

Registered Canadian Amateur
Athletic Association Information Return

SALLE DU COURRIER

Identification

Name of association Royal Canadian Golf Association (Golf Canada)	
****AMENDED RETURN FOR 2018 ****	
Address 1-1333 Dorval Drive	
City Oakville	
Province or territory Ontario	Postal code L6M4X7

Return for fiscal period ending							
2	0	1	8	1	0	3	1
Year	Month	Day					
Is this the first return filed by this association?							
Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>						
If "no," has the fiscal period changed from the last return filed?							
Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>						
Is this the final return to be filed by this association?							
Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>						
If "yes," please attach an explanation.							
File number							
BN/Registration number 107928665 RR 0001							

Is the address above the same mailing address as last year?

Yes No

If no, is the address above the new mailing address?

Yes No

Instructions

1. Complete the Identification area.
2. Complete the boxes (above right) to indicate the end of the association's fiscal period.
3. Attach FINANCIAL STATEMENTS for the fiscal period covered by this return. These should include a statement of revenue and expenditures for the fiscal period and a statement of assets and liabilities as of the end of the fiscal period. The statements should indicate the different sources of revenue in sufficient detail to show how funds were spent or invested.
4. Attach a list of the names, addresses, and occupations or lines of business of the association's current directors.
5. Attach a list of the names and the official positions of the people who are authorized to issue official receipts for the association.
6. Attach a note that fully explains what replacement procedure is followed in the event of lost or spoiled receipts.
7. Within six months from the end of the fiscal period of the association, mail or deliver a completed return and all required documents to:

Charities Directorate
Canada Revenue Agency
Ottawa ON K1A 0L5

Form authorized by the Minister of National Revenue.

Information required

1. Have any changes not previously reported been made to the association's governing documents? If yes, please attach a certified copy of the changes. Yes No

2. Have complete books and records been kept (including duplicate copies of receipts) which fully substantiate all financial transactions during the fiscal period? If no, please attach an explanation. Yes No

3. Please indicate the total amount for which the association issued official donation receipts in this fiscal period. \$ 110,588.92

4. Are the receipt forms used to acknowledge payments that are NOT gifts clearly distinguishable from official donation receipts which bear the BN/registration number? If no, please attach an explanation. Yes No

5. Did the association issue official donation receipts showing a date in the previous calendar year for donations that were mailed or otherwise submitted after the end of the calendar year? If yes, please attach an explanation. Yes No

6. Have official donation receipts been issued to acknowledge donations in a form other than cash or cheque – e.g., goods, services rendered, etc.? If yes, please attach a list of these gifts and their value as shown on the official donation receipt. Yes No

7. Has any amount donated to the association been returned to the donor during the year? If yes, please attach an explanation (confidential). Yes No

8 a. During the fiscal period, did the association accept any gifts with the express or implied condition that such gifts were to be used for the benefit of another person, club, society or association? If yes, please attach an explanation (confidential). Yes No

b. Did the association issue an official donation receipt to acknowledge such a gift? Yes No

Certification

To be signed by two directors of the association.

1. I, Garrett Ball
Name of director whose signature appears below.

of

2. I, Laurence Applebaum
Name of director whose signature appears below.

of

Address (confidential)

HEREBY CERTIFY that the information given in this return and in all attachments is, to the best of my knowledge, correct, complete and current. (Note: It is a serious offense under the *Income Tax Act* to provide false or deceptive information.)

1. Signature of director (confidential)	Position with the association Chief Financial Officer	
Home telephone number (confidential)	Business telephone number	Date
2. Signature of director (confidential)	Position with the association Chief Executive Officer	
Home telephone number (confidential)	Business telephone number	Date

RCAA:

Personal information is collected under the authority of the Income Tax Act and is used to establish and validate the identity and contact information of directors, trustees, officers and/or like officials and authorized representatives of the organization. This information will also be used as a basis for the indirect collection of additional personal information from other internal and external sources, which includes social insurance number (SIN), personal tax information, and relevant financial and biographical information, which may be used to assess the overall risk of registration with respect to the obligations of registration as outlined in the Act and the common law. The SIN is collected pursuant to subsection 237 of the Act and is used for identification purposes.

