



Financial Statements

Golf Canada Foundation

October 31, 2017

# Contents

	Page
Independent Auditor's Report	1 - 2
Statement of Financial Position	3
Statement of Changes in Fund Balances	4
Statement of Revenue and Expenses	5
Statement of Cash Flows	6
Notes to Financial Statements	7 - 10

# Independent Auditor's Report

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To the Members of Golf Canada Foundation

We have audited the accompanying financial statements of Golf Canada Foundation, which comprises the statement of financial position as at October 31, 2017 and the statements of changes in fund balances, revenue and expenses, 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 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.

## **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 our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider 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.

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

**Opinion**

In our opinion, the financial statements present fairly, in all material respects, the financial position of Golf Canada Foundation as at October 31, 2017 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.

Mississauga, Canada  
January 11, 2018

*Grant Thornton LLP*

Chartered Professional Accountants  
Licensed Public Accountants

# Golf Canada Foundation

## Statement of Financial Position

As at October 31

<b>Assets</b>	<b>2017</b>		<b>2016</b>	
<b>Current</b>				
Cash	\$	629,658	\$	206,884
Receivables		624,429		748,806
		<b>1,254,087</b>		<b>955,690</b>
Investments (Note 4)		1,432,016		1,639,183
	\$	<b>2,686,103</b>	\$	<b>2,594,873</b>
<b>Liabilities</b>				
<b>Current</b>				
Payables and Accruals	\$	131,960	\$	302,337
Payable to Golf Canada		1,159,730		1,011,689
Deferred Scholarship Contributions (Note 5)		75,000		24,500
		<b>1,366,690</b>		<b>1,338,526</b>
Deferred Scholarship Contributions (Note 5)		59,711		122,029
		<b>1,426,401</b>		<b>1,460,555</b>
<b>Fund Balances</b>				
Operating Fund (Note 6)		644,117		539,406
Endowment Fund (Note 7)		615,585		594,912
		<b>1,259,702</b>		<b>1,134,318</b>
	\$	<b>2,686,103</b>	\$	<b>2,594,873</b>

Approved by the Board

\_\_\_\_\_  
President

\_\_\_\_\_  
Secretary

See accompanying notes to the financial statements.

# Golf Canada Foundation

## Statement of Changes in Fund Balances

Year ended October 31

	Operating Fund (Note 6)	Endowment Fund (Note 7)	2017 Total	2016 Total
Balance, beginning of year	\$ 539,406	\$ 594,912	\$ 1,134,318	\$ 1,204,716
Excess (Deficiency) of Revenues over Expenses	104,711	20,673	125,384	(70,398)
<b>Balance, end of year</b>	<b>\$ 644,117</b>	<b>\$ 615,585</b>	<b>\$ 1,259,702</b>	<b>\$ 1,134,318</b>

See accompanying notes to the financial statements.

# Golf Canada Foundation

## Statement of Revenue and Expenses

Year ended October 31

Revenues	2017 Revenue	2017 Expenses	2017 Net	2016 Revenue	2016 Expenses	2016 Net
<b>Operating Fund (Note 6)</b>						
Scholarships and Grant Contributions	\$ 85,270	\$ -	\$ 85,270	\$ 114,256	\$ -	\$ 114,256
Donations	629,184	2,746	626,438	614,084	6,091	607,993
Fundraising Events	847,088	304,530	542,558	640,190	269,301	370,889
Investment Income (Note 4)	66,110	-	66,110	93,354	-	93,354
<b>Endowment Fund (Note 7)</b>						
Investment Income (Note 4)	41,773	-	41,773	57,253	-	57,253
	<b>1,669,425</b>	<b>307,276</b>	<b>1,362,149</b>	<b>1,519,137</b>	<b>275,392</b>	<b>1,243,745</b>
<b>Expenses</b>						
<b>Operating Fund (Note 6)</b>						
Grants (Note 1)	-	796,980	(796,980)	-	911,033	(911,033)
Scholarships (Note 1)	-	47,500	(47,500)	-	31,507	(31,507)
Fundraising and Promotion	-	34,390	(34,390)	-	24,291	(24,291)
Office and Administration	-	303,945	(303,945)	-	281,010	(281,010)
Professional Fees	-	32,850	(32,850)	-	38,079	(38,079)
<b>Endowment Fund (Note 7)</b>						
Scholarships (Note 1)	-	13,500	(13,500)	-	21,000	(21,000)
Administrative Fees	-	7,600	(7,600)	-	7,223	(7,223)
	-	<b>1,236,765</b>	<b>(1,236,765)</b>	-	<b>1,314,143</b>	<b>(1,314,143)</b>
<b>Excess (Deficiency) of Expenses over Revenues</b>	<b>\$ 1,669,425</b>	<b>\$ 1,544,041</b>	<b>\$ 125,384</b>	<b>\$ 1,519,137</b>	<b>\$ 1,589,535</b>	<b>\$ (70,398)</b>
<b>Total Operating Fund</b>	<b>\$ 1,627,652</b>	<b>\$ 1,522,941</b>	<b>\$ 104,711</b>	<b>\$ 1,461,884</b>	<b>\$ 1,561,311</b>	<b>\$ (99,428)</b>
<b>Total Endowment Fund</b>	<b>41,773</b>	<b>21,100</b>	<b>20,673</b>	<b>57,253</b>	<b>28,223</b>	<b>29,030</b>
<b>Excess (Deficiency) of Expenses over Revenues</b>	<b>\$ 1,669,425</b>	<b>\$ 1,544,041</b>	<b>\$ 125,384</b>	<b>\$ 1,519,137</b>	<b>\$ 1,589,535</b>	<b>\$ (70,398)</b>

See accompanying notes to the financial statements.

