

**SASKATCHEWAN 5 PIN BOWLERS
ASSOCIATION INC.**

Auditor's Report

Financial Statements

July 31, 2020

INDEPENDENT AUDITOR'S REPORT

To the Directors of **Saskatchewan 5 Pin Bowlers Association Inc.**

Report on the Financial Statements

Opinion

We have audited the financial statements of **Saskatchewan 5 Pin Bowlers Association Inc.**, 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 **Saskatchewan 5 Pin Bowlers Association Inc.** 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 **Saskatchewan 5 Pin Bowlers Association Inc.** 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

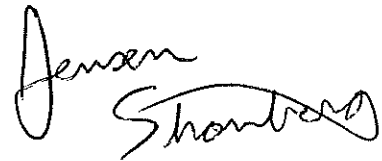
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee 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 18, 2020



Chartered Professional Accountants

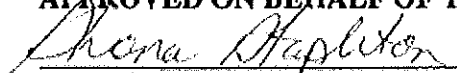

SASKATCHEWAN 5 PIN BOWLERS ASSOCIATION INC.

STATEMENT OF FINANCIAL POSITION

July 31, 2020
with comparative figures for 2019

	<u>2020</u>	<u>2019</u>
<u>ASSETS</u>		
Current assets:		
Cash	\$ 51,091	43,559
Restricted cash (Note 4)	28,690	28,690
Accounts receivable	14,737	12,694
Inventory	<u>7,026</u>	<u>2,799</u>
	<u>\$ 101,544</u>	<u>87,742</u>
<u>LIABILITIES AND NET ASSETS</u>		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 12,677	14,149
Deferred revenue - Special Olympics (Note 3)	859	950
Deferred revenue - 450 Pool (Note 4)	<u>28,690</u>	<u>28,690</u>
	42,226	43,789
Net assets:		
Unrestricted, per accompanying statement	<u>59,318</u>	<u>43,953</u>
	<u>\$ 101,544</u>	<u>87,742</u>

APPROVED ON BEHALF OF THE BOARD:

 Director
 Director

See accompanying notes to the financial statements.

SASKATCHEWAN 5 PIN BOWLERS ASSOCIATION INC.

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)	\$ 24,915	28,650
Playdown/Tournament fees (Schedule 2)	1,631	93,710
Membership fees (Schedule 3)	36,765	35,849
Sales/merchandise (Schedule 4)	1,862	2,286
450 Pool and Special Olympics	2,500	1,577
Corporate sponsorship	1,184	1,239
Interest	<u>84</u>	<u>109</u>
	68,941	163,420
Expenses:		
Administration (Schedule 5)	22,015	8,482
Participation grants (Schedule 6)	4,878	6,392
Excellence (SK First) (Schedule 7)	5,101	110,410
Capacity (Schedule 8)	9,970	12,880
Other expenses (Schedule 9)	9,755	20,170
Sales/merchandise	<u>1,857</u>	<u>2,459</u>
	<u>53,576</u>	<u>160,793</u>
Excess (deficiency) of revenues over expenditures	15,365	2,627
Net assets, beginning of year	<u>43,953</u>	<u>41,326</u>
Net assets, end of year	<u>\$ 59,318</u>	<u>43,953</u>

See accompanying notes to the financial statements.

SASKATCHEWAN 5 PIN BOWLERS ASSOCIATION INC.

STATEMENT OF CASH FLOWS

Year ended July 31, 2020
with comparative figures for 2019

	<u>2020</u>	<u>2019</u>
Operating activities:		
Excess (deficiency) of revenues over expenditures	\$ 15,365	2,627
Changes in non-cash working capital:		
Accounts receivable	(2,042)	21,531
Inventory	(4,227)	1,345
Prepaid expenses	-	1,289
Accounts payable and accrued liabilities	(1,473)	(6,446)
Deferred revenue	<u>(91)</u>	<u>1,576</u>
	<u>7,532</u>	<u>21,922</u>
Increase in cash during the year	7,532	21,922
Cash position, beginning of year	<u>72,249</u>	<u>50,327</u>
Cash position, end of year	<u>\$ 79,781</u>	<u>72,249</u>

Cash is comprised of cash in bank less outstanding cheques.

See accompanying notes to the financial statements.

SASKATCHEWAN 5 PIN BOWLERS ASSOCIATION INC.

NOTES TO THE FINANCIAL STATEMENTS

July 31, 2020

1. DESCRIPTION OF OPERATIONS

The Saskatchewan 5 Pin Bowlers Association Inc. was established on March 31, 1989 pursuant to the provisions of the *Non-profit Corporations Act* of Saskatchewan. The Association was established to oversee and administer affiliations and tournaments for Saskatchewan 5 Pin affiliated bowlers.

