

RINGETTE ALBERTA ASSOCIATION
FINANCIAL STATEMENTS
FOR THE YEAR ENDED JULY 31, 2022

RINGETTE ALBERTA ASSOCIATION

FOR THE YEAR ENDED JULY 31, 2022

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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, 2022 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, 2022, 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
January 12, 2023

SVS Group LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

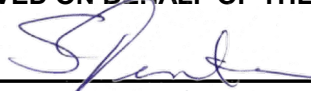

RINGETTE ALBERTA ASSOCIATION

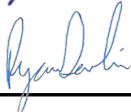
STATEMENT OF FINANCIAL POSITION

AS AT JULY 31, 2022

	2022	2021
ASSETS		
CURRENT		
Cash in accounts - unrestricted (Note 3)	\$ 381,496	\$ 293,531
Accounts receivable	8,443	5,490
Inventory (Note 4)	25,029	14,164
Prepaid expenses	1,570	1,570
	416,538	314,755
CASH IN ACCOUNTS - RESTRICTED (Note 3)	214,338	278,477
CAPITAL ASSETS (Note 5)	-	2,128
	\$ 630,876	\$ 595,360
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 29,541	\$ 5,795
Deferred revenue (Note 6)	257,041	134,709
	286,582	140,504
CEBA LOAN (Note 9)	30,000	30,000
	316,582	170,504
NET ASSETS		
OPERATING RESERVE	114,294	222,728
FINANCIAL RESERVE (Note 3)	200,000	200,000
INVESTED IN CAPITAL ASSETS	-	2,128
	314,294	424,856
	\$ 630,876	\$ 595,360

APPROVED ON BEHALF OF THE BOARD:


 _____ Director 


 _____ Director

RINGETTE ALBERTA ASSOCIATION

STATEMENT OF CHANGES IN NET ASSETS

FOR THE YEAR ENDED JULY 31, 2022

	2022			2021	
	Operating Reserve	Financial Reserve	Invested in Capital Assets	Total	Total
BALANCE , beginning of year	\$ 222,728	\$ 200,000	\$ 2,128	\$ 424,856	\$ 402,398
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	(108,434)	-	(2,128)	(110,562)	22,458
BALANCE , end of year	\$ 114,294	\$ 200,000	\$ -	\$ 314,294	\$ 424,856

RINGETTE ALBERTA ASSOCIATION

STATEMENT OF OPERATIONS

FOR THE YEAR ENDED JULY 31, 2022

	2022	2021
REVENUE		
Casino	\$ 78,200	\$ 8,870
COVID-19 relief subsidies	-	97,822
Grants (Schedule)	96,678	114,778
Interest	1,203	1,090
Memberships, registrations and participant fees	782,891	342,982
Other	8,594	4,306
	967,566	569,848
EXPENSES		
Advertising and promotion	10,920	28
Amortization	-	684
Bank charges and interest	18,593	2,679
Computer and licenses	31,589	15,588
Facility rental	94,463	-
Financial assistance to clubs and members	6,000	6,000
Honorariums	11,095	5,380
Insurance	22,666	15,103
Memberships, registrations and participant expenses	364,519	149,434
Office	10,770	10,638
Professional fees	49,126	4,446
Recognition and awards	6,482	520
Supplies	2,085	9,517
Travel (recovery)	56,638	(1,643)
Utilities	2,358	2,995
Wages and benefits	388,696	326,021
	1,076,000	547,390
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES FROM OPERATIONS	(108,434)	22,458
LOSS ON DISPOSAL OF CAPITAL ASSETS	(2,128)	-
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	\$ (110,562)	\$ 22,458

RINGETTE ALBERTA ASSOCIATION

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JULY 31, 2022

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from funders, members and others	\$ 966,363	\$ 722,516
Cash paid to suppliers and employees	(943,740)	(545,373)
Interest received	1,203	1,090
	<hr/>	<hr/>
INCREASE IN CASH DURING THE YEAR	23,826	178,233
CASH, beginning of year	572,008	393,775
	<hr/>	<hr/>
CASH, end of year	\$ 595,834	\$ 572,008
REPRESENTED BY (Note 3)		
Cash in accounts - unrestricted	\$ 381,496	\$ 293,531
Cash in accounts - restricted	214,338	278,477
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	\$ 595,834	\$ 572,008
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RINGETTE ALBERTA ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JULY 31, 2022

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 (ASNFP) 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 and CEBA loan.