# Golf Canada Foundation

## Statement of Cash Flows

Year ended October 31

	2017	2016
<b>Operating Activities</b>		
Excess (Deficiency) of Expenses over Revenues	\$ 125,384	\$ (70,398)
Payments of Scholarships and Grants from Deferred Scholarship Contributions	(75,090)	(103,361)
Increase in Fair Value of Investments	(3,521)	(56,803)
	<b>46,773</b>	<b>(230,562)</b>
Changes in Non-cash Working Capital		
Receivables	124,377	(401,723)
Payables and Accruals	(170,377)	108,106
Payable to Golf Canada	148,043	305,174
	<b>148,816</b>	<b>(219,005)</b>
<b>Financing Activity</b>		
Increase in Deferred Scholarship Contributions (Net)	63,272	79,930
<b>Investing Activity</b>		
Decrease (Increase) in Investments (Net)	210,686	(93,804)
Net Increase (Decrease) in Cash for the Year	422,774	(232,879)
Cash, Beginning of Year	206,884	439,763
Cash, End of Year	\$ 629,658	\$ 206,884

See accompanying notes to the financial statements.



# Golf Canada Foundation

## Notes to Financial Statements

October 31, 2017

### 1. Nature of Operations

The Golf Canada Foundation is a Registered Canadian Amateur Athletic Association and is exempt from income tax in Canada under the Income Tax Act (Canada).

Each member of the Board of Directors of Golf Canada is a member of the Golf Canada Foundation. As a result, the Foundation is effectively controlled by Golf Canada. Golf Canada is the National Sport Organization and governing body of golf in Canada.

The Foundation's mission is to provide golfers and industry partners with a charitable platform to increase participation in golf by engaging players of all ages and abilities across Canada. While collegiate golf has historically been the main focus of the Foundation, the organization's recently expanded activities have broadened the Foundation's focus to include several other programs to benefit golf in Canada. During the year, the Foundation paid a total of \$857,980 (2016 - \$963,540) in grants and scholarships to advance the sport of golf in Canada. The Foundation's impact on various aspects of the sport of golf is summarized below:

	2017	2016
High Performance:		
Young Pro Program	\$ 300,000	\$ 310,000
Team Canada	230,000	200,000
	<u>530,000</u>	<u>510,000</u>
Junior Golf (includes provincial initiatives)	142,380	252,662
World Junior Girls Championship	50,000	75,000
Collegiate	50,000	49,994
Scholarships	61,000	52,507
Coaching, Rules, and Clinics	24,600	23,377
	<u>\$ 857,980</u>	<u>\$ 963,540</u>

### 2. Summary of Significant Accounting Policies

#### (a) Basis of presentation

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. Accounting standards for not-for-profit organizations (ASNPO) require entities to select policies appropriate for their circumstances from choices provided in the specific standards in Part III of the CPA Canada Handbook.

#### (b) Fund accounting

The accounts of the Foundation are maintained in accordance with the principles of fund accounting. Under fund accounting, resources are allocated to funds according to their nature and purpose. The Foundation uses the following funds:

#### Operating Fund

The Operating Fund includes revenue and expenses related to scholarships, grants and administrative activities, including restricted contributions available for use, but expendable only for purposes specified by the donor or grantor, that are not included in any other fund.

# Golf Canada Foundation

## Notes to Financial Statements

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October 31, 2017

### 2. Summary of significant accounting policies (continued)

#### **Endowment Fund**

The Endowment Fund includes income and disbursements made in the form of scholarship funds that have been designated by the donors – the Connor/Spafford Scholarship and the Marlene Stewart Streit Golf Scholarship.

Investment income earned on the endowment funds are allocated to the specific fund, net of administration fees.

#### **(c) Use of estimates**

The preparation of these financial statements in conformity with ASNPO requires management to make estimates and assumptions that affect the reported amounts 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. Actual results could differ from those estimates.

#### **(d) Financial instruments**

The Foundation initially measures its financial assets and liabilities at fair value. Subsequently, the Foundation measures all its financial instruments at fair value or amortized cost with subsequent changes in fair value recognized in the statement of revenues and expenses.

Fair values are based on quoted market prices where available from active markets, otherwise fair values are estimated using a variety of valuation techniques and models. Financial assets and liabilities measured at amortized cost include cash, receivables, payables and accruals, amounts payable to Golf Canada and deferred scholarship contributions. The Foundation measures investments at fair value.

