

RINGETTE ALBERTA ASSOCIATION

FINANCIAL STATEMENTS
(Unaudited)

FOR THE YEAR ENDED JULY 31, 2021



RINGETTE ALBERTA ASSOCIATION

FOR THE YEAR ENDED JULY 31, 2021

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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, 2021 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, 2021, 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
November 18, 2021

SVS Group LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

RINGETTE ALBERTA ASSOCIATION

STATEMENT OF FINANCIAL POSITION (Unaudited)

AS AT JULY 31, 2021

	2021	2020
ASSETS		
CURRENT		
Cash in accounts - unrestricted (Note 3)	\$ 293,531	\$ 184,905
Accounts receivable (Note 4)	5,490	33,409
Inventory (Note 5)	14,164	17,216
Prepaid expenses	1,570	1,491
	314,755	237,021
CASH IN ACCOUNTS - RESTRICTED (Note 3)	278,477	208,870
PROPERTY AND EQUIPMENT (Note 6)	2,128	2,811
	\$ 595,360	\$ 448,702
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 5,795	\$ 7,434
Deferred revenue (Note 6)	134,709	8,870
	140,504	16,304
CEBA LOAN (Note 11)	30,000	30,000
	170,504	46,304
NET ASSETS		
OPERATING RESERVE	222,728	199,587
FINANCIAL RESERVE (Note 9)	200,000	200,000
PROPERTY AND EQUIPMENT RESERVE	2,128	2,811
	424,856	402,398
	\$ 595,360	\$ 448,702

APPROVED ON BEHALF OF THE BOARD:

Director

Director

← SIGN HERE



RINGETTE ALBERTA ASSOCIATION

STATEMENT OF CHANGES IN NET ASSETS (Unaudited)

FOR THE YEAR ENDED JULY 31, 2021

	2021	2020
OPERATING RESERVE		
Balance, beginning of year	\$ 199,587	\$ 92,937
Amortization	683	919
Excess of revenue over expenses for the year	22,458	105,731
Balance, end of year	<u>222,728</u>	<u>199,587</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	2,811	3,730
Amortization	(683)	(919)
Balance, end of year	<u>2,128</u>	<u>2,811</u>
	<u>\$ 424,856</u>	<u>\$ 402,398</u>



RINGETTE ALBERTA ASSOCIATION

STATEMENT OF OPERATIONS (Unaudited)

FOR THE YEAR ENDED JULY 31, 2021

	2021	2020
REVENUE		
Casino	\$ 8,870	\$ 67,080
COVID-19 relief subsidies	97,822	85,555
Grants (Schedule)	114,778	100,472
Interest	1,090	2,699
Memberships, registrations and participant fees	342,982	735,661
Other	4,306	3,532
	<u>569,848</u>	<u>994,999</u>
EXPENSES		
Advertising and promotion	28	8,472
Amortization	684	919
Bank charges and interest	2,679	8,855
Computer and licenses	15,588	15,096
Facility rental	-	53,562
Financial assistance to clubs and members	6,000	18,000
Honorariums	5,380	24,213
Insurance	15,103	15,264
Memberships, registrations and participant expenses	149,434	255,012
Office	10,638	25,371
Professional fees	4,446	6,464
Recognition and awards	520	6,431
Supplies	9,517	31,901
Travel (recovery)	(1,643)	29,328
Uniforms and jerseys	-	11,772
Utilities	2,995	5,153
Wages and benefits	326,021	373,455
	<u>547,390</u>	<u>889,268</u>
EXCESS OF REVENUE OVER EXPENSES	<u>\$ 22,458</u>	<u>\$ 105,731</u>



RINGETTE ALBERTA ASSOCIATION

STATEMENT OF CASH FLOWS (Unaudited)

FOR THE YEAR ENDED JULY 31, 2021

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from funders, members and others	\$ 722,516	\$ 826,174
Cash paid to suppliers and employees	(545,373)	(886,525)
Interest received	1,090	2,699
	<u>178,233</u>	<u>(57,652)</u>
CASH FLOWS FROM FINANCING ACTIVITY		
Proceeds from CEBA	-	40,000
	<u>178,233</u>	<u>(17,652)</u>
INCREASE (DECREASE) IN CASH DURING THE YEAR	178,233	(17,652)
CASH, beginning of year	393,775	411,427
CASH, end of year	\$ 572,008	\$ 393,775



RINGETTE ALBERTA ASSOCIATION

NOTES TO FINANCIAL STATEMENTS (Unaudited)

FOR THE YEAR ENDED JULY 31, 2021

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. 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) Use of Estimates

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the current period. These estimates are reviewed periodically and adjustments are made to income as appropriate in the year they become known. Estimated life of property and equipment and inventory valuation, if applicable, are the most significant items that involve the use of estimates.