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

RINGETTE ALBERTA ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JULY 31, 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Financial Instruments (continued)

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.

(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. Cost is generally determined on an average cost basis.

(e) Capital Assets

Capital assets are stated at cost less accumulated amortization. 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%

RINGETTE ALBERTA ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JULY 31, 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(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.

Membership fees are recognized as revenue for the period that relates to the fiscal period of the Association. Membership fees that are collected and relate to the period subsequent to the fiscal period of the Association have been recorded as deferred revenue.

Other Association services are recognized as revenue in the period in which the related funds are received.

(g) Internally Restricted Funds

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.

(h) 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.

(i) Cash and Cash Equivalents

Cash and cash equivalents consist of amounts held in chequing and interest-bearing savings accounts at Canadian financial institutions.

3. CASH

	<u>2022</u>	<u>2021</u>
Operating account	\$ 379,213	\$ 292,328
Paypal account	2,283	1,203
Financial Reserve (restricted cash)	200,000	200,000
Casino account (restricted cash)	277	78,477
Raffle account (restricted cash)	14,061	-
	<u>\$ 595,834</u>	<u>\$ 572,008</u>

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, 2022, the Association had \$14,338 (2021 - \$78,477) of restricted cash on hand which has been recorded as deferred revenue.

RINGETTE ALBERTA ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JULY 31, 2022

4. INVENTORY

	2022	2021
Resources and materials held for sale	\$ 25,029	\$ 14,164

5. PROPERTY AND EQUIPMENT

	2022		2021	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Computer equipment	\$ -	\$ -	\$ -	\$ 850
Office equipment	-	-	-	1,278
	\$ -	\$ -	\$ -	\$ 2,128

6. DEFERRED REVENUE

	2022			2021	
	Opening	Received	Recognized as Revenue	Total	Total
Casino	\$ 78,477	\$ -	\$ (78,200)	\$ 277	\$ 78,477
SPAR - Government of Alberta CWG Grant	-	31,050	(10,350)	20,700	-
Raffle	-	14,061	-	14,061	-
Membership	56,232	546,745	(380,974)	222,003	56,232
Totals	\$ 134,709	\$ 591,856	\$ (469,524)	\$ 257,041	\$ 134,709

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.

RINGETTE ALBERTA ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JULY 31, 2022

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. GOVERNMENT ASSISTANCE

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, 2023. The loan is non-interest bearing until January 1, 2024. The Association is reasonably assured to repay the non-forgivable portion of the loan prior December 31, 2023 and as such the forgivable portion of the loan, \$10,000, has been recognized as grant revenue during a previous year.

During the previous year, the Association took advantage of the Canada Emergency Wage Subsidy (CEWS) Federal COVID-19 assistance program .

The CEWS provided qualifying employers with a subsidy of 75% of employee salaries to a maximum of \$847 per week from March 15, 2020 to May 7, 2022. During the year, the Association received \$Nil (2021 - \$97,822) in CEWS which was included in COVID-19 relief subsidies revenue.

RINGETTE ALBERTA ASSOCIATION

SCHEDULE OF GRANT INCOME

FOR THE YEAR ENDED JULY 31, 2022

	2022	2021
SPAR - Government of Alberta ADP Grant	\$ 86,328	\$ 86,328
SPAR - Government of Alberta CWG Grant	<u>10,350</u>	<u>28,450</u>
	<u>\$ 96,678</u>	<u>\$ 114,778</u>