

Master Bowlers Association of Saskatchewan Inc.

Financial Statements

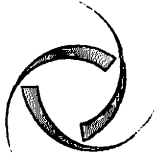
July 31, 2018

Master Bowlers Association of Saskatchewan Inc.

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McClelland Debusschere

Chartered Professional Accountants
Assurance Tax Advisory

Independent Auditor's Report

To the Members
Master Bowlers Association of Saskatchewan Inc.

We have audited the accompanying financial statements of Master Bowlers Association of Saskatchewan Inc., which comprise the statement of financial position as at July 31, 2018 and the Statement of Earnings and Net Assets, and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

Owners' Responsibility for the Financial Statements

Owners are 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.

Auditors' 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.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the 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 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 qualified audit opinion.

Basis for Qualified Opinion

Due to issues with timing and distance, we did not find it feasible to make a physical count of inventory items. As a result we were unable to determine whether adjustments may have been necessary in respect of the net income for the year.

Qualified Opinion

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Master Bowlers Association of Saskatchewan Inc. as at July 31, 2018 and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

MCCLELLAND DEBUSSCHERE
CPA PC INC

Chartered Professional Accountants

Saskatoon, SK
September 09, 2018

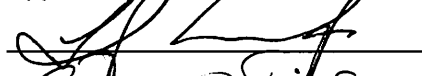
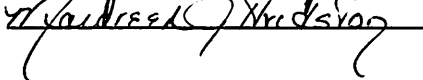
Master Bowlers Association of Saskatchewan Inc.

Statement of Financial Position

As At July 31, 2018

	2018	2017
Assets		
Current Assets		
Cash	\$ 53,021	\$ 46,707
Internally Restricted Assets (Note 2)	32,356	29,705
Accounts receivable	8,910	9,788
Inventory (Note 3)	8,495	9,585
Prepaid	492	-
Total Assets	\$ 103,274	\$ 95,785
Liabilities and Net Assets		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 7,537	\$ 3,801
Net Assets		
Internally restricted assets (Note 4)	31,167	29,705
Unrestricted	64,570	62,279
Total Net Assets	95,737	91,984
Total Liabilities and Net Assets	\$ 103,274	\$ 95,785

Approved on Behalf of the Board:

 , Director
 , Director

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

Master Bowlers Association of Saskatchewan Inc.

Statement of Operations

For the Year Ended July 31, 2018

	2018	2017
Revenue		
Sask Lotteries Trust Funding - Schedule 1	\$ 29,938	\$ 18,517
Self Help - Schedule 1	58,480	59,627
Interest - Schedule 1	111	14
Nationals Hosting - Schedule 3	-	80,946
Total revenue	88,529	159,104
Expenses		
Excellence - Schedule 2	33,841	30,765
Participation - Schedule 2	23,148	12,612
Administration - Schedule 2	10,099	20,963
Capacity - Schedule 2	9,117	11,573
Other Expenses - Schedule 2	10,034	8,014
Nationals Hosting - Schedule 3	-	96,391
Total operating expenses	86,239	180,318
Excess (deficiency) of revenues over expenses before transfer	2,290	(21,214)
Transfer internally restricted - Hosting fund	-	(16,081)
Excess (deficiency) of revenues over expenses	\$ 2,290	\$ (5,133)

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

Master Bowlers Association of Saskatchewan Inc.

Statement of Changes in Net Assets

For the Year Ended July 31, 2018

	Unrestricted	Internally restricted	2018	2017
Balance, beginning of year	\$ 62,279	\$ 29,705	\$ 91,984	\$ 113,198
Excess (deficiency) of revenue over expenses before transfers	2,290	-	2,290	(21,214)
Transfers	-	1,462	1,462	-
Balance, end of year	\$ 64,569	\$ 31,167	\$ 95,736	\$ 91,984

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

Master Bowlers Association of Saskatchewan Inc.

Statement of Cash Flows

For the Year Ended July 31, 2018

	<u>2018</u>	<u>2017</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Excess (deficiency) of revenue over expenses	\$ 2,290	\$ (5,133)
Accounts receivable	878	(7,576)
Inventory	1,090	(4,764)
Prepaid expenses	(492)	6,764
Accounts payable and accrued liabilities	3,736	2,631
Internal transfers	1,462	(19,544)
TOTAL CASH FLOWS FROM OPERATING ACTIVITIES	<u>8,964</u>	<u>(27,622)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Increase (decrease) in internally restricted assets	(2,651)	18,752
Net cash increase (decrease) in cash	6,313	(8,870)
Cash at beginning of period	<u>46,707</u>	<u>55,577</u>
Cash at end of period	<u>\$ 53,021</u>	<u>\$ 46,707</u>

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

Master Bowlers Association of Saskatchewan Inc.

Notes to the Financial Statements

For the Year Ended July 31, 2018

1. Significant Accounting Policies

The Master Bowlers Association of Saskatchewan Inc. 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.

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations in Part III of the CPA Canada Handbook and include the following significant accounting policies:

The association is exempt from income taxes under Section 149 of the income tax act as it is a non-profit organization.

a. 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. Endowment contributions are recognized as direct increases in net assets in the year received.

Revenues from the Saskatchewan Lotteries Trust Fund for Sport, Culture and Recreation are shown as deferred revenues if they related 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.

Clinic fees are recognized in revenue when the clinics are held. Membership fees are recognized in revenue in the year which they relate.

b. Inventory

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

c. 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.

d. Deferred revenue

The financial statements of Master Bowlers Association of Saskatchewan Inc. have been prepared on an accrual basis. The association receives funds 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.

