

**MASTER BOWLERS ASSOCIATION OF
SASKATCHEWAN INC.**

Auditors' Report

Financial Statements - May 31, 2011

INDEPENDENT AUDITOR'S REPORT

To the Directors of the **Master Bowlers Association of Saskatchewan Inc.**

Report on the Financial Statements

We have audited the accompanying financial statements of **Master Bowlers Association of Saskatchewan Inc.**, which comprise the balance sheet as at May 31, 2011 and the statements of income and members' equity and changes in financial position for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, 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.

Auditor's 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.

The audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of 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 consolidated 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.

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Association as at **May 31, 2011**, and the results of its results of operations and changes in financial position of the Association for the year then ended, in accordance with Canadian public sector accounting standards.

Saskatoon, Saskatchewan
August 12, 2011

Chartered Accountants

MASTER BOWLERS ASSOCIATION OF SASKATCHEWAN INC.

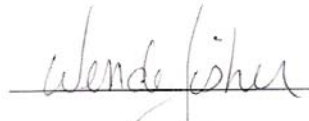
Balance Sheet

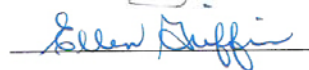
May 31, 2011
with comparative figures for 2010

	<u>2011</u>	<u>2010</u>
<u>Assets</u>		
Current assets:		
Cash in bank - operating	\$ 18,025	23,564
Cash in bank - savings	38,946	38,658
Accounts receivable	4,445	4,328
Inventory	7,313	8,190
Prepaid Expenses	<u>27,040</u>	<u>29,551</u>
	<u>\$ 95,769</u>	<u>104,291</u>
<u>Liabilities and Members' Equity</u>		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 2,491	3,725
Deferred income	<u>68,210</u>	<u>72,305</u>
	70,701	76,030
Members' Equity, per accompanying statement	<u>25,068</u>	<u>28,261</u>
	<u>\$ 95,769</u>	<u>\$ 104,291</u>

See accompanying notes to financial statements.

ON BEHALF OF THE BOARD:

 Director

 Director

MASTER BOWLERS ASSOCIATION OF SASKATCHEWAN INC.

Statement of Earnings and Members' Equity

May 31, 2011

with comparative figures for 2010

	<u>2011</u>	<u>2010</u>
Revenue:		
Saskatchewan Lotteries Trust Fund (Schedule 1)	\$ 29,343	19,365
Self-Help (Schedule 2)	56,431	55,420
Other Revenue (Schedule 3)	<u>2,246</u>	<u>53,832</u>
	<u>88,020</u>	<u>128,617</u>
Expenses:		
Administration (Schedule 4)	11,673	9,034
Participation Grants (Schedule 6)	15,968	18,435
Excellence (SK First) (Schedule 7)	56,525	23,569
Nationals (2010)	-	58,415
Categorical Grants - MAP (Schedule 8)	-	2,919
Other Expenses (Schedule 9)	<u>7,047</u>	<u>6,088</u>
	<u>91,213</u>	<u>118,460</u>
Earnings (loss)	(3,193)	10,157
Members' equity, beginning of year	<u>28,261</u>	<u>18,104</u>
Members' equity, end of year	<u>\$ 25,068</u>	<u>28,261</u>

See accompanying notes to financial statements.

MASTER BOWLERS ASSOCIATION OF SASKATCHEWAN INC.

Statement of Changes in Financial Position

Year ended May 31, 2011
with comparative figures for 2010

	<u>2011</u>	<u>2010</u>
Operating activities:		
Earnings (loss)	(3,193)	10,157
Changes in non-cash working capital balances related to operations:		
Accounts receivable	(117)	(3,827)
Inventory	877	414
Prepaid expenses	2,511	(29,551)
Accounts payable and accrued liabilities	(1,234)	1,042
Deferred income	<u>(4,095)</u>	<u>(17,194)</u>
	<u>(5,251)</u>	<u>(38,959)</u>
Net change in cash during year	(5,251)	(38,959)
Cash, beginning of year	<u>62,222</u>	<u>101,181</u>
Cash, end of year	<u>\$ 56,971</u>	<u>62,222</u>

Cash is comprised of cash in bank less outstanding cheques.

