

RINGETTE ALBERTA ASSOCIATION

FINANCIAL STATEMENTS
(Unaudited)

FOR THE YEAR ENDED JULY 31, 2019



RINGETTE ALBERTA ASSOCIATION

FOR THE YEAR ENDED JULY 31, 2019

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INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Members of

RINGETTE ALBERTA ASSOCIATION

We have reviewed the accompanying financial statements of **Ringette Alberta Association** that comprise the statement of financial position as at July 31, 2019 and the statements of changes in net assets, operations and cash flows for the year then 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 private enterprises, 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.

Practitioner's Responsibility

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that these financial statements do not present fairly, in all material respects, the financial position of **Ringette Alberta Association** as at July 31, 2019, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for private enterprises.

Edmonton, Alberta
December 11, 2019



CHARTERED PROFESSIONAL ACCOUNTANTS


RINGETTE ALBERTA ASSOCIATION

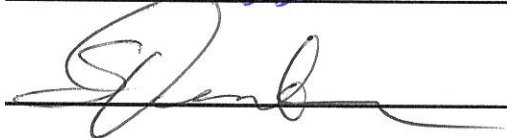
STATEMENT OF FINANCIAL POSITION (Unaudited)

AS AT JULY 31, 2019

| | 2019 | 2018 |
|---|-------------------|-------------------|
| ASSETS | | |
| CURRENT | | |
| Cash in accounts - unrestricted (Note 3) | \$ 125,477 | \$ 215,834 |
| Inventory (Note 4) | 9,912 | 9,904 |
| Prepaid expenses | 1,429 | 1,334 |
| | 136,818 | 227,072 |
| CASH IN ACCOUNTS - RESTRICTED (Note 3) | 285,950 | 210,810 |
| PROPERTY AND EQUIPMENT (Note 5) | 3,730 | 4,974 |
| | \$ 426,498 | \$ 442,856 |
| LIABILITIES | | |
| CURRENT | | |
| Accounts payable and accrued liabilities | \$ 5,545 | \$ 6,466 |
| Deferred revenue (Note 6) | 124,286 | 74,931 |
| | 129,831 | 81,397 |
| NET ASSETS | | |
| OPERATING RESERVE | 92,937 | 156,485 |
| FINANCIAL RESERVE (Note 10) | 200,000 | 200,000 |
| PROPERTY AND EQUIPMENT RESERVE | 3,730 | 4,974 |
| | 296,667 | 361,459 |
| | \$ 426,498 | \$ 442,856 |

APPROVED ON BEHALF OF THE BOARD:


 _____ Director


 _____ Director



RINGETTE ALBERTA ASSOCIATION

STATEMENT OF CHANGES IN NET ASSETS (Unaudited)

FOR THE YEAR ENDED JULY 31, 2019

| | 2019 | 2018 |
|--|-------------------|-------------------|
| OPERATING RESERVE | | |
| Balance, beginning of year | \$ 156,485 | \$ 169,525 |
| Amortization | 1,244 | 1,686 |
| Deficiency of revenue over expenses for the year | (64,792) | (14,726) |
| Balance, end of year | <u>92,937</u> | <u>156,485</u> |
| FINANCIAL RESERVE | | |
| Balance, beginning and end of year | <u>200,000</u> | <u>200,000</u> |
| PROPERTY AND EQUIPMENT RESERVE | | |
| Balance, beginning of year | 4,974 | 6,660 |
| Amortization | (1,244) | (1,686) |
| Balance, end of year | <u>3,730</u> | <u>4,974</u> |
| | <u>\$ 296,667</u> | <u>\$ 361,459</u> |



RINGETTE ALBERTA ASSOCIATION

STATEMENT OF OPERATIONS (Unaudited)