The Canada Revenue Agency (CRA) will make this form and all attachments available to the public upon request and/or on the Charities Directorate website, except for information or data identified as confidential. Personal information may also be disclosed to the organization in question and/or its authorized representatives and other third parties pursuant to the disclosure provisions under Section 241 of the Act. Personal information may also be shared with other government departments and agencies under information-sharing agreements in accordance with the disclosure provisions under Section 241 of the Act. Incomplete or inaccurate information may result in a range of actions including suspension of tax-receiving privileges, up to and including revocation of registered status.

Information is described in Charities Program CRA PPU 200 and is protected under the [Privacy Act](#). Individuals have a right of protection, access to and correction or notation of their personal information. Please be advised that you are entitled to complain to the Privacy Commissioner of Canada regarding our handling of your information.

Notification to directors and like officials: The CRA strongly encourages the association to voluntarily inform directors and like officials that their personal information has been collected and disclosed to the CRA for the submission of its annual information return.

I confirm that I have read the Privacy statement above.



[REDACTED]

RE: #3 – Financial Statements Covered by this Return

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Financial statements

Golf Canada

October 31, 2018

Copy
Copy
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Suite 1, 1333 Dorval Drive,
Oakville, ON, Canada L6M 4X7

905.849.9700
1.800.263.0009

golfcanada.ca

Independent Auditor's Report

To the Members of Golf Canada

We have audited the accompanying financial statements of Golf Canada, which comprise the statement of financial position as at October 31, 2018, and the statements of revenue and expenses, changes in net assets, 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.

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.

An 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 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.

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 Golf Canada as at October 31, 2018, 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.

Other Matter

The financial statements of Golf Canada for the year ended October 31, 2017 were audited by another auditor who expressed an unmodified opinion on those statements on December 8, 2017.

Chartered Professional Accountants, Licensed Public Accountants
Burlington, Ontario

Statement of Financial Position

As at October 31

Assets	2018	2017
Current Assets		
Accounts Receivable and Prepaid Expenses	\$ 6,258,942	\$ 2,803,262
Receivable from the Golf Canada Foundation (Note 12)	1,127,928	1,159,730
	<u>7,386,868</u>	<u>3,962,992</u>
Investments (Note 3)	24,170,063	24,568,303
Capital Assets (Note 4)	1,627,629	1,732,697
Intangible Assets (Note 5)	169,351	231,795
	<u>\$ 33,353,911</u>	<u>\$ 30,495,787</u>
Liabilities		
Current Liabilities		
Bank Indebtedness (Note 6)	\$ 157,167	\$ 910,610
Bank Facilities (Note 6)	1,260,000	500,000
Accounts Payable and Accrued Liabilities	5,206,287	1,656,738
Deferred Revenue	683,376	399,525
	<u>7,306,810</u>	<u>3,466,873</u>
Net Assets		
Operating	26,047,101	27,028,914
	<u>\$ 33,353,911</u>	<u>\$ 30,495,787</u>

Commitments (Note 9)
Contingency (Note 11)

(See accompanying notes to financial statements)

On behalf of the Board:

Robert MacDonald

Director and Audit and Risk Management Committee Chair

Leslie Dunning,
President

Statement of Changes in Net Assets

Year ended October 31

	2018	2017
Balance, beginning of year	\$ 27,028,914	\$ 27,027,010
(Deficiency) / Excess of Revenues over Expenses	(981,813)	1,904
Balance, end of year	\$ 26,047,101	\$ 27,028,914

(See accompanying notes to financial statements)

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Statement of Revenues and Expenses

