



# RINGETTE ONTARIO

2021 June 30th AUDITED FINANCIAL STATEMENTS

**ONTARIO RINGETTE ASSOCIATION**  
**Financial Statements**  
**Three Month Period Ended June 30, 2021**

**ONTARIO RINGETTE ASSOCIATION**  
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**Three Month Period Ended June 30, 2021**

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**INDEPENDENT AUDITOR'S REPORT**

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To the Members of Ontario Ringette Association

*Opinion*

We have audited the financial statements of Ontario Ringette Association (the Association), which comprise the statement of financial position as at June 30, 2021, and the statements of changes in net assets, revenues and expenditures and cash flows for the three month period 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 June 30, 2021, and the results of its operations and its cash flows for the period 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 those 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 the 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 relating 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.

*(continues)*

*James B. MacNeill FCPA, FCA, CFP    Jeremy A. Giles CPA, CA    Lissa Savage CPA, CA*  
*Mark Snyders CPA, CA    Robert F. Edmundson CPA, CA (Retired)*

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**INDEPENDENT AUDITOR'S REPORT** *(continued)*

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*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.

London, Ontario  
August 14, 2021


*MacNeill Edmundson*  
PROFESSIONAL CORPORATION  
CHARTERED PROFESSIONAL ACCOUNTANTS  
Authorized to practise public accounting by  
the Chartered Professional Accountants of Ontario


*James B. MacNeill FCPA, FCA, CFP    Jeremy A. Giles CPA, CA    Lissa Savage CPA, CA*  
*Mark Snyders CPA, CA    Robert F. Edmundson CPA, CA (Retired)*

**ONTARIO RINGETTE ASSOCIATION**  
**Statement of Financial Position**  
**June 30, 2021**

	<i>June 30</i> <b>2021</b>	<i>March 31</i> <b>2021</b>
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 512,422	\$ 583,018
Accounts receivable	15,660	59,418
Inventory	17,762	17,762
Prepaid expenses	5,467	5,544
	<b>551,311</b>	<b>665,742</b>
<b>CAPITAL ASSETS (Note 2)</b>	<b>6,534</b>	<b>7,483</b>
	<b>\$ 557,845</b>	<b>\$ 673,225</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities	\$ 38,202	\$ 23,093
Government remittances payable	10,124	8,810
Deferred revenue (Note 4)	10,290	64,832
	<b>58,616</b>	<b>96,735</b>
<b>CANADA EMERGENCY BUSINESS ACCOUNT LOAN (Note 3)</b>	<b>30,000</b>	<b>30,000</b>
	<b>88,616</b>	<b>126,735</b>
<b>NET ASSETS</b>		
Unrestricted members' fund	165,489	245,250
Restricted funds (note 8)	303,740	301,240
	<b>469,229</b>	<b>546,490</b>
	<b>\$ 557,845</b>	<b>\$ 673,225</b>

ON BEHALF OF THE BOARD

  
 \_\_\_\_\_ Director

  
 \_\_\_\_\_ Director

**ONTARIO RINGETTE ASSOCIATION**  
**Statement of Changes in Net Assets**  
**Three Month Period Ended June 30, 2021**

	Unrestricted Members' Fund	Restricted Funds (Note 8)	<i>June 30</i> <b>2021</b>	<i>March 31</i> 2021
<b>NET ASSETS - BEGINNING OF PERIOD</b>	\$ 245,250	\$ 301,240	\$ <b>546,490</b>	\$ 301,732
DEFICIENCY OF REVENUE OVER EXPENSES	(77,261)	-	<b>(77,261)</b>	244,758
INTERNALLY RESTRICTED DISBURSEMENTS	(2,500)	2,500	-	-
<b>NET ASSETS - END OF PERIOD</b>	<b>\$ 165,489</b>	<b>\$ 303,740</b>	<b>\$ 469,229</b>	<b>\$ 546,490</b>

**ONTARIO RINGETTE ASSOCIATION**  
**Statement of Revenues and Expenditures**  
**Three Month Period Ended June 30, 2021**

	<i>June 30</i> <b>2021</b> <i>(3 months)</i>	<i>March 31</i> 2021 <i>(12 months)</i>
<b>REVENUE</b>		
Government grants <i>(Note 5)</i>	\$ 54,542	\$ 221,972
Canada Emergency Wage Subsidy	43,419	123,015
Event fees	5,100	80,041
Canada Emergency Rent Subsidies	2,510	12,422
Interest and other revenue	933	2,297
CEBA loan forgiveness <i>(Note 3)</i>	-	10,000
Coaches Association of Ontario grant	-	4,488
Sponsorship income	-	2,437
Member registration fees and dues	-	375,598
Net marketing and resource sales revenue	-	1,175
	<b>106,504</b>	<b>833,445</b>
<b>EXPENSES</b>		
Salaries and benefits	83,672	251,406
Grants	49,088	-
Professional fees	29,479	47,079
General office expense	7,382	55,101
Training and development	6,376	40,845
Marketing and website	3,349	10,590
Telephone	2,069	4,847
Interest, bank charges and bad debts	954	3,315
Amortization	948	4,064
Annual conference	386	5,060
Printing and postage	62	2,805
Member insurance	-	18,943
Competitive events	-	2,614
Travel accommodation and meetings	-	252
Ringette Canada fees	-	141,766
	<b>183,765</b>	<b>588,687</b>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES</b>	<b>\$ (77,261)</b>	<b>\$ 244,758</b>



