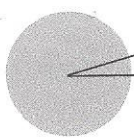


MANITOBA BADMINTON ASSOCIATION INC. O/A BADMINTON MANITOBA

Financial Statements

May 31, 2015



August 24, 2015

INDEPENDENT AUDITORS' REPORT

**To the Members of
Manitoba Badminton Association Inc. O/A Badminton Manitoba**

We have audited the accompanying financial statements of Manitoba Badminton Associating Inc. O/A Badminton Manitoba, which comprise the statement of financial position as at May 31, 2015, and the statements of operations and surplus and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility 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 controls as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

Basis for Qualified Opinion

In common with many charitable organizations, the Association derives revenue from fees and other income, the completeness of which is not susceptible of satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Association and we were not able to determine whether any adjustments might be necessary to revenues, assets, liabilities and surplus as at May 31, 2015.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

(continued)

Independent Auditors' Report to the Members of Manitoba Badminton Association Inc. O/A Badminton
Manitoba (*continued*)

Qualified Opinion

In our opinion, except for the effect of adjustments, if any, which we might have determined to be necessary had we been able to satisfy ourselves concerning the completeness of the revenue referred to in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of Manitoba Badminton Association Inc. O/A Badminton Manitoba as at May 31, 2015, 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.

Craig & Ross

Chartered Accountants

MANITOBA BADMINTON ASSOCIATION INC. O/A BADMINTON MANITOBA

Statement of Financial Position

May 31, 2015

	2015	2014
ASSETS		
CURRENT		
Cash	\$ 89,652	\$ 85,868
Accounts receivable	20,789	13,916
Goods and Services Tax receivable	11,846	7,372
Prepaid expenses	11,970	14,565
Inventory	4,612	9,441
Due from National Tournament	5,000	-
	<u>143,869</u>	<u>131,162</u>
 EQUIPMENT (Note 4)	 114	 164
	<u>\$ 143,983</u>	<u>\$ 131,326</u>
 LIABILITIES AND SURPLUS		
CURRENT		
Accounts payable and accrued liabilities	\$ 25,787	\$ 7,032
 DEFERRED REVENUE (Note 5)	 35,881	 49,413
	<u>61,668</u>	<u>56,445</u>
 SURPLUS		
Surplus	82,315	74,881
	<u>\$ 143,983</u>	<u>\$ 131,326</u>

Executive Director

Director

MANITOBA BADMINTON ASSOCIATION INC. O/A BADMINTON MANITOBA

Statement of Operations and Surplus

Year Ended May 31, 2015

	2015	2014
REVENUE		
Grants (<i>Schedule 1</i>)	\$ 203,680	\$ 197,392
Fees (<i>Schedule 3</i>)	234,709	165,022
Other income (<i>Schedule 4</i>)	21,477	12,235
	<u>459,866</u>	<u>374,649</u>
EXPENSES		
Program Expenses (<i>Schedule 5</i>)	344,404	270,448
General and Administration (<i>Schedule 8</i>)	101,428	88,218
Endowment Fund	3,000	-
Bingo grants paid - individual	3,600	4,700
Bingo grants paid - club	-	250
	<u>452,432</u>	<u>363,616</u>
EXCESS OF REVENUE OVER EXPENSES	7,434	11,033
SURPLUS - BEGINNING OF YEAR	<u>74,881</u>	<u>63,848</u>
SURPLUS - END OF YEAR	<u>\$ 82,315</u>	<u>\$ 74,881</u>

MANITOBA BADMINTON ASSOCIATION INC. O/A BADMINTON MANITOBA

Statement of Operations and Surplus

Year Ended May 31, 2015

	2015	2014
NET ASSETS		
BEGINNING OF YEAR	\$ 74,881	\$ 63,848
EXCESS OF REVENUE OVER		
EXPENSES	7434	11033
NET ASSETS - END OF YEAR	\$ 82,315	\$ 74,881

MANITOBA BADMINTON ASSOCIATION INC. O/A BADMINTON MANITOBA

Statement of Cash Flows

Year Ended May 31, 2015

	2015	2014
CASH PROVIDED BY (USED FOR) THE FOLLOWING ACTIVITIES:		
OPERATING ACTIVITIES		
Excess of revenue over expenses	\$ 7,434	\$ 11,033
Amortization	49	70
	<u>7,483</u>	<u>11,103</u>
Changes in working capital accounts		
Accounts receivable	(6,873)	(639)
Goods and Services Tax receivable	(4,474)	(2,700)
Inventory	4,829	(2,948)
Prepaid expenses	2,595	1,401
Due from National Tournament	(5,000)	-
Accounts payable and accrued liabilities	18,756	(5,369)
Deferred revenue	(13,532)	5,228
Facilities access agreement	<u>-</u>	<u>-</u>
INCREASE IN CASH	3,784	6,076
CASH - BEGINNING OF YEAR	85,868	79,792
CASH - END OF YEAR	\$ 89,652	\$ 85,868

Manitoba Badminton Association Inc. O/A Badminton Manitoba

Notes to Financial Statements

Year Ended May 31, 2015

1. NATURE OF ASSOCIATION

Manitoba Badminton Association Inc. (the "Association") is a not-for-profit corporation organized without share capital for the purpose of administering, managing and promoting badminton in the Province of Manitoba. As such, it is exempt from income tax under section 149(1) of the Income Tax Act.