Year ended October 31

	2018 Revenues	2018 Expenses	2018 Net	2017 Revenues	2017 Expenses	2017 Net
Member Services, Program Revenues and Expenses						
Member Services	\$ 4,526,941	\$ 1,979,262	\$ 2,547,679	\$ 3,901,682	\$ 1,511,569	\$ 2,390,113
Direct Program Revenues and Expenses						
Grass Roots Programs	1,346,153	1,337,831	8,322	1,149,783	1,180,760	(30,977)
High Performance	1,777,410	1,806,891	(29,481)	1,460,525	1,525,460	(64,935)
Amateur Championships	854,378	1,097,741	(243,363)	884,307	1,064,794	(180,487)
Other Programs and Services	348,825	385,120	(36,295)	371,955	430,134	(58,179)
Total Direct Program Revenues and Expenses	4,326,766	4,627,583	(300,817)	3,866,570	4,201,148	(334,578)
Program Support Revenues and Expenses						
Communications and Business Development		1,090,052	(1,090,052)		881,830	(881,830)
Administration and Overhead (Note 8)	67,000	2,562,875	(2,495,875)	67,300	3,192,766	(3,125,466)
Total Program Support Revenues and Expenses	67,000	3,652,927	(3,585,927)	67,300	4,074,596	(4,007,296)
Total Member Services, Program Revenues and Expenses	8,920,707	10,259,772	(1,339,065)	7,835,552	9,787,313	(1,951,761)
Other Operations						
Professional Championships	29,278,667	28,740,671	537,996	27,469,976	27,058,960	411,016
Golf Canada Calgary Centre	1,534,898	1,506,910	27,988	1,548,735	1,384,228	164,507
Total Other Operations Revenues and Expenses	30,813,565	30,247,581	565,984	29,018,711	28,443,188	575,523
Net Operating Results	\$ 39,734,272	\$ 40,507,353	\$ (773,081)	\$ 36,854,263	\$ 38,230,501	\$ (1,376,238)
Investment Income and Amortization						
Total Investment Income (Note 3)	89,461		89,461	1,708,674		1,708,674
Amortization		298,193	(298,193)		330,532	(330,532)
(Deficiency) / Excess of Revenues over Expenses	\$ 39,823,733	\$ 40,805,546	\$ (981,813)	\$ 38,562,937	\$ 38,561,033	\$ 1,904

Sport Canada Funding (Note 7)

Golf Canada Foundation (Note 12)

(See accompanying notes to financial statements)

Statement of Cash Flows

Year ended October 31

<u>Increase / (Decrease) in Cash</u>	2018	2017
Operating activities		
(Deficiency) / Excess of Revenues over Expenses	\$ (981,813)	\$ 1,904
Amortization of Capital Assets	217,963	222,214
Amortization of Intangible Assets	80,230	108,318
Decrease / (Increase) in Fair Value of Investments	525,104	(1,210,601)
	(158,516)	(878,165)
Net Change in Non-cash Working Capital Components Relating to Operations	409,505	813,807
	250,989	(64,358)
Financing activity		
Use / (Repayment) of Bank Facilities	760,000	(470,000)
Investing activities		
(Purchase) / Redemption of Investments (net)	(126,865)	588,714
Purchase of Capital Assets	(112,895)	(88,666)
Purchase of Intangible Assets	(17,786)	(30,317)
	(257,546)	469,731
Increase / (Decrease) in Bank Indebtedness, During the Year	753,443	(64,627)
Bank Indebtedness, Beginning of Year	(910,610)	(845,983)
Bank Indebtedness, End of Year	\$ (157,167)	\$ (910,610)

(See accompanying notes to financial statements)

Notes to Financial Statements

As at October 31, 2018

1. Nature of Operations

The Royal Canadian Golf Association, operating as Golf Canada (the Corporation), is incorporated without share capital under the laws of Canada and is a Registered Canadian Amateur Athletic Association under the Income Tax Act (Canada). Golf Canada is the National Sport Federation and governing body for golf in Canada as designated by the Government of Canada (Sport Canada). The Corporation is exempt from income tax and is a registered charity in accordance with the Income Tax Act (Canada).

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 require entities to select policies appropriate for their circumstances from choices provided in the specific standards in Part III of the CPA Canada Standards and Guidance.

Each member of the Board of Directors of Golf Canada is also a member of the Golf Canada Foundation (the Foundation), a separate Registered Canadian Amateur Athletic Association that is exempt from income tax in Canada under the Income Tax Act (Canada). The Foundation's mandate is to raise and grant funds for the advancement of golf in Canada. The Foundation's results are not consolidated in these financial statements but have been disclosed in Note 12.

(b) Use of estimates

In preparing the financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from these estimates as additional information becomes available in the future.

Estimates and assumptions are used when accounting for items such as write-down of capital and intangible assets, determination of useful lives of capital and intangible assets, and accrued liabilities.

(c) Financial instruments

The Corporation initially measures its financial assets and liabilities at fair value when acquired or issued. Subsequently, all financial instruments are measured at fair value or amortized cost with subsequent changes in fair value recognized in the Statement of Revenues and Expenses.

Transaction costs on acquisition, sale or issue of financial instruments subsequently measured at fair value are expensed as incurred. Financial instruments that will not be subsequently measured at fair value are adjusted by the transaction costs that are directly attributable to their origination, issuance or redemption.

