

# **BOWLS CANADA BOULINGRIN**

## **FINANCIAL STATEMENTS**

**MARCH 31, 2020**

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## **INDEPENDENT AUDITOR'S REPORT**

To the Members,  
**Bowls Canada Boulingrin:**

### **Opinion**

We have audited the financial statements of Bowls Canada Boulingrin ("the Entity"), which comprise the statement of financial position as at March 31, 2020, and the statements of changes in net assets, operations and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at March 31, 2020, 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**

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 Entity 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 using the going concern basis of accounting unless management either intends to liquidate the Entity, or to 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 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 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.



**OUSELEY HANVEY CLIPSHAM DEEP LLP**

Licensed Public Accountants

Ottawa, Ontario

August 27, 2020

# BOWLS CANADA BOULINGRIN

## STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2020

	<u>2020</u>	<u>2019</u>
ASSETS		
CURRENT		
Cash	\$ 118,826	\$ 78,708
Investments (note 4)		
- endowment fund	228,397	237,393
- other	285,537	280,983
Accounts receivable	98,360	14,127
Prepaid expenses	30,254	45,052
	<u>\$ 761,374</u>	<u>\$ 656,263</u>
LIABILITIES		
CURRENT		
Accounts payable	\$ 33,693	\$ 52,051
Deferred revenue (note 5)	117,822	-
	<u>151,515</u>	<u>52,051</u>
NET ASSETS		
Restricted for endowment fund	229,563	238,559
Unrestricted	380,296	365,653
	<u>609,859</u>	<u>604,212</u>
	<u>\$ 761,374</u>	<u>\$ 656,263</u>

Approved on behalf of the Board:

*Melis A Mees*

Director

*S. MOORS*  
Director

## BOWLS CANADA BOULINGRIN

### STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED MARCH 31, 2020

	<u>2020</u>	<u>2019</u>
RESTRICTED FOR ENDOWMENT FUND		
Balance - beginning of year	\$ 238,559	\$ 222,798
Transfer from (to) unrestricted	<u>(8,996)</u>	<u>15,761</u>
Balance - end of year	<u>229,563</u>	<u>238,559</u>
UNRESTRICTED		
Balance - beginning of year	365,653	377,292
Net revenue for the year	5,647	4,122
Transfer from (to) restricted for endowment fund	<u>8,996</u>	<u>(15,761)</u>
Balance - end of year	<u>380,296</u>	<u>365,653</u>
TOTAL	<u>\$ 609,859</u>	<u>\$ 604,212</u>

## BOWLS CANADA BOULINGRIN

### STATEMENT OF OPERATIONS FOR THE YEAR ENDED MARCH 31, 2020

	<u>2020</u>	<u>2019</u>
<b>REVENUE</b>		
Sport Canada (see schedule)	\$ 241,078	\$ 205,500
Membership fees	256,951	212,478
Registration and entry fees	29,850	29,150
High performance fees	28,500	46,625
Sales of merchandise and publications	25,711	13,257
Grants	23,360	3,360
Investment		
- endowment fund	(8,996)	15,261
- other	5,380	4,769
Donations	3,471	3,819
Coaching Association of Canada	3,438	5,500
Advertising and sponsorship	1,039	920
Miscellaneous	2,633	-
	<u>612,415</u>	<u>540,639</u>
<b>EXPENSES</b>		
Officials development	4,998	4,418
Coaching	6,919	8,734
High performance	118,494	119,749
World Bowls fees	9,836	9,823
Membership development	4,985	7,299
Bowler and club development	8,731	8,937
Domestic competitions	111,562	82,748
Communications and public relations	4,442	6,395
Merchandising and publications	4,870	6,834
Meetings	15,205	10,300
National office operations	55,344	49,422
Official languages	13,602	15,666
Safe sport and gender equity	25,243	-
Para bowls	10,334	73
Staff salaries and travel	212,203	206,119
	<u>606,768</u>	<u>536,517</u>
<b>NET REVENUE FOR THE YEAR</b>	<u>\$ 5,647</u>	<u>\$ 4,122</u>

## BOWLS CANADA BOULINGRIN

### STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2020

	<u>2020</u>	<u>2019</u>
OPERATING ACTIVITIES		
Net revenue for the year	\$ 5,647	\$ 4,122
Items not affecting cash		
Amortization	-	1
Loss (gain) on investments	12,755	(10,330)
Net change in non-cash working capital items		
Accounts receivable	(84,233)	(3,968)
Prepaid expenses	14,798	(13,464)
Accounts payable	(18,358)	38,227
Deferred revenue	117,822	-
	<u>48,431</u>	<u>14,588</u>
INVESTING ACTIVITIES		
Sale of investments	212,202	131,290
Purchase of investments	<u>(220,515)</u>	<u>(160,773)</u>
	<u>(8,313)</u>	<u>(29,483)</u>
INCREASE (DECREASE) IN CASH FOR THE YEAR	40,118	(14,895)
Cash - beginning of year	<u>78,708</u>	<u>93,603</u>
CASH - END OF YEAR	<u>\$ 118,826</u>	<u>\$ 78,708</u>

# **BOWLS CANADA BOULINGRIN**

## **NOTES TO FINANCIAL STATEMENTS**

**MARCH 31, 2020**

### **1. PURPOSE OF THE ORGANIZATION**

The mission of the organization is to advance the sport of bowls in Canada. The organization is incorporated under the Canada Not-for-profit Corporations Act and is a Registered Canadian Amateur Athletic Association under the Income Tax Act.

