

BOWL SASK

Auditor's Report

Financial Statements

July 31, 2018

INDEPENDENT AUDITOR'S REPORT

To the Directors of the **Bowl Sask**

Report on the Financial Statements

We have audited the accompanying financial statements of **Bowl Sask**, which comprise the statement of financial position as at **July 31, 2018** and the statements of operations and changes in net assets 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 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

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

The audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of risks 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 consolidated 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.

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of **Bowl Sask** as at **July 31, 2018**, and the results of its financial activities, and change in its financial position for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Saskatoon, Saskatchewan
September 7, 2018

Chartered Professional Accountants

BOWL SASK

STATEMENT OF FINANCIAL POSITION

July 31, 2018

with comparative figures for 2017

	<u>2018</u>	<u>2017</u>
<u>ASSETS</u>		
Current assets:		
Cash	\$ 15,252	13,596
Term deposits	32,451	32,141
Accounts receivable	1,334	1,062
Inventory	<u>1,026</u>	<u>1,418</u>
	<u>\$ 50,063</u>	<u>48,217</u>
<u>LIABILITIES AND NET ASSETS</u>		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 236	66
Deferred income	<u>17,455</u>	<u>17,634</u>
Total current liabilities	17,691	17,700
Net assets:		
Unrestricted, per accompanying statement	<u>32,372</u>	<u>30,517</u>
	<u>\$ 50,063</u>	<u>48,217</u>

APPROVED ON BEHALF OF THE BOARD:

_____ Director

_____ Director

See accompanying notes to the financial statements.

BOWL SASK

STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS

Year ended July 31, 2018
with comparative figures for 2017

	<u>2018</u>	<u>2017</u>
Revenue:		
Saskatchewan Lotteries Trust Fund (Schedule 1)	\$ 4,600	4,716
Self Help - Internal (Schedule 2)	44,909	38,165
Self Help - External (Schedule 3)	<u>2,240</u>	<u>2,141</u>
	51,749	45,022
Expenses:		
Administration (Schedule 4)	11,126	11,987
Capacity / Interaction (Schedule 5)	1,744	3,115
Participation (Schedule 6)	18,761	9,757
Excellence (Schedule 7)	571	686
Categorical grants (Schedule 8)	4,600	4,716
Other (Schedule 9)	<u>13,091</u>	<u>13,942</u>
	<u>49,893</u>	<u>44,203</u>
Excess (deficiency) of revenues over expenditures	1,855	820
Net assets, beginning of year	<u>30,517</u>	<u>29,697</u>
Net assets, end of year	<u>\$ 32,372</u>	<u>30,517</u>

See accompanying notes to the financial statements.

BOWL SASK
STATEMENT OF CASH FLOWS
Year ended July 31, 2018
with comparative figures for 2017

	<u>2018</u>	<u>2017</u>
Operating activities:		
Excess (deficiency) of revenues over expenditures	\$ 1,855	820
Changes in non-cash working capital:		
Accounts receivable	(88)	1,760
Inventory	392	534
Accounts payable and accrued liabilities	(14)	134
Deferred revenue	<u>(180)</u>	<u>(923)</u>
	<u>1,965</u>	<u>2,325</u>
Investing activities:		
Term deposits	<u>(309)</u>	<u>(2,532)</u>
Increase (decrease) in cash during the year	1,656	(207)
Cash position, beginning of year	<u>13,596</u>	<u>13,803</u>
Cash position, end of year	<u>\$ 15,252</u>	<u>13,596</u>

Cash is comprised of cash in bank less outstanding cheques.

See accompanying notes to the financial statements.

BOWL SASK

NOTES TO THE FINANCIAL STATEMENTS

July 31, 2018

1. DESCRIPTION OF OPERATIONS

The SK Bowling Proprietors Assoc. Corporation (Bowl Sask), was incorporated under **The Non-Profit Corporations Act** of Saskatchewan. Bowl Sask is a non-profit trade organization which runs various bowling programs for all ages and takes an active role raising public awareness for the sport of bowling throughout the province. Bowl Sask was incorporated on October 20, 2017 and as a result, the financial information for part of the year and the comparative figures are for the unincorporated business, Bowl Sask. There was no change in operations as a result of the incorporation.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. The financial statements reflect the following significant accounting policies:

(a) Capital assets

Capital assets are recorded as an expense in the period in which they are purchased. No provision for amortization is taken. No capital assets were purchased during the year.

