

Ringette Canada
Financial Statements
For the year ended April 30, 2022

Contents

Independent Auditor's Report	2 - 3
Financial Statements	
Statement of Financial Position	4
Statement of Changes in Net Assets	5
Statement of Operations	6
Statement of Cash Flows	7
Notes to Financial Statements	8 - 12
Schedule 1 - Sport Canada Contribution (unaudited)	13



Tél./Tel: 613-237-9331
Télec./Fax: 613-237-9779
www.bdo.ca

BDO Canada s.r.l./S.E.N.C.R.L./LLP
180 Kent Street
Suite 1700
Ottawa ON K1P 0B6 Canada

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, 2022, 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, 2022, 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.

Supplementary Financial Information

We have not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the schedules on page 13 of the Association's financial statements.

BDO Canada LLP


Chartered Professional Accountants, Licensed Public Accountants

Ottawa, Ontario
August 30, 2022

Ringette Canada
Statement of Financial Position

April 30	2022	2021
Assets		
Current		
Cash	\$1,077,282	\$ 912,703
Accounts receivable	251,074	28,550
Grants receivable	62,686	76,376
Inventory	-	17,501
Prepaid expenses	25,420	17,505
	1,416,462	1,052,635
Tangible capital assets (Note 2)	1,836	1,836
	\$1,418,298	\$ 1,054,471
Liabilities and Net Assets		
Current		
Accounts payable and accrued liabilities	\$ 360,459	\$ 99,911
Deferred contributions (Note 3)	45,424	96,655
	405,883	196,566
Long-term debt (Note 4)	30,000	30,000
	435,883	226,566
Contractual obligation (Note 5)		
Net Assets		
Internally restricted	1,836	1,836
Unrestricted	980,579	826,069
	982,415	827,905
	\$1,418,298	\$ 1,054,471

On behalf of the board:

 Director

 Director

Ringette Canada
Statement of Changes in Net Assets

For the year ended April 30	Internally restricted	Unrestricted	2022	2021
Balance, beginning of the year	\$ 1,836	\$ 826,069	\$ 827,905	\$ 611,612
Excess of revenues over expenses	-	154,510	154,510	216,293
Balance, end of the year	\$ 1,836	\$ 980,579	\$ 982,415	\$ 827,905

Ringette Canada Statement of Operations

For the year ended April 30	2022	2021
Revenues		
Sport Canada contribution	\$ 766,817	\$ 453,500
Registration fees	651,752	548,438
Competition and events	271,312	-
Canada Emergency Wage Subsidy	102,669	271,580
High performance	77,425	100
Coaching Association of Canada	62,686	69,750
Resources sales	45,560	20,407
Canada Recovery Hiring Program Subsidy	17,497	-
Miscellaneous	16,458	7,115
Canadian Heritage/Patromine canadien contribution	12,725	56,213
Membership fees	9,000	-
Canadian Heritage/Patromine canadien COVID-19 Emergency Support Fund	-	117,875
Canada Emergency Business Account	-	10,000
	<u>2,033,901</u>	<u>1,554,978</u>
Expenses		
Administration	781,142	656,550
Competitions and events	364,992	11,307
COVID-19 related expenses	-	122,390
High performance	192,442	70,155
Inventory obsolescence	22,495	-
Meetings and planning	15,636	9,872
Registration Fee Relief Fund - Member Association	-	107,004
Sports development and promotion	353,679	243,775
Technical and development	149,005	117,632
	<u>1,879,391</u>	<u>1,338,685</u>
Excess of revenues over expenses	<u>\$ 154,510</u>	<u>\$ 216,293</u>

