BOWLING FEDERATION OF SASKATCHEWAN INC.

Financial Statements
for the Year Ended
July 31, 2015

and

Auditor's Report

Don K. McMillan
Chartered Accountant Professional Corporation

BOWLING FEDERATION OF SASKATCHEWAN INC.

Index to the Financial Statements
July 31, 2015

Don K.McMillan
Chartered Accountant Professional Corporation

INDEPENDENT AUDITOR'S REPORT

To the Members of
Bowling Federation of Saskatchewan Inc.

I have audited the accompanying financial statements of the Bowling Federation of Saskatchewan Inc., which comprise the balance sheet as at July 31, 2015 and the statements of Operations and Net Assets and of 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 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.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for my opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of Bowling Federation of Saskatchewan Inc. as at July 31, 2015, and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for Not for Profit Organizations.

Don McMillan

CHARTERED ACCOUNTANT
PROFESSIONAL CORPORATION
Regina, Saskatchewan
October 4, 2015

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BOWLING FEDERATION OF SASKATCHEWAN INC.
BALANCE SHEET
JULY 31,

		2015		2014		2013
						14 Months - July 31,
ASSETS						
Cash	$	214,720	$	220,483	$	188,374
Accounts Receivable		1,572		4,517		756
Prepaid Expenses		3,811		6,534		15,543
TOTAL ASSETS	$	220,103	$	231,534	$	204,673
LIABILITIES						
Accounts Payable	$	-	$	7,500	$	10,200
Deferred Revenue (Note 5)		181,950		207,245		200,050
		181,950		214,745		210,250
NET ASSETS		38,152		16,788		(5,577)
TOTAL LIABILITIES AND NET ASSETS	$	220,102	$	231,533	$	204,673

On Behalf of the Board:

Director

Director

BOWLING FEDERATION OF SASKATCHEWAN INC.

STATEMENT OF OPERATIONS AND NET ASSETS

FOR THE YEAR ENDED JULY 31,		2015		2014		2013
						14 Months - July 31,
REVENUE						
Saskatchewan Lotteries Grants (Schedule 1)	$	268,750	$	265,800	$	272,833
Self Help (Schedule 2)		20,996		21,124		14,964
Memberships (Schedule 3)		36,050		36,050		36,050
		325,796		322,974		323,847
EXPENSES						
Administrative (Schedule 4)		83,932		81,009		89,605
Capacity / Interaction (Schedule 5)		8,166		6,427		10,299
Participation (Schedule 6)		55,135		57,773		63,475
Excellence (Schedule 7)		41,400		41,900		51,600
Membership Assistance Payments (Schedule 8)		115,800		113,500		108,200
Other (Schedule 9)		-		-		990
		304,433		300,609		324,169
Net Operating (Loss) Income		21,364		22,365		(322)
Net Assets, Beginning of the Year		16,788		(5,577)		(5,255)
NET ASSETS, END OF YEAR	$	38,152	$	16,788	$	(5,577)

BOWLING FEDERATION OF SASKATCHEWAN INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JULY 31,

		2015		2014		2013
						14 Months - July 31,
Cash Provided (Used) by Operations						
Increase in Fund Balance	$	21,364	$	22,365	$	(322)
Add: Changes in Non-cash Working Capital Items						
Decrease (Increase) in Accounts Receivable		2,945		(3,761)		105
(Increase) Decrease in Grants Receivable		-		-		-
(Increase) Decrease in Prepaid Expenses		2,723		9,009		(3,728)
(Decrease) Increase in Accounts Payable		(7,500)		(2,700)		10,200
Increase (Decrease) in Deferred Revenue		(25,295)		7,195		16,423
Rounding Adjustment		-		1		(1)
		(27,127)		9,744		22,999
Increase in Cash Position from Operations		(5,763)		32,109		22,677
Cash Balance, Beginning of Year		220,483		188,374		165,697
CASH BALANCE, END OF YEAR	$	214,720	$	220,483	$	188,374

1. Objectives

The Bowling Federation of Saskatchewan Inc. was established to develop trust and harmonization of its member organizations and to assist in the development, promotion, and marketing of the sport of bowling through the access and provision of stable funding.

