

Ringette Canada
Financial Statements
For the year ended April 30, 2023

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, 2023, 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, 2023, 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

September 7, 2023

Ringette Canada Statement of Financial Position

April 30	2023	2022
Assets		
Current		
Cash	\$ 952,824	\$ 1,077,282
Accounts receivable	155,379	251,074
Grants receivable	-	62,686
Prepaid expenses	29,764	25,420
	1,137,967	1,416,462
Tangible capital assets (Note 2)	4,045	1,836
	\$1,142,012	\$ 1,418,298
Liabilities and Net Assets		
Current		
Accounts payable and accrued liabilities	\$ 319,750	\$ 360,459
Deferred contributions (Note 3)	-	45,424
Canadian Emergency Business Account (Note 4)	30,000	-
	349,750	405,883
Canadian Emergency Business Account (Note 4)	-	30,000
	349,750	435,883
Contractual obligation (Note 5)		
Contingency (Note 6)		
Net Assets		
Internally restricted	4,045	1,836
Unrestricted	788,217	980,579
	792,262	982,415
	\$1,142,012	\$ 1,418,298

On behalf of the board:



Director



Director

Ringette Canada
Statement of Changes in Net Assets

For the year ended April 30	Internally restricted	Unrestricted	2023	2022
Balance, beginning of the year	\$ 1,836	\$ 980,579	\$ 982,415	\$ 827,905
Excess (deficiency) of revenues over expenses	-	(190,153)	(190,153)	154,510
Acquisition of tangible capital assets	3,314	(3,314)	-	-
Amortization of tangible capital assets	(1,105)	1,105	-	-
Balance, end of the year	\$ 4,045	\$ 788,217	\$ 792,262	\$ 982,415

Ringette Canada Statement of Operations

For the year ended April 30	2023	2022
Revenues		
Sport Canada contribution	\$ 1,355,092	\$ 766,817
Registration fees	678,915	651,752
High performance	346,254	77,425
Competition and events	223,677	271,312
Resources sales	73,144	45,560
Coaching Association of Canada	62,626	62,686
Canadian Heritage	45,424	12,725
Miscellaneous	20,782	16,458
Membership fees	9,000	9,000
Canada Emergency Wage Subsidy	-	102,669
Canada Recovery Hiring Program Subsidy	-	17,497
	2,814,914	2,033,901
Expenses		
Administration	854,302	781,142
Competitions and events	451,616	364,992
High performance - camping	783,867	87,373
High performance - World Ringette Championship	247,210	-
High performance - team formation and management	193,576	105,069
Inventory obsolescence	-	22,495
Meetings and planning	24,467	15,636
Sports development and promotion	287,464	353,679
Technical and development	162,565	149,005
	3,005,067	1,879,391
Excess (deficiency) of revenues over expenses	\$ (190,153)	\$ 154,510

Ringette Canada Statement of Cash Flows

For the year ended April 30	2023	2022
Cash flows from operating activities		
Cash receipts from members, sales and government subsidies	\$ 2,926,211	\$ 1,773,836
Cash paid to suppliers, employees and members	<u>(3,047,355)</u>	<u>(1,609,257)</u>
	(121,144)	164,579
Cash flows from investing activities		
Acquisition of tangible capital assets	<u>(3,314)</u>	-
Net (decrease) increase in cash	(124,458)	164,579
Cash, beginning of the year	<u>1,077,282</u>	<u>912,703</u>
Cash, end of the year	<u>\$ 952,824</u>	<u>\$ 1,077,282</u>

Ringette Canada

Notes to Financial Statements

April 30, 2023

1. Accounting Policies

Purpose of Association

Ringette Canada (the "Association") 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.

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.

Basis of Accounting

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations.

Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the reported amounts of revenues and expenses for the year covered. The main estimate is related to valuation of accounts receivable.

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.

Resources sales are recorded as revenue when the goods are shipped.

Registration fees and membership fees are recognized over the membership period.

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.

Financial Instruments

Initial and subsequent measurement

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.

Impairment

Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment.

Ringette Canada
Notes to Financial Statements

April 30, 2023

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.				
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 style="text-align: right;">2 years</td></tr><tr><td>Furniture and equipment</td><td style="text-align: right;">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.				

Ringette Canada
Notes to Financial Statements

April 30, 2023

2. Tangible Capital Assets

	2023		2022	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Computer equipment	\$ 34,427	\$ 34,427	\$ 34,427	\$ 34,427
Furniture and equipment	95,723	91,678	92,409	90,573
	\$ 130,150	\$ 126,105	\$ 126,836	\$ 125,000
Net carrying amount		\$ 4,045		\$ 1,836

Amortization expense totalled \$1,105 (2022 - \$Nil) 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 variations in the balance of deferred contributions is as follows:

	2023	2022
Balance, beginning of year	\$ 45,424	\$ 96,655
Plus: amount received during the year	1,355,092	731,179
Less: amount amortized to operations	(1,400,516)	(782,410)
Balance, end of year	\$ -	\$ 45,424

Ringette Canada Notes to Financial Statements

April 30, 2023

4. Canadian Emergency Business Account

	<u>2023</u>	<u>2022</u>
CEBA loan, without interest or principal payments, as noted below.	<u>\$ 30,000</u>	<u>\$ 30,000</u>

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 2-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 August 2026. Future minimum lease payments over the next four years total \$38,505.

2024	\$	16,245
2025	\$	9,540
2026	\$	9,540
2027	\$	3,180

6. Contingency

The Association has been named as a defendant in a claim received on May 31, 2023 for \$12,000,000. The Association has determined that it is premature to make any evaluation of the likelihood or magnitude of the claim. The Association has also reviewed its insurance policy with the adjuster and such policy provides coverage except for any punitive damages, if any are awarded. Consequently, no provision for this claim has been made in the financial statements.

7. Economic Dependence

The Association receives 48% (2022 - 38%) 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, 2023

8. Financial Instruments

Liquidity risk

The Association is exposed to liquidity risk for its accounts payable and contingency. The Association's approach to managing liquidity is to ensure that it will always have sufficient cash flows to fund its operations and to meet its liabilities when due. There have not been any changes in the liquidity risk from the prior year.

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, 2023	Sport Development
Revenues	
General administration	\$ 48,500
Salaries, fees and benefits	200,000
National team program	110,000
Official languages	9,000
Operations and programming	113,000
Gender Equity and Safety in Sport	18,980
Recovery fund	455,612
Sport Canada project funding above-reference grant	400,000
	1,355,092
Expenses	
General administration	161,230
Governance	78,769
Salaries, fees and benefits	726,810
National team program	1,286,901
Official languages	35,835
Operations and programming	683,058
Gender Equity and Safety in Sport	18,900
	2,991,503
Deficiency of revenues over expenses	\$ (1,636,411)

This schedule summarizes cash receipts and uses of the Sport Canada funding. The deficiency represents Ringette Canada's extra investment in these programs.