

Bowling Federation of Saskatchewan

Financial Statements

July 31, 2019

Bowling Federation of Saskatchewan

For the Year Ended July 31, 2019

CONTENTS

	<u>Page</u>
Financial Statements	
Statement of Financial Position	3
Statement of Operations	4
Statement of Changes in Net Assets	5
Statement of Cash Flows	6
Notes to the Financial Statements	7
Schedules	10

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**To the Board of Directors
Bowling Federation of Saskatchewan**

We have audited the accompanying financial statements of Bowling Federation of Saskatchewan, which comprise the statement of financial position as at July 31, 2019, and the Statement of Operations, Changes in Net Assets and Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Bowling Federation of Saskatchewan as at July 31, 2019, and its financial performance and its cash flows for the years then ended in accordance with Canadian accounting standards for not-for-profit organizations.

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 ASNPO, 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 Organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements 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.

Priority Accounting Services CPA Prof. Corp.

A further description of the auditor's responsibilities:

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 Organization'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 Organization'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 Organization's 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Bowling Federation of Saskatchewan

Statement of Financial Position

As At July 31, 2019

	Note	2019	2018
Assets			
Current Assets			
Cash		\$ 249,226	\$ 227,975
Accounts receivable	3.	4,849	15,150
GST recoverable	2.b.	3,064	3,576
Prepaid expenses		4,310	4,978
Total Current Assets		261,449	251,679
Total Assets			
		\$ 261,449	\$ 251,679
Liabilities and Net Assets			
Current Liabilities			
Accounts payable and accrued liabilities		\$ 4,440	\$ 4,440
Deferred revenue	5.	189,650	180,050
Total Current Liabilities		194,090	184,490
Net Assets			
Net assets		67,359	67,189
Total Liabilities and Equity		\$ 261,449	\$ 251,679

Approved on Behalf of the Board:

_____,

The accompanying notes are an integral part of these financial statements.

Bowling Federation of Saskatchewan

Statement of Operations

For the Year Ended July 31, 2019

	2019	2018
Revenue		
Saskatchewan Lotteries Trust Fund (Schedule 1)	\$ 270,200	\$ 278,550
Membership Fees (Schedule 1)	36,050	36,050
Total revenue	306,250	314,600
Expenses		
Administrative (Schedule 2)	94,374	94,938
Capacity/Interaction (Schedule 3)	17,223	10,952
Participation (Schedule 4)	40,034	35,101
Excellence (Schedule 5)	47,300	44,800
MAP Recipient (Schedule 6)	96,000	105,100
Other expenses (Schedule 7)	11,150	8,950
Total operating expenses	306,081	299,841
Excess (deficiency) of revenue over expenses	\$ 169	\$ 14,759

The accompanying notes are an integral part of these financial statements.

Bowling Federation of Saskatchewan

Statement of Changes in Net Assets

For the Year Ended July 31, 2019

	2019	2018
Net assets - beginning	\$ 67,189	\$ 52,430
Excess (deficiency) of revenue over expenses	169	14,759
Net assets - ending	\$ 67,358	\$ 67,189

The accompanying notes are an integral part of these financial statements.

Bowling Federation of Saskatchewan

Statement of Cash Flows

For the Year Ended July 31, 2019

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES:		
Excess (deficiency) of revenue over expenses	\$ 169	\$ 14,759
Accounts receivable	10,301	(9,832)
Prepaid expenses	668	(1,989)
GST recoverable (current year)	512	(517)
Accounts payable & accrued liabilities	-	(3,750)
Deferred revenue	9,600	(6,650)
TOTAL CASH FLOWS FROM OPERATING ACTIVITIES	21,250	(7,979)
Net cash increase (decreases) in cash and cash equivalents	21,250	(7,979)
Cash and cash equivalents at beginning of period	227,975	235,954
Cash and cash equivalents at end of period	\$ 249,225	\$ 227,975

The accompanying notes are an integral part of these financial statements.