FOR THE YEAR ENDED JULY 31, 2019

| | 2019 | 2018 |
|---|--------------------|--------------------|
| REVENUE | | |
| Casino | \$ 57 | \$ 78,280 |
| Grants (Schedule) | 127,786 | 119,592 |
| Interest | 2,414 | 1,874 |
| Memberships, registrations and participant fees | 867,605 | 873,052 |
| Other | 5,786 | 12,574 |
| Sponsorship | 9,834 | 60 |
| | 1,013,482 | 1,085,432 |
| EXPENSES | | |
| Advertising and promotion | 18,167 | 20,225 |
| Amortization | 1,244 | 1,686 |
| Bank charges and interest | 13,172 | 12,378 |
| Computer and licenses | 9,833 | 13,563 |
| Facility rental | 79,940 | 107,527 |
| Financial assistance to clubs and members | 6,000 | 17,000 |
| Honorariums | 28,588 | 24,310 |
| Insurance | 14,005 | 13,509 |
| Memberships | 365,319 | 355,749 |
| Office | 24,744 | 17,649 |
| Professional fees | 7,903 | 8,241 |
| Recognition and awards | 6,988 | 7,964 |
| Supplies | 38,032 | 34,466 |
| Travel | 83,744 | 92,756 |
| Uniforms and jerseys | 25,987 | 31,923 |
| Utilities | 5,723 | 5,093 |
| Wages and benefits | 348,885 | 336,119 |
| | 1,078,274 | 1,100,158 |
| DEFICIENCY OF REVENUE OVER EXPENSES FOR THE YEAR | \$ (64,792) | \$ (14,726) |



RINGETTE ALBERTA ASSOCIATION

STATEMENT OF CASH FLOWS (Unaudited)

FOR THE YEAR ENDED JULY 31, 2019

| | 2019 | 2018 |
|--|-------------------|-------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Cash receipts from funders, members and others | \$ 1,062,837 | \$ 1,114,034 |
| Cash paid to suppliers and employees | (1,080,468) | (1,196,483) |
| Interest received | 2,414 | 1,874 |
| | <hr/> | <hr/> |
| DECREASE IN CASH DURING THE YEAR | (15,217) | (80,575) |
| CASH, beginning of year | 416,644 | 497,219 |
| | <hr/> | <hr/> |
| CASH, end of year | \$ 401,427 | \$ 416,644 |



RINGETTE ALBERTA ASSOCIATION

NOTES TO FINANCIAL STATEMENTS (Unaudited)

FOR THE YEAR ENDED JULY 31, 2019

1. NATURE OF OPERATIONS

Ringette Alberta Association is a not-for-profit organization incorporated under the Societies Act of the Province of Alberta. The Association provides for the advancement of amateur recreational ringette in the province of Alberta. The Association is exempt from the payment of income taxes under Section 149 of the Income Tax Act.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. Because a precise determination of many assets and liabilities is dependent upon future events, the preparation of financial statements for a period necessarily involves the use of estimates which have been made using careful judgement. These financial statements have, in management's opinion, been prepared within the reasonable limits of materiality and the framework of the significant accounting policies summarized below:

(a) Financial Instruments

Measurement of financial instruments

The Association initially measures its financial assets and liabilities at fair value, except for certain non-arm's length transactions.

The Association subsequently measures all of its financial assets and financial liabilities at amortized cost, except in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in net income.

Financial assets measured at amortized cost include cash.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

The Association's financial assets, if any, measured at fair value include investments that are quoted shares.

Impairment

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in net income. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in net income.

Transaction costs

The Association recognizes its transaction costs, if any, in net income in the period incurred. However, financial instruments that will not be subsequently measured at fair value are adjusted by the transaction costs that are directly attributable to their origination, issuance or assumption.



RINGETTE ALBERTA ASSOCIATION

NOTES TO FINANCIAL STATEMENTS
(Unaudited)

FOR THE YEAR ENDED JULY 31, 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Contributed Services and Materials

Volunteers contribute time each year to aid the Association in carrying out its service delivery activities. Because of the difficulty in determining fair value, the financial value of contributed services is not recognized in these financial statements.

Other contributed services and materials are recognized only to the extent that they would have been purchased in the normal course of operations and their value is reasonably determinable.

(c) Inventory

Inventory is valued at the lower of cost and net realizable value.

(d) Property and Equipment

Property and equipment are stated at cost. Amortization is provided annually on the declining balance basis at rates calculated to write-off the assets over their estimated useful lives. One-half of normal rates are applied in the year of acquisition. These rates are as follows:

| | |
|--------------------|-----|
| Computer equipment | 30% |
| Office equipment | 20% |

(e) Revenue Recognition

The Association follows the deferral method of accounting for contributions for which the related restrictions remain unfulfilled and are accumulated as deferred revenues. 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.

