



RINGETTE ONTARIO

2020-2021 March 31st AUDITED FINANCIAL STATEMENTS

ONTARIO RINGETTE ASSOCIATION
Financial Statements
Year Ended March 31, 2021

ONTARIO RINGETTE ASSOCIATION
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Year Ended March 31, 2021

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INDEPENDENT AUDITOR'S REPORT

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 March 31, 2021, and the statements of changes in net assets, revenues and expenditures and cash flows for the year 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 March 31, 2021, and the results of its operations and its cash flows for the year 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.

Other Matter

The financial statements for the year ended March 31, 2020 were audited by another auditor who expressed an unmodified opinion on those financial statements on June 23, 2020.

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)

INDEPENDENT AUDITOR'S REPORT *(continued)*

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

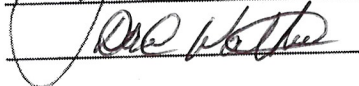
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ONTARIO RINGETTE ASSOCIATION
Statement of Financial Position
March 31, 2021

	2021	2020 <i>(Restated)</i>
ASSETS		
CURRENT		
Cash	\$ 583,018	\$ 279,624
Accounts receivable	59,418	274,653
Inventory	17,762	18,743
Prepaid expenses	5,544	3,026
	665,742	576,046
CAPITAL ASSETS (Note 2)	7,483	6,207
	\$ 673,225	\$ 582,253
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities	\$ 23,093	\$ 275,102
Government remittances payable	8,810	5,419
Deferred revenue (Note 4)	64,832	-
	96,735	280,521
CANADA EMERGENCY BUSINESS ACCOUNT LOAN (Note 3)	30,000	-
	126,735	280,521
NET ASSETS		
Unrestricted members' fund	245,250	10,492
Restricted funds (note 8)	301,240	291,240
	546,490	301,732
	\$ 673,225	\$ 582,253

ON BEHALF OF THE BOARD

 Director

 Director

ONTARIO RINGETTE ASSOCIATION
Statement of Changes in Net Assets
Year Ended March 31, 2021

	Unrestricted Members' Fund	Restricted Funds (Note 8)	2021	2020 <i>(Restated)</i>
NET ASSETS - BEGINNING OF YEAR	\$ 10,492	\$ 291,240	\$ 301,732	\$ 375,260
EXCESS OF REVENUE OVER EXPENSES	244,758	-	244,758	(73,528)
INTERNALLY RESTRICTED DISBURSEMENTS	(10,000)	10,000	-	-
NET ASSETS - END OF YEAR	\$ 245,250	\$ 301,240	\$ 546,490	\$ 301,732

ONTARIO RINGETTE ASSOCIATION
Statement of Revenues and Expenditures
Year Ended March 31, 2021

	2021	2020 <i>(Restated)</i>
REVENUE		
Member registration fees and dues	\$ 375,598	\$ 589,993
Government grants <i>(Note 5)</i>	221,972	136,148
Canada Emergency Wage Subsidy	123,015	-
Event fees	80,041	106,043
Canada Emergency Rent Subsidy	12,422	-
CEBA loan forgiveness <i>(Note 3)</i>	10,000	-
Coaches Association of Ontario grant	4,488	5,016
Sponsorship income	2,437	19,497
Interest and other revenue	2,297	5,147
Net marketing and resource sales revenue	1,175	4,843
AGM registrations	-	9,659
	833,445	876,346
EXPENSES		
Salaries and benefits	251,406	268,719
Ringette Canada fees	141,766	231,862
General office expense	55,101	58,654
Professional fees	47,079	76,962
Training and development	40,845	86,590
Member insurance	18,943	21,459
Marketing and website	10,590	12,904
Annual conference	5,060	24,820
Telephone	4,847	6,746
Amortization	4,064	3,576
Interest, bank charges and bad debts	3,315	4,089
Printing and postage	2,805	5,977
Competitive events	2,614	130,809
Travel accommodation and meetings	252	16,707
	588,687	949,874
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	\$ 244,758	\$ (73,528)

ONTARIO RINGETTE ASSOCIATION
Statement of Cash Flows
Year Ended March 31, 2021

	2021	2020
OPERATING ACTIVITIES		
Excess (deficiency) of revenue over expenses	\$ 244,758	\$ (73,528)
Items not affecting cash:		
Amortization of capital assets	4,064	3,576
CEBA loan forgiveness	(10,000)	-
	<u>238,822</u>	<u>(69,952)</u>
Changes in non-cash working capital:		
Accounts receivable	215,235	(148,475)
Inventory	981	(7,976)
Accounts payable and accrued liabilities	(252,008)	127,941
Deferred revenue	64,832	-
Prepaid expenses	(2,518)	531
Government remittances payable	3,391	403
	<u>29,913</u>	<u>(27,576)</u>
Cash flow from (used by) operating activities	<u>268,735</u>	<u>(97,528)</u>
INVESTING ACTIVITY		
Purchase of capital assets	(5,341)	-
FINANCING ACTIVITY		
Proceeds from long term debt	40,000	-
INCREASE (DECREASE) IN CASH FLOW	<u>303,394</u>	<u>(97,528)</u>
Cash - beginning of year	<u>279,624</u>	<u>377,152</u>
CASH - END OF YEAR	<u>\$ 583,018</u>	<u>\$ 279,624</u>

ONTARIO RINGETTE ASSOCIATION
Notes to Financial Statements
Year Ended March 31, 2021

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.