2. Status of the Organization

The Bowling Federation of Saskatchewan is continued under the provisions of the *Non-Profit Corporations Act* of Saskatchewan. Currently, the provisions of the *Income Tax Act* exempt the net income of these corporations from taxation. Accordingly, there is no provision for income tax included in these financial statements.

During the 2013 fiscal year the Federation changed its year end to July 31. The comparative figures for the period ended July 31, 2013 are for the 14 months with the current period results of operations reflecting 12 months.

3. Significant Accounting Policies.

These financial statements are prepared in accordance with generally accepted accounting principles for non-profit organizations. The following policies are considered significant.

Capital Assets

The Federation accounts for capital asset acquisitions as an expense in the period of acquisition.

Revenue Recognition

The Federation receives funding in the form of grants from the Saskatchewan Lotteries Trust Fund for Sport, Culture & Recreation. The Federation records these grants as revenue in accordance with Saskatchewan Lotteries approved recognition policy. Accordingly, amounts not received by year end are recorded as grants receivable and amounts received relating to the next fiscal year are recorded as deferred revenue. As a non-profit organization, the Federation is entitled to claim a GST rebate of 50% of the amount of GST paid. The Federation records this rebate as revenue in the year the rebate is received.

Recoverable Expenses

The Federation provides certain administrative services to its affiliates and incurs other expenses on behalf of its affiliates that are later recovered. The net gain in this activity is shown as a reduction in administrative expenses.

Measurement Uncertainty

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions. These estimates and assumptions may affect the reported amount of financial assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Accounts receivable are stated after evaluation of the collectibility of the account and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of capital assets. These estimates are reviewed periodically, and as adjustments become necessary, the adjustments are reported in earnings in the period in which they become known.

Financial Instruments

The Federation recognizes financial assets and liabilities in its financial statements when the Federation becomes party to the contractual provision of the financial instrument. Financial assets and liabilities originated in an arm's length transaction are initially measured at fair value adjusted for financing fees, transaction costs that are directly attributable to its origination, acquisition, issuance or assumption. In subsequent years investments in equity instruments are measured at cost less any reduction for impairment with all other financial assets and liabilities being measured at amortized cost. Management reviews its financial instruments annually to determine if there has been a significant adverse change during the period in the expected timing or amount of future cash flows from the financial asset or group of assets. In the event that a significant adverse change has occurred management reduces the carrying value of the asset or group of assets.

Investments

Securities which the Bowling Federation of Saskatchewan both positively intends and has the ability to hold to maturity are classified as investments held to maturity and are carried at amortized cost. Intent and ability to hold are considered to be satisfied if an investment is available to be sold in response to changes in interest rates, prepayment rates, liquidity needs or other reasons as part of the overall asset management strategy.

Accounts Receivable and Accounts Payable

Accounts receivable and accounts payable include financial instruments categorized as loans and receivables and are reported at amortized cost.

Interest Rate and Market Risk

Due to the nature of the investments held, the Federation's portfolio contains minimal risk associated with interest rate and market fluctuations.

Credit Risk

The organization does not have significant credit exposure to any individual customer or counterpart.

4. Capital Assets

During the year the Federation purchased office equipment or furniture with a total cost of
$ Nil (2014 - $ Nil).

5. Deferred Revenue

Deferred revenue consists of amounts received in advance from the Saskatchewan Lotteries Trust Fund for Sport, Culture & Recreation and is made up of the following balances:

	2015	2014
Annual Funding	$ 76,850	$ 74,600
MAP Funding	105,100	115,800
Fund Raising and Other Grants	-	16,845
	$ 181,950	$ 207,245

6. Economic Dependence

The Federation receives a significant portion of its funding from the Saskatchewan Lotteries Trust Fund for Sport, Culture & Recreation. In order to maintain the current level of services provided to its members and affiliates, the Federation must continue to receive this funding.

7. Related Party Transactions

The Federation is related to individuals and organizations through common membership or management relationships with whom the Federation regularly conducts business transactions. All such transactions are conducted with reference to Board approved rates for the particular transaction or with reference to prevailing market rates for similar transactions.

