

# **BOWLS CANADA BOULINGRIN**

## FINANCIAL STATEMENTS

MARCH 31, 2022

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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, 2022, 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, 2022, 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.

OHCI LLP

**OUSELEY HANVEY CLIPSHAM DEEP LLP**

Licensed Public Accountants  
Ottawa, Ontario  
July 11, 2022

## BOWLS CANADA BOULINGRIN

### STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2022

	<u>2022</u>	<u>2021</u>
ASSETS		
CURRENT		
Cash	\$ 151,783	\$ 167,700
Investments (note 4)		
- gift fund	299,743	281,201
- other	295,282	291,719
Accounts receivable	24,790	38,178
Prepaid expenses	<u>30,559</u>	<u>19,152</u>
	<u>\$ 802,157</u>	<u>\$ 797,950</u>
LIABILITIES		
CURRENT		
Accounts payable	\$ 79,994	\$ 49,960
Deferred revenue (note 5)	<u>16,000</u>	<u>53,096</u>
	95,994	103,056
CEBA BANK LOAN (note 7)	<u>60,000</u>	<u>60,000</u>
	<u>155,994</u>	<u>163,056</u>
NET ASSETS		
Restricted for gift fund	301,361	282,367
Unrestricted	<u>344,802</u>	<u>352,527</u>
	<u>646,163</u>	<u>634,894</u>
	<u>\$ 802,157</u>	<u>\$ 797,950</u>

Approved on behalf of the Board:

Director

Director



## BOWLS CANADA BOULINGRIN

### STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED MARCH 31, 2022

	<u>2022</u>	<u>2021</u>
RESTRICTED FOR GIFT FUND		
Balance - beginning of year	\$ 282,367	\$ 229,563
Transfer from unrestricted	<u>18,994</u>	<u>52,804</u>
Balance - end of year	<u>301,361</u>	<u>282,367</u>
UNRESTRICTED		
Balance - beginning of year	352,527	380,296
Net revenue for the year	11,269	25,035
Transfer to restricted for gift fund	<u>(18,994)</u>	<u>(52,804)</u>
Balance - end of year	<u>344,802</u>	<u>352,527</u>
TOTAL	<u>\$ 646,163</u>	<u>\$ 634,894</u>

## BOWLS CANADA BOULINGRIN

### STATEMENT OF OPERATIONS FOR THE YEAR ENDED MARCH 31, 2022

	<u>2022</u>	<u>2021</u>
REVENUE		
Sport Canada	\$ 415,356	\$ 406,941
Membership fees	128,473	-
Grants	25,000	-
Sales of merchandise and publications	18,647	1,065
Donations	14,085	28,599
Coaching Association of Canada	4,000	23,500
Investment		
- gift fund	18,542	52,804
- other	3,763	5,073
Miscellaneous	71	3,682
Advertising and sponsorship	-	1,037
	<u>627,937</u>	<u>522,701</u>
EXPENSES		
Coaching	23,847	23,568
High performance	26,626	15,758
World Bowls fees	5,075	10,448
Membership development	1,409	7,870
Bowler and club development	58,591	25,840
Communications and public relations	37,098	11,486
Merchandising and publications	5,305	162
Governance	32,386	4,019
National office operations	61,125	50,387
Official languages	25,421	25,605
Safe sport and gender equity	66,451	39,857
Para bowls	47,510	55,257
Staff salaries and travel	224,826	227,409
Officials development	998	-
	<u>616,668</u>	<u>497,666</u>
NET REVENUE FOR THE YEAR	<u>\$ 11,269</u>	<u>\$ 25,035</u>

## BOWLS CANADA BOULINGRIN

### STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2022

	<u>2022</u>	<u>2021</u>
OPERATING ACTIVITIES		
Net revenue for the year	\$ 11,269	\$ 25,035
Items not affecting cash		
Gain on investments	(14,722)	(46,552)
Net change in non-cash working capital items		
Accounts receivable	13,388	60,182
Prepaid expenses	(11,407)	11,102
Accounts payable	30,034	16,267
Deferred revenue	(37,096)	(64,726)
	<u>(8,534)</u>	<u>1,308</u>
FINANCING ACTIVITIES		
Receipt of CEBA bank loan (note 7)	<u>-</u>	<u>60,000</u>
INVESTING ACTIVITIES		
Sale of investments	156,199	153,290
Purchase of investments	(163,582)	(165,724)
	<u>(7,383)</u>	<u>(12,434)</u>
INCREASE (DECREASE) IN CASH FOR THE YEAR	(15,917)	48,874
Cash - beginning of year	<u>167,700</u>	<u>118,826</u>
CASH - END OF YEAR	<u>\$ 151,783</u>	<u>\$ 167,700</u>

# **BOWLS CANADA BOULINGRIN**

## **NOTES TO FINANCIAL STATEMENTS**

MARCH 31, 2022

### **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) Gift fund**

The gift 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 gift 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 and other contributions**

Contributions received are subject to specific terms and conditions regarding the expenditure of the funds. The organization's records are subject to audit by contributors 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 the contributor. In the event that adjustments to prior years' contributions are requested, they would be recorded in the year in which the contributor requests the adjustments.

### **3. FINANCIAL INSTRUMENTS**

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



# BOWLS CANADA BOULINGRIN

## NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2022

### 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 to currency risk, interest rate risk and other price risk.

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The organization is exposed to currency risk through its mutual funds.

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 mutual funds.

### 5. DEFERRED REVENUE

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

	2022	2021
Events	\$ 16,000	\$ -
Sport Canada	-	53,096
	<u>\$ 16,000</u>	<u>\$ 53,096</u>

### 6. COMMITMENT

The organization has leased premises to October 31, 2024 at approximately \$22,500 per annum.

### 7. CEBA BANK LOAN

\$60,000 was received under the Canada Emergency Business Account (CEBA) program. Under the terms of the program, \$20,000 of this amount will be forgiven if the remainder is repaid by December 31, 2023. If the loan is not repaid by that time, the \$60,000 will be converted to a term loan, amortized over two years and bearing interest at 5% per annum.

## **BOWLS CANADA BOULINGRIN**

### **NOTES TO FINANCIAL STATEMENTS**

**MARCH 31, 2022**

#### **8. COVID-19**

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.

## BOWLS CANADA BOULINGRIN

### UNAUDITED SCHEDULE OF SPORT CANADA REVENUE AND EXPENSES BY BUDGET CATEGORY FOR THE YEAR ENDED MARCH 31, 2022

Budget category	Total revenue claimed	Total expenses
General administration	\$ 19,500	\$ 66,417
Governance	23,000	31,626
Staff salaries	163,000	196,273
National team programs	14,000	26,377
Operations and programming	45,000	81,554
Official languages	17,000	25,421
Gender equity and safety in sport	92,102	96,451
Para bowls	11,500	16,044
Innovation initiative	30,254	30,566
Non-eligible expenses	-	45,939
	<u>\$ 415,356</u>	<u>\$ 616,668</u>
2021-2022 Core funding	\$ 205,500	
2021-2022 Gender equity and safety in sport	66,000	
2021-2022 Recovery funding	76,000	
2021-2022 Para bowls	11,500	
2021-2022 Innovation initiative	3,260	
2020-2021 Gender equity and safety in sport previously deferred	26,102	
2020-2021 Innovation initiative previously deferred	26,994	
	<u>\$ 415,356</u>	