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 purposes 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
Year Ended March 31, 2021

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	2021 Net book value	2020 Net book value
Computer equipment	\$ 17,756	\$ 12,572	\$ 5,184	\$ 2,620
Furniture and fixtures	6,442	4,143	2,299	3,587
	\$ 24,198	\$ 16,715	\$ 7,483	\$ 6,207

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 year.

ONTARIO RINGETTE ASSOCIATION
Notes to Financial Statements
Year Ended March 31, 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. The funds will be spent and recognized as revenue in the subsequent year.

5. GOVERNMENT GRANTS

	2021	2020
Ontario Amateur Sport Fund Grant	\$ 136,148	\$ 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	-
	\$ 221,972	\$ 136,148

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
Year Ended March 31, 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 two fiscal years as follows:

	2022	\$ 26,322
	2023	2,193

8. RESTRICTED FUNDS

	2021	2020
Operating Stabilization Fund		
Net assets, beginning of year	\$ 281,240	\$ 281,240
Transfer from (to) members' (operating) fund	-	-
Net assets, end of year	\$ 281,240	\$ 281,240

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.

Office Equipment and Technology Fund		
Net assets, beginning of year	\$ -	\$ 12,412
Transfer from (to) members' (operating) fund	-	(12,412)
Net assets, end of year	\$ -	\$ -

The office equipment and technology fund is an internally restricted fund established in November, 2010. The purpose of the fund was to provided funds for any significant purchases of office equipment or to invest in improvements in technology. By motion of the board in January 2020, the closure of this fund and the transfer of the fund balance of \$12,412 to the members (operating) fund was approved.

Scholarship Fund		
Net assets, beginning of year	\$ -	\$ 10,746
Transfer from (to) members' (operating) fund	-	(10,746)
Net assets, end of year	\$ -	\$ -

(continues)

ONTARIO RINGETTE ASSOCIATION
Notes to Financial Statements
Year Ended March 31, 2021

8. RESTRICTED FUNDS *(continued)*

	2021	2020
Scholarship Fund		
The scholarship fund is an internally restricted fund established in 2008. In the fiscal year ended March 31, 2017 the board approved a plan to gradually draw down the scholarship fund by transferring \$12,000 per year from the fund to the members (operating) fund until the scholarship fund is depleted. As of March 31, 2019 the fund balance was less than the annual draw amount, as a result the fund was closed and the remaining balance of \$10,746 was transferred to the members (operating) fund in accordance with the plan.		
Canada Winter Games Fund		
Net assets, beginning of year	\$ 10,000	\$ -
Transfer from (to) members' (operating) fund	<u>10,000</u>	<u>10,000</u>
Net assets, end of year	<u>\$ 20,000</u>	<u>\$ 10,000</u>

The Canada Winter Games fund is internally restricted fund established in 2008. The fund balance is to be maintained separately from operating funds and accumulated to make a pool of funds available for Canada Winter Games travel costs which 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 2020 fiscal year the required transfer of \$10,000 was made to the fund, this being the first year in the four year Canada Winter Games cycle.

Sport Promotion Fund		
Net assets, beginning of year	\$ -	\$ 3,831
Transfer from (to) members' (operating) fund	<u>-</u>	<u>(3,831)</u>
Net assets, end of year	<u>\$ -</u>	<u>\$ -</u>

The sport promotion fund is an internally restricted fund established in 2016 from a one time surcharge on membership dues. The purpose of the fund was to provide funds for significant sport promotion projects or expenditures. By motion of the board in January 2020, the closure of this fund and the transfer of the fund balance of \$3,831 to the members (operating) fund was approved.

ONTARIO RINGETTE ASSOCIATION
Notes to Financial Statements
Year Ended March 31, 2021

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.

10. PRIOR PERIOD RESTATEMENT

During the year, it was discovered that there was \$7,367 in inventory that was incorrectly expensed in the prior year.

As a result, for the year ended March 31, 2020, competitive events expense decreased by \$7,367, and excess of revenues over expenditures increased by \$7,367. As at March 31, 2020, inventory increased by \$7,367 and unrestricted members' fund increased by \$7,367.
