

# **Master Bowlers Association of Saskatchewan Inc.**

**Financial Statements**

**July 31, 2019**



**McClelland  
Debusschere**

Chartered Professional Accountants  
Assurance Tax Advisory

## Auditors' Report

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To the Board  
Master Bowlers Association of Saskatchewan Inc.

### Qualified Opinion

We have audited the financial statements of Master Bowlers Association of Saskatchewan Inc., which comprise the balance sheet as at July 31, 2019, and the Statements of income, retained earnings and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of Master Bowlers Association of Saskatchewan Inc. as at July 31, 2019, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

### Basis for Opinion

Due to issues with timing, distance and cost constraints, 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 balance of inventory and net income for the year.

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

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



## McClelland Debusschere

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### Auditors' Report

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#### Auditor's Responsibilities 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 association'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 association'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 association 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.

*McClelland Debusschere*  
CPA PC INC

Saskatoon, SK  
September 22, 2019

Chartered Professional Accountants

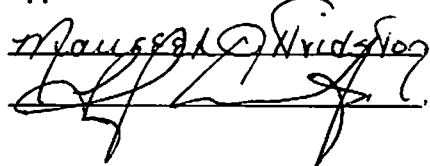
# Master Bowlers Association of Saskatchewan Inc.

## Statement of Financial Position

July 31, 2019

	2019	2018
<b>Assets</b>		
<b>Current Assets</b>		
Cash	\$ 50,579	\$ 53,021
Internally restricted assets (Note 2)	34,712	32,356
Accounts receivable	11,465	8,910
Inventory (Note 3)	7,012	8,495
Prepaid Expenses	1,136	492
<b>Total Assets</b>	<b>\$ 104,904</b>	<b>\$ 103,274</b>
<b>Liabilities and Net Assets</b>		
<b>Current Liabilities</b>		
Accounts payable and accrued liabilities (Note 4)	\$ 4,708	\$ 7,537
<b>Net Assets</b>		
Internally restricted assets	34,712	31,167
Unrestricted	65,485	64,570
<b>Total Net Assets</b>	<b>100,197</b>	<b>95,736</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 104,904</b>	<b>\$ 103,274</b>

Approved on Behalf of the Board:



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, 2019

	2019	2018
<b>Revenue</b>		
Sask Lotteries trust funding - Schedule 1	\$ 28,550	\$ 29,938
Self Help and membership - Schedule 1	66,066	60,890
Interest - Schedule 1	155	97
Other revenue - Schedule 1	3,151	14
<b>Total revenue</b>	<b>97,922</b>	<b>90,939</b>
<b>Expenses</b>		
Excellence - Schedule 2	45,817	36,251
Participation - Schedule 2	20,282	23,148
Administration - Schedule 2	9,405	10,099
Capacity - Schedule 2	7,650	9,117
Other expenses - Schedule 2	10,307	10,034
<b>Total operating expenses</b>	<b>93,461</b>	<b>88,649</b>
<b>Net income</b>	<b>\$ 4,460</b>	<b>\$ 2,290</b>

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, 2019

	Unrestricted	Internally Restricted	2019	2018
Balance, beginning of year	\$ 64,569	\$ 31,167	\$ 95,736	\$ 91,984
Excess (deficiency) of revenue over expense before transfers	4,460	-	4,460	2,290
Transfers	(3,545)	3,545	-	1,462
<b>Balance, end of year</b>	<b>\$ 65,485</b>	<b>\$ 34,712</b>	<b>\$ 100,197</b>	<b>\$ 95,736</b>

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, 2019

	2019	2018
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net income (loss) for the period	\$ 4,460	\$ 2,290
<b>Change in working capital items:</b>		
Change in receivables	(2,556)	878
Change in inventories	1,483	1,090
Change in prepaid expenses	(644)	1,616
Change in accounts payable and accrued expenses	(2,829)	1,629
Internal transfers	-	1,462
	<u>(86)</u>	<u>8,965</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Change in internally restricted assets	(2,356)	(2,651)
<b>Net cash increase (decreases) in cash</b>	<b>(2,442)</b>	<b>6,314</b>
Cash at beginning of period	53,021	46,707
<b>Cash at end of period</b>	<b>\$ 50,579</b>	<b>\$ 53,021</b>

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, 2019

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### 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.

#### a. 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.

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.