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 Saskatchewan 5 Pin Bowlers Association Inc. have been prepared on the accrual basis. The Association receives fundraising fees from its members which relate to services to be provided in a later year. Accordingly, these funds are not recorded as revenues in the current period and are deferred until the year when the fees are paid out. Deferred revenue balances mainly relate to the 450 Pool and the Special Olympics Fund.

(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, medals, and promotional material.

(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, 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.

SASKATCHEWAN 5 PIN BOWLERS ASSOCIATION INC.

NOTES TO THE FINANCIAL STATEMENTS

July 31, 2020

3. DEFERRED REVENUES - SPECIAL OLYMPICS

Restricted net assets for Special Olympics includes funds received designated for payment to the Special Olympics. Funds received in excess of \$2,500 annually are included in the restricted fund balance for future contributions to the Special Olympics Program.

4. DEFERRED REVENUE - 450 POOL

Restricted net assets for 450 Pool includes funds received from participating members' at an annual bowling tournament for an opportunity to win the balance of the escalating 450 Pool. If a participating member bowls a perfect game, that bowler will win the accumulated balance of the 450 Pool. If no perfect game is bowled, 25% of the pool is paid to the participating member with the highest game score during the tournament. 450 pool contributions in excess of amounts paid out are included in the escalating 450 Pool.

5. 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 Association 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 counterparty 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 not exposed to any significant market risk.

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.

6. COMPARATIVE FIGURES

The prior year's comparative figures have been reclassified by request. Excess (deficiency) of revenue over expenditure was not affected.

SASKATCHEWAN 5 PIN BOWLERS ASSOCIATION INC.

NOTES TO THE FINANCIAL STATEMENTS

July 31, 2020

7. 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 not pay for current membership 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.

SASKATCHEWAN 5 PIN BOWLERS ASSOCIATION INC.

SCHEDULE OF REVENUES

Year ended July 31, 2020
with comparative figures for 2019

	<u>2020</u>	<u>2019</u>
Schedule 1- Sask Lotteries Trust Funding		
Participation - Officials Development Grant	\$ 900	2,400
Participation - Competition Grant	3,800	3,700
Excellence - Competition Grant	-	10,000
Excellence - Training Grant	-	3,900
Administration Grant	20,215	1,450
Sask Trust Hosting Grant	-	7,200
	<u>\$ 24,915</u>	<u>28,650</u>
Schedule 2 - Playdown/Tournament Fees		
Provincial Open	\$ 684	1,505
Provincial Fun Bowl	390	711
Provincial Rising Stars	373	599
National Open	-	25,474
National Youth Challenge	-	783
Interprovincial Nationals	184	2,797
Interprovincial Nationals - Hosting	-	61,841
	<u>\$ 1,631</u>	<u>93,710</u>
Schedule 3 - Membership Fees		
Membership	\$ 13,365	12,449
Zone Membership	23,400	23,400
	<u>\$ 36,765</u>	<u>35,849</u>
Schedule 4 - Sales/Merchandise		
Pins	\$ 946	712
Medals	916	1,574
	<u>\$ 1,862</u>	<u>2,286</u>

SASKATCHEWAN 5 PIN BOWLERS ASSOCIATION INC.

SCHEDULE OF EXPENSES

Year ended July 31, 2020
with comparative figures for 2019

	<u>2020</u>	<u>2019</u>
Schedule 5 - Administration Expenses		
Office Operations	\$ 5,665	4,708
Audit	4,248	3,774
Bowling Federation assessment	<u>12,102</u>	<u>-</u>
	<u>\$ 22,015</u>	<u>8,482</u>
Schedule 6- Participation		
Competitions	\$ 4,195	3,992
Officials Development	<u>683</u>	<u>2,400</u>
	<u>\$ 4,878</u>	<u>6,392</u>
Schedule 7 - Excellence		
Training	\$ -	3,900
Competition	5,101	44,669
Interprovincial Nationals - Hosting	<u>-</u>	<u>61,841</u>
	<u>\$ 5,101</u>	<u>110,410</u>
Schedule 8 - Capacity		
Awards and Recognition	\$ 284	300
Meetings	9,686	5,380
Capacity/Interaction - Interprovincial Hosting Grant	<u>-</u>	<u>7,200</u>
	<u>\$ 9,970</u>	<u>12,880</u>
Schedule 9 - Other expenses		
National Dues/Affiliation	\$ 7,255	7,174
Federation Membership	-	11,419
Fundraising	<u>2,500</u>	<u>1,577</u>
	<u>\$ 9,755</u>	<u>20,170</u>