

Ringette Canada
Financial Statements
For the year ended April 30, 2021

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Independent Auditor's Report

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, 2021, 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, 2021, 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 22, 2021

Ringette Canada
Statement of Financial Position

April 30	2021	2020
Assets		
Current		
Cash	\$ 912,703	\$ 615,055
Accounts receivable	104,926	62,380
Inventory (Note 2)	17,501	17,501
Prepaid expenses	17,505	3,227
	1,052,635	698,163
Tangible capital assets (Note 3)	1,836	3,516
	\$1,054,471	\$ 701,679
Liabilities and Net Assets		
Current		
Accounts payable and accrued liabilities	\$ 99,911	\$ 44,195
Deferred contributions - Sport Canada	96,655	45,872
	196,566	90,067
Long-term debt (Note 4)	30,000	-
	226,566	90,067
Contractual obligation (Note 5)		
Net Assets		
Internally restricted	1,836	3,516
Unrestricted	826,069	608,096
	827,905	611,612
	\$1,054,471	\$ 701,679

On behalf of the board:

David Master

David Master, Director

Darrell Liebrecht

Darrell Liebrecht, Director

Ringette Canada
Statement of Changes in Net Assets

For the year ended April 30	Internally restricted	Unrestricted	2021	2020
Balance, beginning of the year	\$ 3,516	\$ 608,096	\$ 611,612	\$ 557,310
Excess of revenues over expenses	-	216,293	216,293	54,302
Amortization of tangible capital assets	(1,680)	1,680	-	-
Balance, end of the year	\$ 1,836	\$ 826,069	\$ 827,905	\$ 611,612

Ringette Canada Statement of Operations

For the year ended April 30	2021	2020
Revenues		
Registration fees	\$ 548,438	\$ 724,030
Sport Canada contribution	453,500	546,500
Canada Emergency Wage Subsidy	271,580	-
Canadian Heritage/Patrimoine canadien COVID-19 Emergency Support Fund	117,875	-
Coaching Association of Canada	69,750	62,675
SSDIC Grant	56,213	20,406
Resources sales	20,407	101,726
Canada Emergency Business Account	10,000	-
Miscellaneous	7,115	35,040
High performance	100	212,437
Competition and events	-	65,980
Membership fees	-	9,000
	1,554,978	1,777,794
Expenses		
Administration	656,550	687,737
Competitions and events	11,307	162,268
COVID-19 related expenses	122,390	-
High performance	70,155	476,568
Meetings and planning	9,872	56,299
Registration Fee Relief Fund - Member Association	107,004	-
Sports development and promotion	243,775	165,117
Technical and development	117,632	175,503
	1,338,685	1,723,492
Excess of revenues over expenses	\$ 216,293	\$ 54,302

Ringette Canada
Statement of Cash Flows

For the year ended April 30	2021	2020
<hr/>		
Cash flows from operating activities		
Cash receipts from members, sales and government subsidies	\$ 1,553,215	\$ 1,746,775
Cash paid to suppliers, employees and members	<u>(1,295,567)</u>	<u>(1,755,024)</u>
	257,648	(8,249)
Cash flows from financing activities		
Increase of long-term debt	<u>40,000</u>	-
Net increase (decrease) in cash	297,648	(8,249)
Cash, beginning of the year	<u>615,055</u>	<u>623,304</u>
Cash, end of the year	<u>\$ 912,703</u>	<u>\$ 615,055</u>

Ringette Canada

Notes to Financial Statements

April 30, 2021

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> 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> Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment.</p>

Ringette Canada
Notes to Financial Statements

April 30, 2021

1. Accounting Policies (continued)

Financial Instruments (continued)	<u>Transaction costs</u> 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: <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.				
Government of Canada Wage Subsidies	Funding received from the Government of Canada is subject to specific terms and conditions regarding the revenue and expenses of the applicable program. The Association's accounting records may be subject to audit by the Canada Revenue Agency (CRA) to identify instances, if any, of amounts claimed that are not in compliance with the terms and conditions of the incentive program and which would therefore be refundable to the CRA.				

Ringette Canada
Notes to Financial Statements

April 30, 2021

2. Inventory

The amount of inventory recognized as an expense during the year was \$2,495 (2020 - \$23,590) and is reflected in administration expense in the statement of operations.

3. Tangible Capital Assets

	2021		2020	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Computer equipment	\$ 34,427	\$ 34,427	\$ 34,427	\$ 34,427
Furniture and equipment	92,409	90,573	92,409	88,893
	<u>\$ 126,836</u>	<u>\$ 125,000</u>	<u>\$ 126,836</u>	<u>\$ 123,320</u>
Net carrying amount		<u>\$ 1,836</u>		<u>\$ 3,516</u>

Amortization expense totalled \$1,680 (2020 - \$1,716) for the year and is recorded in administration expense in the statement of operations.

4. Long-term Debt

	2021	2020
CEBA loan, without interest or principal payments, as noted below.	<u>\$ 30,000</u>	<u>\$ -</u>

The Association received a Canada Emergency Business Account (CEBA) loan of \$40,000 to finance certain expenses related to COVID-19. No interest will be charged until December 31, 2022. Repayment of \$30,000 on or before December 31, 2022 will result in loan forgiveness of the remaining \$10,000. If any part of the balance is not paid by December 31, 2022, the remaining balance will be converted in to a 3-year term loan at 5% annual interest, paid monthly, effective January 1, 2023. The full balance must be repaid no later than December 31, 2025.

Ringette Canada
Notes to Financial Statements

April 30, 2021

5. Contractual Obligation

The Association leases its premises under a lease expiring in July 2023. Future minimum lease payments over the next three years total \$64,255.

2022	\$	29,656
2023	\$	29,656
2024	\$	4,943

6. Uncertainty Related 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. Due to government imposed restrictions, events were suspended or cancelled resulting in a decrease in programming revenues. The Association applied for and received the Canada Emergency Wage Subsidy and the Canada Emergency Business Account. Additionally, the Association received COVID-19 funding from Sport Canada as a one-time funding. The Association is monitoring their financial health in light of the pandemic but is not able to estimate the effects on the existing programs, which are a significant revenue source.

If the impact of COVID-19 continues, there could be further effects on the Association's members, funders, suppliers and other third party business associates that could further impact the timing and amounts realized on the Association's assets and their future operations. The full impact of the COVID-19 outbreak continues to evolve as of the date of this report.

7. Economic Dependence

The Association receives 37% (2020 - 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.

Ringette Canada
Notes to Financial Statements

April 30, 2021

8. 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.

Ringette Canada
Schedule 1 - Sport Canada Contribution (unaudited)

For the year ended March 31, 2021	Sport Development
Revenues	
General administration	\$ 48,050
Salaries, fees and benefits	150,000
Official languages	9,000
Operations and programming	<u>273,450</u>
	<u>480,500</u>
Expenses	
General administration	124,989
Governance	7,442
Salaries, fees and benefits	495,234
National team program	64,479
Official languages	23,665
Operations and programming	<u>897,023</u>
	<u>1,612,832</u>
Deficiency of revenues over expenses	<u>\$ (1,132,332)</u>