

Ringette Canada  
Financial Statements  
For the year ended April 30, 2020

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## Independent Auditor's Report

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To the members of  
Ringette Canada

### Opinion

We have audited the financial statements of Ringette Canada (the "Association"), which comprise the statement of financial position as at April 30, 2020, and the statements of changes in net assets, of operations and of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Association as at April 30, 2020, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

### Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Association in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Responsibilities of Management and Those Charged with Governance 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.

In preparing the financial statements, management is responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Association's financial reporting process.



### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Association to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*BDO Canada LLP*

Chartered Professional Accountants, Licensed Public Accountants

Ottawa, Ontario  
September 21, 2020

Ringette Canada  
Statement of Financial Position

| April 30                                 | 2020       | 2019       |
|--|------------|------------|
| Assets                                   |            |            |
| Current                                  |            |            |
| Cash                                     | \$ 615,055 | \$ 623,304 |
| Accounts receivable                      | 62,380     | 80,339     |
| Inventory (Note 2)                       | 17,501     | 9,287      |
| Prepaid expenses                         | 3,227      | 62,377     |
|  | 698,163    | 775,307    |
| Tangible capital assets (Note 3)         | 3,516      | 5,232      |
|  | \$ 701,679 | \$ 780,539 |
| Liabilities and Net Assets               |            |            |
| Current                                  |            |            |
| Accounts payable and accrued liabilities | \$ 44,195  | \$ 128,379 |
| Deferred revenue                         | -          | 3,600      |
| Deferred contributions - Sport Canada    | 45,872     | 91,250     |
|  | 90,067     | 223,229    |
| Contractual obligation (Note 4)          |            |            |
| Subsequent event (Note 5)                |            |            |
| Net Assets                               |            |            |
| Internally restricted                    | 3,516      | 5,232      |
| Unrestricted                             | 608,096    | 552,078    |
|  | 611,612    | 557,310    |
|  | \$ 701,679 | \$ 780,539 |

On behalf of the board:



Darrell Liebrecht, Director



Michael Taylor, Director

Ringette Canada  
Statement of Changes in Net Assets

| For the year ended April 30                      | Internally<br>restricted | Unrestricted | 2020       | 2019       |
|--|--------------------------|--------------|------------|------------|
| Balance, beginning of the year                   | \$ 5,232                 | \$ 552,078   | \$ 557,310 | \$ 573,659 |
| Excess (deficiency) of<br>revenues over expenses | -                        | 54,302       | 54,302     | (16,349)   |
| Amortization of tangible<br>capital assets       | (1,716)                  | 1,716        | -          | -          |
| Balance, end of the year                         | \$ 3,516                 | \$ 608,096   | \$ 611,612 | \$ 557,310 |

## Ringette Canada Statement of Operations

| For the year ended April 30                          | 2020             | 2019               |
|--|------------------|--------------------|
| <b>Revenues</b>                                      |                  |                    |
| Registration fees                                    | \$ 724,030       | \$ 657,725         |
| Sport Canada contribution                            | 566,906          | 480,500            |
| High performance                                     | 212,437          | 46,654             |
| Resources sales                                      | 101,726          | 93,007             |
| Competition and events                               | 65,980           | 163,782            |
| Coaching Association of Canada                       | 62,675           | 62,650             |
| Miscellaneous  | 35,040           | 22,674             |
| Membership fees                                      | 9,000            | 9,000              |
|  | 1,777,794        | 1,535,992          |
| <b>Expenses</b>                                      |                  |                    |
| Administration                                       | 687,737          | 624,937            |
| Competitions and events                              | 162,268          | 274,815            |
| High performance                                     | 476,568          | 197,994            |
| Meetings and planning                                | 56,299           | 70,636             |
| Sports development and promotion                     | 165,117          | 238,974            |
| Technical and development                            | 175,503          | 144,985            |
|  | 1,723,492        | 1,552,341          |
| <b>Excess (deficiency) of revenues over expenses</b> | <b>\$ 54,302</b> | <b>\$ (16,349)</b> |

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Ringette Canada  
Statement of Cash Flows

| For the year ended April 30                                | 2020               | 2019               |
|--|--------------------|--------------------|
| Cash flows from operating activities                       |                    |                    |
| Cash receipts from members, sales and government subsidies | \$ 1,746,775       | \$ 1,625,939       |
| Cash paid to suppliers and employees                       | <u>(1,755,024)</u> | <u>(1,612,939)</u> |
|  | (8,249)            | 13,000             |
| Cash flows from investing activities                       |                    |                    |
| Acquisition of tangible capital assets                     | <u>-</u>           | <u>(4,365)</u>     |
| Net (decrease) increase in cash                            | (8,249)            | 8,635              |
| Cash, beginning of the year                                | <u>623,304</u>     | <u>614,669</u>     |
| Cash, end of the year                                      | <u>\$ 615,055</u>  | <u>\$ 623,304</u>  |