2. SIGNIFICANT ACCOUNTING POLICIES

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

Measurement uncertainty

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Such estimates are periodically reviewed and, as adjustments become necessary they are reported in operations in the periods in which they become known. Actual results could differ from these estimates.

Financial instruments

The Association initially measures its financial assets and financial liabilities at fair value. It subsequently measures all of its financial assets and financial liabilities at amortized cost.

The financial assets subsequently measured at amortized cost include cash, accounts receivable and Goods and Services Tax receivable. The financial liabilities measured at amortized cost include accounts payable and accrued liabilities. Transactions costs associated with these financial instruments are expensed when incurred.

Capital Assets

The Association does not capitalize nor amortize owned assets, except for computer equipment. Computer equipment is amortized at the rate of 30% per annum, on a declining basis.

(continues)

Manitoba Badminton Association Inc. O/A Badminton Manitoba

Notes to Financial Statements

Year Ended May 31, 2015

2. SIGNIFICANT ACCOUNTING POLICIES (*continued*)

Revenue Recognition

The Association follows the deferral method of accounting for grants and contributions.

Grants and contributions revenue for specific projects is recognized and matched with expenses related to those specific projects in the year which the projects occur. Other revenue is recorded on an accrual basis. Unrestricted grants and contributions and all other receipts are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collections is reasonably assured.

Donated or volunteer services

No amount has been reflected in the financial statements for donated or volunteer services since an objective basis is not available to measure the value of such services.

3. FINANCIAL INSTRUMENTS

Credit Risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Association is exposed to credit risk from customers. In order to reduce its credit risk, the Association reviews a new customer's credit history before extending credit and conducts regular reviews of its existing customers' credit performance. An allowance for doubtful accounts is established based upon factors surrounding the credit risk of specific accounts, historical trends and other information. The allowance for doubtful accounts at May 31, 2015 is \$nil (2014 - \$1,076). The Association has a significant number of customers which minimizes concentration of credit risk.

Liquidity Risk

Liquidity risk is the risk that the Association will not be able to meet its obligations as they come due. The Association minimizes its liquidity risk by preparing budgets and monitoring cash flow requirements.

Manitoba Badminton Association Inc. O/A Badminton Manitoba

Notes to Financial Statements

Year Ended May 31, 2015

4. EQUIPMENT

	2015		2014	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Computer equipment	\$ 12,013	\$ 11,899	\$ 12,013	\$ 11,849
Net book value	\$114		\$164	

5. DEFERRED CONTRIBUTIONS

Deferred revenue consists of specific funds received prior to May 31, 2015 that are designated to fund operations and programs in the subsequent year(s).

	2015	2014
Sport Manitoba –Canada Winter Games	\$ -	\$ 13,815
Aboriginal Coach Apprentice	-	160
Sport Manitoba – High Performance Coaching Grant	-	7,500
Camp registrations and memberships	14,555	18,800
Urban Green Team Grant	20,876	6,294
Sport Manitoba-Western Canada Summer Games	450	2,844
	\$ 35,881	\$ 49,413

6. ECONOMIC DEPENDENCE

The Association's ability to continue as a viable operation relies on the continued funding and support from Sport Manitoba. The grants from Sport Manitoba represent 40% (2014 - 40%) of the total revenue.

MANITOBA BADMINTON ASSOCIATION INC. O/A BADMINTON MANITOBA

Schedule 1

Schedule of Grants Year Ended May 31, 2015

	2015		2014
Sport Manitoba (<i>Schedule 2</i>)	\$ 139,278	\$	148,725
Canada Summer Jobs	3,689		4,826
Manitoba Aboriginal Sport and Recreation Council	10,000		-
Manitoba Lotteries	30,600		33,300
Province of Manitoba - Sport Secretariat	10,000		-
Province of Manitoba - Urban Green	9,413		9,241
Sport Medicine Council of Manitoba	700		1,300
	<u>\$ 203,680</u>	\$	<u>197,392</u>

MANITOBA BADMINTON ASSOCIATION INC. O/A BADMINTON MANITOBA

Schedule 2

Schedule of Sport Manitoba Grants Year Ended May 31, 2015

	2015		2014
Athlete assistance	\$ 500	\$	-
Base funding	64,167		65,000
Bilateral funding	6,451		21,104
Canada Winter Games	15,881		11,000
Coaching	4,932		3,751
Developing physical literacy	8,000		8,000
Developing talent	10,500		8,800
Enrichment	9,600		-
High performance coaching	15,000		15,000
Hosting	2,000		3,000
Manitoba Winter Games	-		10,820
Special initiative	2,000		2,250
Western Canada Summer Games	247		-
	<u>\$ 139,278</u>	\$	<u>148,725</u>