See accompanying notes to financial statements.

MASTER BOWLERS ASSOCIATION OF SASKATCHEWAN INC.

Notes to Financial Statements

May 31, 2011

1. Purpose

The purpose of the Master Bowlers Association of Saskatchewan Inc. is to promote the sport of 5-pin bowling and to encourage both youth and adult participation in the sport through coaching development, bowling clinics, provincial tournaments and national competition.

2. Significant Accounting Policies

Capital assets and amortization

Capital assets are recorded as an expense in the period in which they are purchased. No provision for amortization is taken.

Deferred revenue

The financial statements of the Master Bowlers Association of Saskatchewan have been prepared on the accrual basis. The Association receives funds which relate to services to be provided during the following year. Accordingly, these funds are not recorded as revenues in the current period and are deferred until the following year when the services are provided.

Financial instruments

Fair Value

The carrying amount of current financial assets and current financial liabilities approximate their fair value because of the short-term maturities of these items.

Inventory

Inventory is carried at the lesser of cost and net realizable value.

MASTER BOWLERS ASSOCIATION OF SASKATCHEWAN INC.

Schedules of Revenues

Year ended May 31, 2011
with comparative figures for 2010

	<u>2011</u>	<u>2010</u>
Schedule 1 - Saskatchewan Lotteries Trust Fund		
MAP	\$ -	1,500
Participation Coaching Development	9,847	7,500
Participation All Competition	3,600	3,500
Excellence (Sk First) Competition	10,996	1,000
Excellence (Sk First) Athlete Assistance	-	965
Excellence (Sk First) Talent ID	1,700	1,700
Excellence (Sk First) Training	<u>3,200</u>	<u>3,200</u>
	<u>\$ 29,343</u>	<u>19,365</u>
 Schedule 2 - Self-Help		
Fundraising	\$ 8,305	3,330
Playdown/Tourney Fees	42,880	43,712
Membership Fees	3,686	5,039
Charitable Donations	900	900
Sales (Net)	420	2,438
Interest	240	-
Other	<u>-</u>	<u>-</u>
	<u>\$ 56,431</u>	<u>55,419</u>
 Schedule 3 - Other		
2010 National Income	<u>\$ 2,246</u>	<u>53,832</u>

See accompanying notes to financial statements.

MASTER BOWLERS ASSOCIATION OF SASKATCHEWAN INC.

Schedules of Expenses

Year ended May 31, 2011
with comparative figures for 2010

	<u>2011</u>	<u>2010</u>
Schedule 4 - Administration Expenses		
Office Operations	\$ 6,210	3,172
Audit	3,475	3,465
Board and Committee Meetings	1,601	1,353
National Meetings	<u>387</u>	<u>1,044</u>
	<u>\$ 11,673</u>	<u>9,034</u>
 Schedule 5 - Capacity/Interaction		
 Schedule 6 - Participation		
Coaching Development	\$ 9,888	9,921
Competition	<u>6,080</u>	<u>8,514</u>
	<u>\$ 15,968</u>	<u>18,435</u>
 Schedule 7 - Excellence		
Talent ID	\$ 1,766	1,755
Training	3,423	3,994
Competition	51,336	16,855
Athlete Assistancess	<u>-</u>	<u>965</u>
	<u>\$ 56,525</u>	<u>23,569</u>
 Schedule 8 - MAP Expenses		
MBAS/YBC Tournament	<u>\$ -</u>	<u>2,919</u>
 Schedule 9 - Other Expenses		
National Dues/Affiliation	\$ 2,700	1,598
Federation Membership	2,881	2,691
Merchandise - Shirts	1,466	1,601
Others	<u>-</u>	<u>198</u>
	<u>\$ 7,047</u>	<u>6,088</u>