Bowling Federation of Saskatchewan

Notes to the Financial Statements

For the Year Ended July 31, 2019

1. Nature of Organization

The Bowling Federation of Saskatchewan is incorporated under the Non-Profit Corporations Act, 1995 of Saskatchewan and is exempt from income taxes under Section 149 of the Income Tax Act, Canada. The federation 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. Significant Accounting Policies

Basis of Presentation

The financial statements have been prepared in accordance with Canadian Accounting Standards for Not-for-Profit Organizations (ASNPO) applied within the framework of accounting policies summarized below.

a. Revenue recognition

The federation follows the deferral method of accounting for grants. Restricted grants are recognized as revenue in the year in which the related expenses are incurred. Unrestricted grants are recognized as revenue when they are received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Endowment contributions are recognized as direct increases in net assets in the year.

b. GST Rebate

As a non-profit organization, the federation is entitled to claim a GST rebate of 50% of the GST paid. The federation had recorded these GST rebates received as self-help revenue in the year the rebate is received. As the rebate is essentially a recovery of costs incurred and the amounts recoverable from the federal government as of year-end, the amounts previously recorded as revenue are adjusted to prior period adjustment and current fiscal year GST rebates are accrued as receivable as follows:

One half of the GST paid (non-refundable portion) is recorded in the individual expense account where the original expenditure is recorded and

One half of the GST paid (refundable portion) is recorded in the GST recoverable amount and is included in the GST receivable for financial statement purposes.

c. Capital assets

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

d. Cost recovery

The federation provides certain administrative services to its affiliates and incurs other expenses on behalf of its affiliates. The federation reported net recovered portion as a reduction in administrative expense (Schedule 2).

Bowling Federation of Saskatchewan

Notes to the Financial Statements

For the Year Ended July 31, 2019

2. Significant Accounting Policies continued

e. Related parties

Parties are considered related to the federation if the federation has the ability to, directly or indirectly, control the party or exercise significant influence over the party in making financial and operating decisions or vice versa, or where the federation and the party are subject to common control or common significant influence. Related parties may be other entities or individuals. Related party transactions are recorded at fair value.

f. Financial instruments

The federation, as part of its operations, carries a number of financial instruments. Financial instruments are recorded at fair value on initial recognition. Equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently recorded at cost or amortized cost.

Unless otherwise noted, it is management's opinion that federation is not exposed to significant interest, currency, liquidity or other price risks arising from their financial instruments.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. Changes in market interest rates may have an effect on the cash flows associated with some financial assets and liabilities, known as cash flow risk, and on the fair value of other financial assets or liabilities, known as price risk.

Liquidity risk

Liquidity risk is the risk that the federation will encounter will encounter difficulty in meeting obligations associated with financial liabilities. The federation's exposure to liquidity risk is dependent on the sale of inventory, collection of accounts and notes receivable, purchasing commitments and obligations or raising funds to meet commitments and sustain operations.

g. Use of estimates

The preparation of financial statements in accordance with Canadian Accounting Standards for Not-for-Profit Organizations (ASNPO) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from management's best estimates as additional information becomes available in the future.

Bowling Federation of Saskatchewan

Notes to the Financial Statements

For the Year Ended July 31, 2019

3. Accounts Receivable

Accounts receivable consist of the following:

	2019	2018
Membership fees receivable	\$ -	\$ 11,901
Grant receivable	-	1,300
Receivable from Member Organizations	4,849	1,949
Total	\$ 4,849	\$ 15,150

4. Property, plant and equipment

During the year, the federation acquired the capital assets with total costs of \$Nil

5. Deferred Revenue

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

	2019	2018
Annual Funding	\$ 86,550	\$ 84,050
MAP Grant	103,100	96,000
Total	\$ 189,650	\$ 180,050

6. Economic Dependence

The federation receives a significant portion of its funding from 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. Comparative Figures

Certain Comparative Figures have been reclassified to conform with current year presentation. Accounts receivable note 3 was added in current fiscal year and comparative figures for last year were presented in Note 3 as well.

Bowling Federation of Saskatchewan

For the Year Ended July 31, 2019

Schedule 1- Revenue

	2019	2018
Sask Lotteries Trust Fund		
Annual Funding	\$ 168,100	\$ 163,200
MAP Grants	96,000	105,100
Hosting and Other Grants	6,100	10,250
Total Saskatchewan Lotteries Trust Fund	270,200	278,550
Membership Revenue		
Saskatchewan 5 Pin Bowlers Association	15,501	15,501
Master Bowlers Association	7,210	7,210
Saskatchewan Ten-Pin Federation	4,326	4,326
Bowl Sask	9,013	9,013
Total Federation Memberships	36,050	36,050
Total Revenue	\$ 306,250	\$ 314,600

The accompanying notes are an integral part of these financial statements.