#### 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.

#### e. 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



# Master Bowlers Association of Saskatchewan Inc.

## Notes to the Financial Statements

For the Year Ended July 31, 2019

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### 1. Significant Accounting Policies continued

#### e. Revenue recognition continued

the year which they relate. Interest earned on internally restricted items is held in the internally restricted reserve.

#### 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. 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. 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.

The assets are held in a GIC with a maturity date of June 19, 2020 and interest rate of 1.04% (2019 - \$34,712, 2018 - \$32,356).

	2019	2018
Future travel	\$ 11,642	\$ 12,256
450 Pot	19,550	18,349
Hosting fund	3,520	1,751
	<u>\$ 34,712</u>	<u>\$ 32,356</u>

# Master Bowlers Association of Saskatchewan Inc.

## Notes to the Financial Statements

For the Year Ended July 31, 2019

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### 3. Inventory

Inventory consists of the following:

	2019	2018
Clinic supplies	\$ 3,413	\$ 3,434
Master/YBC	1,414	2,186
Merchandise	590	833
Nationals supplies	1,595	2,041
<b>Total</b>	<b>\$ 7,012</b>	<b>\$ 8,495</b>

### 4. Accounts Payable and accrued liabilities

	2019	2018
Trade payables and accrued liabilities	\$ 4,404	\$ 7,537
Government remittances	304	-
	<b>\$ 4,708</b>	<b>\$ 7,537</b>

### 5. Interfund transfers

During the year, there was a transfer of \$1,769 from Operations of the Association to the Hosting Fund, \$1,201 to the 450 Pot and a transfer from the internally restricted assets to the Future Travel Fund of \$614 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

# Master Bowlers Association of Saskatchewan Inc.

## Notes to the Financial Statements

For the Year Ended July 31, 2019

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### 6. Financial Instruments continued 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 composes 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.

For the Year Ended July 31, 2019

## Schedule #1 Revenue

	2019	2018
<b>Saskatchewan Lotteries Trust Funding</b>		
Administration grant	\$ 1,450	\$ 1,450
Excellence (SK First) competition	10,000	12,500
Excellence (SK First) Talent ID	1,700	1,700
Excellence (SK First) Training	3,200	3,200
Participation coaching development	7,000	6,800
Participation all competition	5,200	4,288
	<b>28,550</b>	<b>29,938</b>
<b>Self-Help</b>		
Donations	8,900	6,900
Clinics	4,139	3,216
Fundraising	14,866	11,014
<b>Membership Fees</b>		
Associate	686	495
Executive/Life	1,029	1,067
Senior	495	572
Teaching	1,029	1,029
Tournament	724	610
Playdown/tournament fees	33,751	35,859
Sales	448	129
	<b>66,066</b>	<b>60,890</b>
<b>Other</b>		
Interest	155	97
Miscellaneous revenue	\$ 2,063	\$ 14
Recognized internally restricted revenue	1,088	-
	<b>\$ 3,151</b>	<b>\$ 14</b>

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

# Master Bowlers Association of Saskatchewan Inc.

For the Year Ended July 31, 2019

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## Schedule #2 Expenses

	<u>2019</u>	<u>2018</u>
<b>Excellence</b>		
<b>Competition</b>		
MBAC Nationals	\$ 38,239	\$ 30,484
MBAC Nationals - Training Expense/Practice on Site	4,835	3,290
Talent ID	2,743	2,476
	<u>45,817</u>	<u>36,251</u>
<b>Participation</b>		
Coaching development	8,540	11,314
Master/YBC Tournament	5,037	5,091
Talent ID	6,705	6,743
	<u>20,282</u>	<u>23,148</u>
<b>Administration</b>		
Office supplies & expenses	1,929	1,229
Honorarium	2,600	2,600
Legal & Auditing Expense	4,876	6,270
	<u>9,405</u>	<u>10,099</u>
<b>Capacity</b>		
Awards and recognition	740	707
National meetings	6,910	8,410
	<u>7,650</u>	<u>9,117</u>
<b>Other Expenses</b>		
National dues/affiliations	3,457	2,824
Federation membership	6,850	7,210
	<u>\$ 10,307</u>	<u>\$ 10,034</u>

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

# **Master Bowlers Association of Saskatchewan Inc.**

**For the Year Ended July 31, 2019**

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