MANITOBA BADMINTON ASSOCIATION INC. O/A BADMINTON MANITOBA

Schedule 3

Schedule of Fees

Year Ended May 31, 2015

	2015	2014
Access program	\$ 35,519	\$ 15,909
Canada Winter Games	8,595	8,035
Coachers' clinics	2,710	1,660
Clinics - officials	-	100
Clinics - school and clubs	1,725	2,026
Development winter programs	21,180	18,570
High performance program	9,750	6,170
Identified player program	18,735	20,485
Manitoba Winter Games	-	9,752
Membership	16,490	16,180
Summer camps	27,580	20,055
Tournaments	87,755	42,020
Western Canadian Summer Games	1,370	-
Western Canadian team champion	3,300	4,060
	<u>\$ 234,709</u>	<u>\$ 165,022</u>

MANITOBA BADMINTON ASSOCIATION INC. O/A BADMINTON MANITOBA

Schedule 4

Schedule of Other Income

Year Ended May 31, 2015

	2015	2014
Athlete contribution	\$ -	\$ 4,303
Awards banquet	3,475	4,265
Fundraising (net)	682	1,417
Interest income	275	331
Merchandise sales	2,855	469
Other	9,612	5
Sponsorship	4,578	1,445
	<u>\$ 21,477</u>	<u>\$ 12,235</u>

MANITOBA BADMINTON ASSOCIATION INC. O/A BADMINTON MANITOBA

Schedule 5

Schedule of Programming Expenses

Year Ended May 31, 2015

	2015	2014
Developing Talent (<i>Schedule 6</i>)	\$ 201,707	\$ 152,001
Developing Physical Literacy (<i>Schedule 7</i>)	122,904	98,479
Athlete assistance	500	-
Awards banquet	4,423	3,936
Coaches' development	8,141	6,256
Equipment purchased	608	1,368
Marketing and promotions	3,152	2,178
Officials development	2,038	4,004
Schools and club clinics	873	2,226
Women in Sport	58	-
	<u>\$ 344,404</u>	<u>\$ 270,448</u>

MANITOBA BADMINTON ASSOCIATION INC. O/A BADMINTON MANITOBA

Schedule 6

Schedule of Developing Talent

Year Ended May 31, 2015

	2015	2014
Canada winter games	\$ 45,179	\$ 25,325
High performance	15,170	13,597
Identified player	12,672	13,160
Manitoba winter games	185	18,258
Provincial coach salary	48,336	42,590
Travel grant - athletes	1,270	370
Tournaments		
Banquet	8242	-
Facilities	9,163	2,249
Officials	17,389	3,178
Operating costs	13,271	-
Promotion and marketing	1,687	-
Entry fees	12,800	13,998
Awards & prizes	244	8,337
Travel	7,637	5,216
Souvenirs	766	-
Other	7,696	5,723
	<u>\$ 201,707</u>	<u>\$ 152,001</u>

MANITOBA BADMINTON ASSOCIATION INC. O/A BADMINTON MANITOBA

Schedule 7

Schedule of Developing Physical Literacy

Year Ended May 31, 2015

	2015	2014
Active for life	\$ 35,289	\$ 18,720
Bi-lateral	19,325	21,155
Developmental winter	12,734	14,888
Summer camps	14,004	10,679
Summer camps - staffing	22,910	21,441
	<u>104,262</u>	<u>86,883</u>
Tournaments-Active for Life		
Facilities	-	595
Officials	305	272
Entry fees	2,333	685
Awards & prizes	-	817
Other	1,073	539
	<u>3,711</u>	<u>2,908</u>
Tournaments-Developing Physical Literacy		
Facilities	1,527	795
Officials	3,056	1,376
Awards & prizes	5,412	3,450
Other	4,936	3,067
	<u>14,931</u>	<u>8,688</u>
	<u>\$ 122,904</u>	<u>\$ 98,479</u>

MANITOBA BADMINTON ASSOCIATION INC. O/A BADMINTON MANITOBA

Schedule 8

Schedule of General and Administration Expenses

Year Ended May 31, 2015

	2015	2014
Office Administration		
Supplies	\$ 1,247	\$ 165
Postage and courier	347	251
Printing/photocopying	265	758
Telephone/fax/internet	2,218	2,459
Website	780	150
Staffing		
Executive Director - salary and benefits	50,602	50,617
Support Staff - salary and benefits	9,135	7,974
Casual staffing	199	-
Parking/payroll fees	2,511	2,538
General		
Amortization	49	70
Awards and prizes	2,070	-
Bad debts	-	987
Cash over/short	50	-
Bank charges and interest	569	571
Equipment	1,547	483
Fees/chargebacks - paypal	2,871	3,027
Insurance	2,305	2,201
Meetings	1,390	3,370
Membership/affiliation	6,650	6,639
Merchandise purchases	531	-
Professional fees	15,602	5,497
Storage	490	461
	<u>\$ 101,428</u>	<u>\$ 88,218</u>