Financial assets and liabilities measured at amortized cost include accounts receivable, receivable from the Golf Canada Foundation, accounts payable and accrued liabilities, deferred revenue, and certain investments that are not traded in active markets. Investments are measured at fair value where quoted prices are available from active markets, otherwise fair values are estimated using a variety of valuation techniques and models. Investment income includes interest, dividends, realized gains/(losses), and net change in unrealized gains/(losses) for the year, less counsel and custodian fees.

Notes to Financial Statements

As at October 31, 2018

2. Summary of Significant Accounting Policies (Continued)

(d) Capital assets and amortization

Rates and bases of amortization applied to write-off the cost less estimated salvage value of capital assets over their estimated useful lives are as follows:

Computer Equipment	50%, declining balance
Leasehold Improvements	Straight line over the term of the lease
Furniture and Equipment	25%, declining balance
Golf Canada Calgary Centre	Straight line over remaining years of the lease options

(e) Intangible assets and amortization

Intangible assets are initially recognized and measured at cost. Intangible assets with finite useful lives are amortized over their useful lives. The amortization methods and estimated useful lives of intangible assets are as follows:

Development	33%, declining balance
Customer Relationship Management System	33%, declining balance

(f) Revenue recognition

Golf Canada follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Grants are recognized in revenue in the period for which the related expenses are incurred. Deferred revenue represents ticket and volunteer registration revenues relating to professional tournaments which have been received but not earned. Deferred revenue also includes cash received from government agencies for specified expenses and activities that will be incurred in the following fiscal year. Membership dues are recognized as revenue as fees become due. All other revenue is recognized upon completion of the particular tournament or event.

(g) Donated services

The work of Golf Canada is dependent on the services of many volunteers at amateur and professional events as well as governance Councils and Committees. Since these services are not normally purchased by Golf Canada and because of the difficulty of determining their fair value, donated services are not recorded in the Statement of Revenues and Expenses.

(h) Impairment of long-lived assets

When long-lived assets no longer have any long-term service potential to the Corporation, the excess of its net carrying amount over any residual value is recognized as an expense in the Statement of Revenue and Expenses.

(i) Foreign currency translation

Foreign currency accounts are translated to Canadian dollars as follows:

- At the transaction date, each asset, liability, revenue or expense is translated to Canadian dollars by the use of the exchange rate in effect at that date.
- At October 31, monetary assets are translated into Canadian dollars using the exchange rate in effect at that date.

The resulting foreign exchange gains and losses are recorded in the Statement of Revenues and Expenses.

Notes to Financial Statements

As at October 31, 2018

2. Summary of Significant Accounting Policies (Continued)

(i) *Financial instruments risk management*

(i) *Credit risk*

Credit risk is the risk that one party to a financial instrument will cause a financial loss for another party failing to discharge its obligation. The Corporation is subject to credit risk through trade receivables. Credit risk is minimized by dealing primarily with companies with strong financial positions. Golf Canada maintains provisions for potential credit losses and any such losses to date have been within management's expectations. There have been no changes in this risk from the prior year.

(ii) *Currency 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 Corporation conducts certain business in U.S. dollars and maintains a U.S. dollar bank account. At the statement of financial position date, Golf Canada held U.S. cash of \$152,913 (2017 - \$97,136) and had \$229,985 (2017 - \$590,762) in outstanding U.S. receivables. There have been no changes in this risk from the prior year.

(iii) *Interest rate risk*

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Corporation is subject to interest rate risk through its bank facilities (Note 6) debt that bear interest based on the lender's prime rate, which may vary from time to time. Certain of the Corporation's investments (Note 3) are also subject to interest rate risk. Golf Canada manages this risk by investing in a diversified portfolio of assets in accordance with the Investment Policy Statement. There have been no changes in this risk from the prior year.

(iv) *Market risk*

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Corporation 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. The Investment Committee controls risk management of the portfolio by assigning a risk classification to each holding within the portfolio and ensuring that appropriate diversification exists, guided by the Investment Policy Statement. There have been no changes in this risk from the prior year.

(v) *Liquidity risk*

Liquidity risk is the risk that the Corporation will encounter difficulty in meeting its obligations associated with financial liabilities. Liquidity risk includes the risk that, as a result of operational liquidity requirements, Golf Canada will not have sufficient funds to settle a transaction on the due date; will be forced to sell financial assets at a value, which is less than what they are worth; or may be unable to settle or recover a financial asset. Golf Canada is exposed to this risk mainly in respect of its accounts payable and accrued liabilities, bank facilities and commitments. Golf Canada manages this risk by maintaining a portion of its invested assets in liquid holdings. There have been no changes in this risk from the prior year.

