

MANITOBA BADMINTON ASSOCIATION INC. O/A BADMINTON MANITOBA

Financial Statements

May 31, 2021

September 28, 2021

INDEPENDENT AUDITOR'S REPORT

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

Opinion

I have audited the financial statements of Manitoba Badminton Association Inc. O/A Badminton Manitoba (the Organization), which comprise the statement of financial position as at May 31, 2021 and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at May 31, 2021, 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.

Emphasis of Matter

Without modifying my conclusion, I draw attention to Note 9 to the financial statements, which describes the situation in the context of the COVID-19 global pandemic declared by the World Health Organization.

Basis for Opinion

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Organization in accordance with the ethical requirements that are relevant to my audit of the financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with those requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 Organization's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization's financial reporting process.

(continues)

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

Auditor's Responsibilities for the Audit of the Financial Statements

My 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 my 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, I exercise professional judgment and maintain professional skepticism throughout the audit. I 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 my 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 Organization'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 Organization's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Organization 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.

I 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 I identify during my audit.



Chartered Professional Accountant
Suite 306 – 1 Wesley Avenue
Winnipeg MB R3C 4C6

MANITOBA BADMINTON ASSOCIATION INC. O/A BADMINTON MANITOBA**Statement of Financial Position****May 31, 2021**

	2021	2020
ASSETS		
CURRENT		
Cash	\$ 290,547	\$ 183,917
Accounts receivable (Note 4)	23,766	4,095
Prepaid expenses	10,553	9,512
Inventory	3,496	2,695
	328,362	200,219
	\$ 328,362	\$ 200,219
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities (Note 5)	\$ 8,944	\$ 12,857
CEBA loan (Note 6)	40,000	40,000
DEFERRED REVENUE (Note 7)	14,206	9,899
	63,150	62,756
NET ASSETS	265,212	137,463
	\$ 328,362	\$ 200,219

Executive Director

Director

MANITOBA BADMINTON ASSOCIATION INC. O/A BADMINTON MANITOBA

Page 1 of 2

Statement of Operations

Year Ended May 31, 2021

	2021	2020
REVENUE		
Fees		
Tournament/Registrations	\$ 20,933	\$ 119,009
Memberships		
Clubs	697	3,812
Individual - National	180	3,124
Individual - Provincial	140	5,276
Individual - Regional	109	3,084
	<u>1,126</u>	<u>15,296</u>
	<u>22,059</u>	<u>134,305</u>
Grants		
Badminton Canada	-	13,250
Canada Summer Jobs	14,419	9,042
Province of Manitoba - Urban Green	7,800	9,940
Other	4,875	24,141
Sport Manitoba grants		
Sport program funding	37,800	35,300
Base funding	65,000	59,834
Bilateral funding	7,000	18,082
Canada Winter Games	2,400	2,400
Coaching	1,970	1,900
Sport Initiation	11,000	11,000
Performance Pathway	12,000	12,000
Manitoba Winter Games	5,000	-
High Performance Coaching	15,000	15,000
Women in Sport	1,000	-
Regional Sport Development	-	2,085
	<u>158,170</u>	<u>157,601</u>
	<u>185,264</u>	<u>213,974</u>
Other		
Covid income - Province of Manitoba Bridge Grant	20,000	-
Covid income - CEWS	104,449	-
Covid income - FESF Community	12,500	-
Covid income - FESF	3,965	-
Covid income - CERS	478	-
Sponsorship	-	3,500
Sales	139	-
Interest	965	927
Miscellaneous	-	2,430
	<u>142,496</u>	<u>6,857</u>
	<u>349,819</u>	<u>355,136</u>