**ONTARIO RINGETTE ASSOCIATION**  
**Statement of Cash Flows**  
**Three Month Period Ended June 30, 2021**

	<i>June 30</i> <b>2021</b> <i>(3 months)</i>	<i>March 31</i> <b>2021</b> <i>(12 months)</i>
<b>OPERATING ACTIVITIES</b>		
Excess (deficiency) of revenue over expenses	\$ (77,261)	\$ 244,758
Items not affecting cash:		
Amortization of capital assets	948	4,064
CEBA loan forgiveness	-	(10,000)
	<u>(76,313)</u>	<u>238,822</u>
Changes in non-cash working capital:		
Accounts receivable	43,758	215,235
Inventory	-	981
Accounts payable and accrued liabilities	15,110	(252,008)
Deferred revenue	(54,542)	64,832
Prepaid expenses	77	(2,518)
Government remittances payable	1,314	3,391
	<u>5,717</u>	<u>29,913</u>
Cash flow from (used by) operating activities	<u>(70,596)</u>	<u>268,735</u>
<b>INVESTING ACTIVITY</b>		
Purchase of capital assets	-	(5,341)
<b>FINANCING ACTIVITY</b>		
Proceeds from long term debt	-	40,000
<b>INCREASE (DECREASE) IN CASH FLOW</b>	<b>(70,596)</b>	<b>303,394</b>
Cash - beginning of period	<u>583,018</u>	<u>279,624</u>
<b>CASH - END OF PERIOD</b>	<b>\$ 512,422</b>	<b>\$ 583,018</b>

**ONTARIO RINGETTE ASSOCIATION**  
**Notes to Financial Statements**  
**Three Month Period Ended June 30, 2021**

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**PURPOSE OF THE ASSOCIATION**

Ontario Ringette Association ("the association") was incorporated, without share capital, under the laws of the Province of Ontario on May 20, 1980. Under letters patent filed on the same date, the association was established as a not-for-profit organization with the authority to govern and promote the sport of Ringette in the province of Ontario. As a not-for-profit organization, the association is exempt from the payment of income tax under Section 149(1) of the Income Tax Act.

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO).

Revenue recognition

Event fees for clinics, camps and other programs are recognized in the period during which the event or programs are undertaken. Where championship events for the season ending in the fiscal year straddle the year end, the full cost of the event is recorded in the fiscal year of the competitive season.

Other association revenues are recognized when receivable.

Inventory

Inventories of resources, supplies and marketing items are valued at the lower of cost and net realizable value with the cost being determined using the average cost method.

Capital assets

Capital assets are stated at cost or deemed cost less accumulated amortization. Capital assets are amortized over their estimated useful lives on a straight-line basis at the following rates and methods:

Computer equipment	33 1/3%	straight-line method
Furniture and fixtures	20%	straight-line method

One half of the normal annual amortization is charged in the year of acquisition.

Fund accounting

The net assets of the association are segregated into unrestricted members' fund and restricted funds which have been set aside for specified purpose or activities.

Contributed services

Volunteers contribute a considerable number of 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 these financial statements.

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**ONTARIO RINGETTE ASSOCIATION**  
**Notes to Financial Statements**  
**Three Month Period Ended June 30, 2021**

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Cash and cash equivalents

The association's policy is to present bank balances and petty cash under cash and cash equivalents. Guaranteed investment certificates are not included in cash and cash equivalents.

Financial instruments measurement

The association initially measures its financial assets and financial liabilities at fair value. It subsequently measures all its financial assets and liabilities at amortized cost.

The financial assets subsequently measured at amortized cost include cash and accounts receivable. The financial liabilities measured at amortized cost include accounts payable, accrued liabilities and government remittances payable.

Team Ontario revenues and expenses

Revenues and expenses related to the participation of Team Ontario at events such as the Canada Winter Games are reflected in the financial statements of the association only to the extent that they have been received by or payable by the association and as such do not include independent fund raising by the team, nor expenses paid directly by the team.

Measurement uncertainty

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, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

2. CAPITAL ASSETS

	Cost	Accumulated amortization	June 30 2021 Net book value	March 31 2021 Net book value
Computer equipment	\$ 17,756	\$ 13,199	\$ 4,557	\$ 5,184
Furniture and fixtures	6,442	4,465	1,977	2,299
	<u>\$ 24,198</u>	<u>\$ 17,664</u>	<u>\$ 6,534</u>	<u>\$ 7,483</u>

3. CANADA EMERGENCY BUSINESS ACCOUNT LOAN

The association received \$40,000 from the Government of Canada for the Canada Emergency Business Account loan. If \$30,000 of the loan is repaid by December 31, 2022, the remaining \$10,000 is forgivable. The loan has a 0% interest rate until December 31, 2022. The forgivable portion of the loan has been recognized as income during the prior year.