BOWLING FEDERATION OF SASKATCHEWAN INC.
SCHEDULES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JULY 31,		2015		2014		2013
						14 Months - July 31,
SASKATCHEWAN LOTTERIES GRANTS						**SCHEDULE 1**
Annual Funding	$	149,200	$	128,550	$	164,633
Membership Assistance Program		115,800		113,500		108,200
Hosting and Other Grants		3,750		23,750		-
TOTAL SASKATCHEWAN LOTTERIES GRANTS	$	268,750	$	265,800	$	272,833
SELF HELP REVENUE						**SCHEDULE 2**
Miscellaneous	$	1,380	$	-	$	3,493
Interest		-		-		-
GST Rebates		7,627		-		3,506
Corporate Sponsorships		-		-		-
Fundraising		11,990		21,124		7,965
TOTAL SELF HELP REVENUE	$	20,996	$	21,124	$	14,964
FEDERATION MEMBERSHIPS						**SCHEDULE 3**
Saskatchewan 5 Pin Bowlers Association	$	14,900	$	14,900	$	14,900
Master Bowlers Association		2,200		2,200		2,200
Saskatchewan Ten-Pin Federation		1,850		1,850		1,850
Bowl Sask						
Club 55+ and Youth Bowling Council		8,000		8,000		8,000
Bowling School		9,100		9,100		9,100
TOTAL FEDERATION MEMBERSHIPS	$	36,050	$	36,050	$	36,050

BOWLING FEDERATION OF SASKATCHEWAN INC.
SCHEDULES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED JULY 31,

		2015		2014		2013
						14 Months - July 31,
ADMINISTRATIVE EXPENSES						**SCHEDULE 4**
Office Operations						
Bank Charges	$	419	$	445	$	316
Computer Related		-		277		-
Equipment Purchases (Note 4)		-		-		827
Executive Expenses		1,055		1,200		147
Miscellaneous		1,452		1,668		3,993
Postage and Shipping		1,006		1,433		1,366
Printing and Office Supplies		1,037		1,279		1,159
Rent and Storage		6,552		6,552		7,644
Telephone		3,694		3,774		3,739
TOTAL OFFICE OPERATIONS		15,214		16,628		19,191
Insurance		2,442		2,442		3,091
Professional Fees		2,710		2,035		2,986
Salaries and Benefits		60,148		56,182		59,783
Temporary Help		2,056		2,106		1,510
TOTAL ADMINISTRATIVE EXPENSES		82,568		79,393		86,561
Recovered from Affiliates (Note 3)		2,987		2,734		2,026
NET ADMINISTRATIVE EXPENSES		79,582		76,659		84,535
Administration Grants to Affiliates						
Saskatchewan 5 Pin Bowlers Association		1,450		1,450		1,450
Saskatchewan Ten-Pin Federation		1,450		1,450		1,450
Master Bowlers Association		1,450		1,450		1,450
Youth Bowling Council		-		-		720
TOTAL ADMINISTRATIVE EXPENSES	$	83,932	$	81,009	$	89,605

BOWLING FEDERATION OF SASKATCHEWAN INC.

SCHEDULES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED JULY 31,		2015		2014		2013
						14 Months - July 31,
CAPACITY / INTERACTION						**SCHEDULE 5**
Volunteer Recognition	$	308	$	506	$	598
Communications		602		651		426
Hosting		-		-		-
Meetings and Travel		5,274		4,140		7,059
Professional Development		1,084		520		1,117
Planning and Training		897		610		1,099
Promotion		-		-		-
TOTAL CAPACITY / INTERACTION	$	8,166	$	6,427	$	10,299

PARTICIPATION						**SCHEDULE 6**
COACHING DEVELOPMENT						
Master Bowlers Association	$	6,000	$	6,100	$	6,500
Saskatchewan Ten-Pin Federation		2,446		1,500		890
OFFICIALS DEVELOPMENT						
Saskatchewan Ten-Pin Federation		-		-		-
Saskatchewan 5-Pin Bowlers Association		900		400		1,024
ATHLETE DEVELOPMENT						
Youth Bowling School		20,789		11,773		10,061
Exceptional Needs		8,000		32,000		32,000
Under Represented Population		-		-		-
Aboriginal Sport Development		-		-		-
Competition		17,000		6,000		13,000
TOTAL PARTICIPATION EXPENSES	$	55,135	$	57,773	$	63,475