Statement of Operations

Year Ended May 31, 2021

	2021	2020
REVENUE FROM PREVIOUS PAGE	\$ 349,819	\$ 355,136
EXPENSES		
Grants/Assistance		
Women in Sport	1,000	-
Athlete grants	-	225
Other grants/Assistance	-	400
	1,000	625
Travel		
Ground	523	7,184
Air	-	1,137
Parking	2,044	3,706
Accommodations	-	5,791
Food and beverage	-	780
	2,567	18,598
Communication		
Telephone	1,622	1,557
Internet and website	1,611	1,708
Postage and courier	47	186
Advertising and promotion	1,367	3,739
	4,647	7,190
Supplies and services		
Printing/stationery	477	1,753
Office	95	247
Maintenance and repairs	93	-
Facility rentals	17,428	38,644
Equipment rentals	-	428
Professional services - accounting	5,821	7,627
Professional services - legal and other	639	199
Professional services - coaches	600	14,192
Professional services - PEP	8,250	7,169
Member supplies	11	-
Other	-	1,745
	33,414	72,004
Service charges		
Bad debts	-	17
Interest and bank charges	1,476	963
Processing fees	225	3,253
	1,701	4,233
Other operating		
Covid expense - CEWS	3,285	-
Covid expense - FESF Community	9,500	-
Computer hardware	1,000	456
Computer software	747	530
Other equipment	780	2,934
Food and beverage - events	349	9,776
Food and beverage - meeting and other	1,684	3,572
Insurance	3,662	2,848
Membership/affiliation fees	123	6,084
Honoraria - Officials	-	7,768
Honoraria - Coaching	-	1,780
Honoraria - Volunteers	-	150
Tournament host payout	-	46,750
Training and professional development	920	735
Uniform and clothing	(20)	2,324
Prizes	(808)	3,644
Souvenirs	-	70
Miscellaneous	447	3,517
	21,669	92,938
Salaries and benefits		
Administration - Executive Director	59,682	56,144
Administration - Casual	6,635	13,524
Coaching - Provincial	48,020	48,307
Coaching - Temporary	25,469	22,708
Coaching - Casual	462	-
Employee benefits (CPP/EI)	16,804	19,266
	157,072	159,949
	222,070	355,537
(DEFICIENCY) EXCESS OF REVENUE OVER EXPENSES	\$ 127,749	\$ (401)

MANITOBA BADMINTON ASSOCIATION INC. O/A BADMINTON MANITOBA

Statement of Net Assets

Year Ended May 31, 2021

	2021	2020
NET ASSETS		
BEGINNING OF YEAR	\$ 137,463	\$ 137,864
(DEFICIENCY) EXCESS OF REVENUE OVER EXPENSES	127,749	(401)
NET ASSETS - END OF YEAR	\$ 265,212	\$ 137,463

MANITOBA BADMINTON ASSOCIATION INC. O/A BADMINTON MANITOBA**Statement of Cash Flows****Year Ended May 31, 2021**

	2021	2020
CASH PROVIDED BY (USED FOR) THE FOLLOWING ACTIVITIES:		
OPERATING ACTIVITIES		
Excess (deficiency) of revenue over expenses	\$ 127,749	\$ (401)
Changes in working capital accounts		
Accounts receivable	(19,671)	43,078
Inventory	(801)	(747)
Prepaid expenses	(1,041)	(1,417)
Accounts payable and accrued liabilities	(3,913)	(18,315)
Deferred revenue	4,307	(7,583)
Cash flow from operating activities	106,630	14,615
FINANCING ACTIVITIES		
Proceeds from long-term debt	-	40,000
INCREASE IN CASH	106,630	54,615
CASH - BEGINNING OF YEAR	183,917	129,302
CASH - END OF YEAR	\$ 290,547	\$ 183,917

Manitoba Badminton Association Inc. O/A Badminton Manitoba

Notes to Financial Statements

Year Ended May 31, 2021

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, 2021

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, 2021 is \$nil (2020 - \$nil). 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, 2021

4. ACCOUNTS RECEIVABLE

	2021	2020
Members and other	\$ 22,479	\$ 1,674
GST receivable	-	1,134
Endowment Fund	1,287	1,287
	\$ 23,766	\$ 4,095

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2021	2020
Individual and others	\$ 1,506	\$ 1,160
Government remittances	526	-
GST payable (receivable)	(341)	-
Professional fees	6,796	5,670
Sport Manitoba	457	5,963
Visa payable	-	64
	\$ 8,944	\$ 12,857

6. CEBA LOAN

Loan bears interest at 0% until December 31, 2022. However, during the year, the Association determined that the Organization did not qualify for the loan. The Association will repay the loan in the subsequent year.

7. DEFERRED REVENUE

Deferred revenue consists of specific funds received prior to May 31, 2021 that are designated to fund operations and programs in the subsequent year.

Manitoba Badminton Association Inc. O/A Badminton Manitoba

Notes to Financial Statements

Year Ended May 31, 2021

8. 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 45% (2020 - 44%) of the total revenue.

9. COVID-19 PANDEMIC

In March 2020, the World Health Organization declared a global pandemic due to the novel coronavirus (COVID-19). The situation is constantly evolving, and the measures put in place having multiple impacts on local, provincial and national organizations.

In accordance with directions of the regional health authorities, the Organization suspended operations on March 18, 2020 and staff working mostly remotely. Tournaments and coaching clinics were cancelled. Summer camp went ahead but with drastically low enrolment. Club play is not possible due to provincial restrictions surrounding community use of school gyms. In addition, Developmental Winter Program is on hold indefinitely and 2020-2021 tournaments were on hold.

The overall effect of this event on the Organization and its operations is too uncertain to be estimated at this time. Any economic impacts will be accounted for when they are known and may be assessed.