Notes to Financial Statements

As at October 31, 2018

3. Investments

(i) Financial Mandate

The Board upholds a Financial Mandate with the objective for the Corporation to operate on at least a breakeven basis, after amortization and investment income, and maintain a minimum market value of \$25,000,000 in the portfolio (including the Golf Canada Calgary Centre or other income producing assets) of which a minimum of \$10,000,000 must be in liquid holdings. In 2018, the Board enhanced the Financial Mandate by requiring that the Corporation is to operate on a breakeven basis, before amortization and investment income by 2022. The Financial Mandate was not met for the year ended, October 31, 2018, as the Corporation recognized a deficit after amortization and investment income.

(ii) Governance

The investment objectives and portfolio mix are in accordance with Golf Canada's Investment Policy Statement approved by the Board. A copy of the Corporation's Investment Policy Statement is made publicly available on our external website, www.golfcanada.ca. The Investment Committee and management obtain input on a regular basis from Golf Canada's professional advisors in making decisions relating to the portfolio. The portfolio's assets include a diversified mix of income, equity, and alternative class investment funds. The mandate of the Investment Committee includes a review of the portfolio holdings on a regular basis. As at October 31, the assets of the portfolio were measured as follows:

	2018	2017
Investments Measured at Fair Value	\$ 22,639,606	\$ 22,887,253
Investments Measured at Amortized Cost	1,530,457	1,681,050
	<hr/> \$ 24,170,063	<hr/> \$ 24,568,303

(iii) Investment Income

Investment income recognized in the Statement of Revenues and Expenses include the following:

	2018	2017
Distributions	\$ 614,566	\$ 498,073
(Decrease) / Increase in Fair Value of Investments	(525,105)	1,210,601
	<hr/> \$ 89,461	<hr/> \$ 1,708,674

4. Capital Assets

	2018	2017		
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Computer Equipment	\$ 709,570	\$ 624,259	\$ 85,311	\$ 78,282
Leasehold Improvements	724,767	452,942	271,825	284,487
Furniture and Equipment	430,513	322,679	107,834	131,082
Golf Canada Calgary Centre	4,123,307	2,960,648	1,162,659	1,238,846
	<hr/> \$ 5,988,157	<hr/> \$ 4,360,528	<hr/> \$ 1,627,629	<hr/> \$ 1,732,697

Notes to Financial Statements

As at October 31, 2018

5. Intangible Assets

			2018	2017
		Cost	Accumulated Amortization	Net Book Value
Development		\$ 385,110	\$ 242,918	\$ 142,192
Customer Relationship Management System		96,520	69,361	27,159
		\$ 481,630	\$ 312,279	\$ 169,351
				\$ 231,795

6. Bank Indebtedness and Bank Facilities

Bank indebtedness of \$157,167 as at October 31, 2018 (2017 - \$910,610) is comprised of \$398,191 (2017 - \$935,128) of outstanding payments that were more than Golf Canada's bank account balances totaling \$241,024 (2017 - \$24,518).

As at October 31, 2018, the Corporation has a revolving demand facility of \$1,500,000. As security, Golf Canada has pledged a portion of the investment portfolio against this facility ("Facility 1(a)"). \$1,260,000 of this Facility 1(a) was drawn on as at October 31, 2018 (2017 - \$500,000). Golf Canada also maintains an additional \$500,000 revolving demand facility ("Facility 1(b)") that is only available from December 1 to April 30 inclusive in each year. Both facilities are due upon demand and bear interest at a rate of bank prime plus 0.75%, which equates to 4.70% at October 31, 2018 (2017 - 3.95%). As at October 31, 2018, the Corporation is compliant with all conditions and general covenants of the facilities.

7. Sport Canada Funding

As the National Sport Federation (NSF) for golf in Canada, the Corporation receives funding from the Government of Canada through Sport Canada's Sport Support Program to enhance and advance the Canadian Sport Policy. Funding is aimed at developing our athletes and coaches at the highest international levels; providing sound technically-based golf programming for all golfers; increasing the number of Canadians from all segments of society involved in golf; and advancing Canadian interests and values in Canada and abroad.

Funding is granted on the basis of eligible expenditures that are incurred to contribute to the achievement of the objectives of the Canadian Sport Policy. Funding is provided annually throughout Sport Canada's fiscal year (April 1 to March 31).