Master Bowlers Association of Saskatchewan Inc.

Notes to the Financial Statements

For the Year Ended July 31, 2018

1. Significant Accounting Policies

e. 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.

f. Cash and cash equivalents

The Associations policy is to present bank balances and term deposits with a maturity period of three months or less from the date of acquisition under cash and cash equivalents.

g. Contributed Services

Volunteers contribute hours each year to assist in delivering the services of the Association. Because of the difficulty in determining their fair value, contributed services are not recognized in the financial statements.

h. Financial instruments

Financial instruments, including cash, 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.

2. Internally restricted assets

	2018	2017
Guaranteed Investment Certificates with maturity date of June 13, 2019 and an interest rate of 0.38%	\$ 32,356	\$ 29,705

3. Inventory

Inventory consists of the following:

	2018	2017
Clinic supplies	\$ 3,435	\$ 5,202
Master/YBC	2,186	2,720
Merchandise	833	647
Nationals supplies	2,041	1,016
Total	\$ 8,495	\$ 9,585

Master Bowlers Association of Saskatchewan Inc.

Notes to the Financial Statements

For the Year Ended July 31, 2018

4. Internal restrictions

In 2012, the Association's board of directors resolved to internally restrict \$14 from each bowler's Provincial tournament fee for Future Travel, \$10 from each bowler's Provincial Tournament fee for Future Hosting, and \$2 from each bowler's Provincial tournament fee for the 450 pot. 25% of the 450 pot is paid out annually to the highest score if there are no perfect games in the year. 25% of the Future Travel fund is spent annually in years where Nationals is held out of province.

The Association may not use these internally restricted amounts for any other purpose without the approval of the board of directors.

	2018	2017
Future travel	\$ 12,256	\$ 14,604
450 Pot	18,349	15,101
Hosting fund	1,751	-
	\$ 32,356	\$ 29,705

5. Interfund transfers

During the year, there was a transfer of \$1,751 from Operations of the Association to the Hosting Fund, \$3,240 to the 450 Pot and a transfer from the internally restricted assets to the Future Travel Fund of \$2,348 to operations.

6. 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 year end.

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.

Master Bowlers Association of Saskatchewan Inc.

Notes to the Financial Statements

For the Year Ended July 31, 2018

6. Financial Instruments

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.

7. Comparative Figures

The prior year's comparative figures have been reclassified to conform to the current year's method of presentation.

Master Bowlers Association of Saskatchewan Inc.

Schedule 1 - Revenue

For the Year Ended July 31, 2018

	2018	2017
Saskatchewan Lotteries Trust Funding		
Administration Grant	\$ 1,450	\$ 1,450
Excellence (SK First) Competition	12,500	1,400
Excellence (SK First) Talent ID	1,700	1,700
Excellence (SK First) Training	3,200	3,200
Participation Coaching Development	6,800	6,600
Participation All Competition	4,288	4,167
	29,938	18,517
Self-Help		
Donations	6,900	6,900
Clinics	3,216	2,394
Fundraising	11,014	15,742
Membership Fees		
Associate	495	705
Executive Life	1,067	1,181
Senior	572	610
Teaching	1,029	762
Tournament	610	1,334
Playdown/Tournament Fees	33,449	29,406
Sales	129	594
	58,481	59,628
Other		
Interest	111	14
Nationals 2017 Revenue	\$ -	\$ 80,946

Master Bowlers Association of Saskatchewan Inc.

For the Year Ended July 31, 2018

Schedule #2 Expenses

	2018	2017
Excellence		
Competition		
MBAC Nationals	\$ 20,242	\$ 21,863
MBAC Nationals - Training Expense	3,290	2,355
Interest paid on deposits	2,476	4,958
Training Expense	7,832	1,590
	33,840	30,766
Participation		
Coaching development	11,314	6,878
Master/YBC Tournament	5,091	5,734
Competition Expense	6,743	-
	23,148	12,612
Administration		
Office supplies & expenses	1,229	3,196
Honorarium	2,600	2,600
Sponsorship	-	9,525
Legal & Auditing Expense	6,270	5,642
	10,099	20,963
Capacity		
Awards and recognition	707	1,407
National meetings	8,410	10,166
	9,117	11,573
Other Expenses		
National dues/affiliations	2,824	2,967
Federation membership	7,210	5,047
	10,034	8,014
Nationals hosting	\$ -	\$ 96,391

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

Master Bowlers Association of Saskatchewan Inc.

Schedule 3 - 2017 Nationals

For the Year Ended July 31, 2018

	2018	2017
Revenue		
Hospitality Fees/Assessments	\$ -	\$ 18,400
Hosting Grants		
Hosting Grant - SK Lotteries	-	7,500
Hosting Grant - City of Regina	-	6,000
Sponsorships	-	18,036
Guest Reciepts	-	7,219
Fundraising	-	10,518
Souvenir Merchandise Sales	-	1,041
Sponsorship from Operations	-	9,525
	-	78,239
Expenses		
Advertising	-	5,274
Committee Expenses	-	9,756
Fundraising	-	626
Gifts	-	1,375
Hotels	-	4,998
Lineage	-	21,690
Meals	-	37,219
Mileage	-	4,906
Music	-	2,308
Office Expenses	-	442
Piper Fees	-	300
Souvenir Merchandise Sales	-	1,407
Transportation	-	6,091
	-	96,392
Excess (deficiency) of revenue over expenses before transfers - Nationals 2017	-	(18,153)
Transfer internally restricted	-	16,081
Excess (deficiency) revenues over expenses after transfers	\$ -	\$ (2,072)