Ringette Canada
Statement of Cash Flows

For the year ended April 30	2022	2021
Cash flows from operating activities		
Cash receipts from members, sales and government subsidies	\$ 1,773,836	\$ 1,553,215
Cash paid to suppliers, employees and members	<u>(1,609,257)</u>	<u>(1,295,567)</u>
	164,579	257,648
Cash flows from financing activities		
Proceeds of long-term debt	<u>-</u>	<u>40,000</u>
Net increase in cash	164,579	297,648
Cash, beginning of the year	<u>912,703</u>	<u>615,055</u>
Cash, end of the year	<u>\$ 1,077,282</u>	<u>\$ 912,703</u>

Ringette Canada

Notes to Financial Statements

April 30, 2022

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 included in high performance and competition and events revenue are recognized when the event takes place.</p>
Financial Instruments	<p><u>Initial and subsequent measurement</u></p> <p>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></p> <p>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, 2022

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, 2022

2. Tangible Capital Assets

	2022		2021	
	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	90,573
	<u>\$ 126,836</u>	<u>\$ 125,000</u>	<u>\$ 126,836</u>	<u>\$ 125,000</u>
Net carrying amount		<u>\$ 1,836</u>		<u>\$ 1,836</u>

Amortization expense totalled \$Nil (2021 - \$1,680) for the year and is recorded in administration expense in the statement of operations.

3. Deferred Contributions

Deferred contributions represents funds received in the current year to cover operating expenses in the subsequent year. The balance of deferred contributions includes the following:

	2022		2021	
Canadian Heritage/Patromine canadien Sport Canada	\$ 45,424	\$ 3,655	-	93,000
	<u>\$ 45,424</u>	<u>\$ 96,655</u>		

The variations in the balance of deferred contributions is as follows:

	2022		2021	
Balance, beginning of year	\$ 96,655	\$ 45,872		
Plus: amount received during the year	731,179	494,496		
Less: amount amortized to operations	(782,410)	(443,713)		
Balance, end of year	<u>\$ 45,424</u>	<u>\$ 96,655</u>		

Ringette Canada
Notes to Financial Statements

April 30, 2022

4. Long-term Debt

	2022	2021
CEBA loan, without interest or principal payments, as noted below.	\$ 30,000	\$ 30,000

In 2021, 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, 2023. Repayment of \$30,000 on or before December 31, 2023 will result in loan forgiveness of the remaining \$10,000. If any part of the balance is not paid by December 31, 2023, the remaining balance will be converted in to a 3-year term loan at 5% annual interest, paid monthly, effective January 1, 2024. The full balance must be repaid no later than December 31, 2025.

5. Contractual Obligation

The Association leases its premises under a lease expiring in July 2023. Future minimum lease payments over the next two years total \$34,599.

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

6. Uncertainty Related to COVID-19

The Canadian Ringette Championships returned and the National Ringette League resumed in a hub city format in 2022. Given the uncertainty of the virus, there is a chance that events could be suspended once again as the virus threatens the ability of the Association to compete and play the sport in a safe environment.

In addition, if the impact of COVID-19 continues, there could be further effects on the Association, its funders, members, employees, suppliers and sponsors that could impact the timing and amounts of revenue generated, the ability of the Association to conduct operations and host events. At this time, the full potential impact of COVID-19 on the Association is not known.

7. Economic Dependence

The Association receives 38% (2021 - 37%) 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, 2022

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 have not been any changes in the credit risk from the prior year.

Ringette Canada
Schedule 1 - Sport Canada Contribution (unaudited)

For the year ended March 31, 2022	Sport Development
Revenues	
General administration	\$ 48,050
Salaries, fees and benefits	150,000
Official languages	9,000
Operations and programming	273,450
Gender Equity and Safety in Sport	<u>66,000</u>
	<u>546,500</u>
Expenses	
General administration	117,756
Governance	115,469
Salaries, fees and benefits	619,129
National team program	164,003
Official languages	55,735
Operations and programming	460,489
Gender Equity and Safety in Sport	<u>66,000</u>
	<u>1,598,581</u>
Deficiency of revenues over expenses	<u>\$ (1,052,081)</u>