BOWLING FEDERATION OF SASKATCHEWAN INC.
SCHEDULES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED JULY 31,		2015		2014		2013
						14 Months - July 31,
EXCELLENCE						**SCHEDULE 7**
OFFICIALS DEVELOPMENT						
Saskatchewan 5-Pin Bowlers Association	$	-	$	-	$	-
TALENT IDENTIFICATION						
Saskatchewan Ten-Pin Federation		1,000		1,000		1,000
Master Bowlers Association		1,700		1,700		1,700
TRAINING						
Saskatchewan 5-Pin Bowlers Association		3,900		3,900		3,900
Saskatchewan Ten-Pin Federation		2,100		2,100		2,100
Master Bowlers Association		3,200		3,200		6,400
COMPETITION - NATIONAL CHAMPIONSHIPS						
Saskatchewan 5-Pin Bowlers Association		11,000		12,000		10,000
Saskatchewan Ten-Pin Federation		4,500		4,500		2,500
Master Bowlers Association		8,000		-		17,000
Youth Bowling Council		6,000		6,000		7,000
HOSTING				7,500		-
TOTAL EXCELLENCE EXPENSES	$	41,400	$	41,900	$	51,600

BOWLING FEDERATION OF SASKATCHEWAN INC.
SCHEDULES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED JULY 31,

		2015		2014		2013
						14 Months - July 31,
MAP RECIPIENTS						**SCHEDULE 8**
Saskatchewan 5 Pin Bowlers Association	$	54,175	$	61,600	$	63,263
Master Bowlers Association of Saskatchewan		9,575		7,000		-
Club 55 +		5,000		5,000		4,990
Bowling Federation		-		-		-
Saskatchewan Ten Pin Federation		6,575		4,000		1,810
Youth Bowling School		21,900		21,900		23,439
Youth Bowling Council		18,575		14,000		14,698
TOTAL MAP RECIPIENTS	$	115,800	$	113,500	$	108,200

OTHER EXPENSES						**SCHEDULE 9**
Long Term Athlete Development	$	-	$	-	$	-
Miscellaneous		-		-		990
TOTAL OTHER EXPENSES	$	-	$	-	$	990

BOWLING FEDERATION OF SASKATCHEWAN INC.
SCHEDULE OF MAP GRANT RECIPIENTS
FOR THE YEAR ENDED JULY 31, 2015

SASKATCHEWAN 5 PIN BOWLERS' ASSOCIATION LOCAL ASSOCIATION GRANTS:

ZONE 1 - South Sask Zone Grant - $3,200.00, Ponteix - $641.00, Swift Current -$675.00	**$ 4,516.00**
ZONE 2 - Moose Jaw Zone Grant - $3,200.00, Moose Jaw - $725.00	**3,925.00**
ZONE 3 - Regina Zone Grant - $8,519.00, Regina - $1,468.00	**9,987.00**
ZONE 4 - East Sask Zone Grant - $3,200.00, Esterhazy - $660.00, Foam Lake - $612.00, Melville - $654.00, Yorkton - $787.00	**5,913.00**
ZONE 5 - No Longer Active	**-**
ZONE 6 - Saskatoon Zone Grant - $5,775.00, Allan - $616.00, Perdue - $636.00, Saskatoon - $1,214.00	**8,241.00**
ZONE 7 - North Sask Zone Grant - $3,200.00, Humboldt - $741.00, Kelvington - $631.00, Melfort - $648.00, Nipawin - $656.00, Hudson Bay - $610.00	**6,486.00**
ZONE 8 - Prince Albert Zone Grant - $3,200.00, Prince Albert - $908.00, Spiritwood - $675.00	**4,783.00**
ZONE 9 - West Sask Zone Grant - $3,200.00, Biggar - $618.00, Rosetown - $756.00, Kindersley - $647.00, Cut Knife- $600.00	**5,848.00**
ZONE 10 - Red Coat Zone Grant - $3,200.00, Carnduff - $643.00, Weyburn - $633.00	**4,476.00**
	54,175.00
TEN PIN FEDERATION	**6,575.00**
YOUTH BOWLING COUNCIL	**18,575.00**
YOUTH BOWLING SCHOOL	**21,900.00**
BOWL SASK	**5,000.00**
MBAS Rosetown	**9,575.00**
TOTAL MAP FUNDING ALLOCATED	**$ 115,800.00**