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# Ringette Canada

## Notes to Financial Statements

April 30, 2020

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### 1. Accounting Policies

|                        |  |
|------------------------|--|
| Purpose of Association | <p>Ringette Canada is a not-for-profit organization incorporated under the Canada Not-for-profit Corporations Act and is a Registered Canadian Amateur Athletic Association under the Income Tax Act and as such is exempt from income tax.</p> <p>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.</p>   |
| Basis of Accounting    | <p>The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations.</p>  |
| 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> |
| Financial Instruments  | <p><u>Initial and subsequent measurement</u><br/>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.</p> <p><u>Impairment</u><br/>Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment.</p>  |



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Ringette Canada  
Notes to Financial Statements

April 30, 2020

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1. Accounting Policies (continued)

|                                      |  |                    |         |                         |         |
|--------------------------------------|--|--------------------|---------|-------------------------|---------|
| Financial Instruments<br>(continued) | <u>Transaction costs</u><br>Transaction costs related to financial instruments subsequently measured at amortized cost are included in the original cost of the asset or liability and recognized in the statement of operations over the life of the instrument using the straight-line method.   |                    |         |                         |         |
| 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:<br><br><table><tr><td>Computer equipment</td><td>2 years</td></tr><tr><td>Furniture and equipment</td><td>3 years</td></tr></table>  | Computer equipment | 2 years | Furniture and equipment | 3 years |
| 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. |                    |         |                         |         |

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2. Inventory

The amount of inventory recognized as an expense during the year was \$23,590 (2019 - \$28,082) and is reflected in administration expense in the statement of operations.

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Ringette Canada  
Notes to Financial Statements

April 30, 2020

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3. Tangible Capital Assets

|                            | 2020              |                             | 2019              |                             |
|----------------------------|-------------------|-----------------------------|-------------------|-----------------------------|
|                            | Cost              | Accumulated<br>Amortization | Cost              | Accumulated<br>Amortization |
| Computer equipment         | \$ 34,427         | \$ 34,427                   | \$ 34,427         | \$ 34,427                   |
| Furniture and<br>equipment | 92,409            | 88,893                      | 92,409            | 87,177                      |
|                            | <b>\$ 126,836</b> | <b>\$ 123,320</b>           | <b>\$ 126,836</b> | <b>\$ 121,604</b>           |
| Net carrying amount        |                   | <b>\$ 3,516</b>             |                   | <b>\$ 5,232</b>             |

Amortization expense totalled \$1,716 (2019 - \$6,435) for the year and is recorded in administration expense.

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4. Contractual Obligation

The Association leases its premises under a lease expiring in July 2023. Future minimum lease payments over the next four years total \$93,911.

|      |    |        |
|------|----|--------|
| 2021 | \$ | 29,656 |
| 2022 | \$ | 29,656 |
| 2023 | \$ | 29,656 |
| 2024 | \$ | 4,943  |

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5. Subsequent Event - Uncertainty due to COVID-19

The global pandemic, COVID-19, has disrupted economic activities and supply chains. Although, the disruption from the virus is expected to be temporary, given the dynamic nature of these circumstances, the duration of business disruption and the related financial impact cannot be reasonably estimated at this time. The Association's ability to continue to operate and meet its contractual obligations as they come due is dependent on the continued ability to generate revenues and cash flows. The Association is monitoring their financial health in light of the pandemic but is not able to estimate the effects of the existing programs, which is a significant revenue source.

As a result of the pandemic, events were suspended or cancelled and there is uncertainty about the 2020-21 playing season. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the Association is not able to fully estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity at this time.

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Ringette Canada  
Notes to Financial Statements

April 30, 2020

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6. Economic Dependence

The Association receives 32% (2019 - 31%) of its revenues from Sport Canada. Should this funding not be continued or it cannot be replaced, the Association would not be able to continue its operations at the current level.

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7. Financial Instruments

Credit risk

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

There has not been any changes in the credit risk from the prior year except for the potential impact of COVID-19.

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Ringette Canada  
Schedule 1 - Sport Canada Contribution (unaudited)

| For the year ended March 31, 2020    | Sport<br>Development  |
|--------------------------------------|-----------------------|
| Revenues                             |                       |
| General administration               | \$ 48,050             |
| Salaries, fees and benefits          | 125,000               |
| National team program                | 175,000               |
| Official languages                   | 9,000                 |
| Operations and programming           | <u>123,450</u>        |
|                                      | <u>480,500</u>        |
| Expenses                             |                       |
| General administration               | 230,393               |
| Salaries, fees and benefits          | 478,123               |
| National team program                | 498,394               |
| Official languages                   | 37,440                |
| Operations and programming           | <u>472,236</u>        |
|                                      | <u>1,716,586</u>      |
| Deficiency of revenues over expenses | <u>\$ (1,236,086)</u> |