION INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**AUGUST 31, 2016**

	<u>2016</u>	<u>2015</u>
<b>ASSETS</b>		
<u>Current Assets:</u>		
Cash	104,705	104,510
Accounts Receivable	3,734	1,883
Due from Players	908	862
Inventory	2,084	2,745
	<u>111,431</u>	<u>109,500</u>
	<u>111,431</u>	<u>109,500</u>
 <b>LIABILITIES</b>		
<u>Current Liabilities:</u>		
Accounts Payable and Accrued Liabilities	4,172	2,705
Due to Players (Note 5)	15,223	18,527
	<u>19,395</u>	<u>21,232</u>
 <b>NET ASSETS</b>		
Unrestricted	92,036	88,268
	<u>111,431</u>	<u>109,500</u>

ON BEHALF OF THE BOARD

 Director  
 Director

The accompanying notes form an integral part of these financial statements

*Lorelei R. Johns, C.A.*

**REGINA WATER POLO ASSOCIATION INC.**  
**STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE**  
**YEAR ENDED AUGUST 31, 2016**

	<u>2016</u>	<u>2015</u>
<b>REVENUE</b>		
Grants (Schedule 1)	7,668	6,486
Fundraising (Schedule 2)	69,297	70,790
Player Travel Assessments	9,765	16,945
Player Account Write Offs	-	2,537
Registration Fees	38,266	41,518
Tournament Fees	3,030	3,490
Training Fees	64,874	58,963
Other Revenue	11,830	9,879
	<u>204,730</u>	<u>210,609</u>
<b>EXPENDITURES</b>		
Administrative (Schedule 3)	10,595	12,138
Clinics and Camps	1,850	3,428
Club Clothing	6,044	9,692
Coach Salaries and Development (Schedule 4)	36,272	31,039
Events and Meetings	1,263	916
Facility Rentals	48,593	44,422
Fundraising	52,487	50,703
Membership and Affiliation Fees	11,327	10,508
Officials Fees and Development	240	166
Small Equipment and Supplies	3,647	532
Tournaments Expense	28,644	31,288
	<u>200,962</u>	<u>194,832</u>
<b>EXCESS OF REVENUE OVER EXPENDITURES</b>	<b>3,768</b>	<b>15,777</b>
<b>NET ASSETS, BEGINNING OF YEAR</b>	<b>88,268</b>	<b>72,491</b>
<b>NET ASSETS BALANCE, END OF YEAR</b>	<b>92,036</b>	<b>88,268</b>

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*Lorelei R. Johns, C.A.*

**REGINA WATER POLO ASSOCIATION INC.**  
**STATEMENT OF CASH FLOWS**  
**YEAR ENDED AUGUST 31, 2016**

	<u>2016</u>	<u>2015</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Excess of revenue over expenditures	3,768	15,777
Changes in non-cash working capital:		
Inventory	162	( 2,245)
Accounts Receivable	( 1,851)	175
Due from Players	( 46)	( 862)
Accounts Payable and Accrued Liabilities	1,467	1,399
Due to Players	( 3,305)	( 1,995)
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>195</b>	<b>12,249</b>
<u>Beginning of Year, Cash and Equivalents</u>	<u>104,510</u>	<u>92,261</u>
<b><u>End of Year, Cash and Equivalents</u></b>	<b><u>104,705</u></b>	<b><u>104,510</u></b>
<b>Cash, end of year</b>		
Cash on Hand	115	115
General Bank Account	15,065	10,745
Bingo Account	26,296	26,300
Nevada Account	63,229	67,350
	<u>104,705</u>	<u>104,510</u>

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*Lorelei R. Johns, C.A.*

**REGINA WATER POLO ASSOCIATION INC.**  
**SCHEDULES 1, 2, 3 and 4**  
**YEAR ENDED AUGUST 31, 2016**

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	<u>2016</u>	<u>2015</u>
<b><u>SCHEDULE 1 – GRANTS</u></b>		
Water Polo Saskatchewan:		
MAP	7,668	6,486

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<b><u>SCHEDULE 2 – FUNDRAISING</u></b>		
Bingo	21,602	23,107
Saskatchewan Liquor and Gaming	5,453	5,935
Club Booster, Comedy Night	890	6,833
Other Fundraising	41,352	34,915
	<u>69,297</u>	<u>70,790</u>

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<b><u>SCHEDULE 3 – ADMINISTRATIVE</u></b>		
Advertising	1,608	665
Audit Fees	2,585	4,044
Bank and PayPal Service Fees	1,523	1,698
Office Supplies	11	262
Printing and Postage	2,169	3,088
Website	1,477	1,451
Miscellaneous	1,222	930
	<u>10,595</u>	<u>12,138</u>

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<b><u>SCHEDULE 4 – COACH SALARIES AND DEVELOPMENT</u></b>		
Contract Coach	12,000	12,000
Hourly Coaches	23,722	17,359
Coach Development	550	1,680
	<u>36,272</u>	<u>31,039</u>

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**REGINA WATER POLO ASSOCIATION INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED AUGUST 31, 2016**

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**1. Purpose and Legal Form of the Association**

In January 19, 1976, Regina Water Polo Association Inc. was incorporated under the Non-Profit Corporations Act of Saskatchewan. The Association provides competitive and recreational Water Polo programs for Regina area youth and adults. Regina Water Polo is promoted and developed by the Association in the pursuit of excellence and lifelong participation.

As a non-profit organization, the Regina Water Polo Association Inc. is exempt from income taxes under Section 149(l) (l) of *The Income Tax Act*.

**2. Summary of Significant Accounting Policies**

(a) Revenue recognition:

The Association follows the deferral method of accounting for grants received from Water Polo Saskatchewan and other Provincial or Federal governments. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when they are received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Registration fees, Fundraising revenue, Training Fees, Tournament revenue, and Memberships are recognized as revenue when they are received.

(b) Cash

Cash consists of cash in bank and is measured at fair value.

(c) Inventory

Inventory consists of Club clothing, and is measured at the lower of cost and replacement value. Cost is determined using the first-in first-out method.

(d) Financial Instruments

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

The financial assets subsequently measured at amortized cost include cash, trade and other receivables. The financial liabilities measured at amortized cost include trade accounts payable and accrued liabilities and Due to Players.

(e) Capital Assets

Capital assets are recorded as expenses in the year they are acquired.

(f) Contributed Services

Members contribute many hours to the Association in carrying out its activities. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

**3. Due to Athletes**

This balance represents an account that an athlete can build up from participating in Bingo and Other Fundraising to pay athlete expenses associated with attendance at competitive events and purchase of Club clothing.

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**REGINA WATER POLO ASSOCIATION INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED AUGUST 31, 2016**

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**4. Economic Dependence:**

The Association currently receives revenue in grants from Water Polo Saskatchewan. As a result, the Association is dependent upon the continuance of these grants in order to maintain operations at their current level.

**5. Financial Risks**

The Association is exposed to various risks through its financial instruments. The following analysis presents The Association's exposures to significant risk at the reporting date, August 31, 2016.

Credit Risk

The Association's credit risk exposure on cash is minimized because it is held in a credible financial institution.

Liquidity Risks

Liquidity risk is the risk that an Organization will encounter difficulty in meeting obligations associated with financial liabilities. The Association's exposure to liquidity risk is dependent on the receipt of funds from members and activities of the Association, and grants from Water Polo Saskatchewan. Funds from these sources are used to finance operations and are considered adequate to meet the Association's financial obligations.

**8. Comparative Figures:**

Certain comparative figures have been reclassified to conform with the current year's presentation.

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*Lorelei R. Johns, C.A.*