

**SASKATCHEWAN 5 PIN BOWLERS
ASSOCIATION INC.**

Auditor's Report

Financial Statements

July 31, 2022

INDEPENDENT AUDITOR'S REPORT

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

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, 2022** 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, 2022** 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 12, 2022


Chartered Professional Accountants

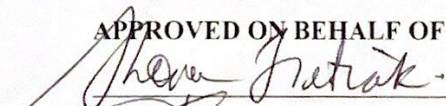
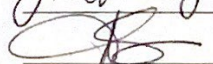
SASKATCHEWAN 5 PIN BOWLERS ASSOCIATION INC.

STATEMENT OF FINANCIAL POSITION

July 31, 2022
with comparative figures for 2021

	<u>2022</u>	<u>2021</u>
<u>ASSETS</u>		
Current assets:		
Cash	\$ 57,099	77,283
Restricted cash (Note 3)	30,370	28,690
Accounts receivable	39,677	13,168
Inventory	<u>5,839</u>	<u>7,295</u>
	<u>\$ 132,985</u>	<u>126,436</u>
<u>LIABILITIES AND NET ASSETS</u>		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 12,360	9,400
Deferred revenue - 450 Pool (Note 3)	30,370	28,690
Deferred revenue - Special Olympics (Note 4)	<u>591</u>	<u>2,168</u>
	43,321	40,258
Net assets:		
Unrestricted, per accompanying statement	<u>89,664</u>	<u>86,178</u>
	<u>\$ 132,985</u>	<u>126,436</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, 2022
with comparative figures for 2021

	<u>2022</u>	<u>2021</u>
Revenue:		
Saskatchewan Lotteries Trust Fund (Schedule 1)	\$ 29,730	27,400
Playdown/Tournament fees (Schedule 2)	39,391	4,477
Membership fees (Schedule 3)	27,307	35,181
Sales/merchandise (Schedule 4)	1,634	-
450 Pool and Special Olympics	1,000	-
Corporate sponsorship	1,000	240
Clinics	210	-
Interest	<u>82</u>	<u>33</u>
	100,354	67,331
Expenditures:		
Administration (Schedule 5)	23,614	22,841
Participation grants (Schedule 6)	9,258	25
Excellence (Schedule 7)	50,503	14,414
Capacity (Schedule 8)	8,111	2,992
Other (Schedule 9)	3,812	199
Sales/merchandise	<u>1,570</u>	<u>-</u>
	<u>96,868</u>	<u>40,471</u>
Excess of revenues over expenditures	3,486	26,860
Net assets, beginning of year	<u>86,178</u>	<u>59,318</u>
Net assets, end of year	<u>\$ 89,664</u>	<u>86,178</u>

See accompanying notes to the financial statements.

SASKATCHEWAN 5 PIN BOWLERS ASSOCIATION INC.

STATEMENT OF CASH FLOWS

Year ended July 31, 2022
with comparative figures for 2021

	<u>2022</u>	<u>2021</u>
Operating activities:		
Excess of revenues over expenditures	\$ 3,486	26,860
Changes in non-cash working capital:		
Accounts receivable	(26,509)	1,569
Inventory	1,455	(268)
Accounts payable and accrued liabilities	2,962	(3,278)
Deferred revenue	<u>102</u>	<u>1,309</u>
	<u>(18,504)</u>	<u>26,192</u>
Increase (decrease) in cash during the year	(18,504)	26,192
Cash position, beginning of year	<u>105,973</u>	<u>79,781</u>
Cash position, end of year	\$ <u>87,469</u>	<u>105,973</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, 2022

1. DESCRIPTION OF OPERATIONS

Saskatchewan 5 Pin Bowlers Association Inc. (the "Association") 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 expenditure 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 the Association 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 expenditures 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) Contributed services

Board members and others volunteer their time to assist in the Association's activities. While their services benefit the Association considerably, a reasonable estimate of their amount and fair value cannot be made and, accordingly, these contributed services are not recognized in these financial statements.

(f) Inventory

Inventory is valued at the lower of cost and replacement value and consists of pins, medals, and promotional material.

SASKATCHEWAN 5 PIN BOWLERS ASSOCIATION INC.

NOTES TO THE FINANCIAL STATEMENTS

July 31, 2022

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) 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 expenditures during the reporting periods. Actual results could differ from those estimates.

(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.

3. 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.

Funds received from members but not paid out are restricted and held in anticipation of future payments.

4. 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.

5. FINANCIAL INSTRUMENTS

Risks and concentrations

The Association is exposed to various risks through its financial instruments. The following analysis provides a measure of the Association's risk exposure and concentrations at July 31, 2022.

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 and accrued liabilities.

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.

SASKATCHEWAN 5 PIN BOWLERS ASSOCIATION INC.

NOTES TO THE FINANCIAL STATEMENTS

July 31, 2022

5. FINANCIAL INSTRUMENTS (continued)

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 Association is not exposed to any significant market risk.

SASKATCHEWAN 5 PIN BOWLERS ASSOCIATION INC.

SCHEDULE OF REVENUES

Year ended July 31, 2022
with comparative figures for 2021

	<u>2022</u>	<u>2021</u>
Schedule 1- Sask Lotteries Trust Fund		
Participation - Officials Development Grant	\$ 900	900
Participation - Competition Grant	8,330	6,000
Excellence - Competition Grant	14,000	14,000
Excellence - Training Grant	3,900	3,900
Excellence - Talent ID	700	700
Administration Grant	<u>1,900</u>	<u>1,900</u>
	<u>\$ 29,730</u>	<u>27,400</u>
Schedule 2 - Playdown/Tournament Fees		
Provincial Hi-Lo Doubles	\$ 757	-
Provincial Open	1,034	-
Provincial Fun Bowl	997	438
Provincial Rising Stars	1,002	439
National Open	24,538	100
National Youth Challenge	2,844	3,500
Interprovincial Nationals	<u>8,219</u>	<u>-</u>
	<u>\$ 39,391</u>	<u>4,477</u>
Schedule 3 - Membership Fees		
Membership	\$ 3,907	11,781
Zone Membership	<u>23,400</u>	<u>23,400</u>
	<u>\$ 27,307</u>	<u>35,181</u>
Schedule 4 - Sales/Merchandise		
Supplies	\$ 60	-
Medals	<u>1,574</u>	<u>-</u>
	<u>\$ 1,634</u>	<u>-</u>

SASKATCHEWAN 5 PIN BOWLERS ASSOCIATION INC.

SCHEDULE OF EXPENDITURES

Year ended July 31, 2022
with comparative figures for 2021

	<u>2022</u>	<u>2021</u>
Schedule 5 - Administration		
Office Operations	\$ 6,357	6,810
Audit	3,919	3,774
Bowling Federation assessment	<u>13,338</u>	<u>12,257</u>
	<u>\$ 23,614</u>	<u>22,841</u>
Schedule 6- Participation Grants		
Competitions	\$ 8,330	-
Officials Development	<u>928</u>	<u>25</u>
	<u>\$ 9,258</u>	<u>25</u>
Schedule 7 - Excellence		
Training	\$ 3,900	-
Competition	<u>46,603</u>	<u>14,414</u>
	<u>\$ 50,503</u>	<u>14,414</u>
Schedule 8 - Capacity		
Awards and Recognition	\$ -	366
Meetings	<u>8,111</u>	<u>2,626</u>
	<u>\$ 8,111</u>	<u>2,992</u>
Schedule 9 - Other		
National Dues/Affiliation	\$ 1,812	199
Advertising and Promotion	<u>2,000</u>	<u>-</u>
	<u>\$ 3,812</u>	<u>199</u>