

# **BOWL SASK**

**Auditor's Report**

**Financial Statements**

**July 31, 2020**

## INDEPENDENT AUDITOR'S REPORT

To the Directors of **Bowl Sask**

### *Report on the Financial Statements*

#### *Opinion*

We have audited the financial statements of **Bowl Sask**, which comprise the statement of financial position as at **July 31, 2020** 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.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of **Bowl Sask** as at **July 31, 2020** and its financial performance and 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 **Bowl Sask** 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 these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Responsibilities of Management and Those Charged with Governance 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.

In preparing the financial statements, management is responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and the use of the going concern basis of accounting unless management either intends to liquidate the entity or cease operations, or has no realistic alternative but to do so.

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

#### *Auditor's Responsibility for the Audit of the Financial Statements*

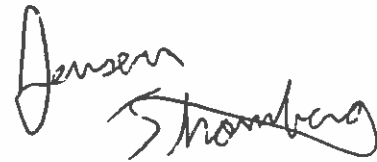
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee 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 entity'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 entity'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 entity 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.

Saskatoon, Saskatchewan  
September 20, 2020



Chartered Professional Accountants

# BOWL SASK

## STATEMENT OF FINANCIAL POSITION

July 31, 2020  
with comparative figures for 2019

	<u>2020</u>	<u>2019</u>
<b><u>ASSETS</u></b>		
Current assets:		
Cash	\$ 8,609	2,841
Term deposits (Note 4)	52,855	43,099
Accounts receivable	6,612	728
Inventory	<u>578</u>	<u>609</u>
	<u>\$ 68,654</u>	<u>47,277</u>
<b><u>LIABILITIES AND NET ASSETS</u></b>		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 13,422	327
Deferred income	<u>19,150</u>	<u>16,830</u>
Total current liabilities	32,572	17,157
Net assets:		
Unrestricted, per accompanying statement	<u>36,082</u>	<u>30,120</u>
	<u>\$ 68,654</u>	<u>47,277</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, 2020  
with comparative figures for 2019

	<u>2020</u>	<u>2019</u>
Revenue:		
Saskatchewan Lotteries Trust Fund (Schedule 1)	\$ 11,920	6,100
Self Help - Internal (Schedule 2)	42,839	46,033
Self Help - External (Schedule 3)	<u>1,276</u>	<u>1,966</u>
	56,035	54,099
Expenses:		
Administration (Schedule 4)	16,327	14,674
Capacity/Interaction (Schedule 5)	2,324	3,471
Participation (Schedule 6)	14,431	19,784
Excellence (Schedule 7)	754	495
Categorical grants (Schedule 8)	5,600	4,600
Other (Schedule 9)	<u>10,637</u>	<u>13,327</u>
	<u>50,073</u>	<u>56,351</u>
Excess (deficiency) of revenues over expenditures	5,962	(2,252)
Net assets, beginning of year	<u>30,120</u>	<u>32,372</u>
Net assets, end of year	<u>\$ 36,082</u>	<u>30,120</u>

See accompanying notes to the financial statements.

# BOWL SASK

## STATEMENT OF CASH FLOWS

Year ended July 31, 2020  
with comparative figures for 2019

	<u>2020</u>	<u>2019</u>
Operating activities:		
Net earnings (loss)	\$ 5,962	(2,252)
Changes in non-cash working capital:		
Accounts receivable	(6,031)	568
Inventory	32	417
Prepaid expenses	1	-
Accounts payable and accrued liabilities	13,241	129
Deferred revenue	<u>2,319</u>	<u>(625)</u>
	<u>15,524</u>	<u>(1,763)</u>
Investing activities:		
Term deposits	<u>(9,756)</u>	<u>(10,648)</u>
Increase (decrease) in cash during the year	5,768	(12,411)
Cash position, beginning of year	<u>2,841</u>	<u>15,252</u>
Cash position, end of year	<u>\$ 8,609</u>	<u>2,841</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, 2020

### **1. DESCRIPTION OF OPERATIONS**

The SK Bowling Proprietors Association (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.

### **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.

#### **(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.

# BOWL SASK

## NOTES TO THE FINANCIAL STATEMENTS

July 31, 2020

### 2. SIGNIFICANT ACCOUNTING POLICIES - continued

#### (g) Financial Instruments

Financial instruments, including cash, term deposits, accounts receivable, and accounts payable and accrued liabilities 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, 2020.

