

**RINGETTE ALBERTA ASSOCIATION**

**FINANCIAL STATEMENTS**  
(Unaudited)

**FOR THE YEAR ENDED JULY 31, 2020**



# RINGETTE ALBERTA ASSOCIATION

FOR THE YEAR ENDED JULY 31, 2020

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## INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Members of

### RINGETTE ALBERTA ASSOCIATION

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We have reviewed the accompanying financial statements of **Ringette Alberta Association** that comprise the statement of financial position as at July 31, 2020 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, 2020, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for private enterprises.

*SVS Group LLP*

Edmonton, Alberta  
December 8, 2020

CHARTERED PROFESSIONAL ACCOUNTANTS



# RINGETTE ALBERTA ASSOCIATION

## STATEMENT OF CHANGES IN NET ASSETS (Unaudited)

FOR THE YEAR ENDED JULY 31, 2020

	2020	2019
<b>OPERATING RESERVE</b>		
Balance, beginning of year	\$ 92,937	\$ 156,485
Amortization	919	1,244
Excess (deficiency) of revenue over expenses for the year	105,731	(64,792)
Balance, end of year	199,587	92,937
<b>FINANCIAL RESERVE</b>		
Balance, beginning and end of year	200,000	200,000
<b>PROPERTY AND EQUIPMENT RESERVE</b>		
Balance, beginning of year	3,730	4,974
Amortization	(919)	(1,244)
Balance, end of year	2,811	3,730
	\$ 402,398	\$ 296,667



# RINGETTE ALBERTA ASSOCIATION

## STATEMENT OF OPERATIONS (Unaudited)

FOR THE YEAR ENDED JULY 31, 2020

	2020	2019
<b>REVENUE</b>		
Casino	\$ 67,080	\$ 57
COVID-19 relief subsidies	85,555	-
Grants (Schedule)	100,472	127,786
Interest	2,699	2,414
Memberships, registrations and participant fees	735,661	867,605
Other	3,532	5,786
Sponsorship	-	9,834
	<b>994,999</b>	<b>1,013,482</b>
<b>EXPENSES</b>		
Advertising and promotion	8,472	18,167
Amortization	919	1,244
Bank charges and interest	8,855	13,172
Computer and licenses	15,096	9,833
Facility rental	53,562	79,940
Financial assistance to clubs and members	18,000	6,000
Honorariums	24,213	28,588
Insurance	15,264	14,005
Memberships, registrations and participant expenses	255,012	365,319
Office	25,371	24,744
Professional fees	6,464	7,903
Recognition and awards	6,431	6,988
Supplies	31,901	38,032
Travel	29,328	83,744
Uniforms and jerseys	11,772	25,987
Utilities	5,153	5,723
Wages and benefits	373,455	348,885
	<b>889,268</b>	<b>1,078,274</b>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES</b>	<b>\$ 105,731</b>	<b>\$ (64,792)</b>



# RINGETTE ALBERTA ASSOCIATION

## STATEMENT OF CASH FLOWS (Unaudited)

FOR THE YEAR ENDED JULY 31, 2020

	2020	2019
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash receipts from funders, members and others	\$ 826,174	\$ 1,062,837
Cash paid to suppliers and employees	(886,525)	(1,070,468)
Interest received	2,699	2,414
	<u>(57,652)</u>	<u>(5,217)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITY</b>		
Proceeds from CEBA	40,000	-
	<u>(17,652)</u>	<u>(5,217)</u>
<b>DECREASE IN CASH DURING THE YEAR</b>	<b>(17,652)</b>	<b>(5,217)</b>
<b>CASH, beginning of year</b>	<b>411,427</b>	<b>416,644</b>
<b>CASH, end of year</b>	<b>\$ 393,775</b>	<b>\$ 411,427</b>



# RINGETTE ALBERTA ASSOCIATION

NOTES TO FINANCIAL STATEMENTS  
(Unaudited)

FOR THE YEAR ENDED JULY 31, 2020

## 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.

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.





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# RINGETTE ALBERTA ASSOCIATION

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NOTES TO FINANCIAL STATEMENTS  
(Unaudited)

FOR THE YEAR ENDED JULY 31, 2020

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## 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.

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# RINGETTE ALBERTA ASSOCIATION

## NOTES TO FINANCIAL STATEMENTS (Unaudited)

FOR THE YEAR ENDED JULY 31, 2020

### 3. CASH

	2020	2019
Operating account	\$ 182,149	\$ 122,210
Paypal account	2,756	3,267
Financial Reserve (restricted cash)	200,000	200,000
Casino account (restricted cash)	8,870	75,950
Term deposits (restricted cash)	-	10,000
	\$ 393,775	\$ 411,427

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, 2020, the Association had \$8,870 (2019 - \$75,950) of restricted cash on hand which has been recorded as deferred revenue.

### 4. INVENTORY

	2020	2019
Resources and materials held for sale	\$ 17,216	\$ 9,912

### 5. PROPERTY AND EQUIPMENT

	2020		2019	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Computer equipment	\$ 13,321	\$ 12,107	\$ 1,214	\$ 1,734
Office equipment	31,371	29,774	1,597	1,996
	\$ 44,692	\$ 41,881	\$ 2,811	\$ 3,730

### 6. DEFERRED REVENUE

	2020	2019
Casino	\$ 8,870	\$ 75,950
Alberta Sport Connection	-	48,336
	\$ 8,870	\$ 124,286



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# RINGETTE ALBERTA ASSOCIATION

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NOTES TO FINANCIAL STATEMENTS  
(Unaudited)

FOR THE YEAR ENDED JULY 31, 2020

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## 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.

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## 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.

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## 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.

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## 10. SUBSEQUENT EVENT

During the fiscal year, a global pandemic was declared related to COVID-19 (coronavirus), which has had a significant impact on many organizations through the public health orders and other restrictions put in place by the Canadian, Provincial and Municipal governments regarding travel, business operations and isolation/quarantine orders. At this time, it is unknown the extent of the impact the coronavirus outbreak may have on the Association as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the continued duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus.

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# RINGETTE ALBERTA ASSOCIATION

NOTES TO FINANCIAL STATEMENTS  
(Unaudited)

FOR THE YEAR ENDED JULY 31, 2020

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## 11. GOVERNMENT ASSISTANCE

During the year, the Association participated in two Federal COVID-19 assistance programs including the Canada Emergency Wage Subsidy (CEWS).

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 the end of the Association's fiscal year. The program has subsequently been modified for future periods beyond the Association's fiscal year. During the year, the Association received \$75,555 in wage subsidies which has been included in cost of goods sold.

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 year.

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# RINGETTE ALBERTA ASSOCIATION

## SCHEDULE OF GRANT INCOME (Unaudited)

FOR THE YEAR ENDED JULY 31, 2020

	2020	2019
Alberta Sport Connection	\$ 96,672	\$ 97,331
Canada Winter Games	-	30,455
Alberta Winter Games	3,800	-
	<u>\$ 100,472</u>	<u>\$ 127,786</u>