### **2. SIGNIFICANT ACCOUNTING POLICIES**

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

#### **a) Estimates and assumptions**

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. The estimates and assumptions are reviewed annually and, as adjustments become necessary, they are recorded in the financial statements in the period in which they become known.

#### **b) Endowment fund**

The endowment fund is internally restricted and accumulates transfers from unrestricted net assets equivalent to certain donations received in the year and the investment income of the endowment fund investments for the year and makes transfers to unrestricted net assets when approved by the Board.

#### **c) Financial instruments**

Investments in equity instruments quoted in an active market are initially recognized at fair value and are subsequently measured at the year-end fair value. Other financial instruments are initially recognized at fair value and are subsequently measured at cost, amortized cost or cost less appropriate allowances for impairment.

#### **d) Revenue recognition**

The organization follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenditure is incurred. Unrestricted contributions are recognized as revenue when they are received or becomes receivable. Membership fees are recognized as revenue over the period to which they relate. Other revenues are recognized in the year in which the event is held or the revenue is earned.

#### **e) Sport Canada contributions**

Contributions received from Sport Canada are subject to specific terms and conditions regarding the expenditure of the funds. The organization's records are subject to audit by Sport Canada to identify instances, if any, in which amounts charged against contributions have not complied with the agreed terms and conditions and which, therefore, would be refundable to Sport Canada. Adjustments to prior years' contributions are recorded in the year in which Sport Canada requests the adjustment.

### **3. FINANCIAL INSTRUMENTS**

Financial instruments of the organization consist of cash, investments, accounts receivable and accounts payable.



## BOWLS CANADA BOULINGRIN

### NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2020

#### 3. FINANCIAL INSTRUMENTS (continued)

Unless otherwise noted, it is management's opinion that the organization is not exposed to significant interest rate, currency, credit, liquidity or market risks arising from its financial instruments and the risks have not changed from last year.

#### 4. INVESTMENTS

The investments consist of fixed income and units in various mutual funds and are valued at year-end fair value.

Market risk is the risk 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 organization is exposed mainly to interest rate and other price risk.

Interest rate risk is the risk the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The organization is exposed to interest rate risk on its investments.

Other price risk is the risk the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices, other than those arising from currency risk or interest rate risks, whether these changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The organization is exposed to other price risk through its investments.

#### 5. DEFERRED REVENUE

Deferred revenue represents revenue received relating to next year as follows:

	2020	2019
Sport Canada	\$ 97,822	\$ -
Donations	20,000	-
	<u>\$ 117,822</u>	<u>\$ -</u>

#### 6. COMMITMENT

The organization has leased premises to October 31, 2024 at approximately \$22,100 per annum.

#### 7. SUBSEQUENT EVENTS

On March 11, 2020, the World Health Organization characterized the outbreak of a strain of the novel coronavirus ("COVID-19") as a pandemic which has resulted in a series of public health and emergency measures that have been put in place to combat the spread of the virus. The duration and impact of COVID-19 is unknown at this time and it is not possible to reliably estimate the impact that the length and severity of these developments will have on funders, customers, employees and suppliers, and on the financial results and condition of the organization in future periods.

On March 19, 2020, the organization announced that it will be waiving membership fees for the 2020 season which will result in no membership fees revenue for the fiscal year ending March 31, 2021.

## BOWLS CANADA BOULINGRIN

### UNAUDITED SCHEDULE OF SPORT CANADA REVENUE AND EXPENSES BY BUDGET CATEGORY FOR THE YEAR ENDED MARCH 31, 2020

Budget category	Total revenue claimed	Total expenses
General administration	\$ 19,500	\$ 67,568
Governance	5,000	13,735
Staff salaries	80,000	212,203
National team programs	61,000	103,624
Operations and programming	30,000	114,765
Official languages	10,000	13,602
Safe sport and gender equity	25,243	25,243
Para bowls	3,578	3,578
Special projects	6,757	6,757
Non-eligible expenses	-	45,693
	<u>\$ 241,078</u>	<u>\$ 606,768</u>

	Total revenue approved	Total revenue deferred	Total revenue claimed
Contribution agreement			
Core funding	\$ 195,500	\$ -	\$ 195,500
Core funding official languages	10,000	-	10,000
Safe sport and gender equity	66,000	40,757	25,243
Para bowls	50,000	46,422	3,578
Special projects	17,400	10,643	6,757
	<u>\$ 338,900</u>	<u>\$ 97,822</u>	<u>\$ 241,078</u>