Bowling Federation of Saskatchewan

For the Year Ended July 31, 2019

Schedule 2 - Administrative Expenses

	2019	2018
Interest & bank charges	\$ 301	\$ 267
Executive expenses	1,000	1,000
Miscellaneous	3,819	2,676
Office utilities	806	1,155
Office stationery & supplies	1,936	1,561
Rent	3,656	4,288
Telephone	3,241	3,932
Insurance	4,121	1,989
Professional Fees	6,060	5,514
Salaries & wages	71,394	70,311
Temporary help	-	2,078
Cost recovery	(6,310)	(4,184)
Administration Grants to Affiliates		
Saskatchewan 5 Pin Bowlers Association	1,450	1,450
Saskatchewan Ten-Pin Federation	1,450	1,450
Master Bowlers Association	1,450	1,450
Total Administrative Expenses	\$ 94,374	\$ 94,937

Schedule 3 - Capacity/Interaction

	2019	2018
Communication	\$ 1,446	\$ 791
Meeting and travel	12,142	7,510
Planning and training	2,060	1,160
Professional development	1,147	1,041
Volunteer recognition	427	449
Total Capacity/Interaction Expenses	\$ 17,222	\$ 10,951

The accompanying notes are an integral part of these financial statements.

Bowling Federation of Saskatchewan

For the Year Ended July 31, 2019

Schedule 4 - Participation

	2019	2018
Coaching Development		
Master Bowlers Association	\$ 7,000	\$ 6,800
Saskatchewan Ten-Pin Federation	5,726	2,675
Officials Development		
Saskatchewan 5-Pin Bowlers Association	2,400	900
Athlete Development		
LTAD	-	251
Exceptional Needs	10,357	8,000
Competition	14,551	16,475
Total Participation Expenses	\$ 40,034	\$ 35,101

Schedule 5 - Excellence

	2019	2018
Talent Identification		
Saskatchewan Ten-Pin Federation	\$ 1,400	\$ 1,400
Master Bowler Association	1,700	1,700
Training		
Saskatchewan 5-Pin Bowlers Association	3,900	3,900
Saskatchewan Ten-Pin Federation	2,100	2,100
Master Bowler Association	3,200	3,200
Competition - National Championships		
Saskatchewan 5-Pin Bowlers Association	10,000	12,500
Saskatchewan Ten-Pin Federation	5,000	6,000
Master Bowlers Association	10,000	12,500
Youth Bowling Council	10,000	1,500
Total Excellence Expenses	\$ 47,300	\$ 44,800

The accompanying notes are an integral part of these financial statements.

Bowling Federation of Saskatchewan

For the Year Ended July 31, 2019

Schedule 6 - MAP Grant Allocation

	2019	2018
Saskatchewan 5 Pin Bowlers' Association:		
Zone 1 – South Sask Zone - \$3,900.00, Ponteix - \$1,015.66, Swift Current - \$748.00	\$ 5,664	\$ 5,802
Zone 2 – Moose Jaw Zone - \$3,900.00, Moose Jaw - \$829.00, Weyburn - \$715.00	5,444	5,654
Zone 3 – Regina Zone - \$3,900.00, Regina - \$1,397.00	5,297	5,428
Zone 4 – East Sask Zone - \$3,900.00, Esterhazy - \$759.00, Foam Lake - \$856.33 Melville - \$896.33, Yorkton - \$888.00	7,300	8,044
Zone 5 – West Sask Zone - \$3,900.00, Biggar - \$725.00, Rosetown - \$821.00, Kindersley - \$779.00, Cut Knife - \$847.29, Lashburn - \$738.00, Perdue - \$719.00	8,529	9,252
Zone 6 – Saskatoon Zone - \$3,900.00, Saskatoon - \$955.40	4,855	6,373
Zone 7 – North Sask Zone - \$3,900.00, Humboldt - \$992.33, Kelvington - \$874.33 Melfort - \$740.00, Nipawin - \$747.00, Hudson Bay - \$862.33	8,116	8,624
Zone 8 – Prince Albert Zone - \$3,900.00, Prince Albert - \$995.00	4,895	5,023
	50,100	54,200
Saskatchewan Ten Pin Federation	3,800	4,000
Master Bowlers Association of Saskatchewan	5,600	5,600
Bowl Sask	4,600	4,600
Youth Bowling Council	31,900	33,700
Other Grants	-	3,000
Total MAP Grant Allocations	\$ 96,000	\$ 105,100

Schedule 7 - Other Expenses

	2019	2018
2019/2018 MBAC National Championships	\$ 11,150	\$ 8,950
Total Other Expenses	\$ 11,150	\$ 8,950

The accompanying notes are an integral part of these financial statements.