#### 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 term deposits.

#### 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

## NOTES TO THE FINANCIAL STATEMENTS

July 31, 2020

### 4. TERM DEPOSITS

	<u>2020</u>	<u>2019</u>
GIC - 5 year, interest at 3.00%, maturity date May 30, 2021	\$ 5,931	5,829
Flex Term - 1 year, interest at 0.85%, maturity date April 15, 2021	15,000	5,768
Flex Term - 1 year, interest at 0.75%, maturity date June 25, 2021	6,022	5,948
Flex Term - 1 year, interest at 1.10%, maturity date December 12, 2020	7,152	7,081
Flex Term - 1 year, interest at 1.10%, maturity date December 12, 2020	2,206	2,184
Flex Term - 1 year, interest at 1.10%, maturity date October 20, 2020	6,028	5,821
Flex Term - 1 year, interest at 1.45%, maturity date November 5, 2020	10,215	10,000
Accrued Interest Receivable	<u>301</u>	<u>468</u>
	<u>\$ 52,855</u>	<u>43,099</u>

### 5. IMPACT OF COVID-19

On March 11, 2020, the World Health Organization categorized COVID-19 as a pandemic. The COVID-19 outbreak has caused disruption of businesses in the sporting industry due to measures being introduced at various levels of government to curtail the spread of the virus (such as travel restrictions, closures of non-essential municipal and private operations, imposition of quarantines, and social distancing.) While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration of the closing. Therefore, the Organization expects this matter to negatively impact its operating results. However, the related financial impact and duration cannot be reasonably estimated at this time.

Management expects that a small number of members may shut down their operations and will therefore may not pay for current dues. Management does not expect the financial effect to be material and will adhere to all public health restrictions to allow operations to continue as much as possible.

# BOWL SASK

## SCHEDULE OF REVENUES

Year ended July 31, 2020  
with comparative figures for 2019

	<u>2020</u>	<u>2019</u>
<b>Schedule 1- Saskatchewan Lotteries Trust Fund</b>		
Map grant	\$ 5,600	4,600
Participation (SFA) Grant	-	1,500
Federation Re-allocation Grant	<u>6,320</u>	<u>-</u>
	<u>\$ 11,920</u>	<u>6,100</u>
 <b>Schedule 2 - Self Help - Internal</b>		
Membership fees	\$ 41,547	43,439
Competition	<u>1,292</u>	<u>2,594</u>
	<u>\$ 42,839</u>	<u>46,033</u>
 <b>Schedule 3 - Self Help - External</b>		
Interest	\$ 612	648
Sponsorships	-	600
Group purchasing plan	<u>664</u>	<u>718</u>
	<u>\$ 1,276</u>	<u>1,966</u>

# BOWL SASK

## SCHEDULE OF EXPENSES

Year ended July 31, 2020  
with comparative figures for 2019

	<u>2020</u>	<u>2019</u>
<b>Schedule 4 - Administration</b>		
Bookkeeping	\$ 3,000	3,000
Office operations	2,130	1,480
Audit	3,763	3,498
Bowling Federation assessment	2,677	958
Other	<u>4,757</u>	<u>5,738</u>
	<u>\$ 16,327</u>	<u>14,674</u>
<b>Schedule 5 - Capacity/Interaction</b>		
Awards & recognition	\$ 309	340
Meetings	<u>2,015</u>	<u>3,131</u>
	<u>\$ 2,324</u>	<u>3,471</u>
<b>Schedule 6 - Participation</b>		
Competition - Club 55+	-	2,137
A.D. - Competitions	\$ -	4,258
Grassroots assistance	<u>14,431</u>	<u>13,389</u>
	<u>\$ 14,431</u>	<u>19,784</u>
<b>Schedule 7 - Excellence</b>		
Sask Bowl For Cash	\$ <u>754</u>	<u>495</u>
<b>Schedule 8 - Categorical grants</b>		
Carnduff	\$ -	393
Hudson Bay	-	677
Melfort	79	-
Moose Jaw	99	956
Regina	1,414	1,666
Rosetown	-	195
Saskatoon	3,903	641
Yorkton	<u>105</u>	<u>72</u>
	<u>\$ 5,600</u>	<u>4,600</u>
<b>Schedule 9 - Other</b>		
National dues/Affiliation	<u>10,637</u>	<u>13,327</u>
	<u>\$ 10,637</u>	<u>13,327</u>