(f) Basis of Presentation of Financial Statements

These financial statements include only the assets, liabilities, revenues and expenses of Ringette Alberta Association and do not include the accounts of any affiliates or projects which are not under the direct control of the Association.

(g) Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand, bank balances and term deposits with maturities of less than three months since inception and which are readily convertible to stated value with an insignificant risk of change in value.



RINGETTE ALBERTA ASSOCIATION

NOTES TO FINANCIAL STATEMENTS (Unaudited)

FOR THE YEAR ENDED JULY 31, 2019

3. CASH

| | 2019 | 2018 |
|-------------------------------------|------------|------------|
| Operating account | \$ 122,210 | \$ 206,066 |
| Paypal account | 3,267 | 9,768 |
| Financial Reserve (restricted cash) | 200,000 | 200,000 |
| Casino account (restricted cash) | 75,950 | 810 |
| Term deposits (restricted cash) | 10,000 | 10,000 |
| | \$ 411,427 | \$ 426,644 |

The regulations of the Alberta Gaming Liquor and Cannabis Commission (AGLC) provide that the use of the net proceeds from a casino are restricted to certain approved expenses of the Association to be expended within a specified time frame. As at July 31, 2019, the Association had \$79,950 (2018 - \$810) of restricted cash on hand which has been recorded as deferred revenue.

4. INVENTORY

| | 2019 | 2018 |
|---------------------------------------|----------|----------|
| Resources and materials held for sale | \$ 9,912 | \$ 9,904 |

5. PROPERTY AND EQUIPMENT

| | 2019 | | 2018 | |
|--------------------|-----------|-----------------------------|-------------------|-------------------|
| | Cost | Accumulated Amortization | Net Book Value | Net Book Value |
| Computer equipment | \$ 13,321 | \$ 11,587 | \$ 1,734 | \$ 2,478 |
| Office equipment | 31,371 | 29,375 | 1,996 | 2,496 |
| | \$ 44,692 | \$ 40,962 | \$ 3,730 | \$ 4,974 |

6. DEFERRED REVENUE

| | 2019 | 2018 |
|--|------------|-----------|
| Casino | \$ 75,950 | \$ 810 |
| Alberta Sport Connection | 48,336 | 54,121 |
| Alberta Sport Connection - 2019 Winter Games | - | 20,000 |
| | \$ 124,286 | \$ 74,931 |



RINGETTE ALBERTA ASSOCIATION

NOTES TO FINANCIAL STATEMENTS
(Unaudited)

FOR THE YEAR ENDED JULY 31, 2019

7. ECONOMIC DEPENDENCE

The ongoing operation of the Association is dependent to a significant extent on the Province of Alberta grant revenue that is approved on a yearly basis and casino fundraising revenues received from AGLC.

8. FINANCIAL INSTRUMENTS

Risks and concentrations

The Association is exposed to various risks through its financial instruments, without being exposed to concentrations of risk.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial statement liabilities. The Association is exposed to this risk mainly in respect of its accounts payable and accrued liabilities.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Association's main credit risks relate to accounts receivable. The Association provides credit to its clients in the normal course of operations.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is comprised of three types of risk: currency risk, interest rate risk and other price risk. The Association has no significant exposure to market risk.

9. FINANCIAL RESERVE

The funds in the Financial Reserve, to a maximum of \$200,000, are intended to be used to provide protection against unforeseen interruption of income or unanticipated expenses. Transfers to and from the Financial Reserve require Board approval.



RINGETTE ALBERTA ASSOCIATION

SCHEDULE OF GRANT INCOME (Unaudited)

FOR THE YEAR ENDED JULY 31, 2019

| | 2019 | 2018 |
|--------------------------|-------------------|-------------------|
| Alberta Sport Connection | \$ 97,331 | \$ 97,801 |
| Canada Winter Games | 30,455 | 5,545 |
| Alberta Winter Games | - | 2,498 |
| Other | - | 13,748 |
| | <u>\$ 127,786</u> | <u>\$ 119,592</u> |