**ONTARIO RINGETTE ASSOCIATION**  
**Notes to Financial Statements**  
**Three Month Period Ended June 30, 2021**

4. DEFERRED REVENUE

The association received a \$64,832 provincial government grant to develop a funding program that supports its member community sport clubs. To date, revenue totalling \$54,542 has been recognized and is included in the grant revenue. The remaining funds of \$10,290 will be spent and recognized as revenue in the subsequent year.

5. GOVERNMENT GRANTS

	<i>June 30</i> <b>2021</b>	<i>March 31</i> 2021
Ontario Funding to Community Sport Clubs	<b>\$ 54,542</b>	\$ -
Ontario Amateur Sport Fund Grant	-	136,148
Federal COVID-19 Emergency Support Fund for Sports Organizations	-	58,114
Provincial COVID-19 Emergency Support Funds for Provincial Sport and Multi-Sport Organizations	-	19,271
Federal Sport Participation Program	-	8,439
	<b>\$ 54,542</b>	\$ 221,972

6. FINANCIAL INSTRUMENTS

The association is exposed to various risks through its financial instruments and has a comprehensive risk management framework in place to monitor, evaluate and manage these risks. The following analysis provides information about the association's risk exposure and concentration. There have been no significant change to the nature or concentration of these risks from the prior year, unless otherwise noted.

***Credit risk***

The association is exposed to credit risk in that it provides credit to member associations and regions in the normal course of its operations. The credit risk is mitigated by the fact that the majority of its accounts receivable are due from members of the association. The association regularly monitors accounts receivable, has the ability to suspend members for non payments and virtually never has had any bad debts.

***Liquidity risk***

Liquidity risk is the risk that an entity will encounter difficulty in meeting cash requirements or fund obligations as they become due. The association manages its liquidity risk by regularly monitoring forecasted and actual cash flows, by holding assets that can readily be converted to cash and by maintaining the operating stabilization fund.

**ONTARIO RINGETTE ASSOCIATION**  
**Notes to Financial Statements**  
**Three Month Period Ended June 30, 2021**

7. LEASE COMMITMENT

In January, 2017 the association entered into a lease agreement for new office space commencing May 1, 2017 and ending April 30, 2022. Under this lease the association is committed to minimum rent and estimated common area payments over the next fiscal year as follows:

2022	\$ 21,935
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8. RESTRICTED FUNDS

	<u>June 30 2021</u>	<u>March 31 2021</u>
<b>Operating Stabilization Fund</b>		
Net assets, beginning of year	\$ 281,240	\$ 281,240
Transfer from (to) members' (operating) fund	<u>-</u>	<u>-</u>
Net assets, end of year	<u>\$ 281,240</u>	<u>\$ 281,240</u>

The operating stabilization fund is an internally restricted fund established under a reserve funding strategy approved in November, 2010. The purpose of the fund is to provide cash resources to maintain and to carry out the operations of the association in the event of decreases in revenues or reductions in government funding. The fund may be drawn by the Executive Director to meet the financial responsibilities of the approved operating budget in advance of the receipt of membership dues or if membership revenues are lower than expected.

<b>Canada Winter Games Fund</b>		
Net assets, beginning of year	\$ 20,000	\$ 10,000
Transfer from (to) members' (operating) fund	<u>2,500</u>	<u>10,000</u>
Net assets, end of year	<u>\$ 22,500</u>	<u>\$ 20,000</u>

The Canada Winter Games fund is internally restricted fund established in 2008. The fund balance is to be maintained separated from operating funds and accumulated to make a pool of funds available for Canada Winter Games travel costs with are incurred every four years. Effective November 2010, a reserve funding policy is in place which requires a transfer of \$10,000 per year from current operations be made to the Canada Winter Games Fund in non Canada Winter Games years. For the June 30, 2021 fiscal period, the required transfer of \$2,500 was made to the fund, which is a prorated portion for the three month period.

**ONTARIO RINGETTE ASSOCIATION**  
**Notes to Financial Statements**  
**Three Month Period Ended June 30, 2021**

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9. COVID-19

The outbreak of Coronavirus Disease 2019, or COVID-19, has spread across the globe and is impacting worldwide economic activity. This global pandemic poses the risk that the association or its members, employees, contractors, suppliers, and other partners may be unable to conduct regular business activities for an indefinite period of time.

Specifically, the association has so far experienced some decrease in event and member registration fees and other income as a direct result of the pandemic. To offset these revenue decreases, the association has reviewed its expenses, and deferred or reduced those expenses where possible, while also utilizing government emergency relief programs where available, such as the emergency wage subsidy, the emergency rent subsidy and the CEBA loan.

The extent to which the COVID-19 outbreak impacts the association's future financial results will depend on future developments that are highly uncertain and cannot be predicted, including new information that may emerge concerning the spread of the virus and government actions.

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