(b) 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 and accounts receivable.

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.



RINGETTE ALBERTA ASSOCIATION

NOTES TO FINANCIAL STATEMENTS
(Unaudited)

FOR THE YEAR ENDED JULY 31, 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Financial Instruments (continued)

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.

(c) 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.

(d) Inventory

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

(e) 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%

(f) 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.

(g) 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.

(h) 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, 2021

3. CASH

	2021	2020
Operating account	\$ 292,328	\$ 182,149
Paypal account	1,203	2,756
Financial Reserve (restricted cash)	200,000	200,000
Casino account (restricted cash)	78,477	8,870
	\$ 572,008	\$ 393,775

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, 2021, the Association had \$78,477 (2020 - \$8,870) of restricted cash on hand which has been recorded as deferred revenue.

4. ACCOUNTS RECEIVABLE

	2021	2020
Trade	\$ 5,490	\$ 33,409

The Association had \$Nil (2020 - \$32,103) of government subsidies receivable which are included in accounts receivable.

5. INVENTORY

	2021	2020
Resources and materials held for sale	\$ 14,164	\$ 17,216

6. PROPERTY AND EQUIPMENT

	2021		2020	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Computer equipment	\$ 13,321	\$ 12,471	\$ 850	\$ 1,214
Office equipment	31,371	30,093	1,278	1,597
	\$ 44,692	\$ 42,564	\$ 2,128	\$ 2,811



RINGETTE ALBERTA ASSOCIATION

NOTES TO FINANCIAL STATEMENTS (Unaudited)

FOR THE YEAR ENDED JULY 31, 2021

7. DEFERRED REVENUE

	2021	2020
Casino	\$ 78,477	\$ 8,870
Registrations	56,232	-
	<u>\$ 134,709</u>	<u>\$ 8,870</u>

8. 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.

9. 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.

10. 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

NOTES TO FINANCIAL STATEMENTS
(Unaudited)

FOR THE YEAR ENDED JULY 31, 2021

11. IMPACT OF COVID-19

In March 2020, there was a global outbreak of the COVID-19 virus, which has had a significant impact on businesses and not-for-profit organizations through the restrictions put in place by the Canadian, Provincial and Municipal governments regarding travel, operations and isolation/quarantine orders. Governments have responded with monetary and other fiscal stimulus to stabilize local economies. Uncertainty surrounding the pandemic and the effectiveness of government interventions continue to exist. It is not currently possible to estimate the continued duration and ultimate impact of this situation on the financial position and results of operations for the Association.

12. GOVERNMENT ASSISTANCE

During the year, the Association received \$77,822 in CEWS federal wage subsidies and \$20,000 from the Government of Alberta's Covid-19 Emergency Support Fund which has been included in Covid-19 relief subsidies.

The Canada Emergency Business Account (CEBA) loan is a loan offered through financial institutions where 25% of the advanced loan proceeds will be forgiven if 75% of the advanced loan proceeds are repaid by December 31, 2022. The loan is non-interest bearing until January 1, 2023. The Association is reasonably assured to repay the non-forgivable portion of the loan prior December 31, 2022 and as such the forgivable portion of the loan, \$10,000, has been recognized as grant revenue during the previous year.



RINGETTE ALBERTA ASSOCIATION

SCHEDULE OF GRANT INCOME (Unaudited)

FOR THE YEAR ENDED JULY 31, 2021

	2021	2020
Alberta Sport Connection	\$ 86,328	\$ 96,672
Canada Winter Games	28,450	-
Alberta Winter Games	-	3,800
	<u>\$ 114,778</u>	<u>\$ 100,472</u>