(b) Deferred revenue

The financial statements of Bowl Sask have been prepared on the accrual basis. The Association receives member dues and conference fees from its members which relate to services to be provided during the following year. Accordingly, these funds are not recorded as revenues in the current period and are deferred until the following year when the services are provided or memberships expire. The Association also receives advertising funds which relate to periods beyond the following year. These amounts have been classified as a short term liability.

(c) Revenue recognition

The Association follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. 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. Revenues from the Saskatchewan Lotteries Trust Fund for Sport, Culture and Recreation are shown as deferred revenues if they relate to the next fiscal period and as grants receivable if they relate to the current fiscal period and are not received by the end of the current fiscal period.

(d) Income taxes

The association is exempt from income taxes as it is a non-profit organization.

(e) Inventory

Inventory is valued at the lower of cost and replacement value and consists of pins.

BOWL SASK

NOTES TO THE FINANCIAL STATEMENTS

July 31, 2018

2. SIGNIFICANT ACCOUNTING POLICIES - continued

(f) **Measurement Uncertainty**

The preparation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

(g) **Financial Instruments**

Financial instruments, including cash, term deposits, and accounts receivable are initially recorded at their fair value and are subsequently measured at amortized cost, net of any provisions for impairment.

3. FINANCIAL INSTRUMENTS

Risks and concentrations

The entity is exposed to various risks through its financial instruments. The following analysis provides a measure of the entity's risk exposure and concentrations at July 31, 2018.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The entity is exposed to this risk mainly in respect of its accounts payable.

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 carrying amounts of financial assets on the statement of financial position represent the Association's maximum exposure at the financial statement date. The credit risk on cash and investments is limited because the counterpart is a financial institution with high credit rating assigned by national credit-rating agencies.

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 comprises three types of risk: currency risk, interest rate risk and other price risk. The entity is mainly exposed to interest rate risk.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The entity is exposed to interest rate risk on its fixed and floating interest rate financial instruments.

Fair Value

The carrying amount of current financial assets and current financial liabilities approximate their fair value because of the short-term maturities of these items.

BOWL SASK

SCHEDULE OF REVENUES

Year ended July 31, 2018
with comparative figures for 2017

	<u>2018</u>	<u>2017</u>
Schedule 1- Saskatchewan Lotteries Trust Fund		
Map grant	\$ <u>4,600</u>	<u>4,716</u>
Schedule 2 - Self Help - Internal		
Membership fees	\$ 42,178	36,413
Competition	<u>2,731</u>	<u>1,752</u>
	\$ <u>44,909</u>	<u>38,165</u>
Schedule 3 - Self Help - External		
Interest	\$ 310	283
Sponsorships	1,000	600
Group purchasing plan	<u>930</u>	<u>1,258</u>
	\$ <u>2,240</u>	<u>2,141</u>

BOWL SASK

SCHEDULE OF EXPENSES

Year ended July 31, 2018
with comparative figures for 2017

	<u>2018</u>	<u>2017</u>
Schedule 4 - Administration		
Office operations	\$ 1,286	1,444
Audit	3,392	3,255
Other	<u>6,448</u>	<u>7,288</u>
	<u>\$ 11,126</u>	<u>11,987</u>
Schedule 5 - Capacity / Interaction		
Awards & recognition	\$ 267	363
Meetings	<u>1,477</u>	<u>2,752</u>
	<u>\$ 1,744</u>	<u>3,115</u>
Schedule 6 - Participation		
A.D. - Competitions	\$ 7,064	5,082
Grassroots assistance	<u>11,697</u>	<u>4,675</u>
	<u>\$ 18,761</u>	<u>9,757</u>
Schedule 7 - Excellence		
Sask Bowl For Cash	<u>\$ 571</u>	<u>686</u>
Schedule 8 - Categorical grants		
Carnduff	\$ 385	339
Hudson Bay	563	731
Melfort	78	99
Moose Jaw	398	765
Regina	1,258	1,643
Rosetown	67	172
Saskatoon	1,054	685
Yorkton	<u>797</u>	<u>282</u>
	<u>\$ 4,600</u>	<u>4,716</u>
Schedule 9 - Other		
Federation membership	\$ 955	1,048
National dues/Affiliation	<u>12,136</u>	<u>12,894</u>
	<u>\$ 13,091</u>	<u>13,942</u>