#### **(e) Revenue recognition**

Contributions are recorded in the appropriate fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Funds contributed for specific purposes that are part of the Operating Fund are recorded as deferred scholarship contributions on the statement of financial position until expended on scholarships or grants in future periods. Contributions are then recorded as revenue and an expense when the related scholarship or grant is paid. Investment income is recognized when earned. Donated materials or services by way of gifts-in-kind are recognized as revenue when the fair value can be reasonably estimated.

The Foundation may record administration fees on certain endowment and designated deferred scholarship contributions based on the nature of the deferred funds and agreement set forth with the donor. Administration fees are recorded as revenue in the operating fund as a general donation.

#### **(f) Expense recognition**

Expenses are recorded when incurred. Scholarships and grants are recorded upon approval.

### 3. Financial Instruments

#### **Credit risk**

The Foundation is subject to credit risk through receivables. Credit risk is minimized by dealing primarily with organizations and donors with strong financial positions.

#### **Market risk**

The Foundation is exposed to market fluctuations through its investments quoted in active markets. Market risk is the risk that the fair value of a financial instrument will fluctuate because of changes in those market prices, whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the markets.

# Golf Canada Foundation

## Notes to Financial Statements

October 31, 2017

### 4. Investments

The Foundation's investment portfolio consists of a mix of active and passive investments consisting of pooled global and North American income and equity funds as well as shares of mortgage investment corporations. The portfolio is governed by an Investment Committee and management obtain input on a regular basis from the Association's professional advisors in making decisions relating to the portfolio. Investment income recognized in the Statement of Revenues and Expenses include the following:

	2017	2016
Distributions	\$ 104,362	\$ 93,804
Increase in Market Value of Investments	3,521	56,803
	<b>\$ 107,883</b>	<b>\$ 150,607</b>

### 5. Deferred Scholarship Contributions

Deferred scholarship contributions are the unspent portion of contributions designated for scholarships and grants to be paid in future periods. A continuity of the unexpended funds is as follows:

Balance, beginning of year	\$ 146,529
Contributions (net) during the year	63,272
Scholarships and grants paid during the year	(75,090)
<b>Balance, end of year</b>	<b>\$ 134,711</b>

The Foundation plans to distribute \$75,000 in grants and scholarships from deferred contributions in fiscal 2018.

### 6. Operating Fund

#### a) Programs

The Foundation's expanded strategic mandate promotes a number of specific programs in Canadian golf. The balance of funds raised, net of grants and scholarships paid within the specific pillars is included within the operating fund. From time to time the Board may approve the transfer of funds from General Operations to one of the specific programs.

Unexpended funds with respect to each of the specific programs are as follows:

	General Operations	Junior Golf	Women's Golf	High Performance	Golf Heritage	Collegiate Golf	Total
Balance, beginning of year	\$ 219,332	\$ -	\$ 319,619	\$ -	\$ 455	\$ -	\$ 539,406
Transfers from General Operations	(316,650)			283,000	-	33,650	-
Transfers between Programs	(70,485)	70,485	(25,000)	25,000	-	-	-
Revenues	1,316,032	71,895	300	222,000	1,075	16,350	1,627,652
Expenses	(725,961)	(142,380)	(74,600)	(530,000)	-	(50,000)	(1,522,941)
<b>Balance, end of year</b>	<b>\$ 422,268</b>	<b>\$ -</b>	<b>\$ 220,319</b>	<b>\$ -</b>	<b>\$ 1,530</b>	<b>\$ -</b>	<b>\$ 644,117</b>

# Golf Canada Foundation

## Notes to Financial Statements

October 31, 2017

### 6. Operating Fund (continued)

#### b) Fundraising Events

Fundraising event revenues and expenses included in the Statement of Revenues and Expenses consist of the amounts recognized from various fundraising and promotional events conducted by the Foundation and are included in General Operations. During 2017, the Foundation conducted the Golf Canada Foundation Monday Pro-Am during at the RBC Canadian Open; the Golf Canada Foundation Trustee Cup; a collaborative event - the Brooke and Friends Charity Pro-Am during the CP Women's Open; the Summer Swing; and the Play Like the Pros event.

### 7. Endowment Fund

The Foundation has the following Endowment Funds. Included in the Statement of Revenues and Expenses are the following transactions with respect to these funds:

	October 31, 2016	Additions / Changes to Funds	Income Earned	Scholarships Paid	October 31, 2017
Marlene Stewart Streit Golf Scholarship	\$ 270,402	\$ (2,700)	\$ 18,989	\$ (6,000)	\$ 280,691
Connor/Spafford Scholarship	324,510	(4,900)	22,784	(7,500)	334,894
	<u>\$ 594,912</u>	<u>\$ (7,600)</u>	<u>\$ 41,773</u>	<u>\$ (13,500)</u>	<u>\$ 615,585</u>

### 8. Related party transactions

The Payable to Golf Canada is settled on a periodic basis. Transactions between the two entities consist of reimbursements to Golf Canada for expenses paid on behalf of the Foundation and for grants paid to support the World Jr. Girls Championship, Golf in Schools, Team Canada and Young Pro Programs. Total grants paid to Golf Canada during the year were \$726,210 (2016 - \$677,000) and have been reflected in Grants on the Statement of Revenues and Expenses.