Management estimates the amount of eligible expenses that are incurred during the Corporation's fiscal year and recognizes revenue from Sport Canada's fiscal funding on a pro-rata accrual basis. Revenue has been allocated to Direct Program and Program Support Revenues on a pro-rata basis of total eligible expenditures. During the Corporation's fiscal year, a total of \$912,250 (2017 - \$783,000) was recognized from Sport Canada.

Schedule A to these financial statements highlights the total cash funding provided by Sport Canada during their fiscal year ended, March 31, 2018 and the eligible expenditures incurred within the same Mainstream Program categories permitted by the Contribution Agreement for the Corporation's fiscal year ended, October 31, 2018.

Notes to Financial Statements

As at October 31, 2018

8. Allocation of Administration and Overhead Expenses

	2018	2017
Building and IT Systems, Network and Applications	\$ 912,211	\$ 968,698
Salaries, Benefits and Travel	1,357,402	1,152,173
Restructuring	22,363	838,202
Professional Fees, Insurance, and Bank Fees	377,827	424,276
Association Meetings	273,333	303,170
Postage, Courier and Other Costs	121,205	108,647
Net Tax Rebates, Recoveries and Donations	(102,826)	(229,363)
Total Administration and Overhead Expenses	2,961,515	3,565,802
Allocation to Professional Championships	(398,640)	(373,036)
Net Administration and Overhead Expenses	\$ 2,562,875	\$ 3,192,766

During the year, Golf Canada incurred approximately \$74,000 (2017 - \$68,000) of administration and overhead expenses, on behalf of the Golf Canada Foundation. These expenses have not been charged to the Golf Canada Foundation.

9. Commitments

The Corporation has entered into agreements to lease office and storage space (33% of the 2019 commitments), land for the Golf Canada Calgary Centre (44% of the 2019 commitments), office equipment, vehicles and machinery to various dates to 2024. Minimum annual payments under these lease agreements in aggregate and for the next five years and thereafter are due as follows:

2019	\$ 232,130
2020	132,002
2021	120,802
2022	120,802
2023	120,802
Thereafter	23,236
Total	\$ 749,774

10. Employee Pension Plan

As part of its employee compensation plan, the Corporation offers a registered defined contribution pension plan for eligible employees. Through this defined contribution plan, the Corporation makes matching contributions of 6%, up to a maximum of \$3,500, on behalf of each eligible employee. During the year, the Corporation contributed \$137,144 (2017 - \$123,156) on behalf of its eligible employees.

The Corporation has no obligation in excess of the contributions discussed above, as it does not have any defined benefit retirement plans, nor does it provide any post-retirement medical benefits.

Notes to Financial Statements

As at October 31, 2018

11. Contingency

From time to time, the Corporation may be named as a defendant in claims that arise in the ordinary course of business. Although it is difficult to predict the outcome of any such legal actions or claims, based on current knowledge and consultation with legal counsel, management does not expect the outcome of any of these matters, individually or in aggregate, to have a material adverse effect on the Corporation's financial position. Should any uninsured losses result from the resolution of open claims, such losses will be charged to operations in the year of resolution.

12. Golf Canada Foundation

The Foundation was established to raise and grant funds for the advancement of golf in Canada. The Foundation delivers this mandate through Scholarships and Grants. During 2018, the Foundation awarded a total of \$1,306,000 in scholarships and grants (2017 - \$858,000).

Foundation results have not been consolidated in Golf Canada's Financial Statements. The only significant difference between the accounting policies followed by Golf Canada and the Foundation is that the Foundation follows the Restricted Fund method for accounting for contributions and Golf Canada follows the Deferral method. Financial Statements of the Golf Canada Foundation are posted publicly on their website, www.golfcanadafoundation.com. A summary of the audited financial statements of the Foundation as at October 31 and for the years then ended are as follows:

	2018	2017
Financial Position		
Total Assets	\$ 2,894,750	\$ 2,686,103
Total Liabilities	1,445,379	1,426,401
Total Net Assets	\$ 1,449,371	\$ 1,259,702
 Results of Operations		
Total Revenues	\$ 2,301,335	\$ 1,647,404
(Loss) / Gain on Fair Value of Investments	(30,915)	3,521
Total Expenses	2,080,751	1,525,542
Excess of Revenues over Expenses	\$ 189,669	\$ 125,383
 Cash Flows		
Cash (used in) / from Operations	\$ (682,177)	\$ 148,815
Cash (used in) / from Investing Activity	(32,735)	210,687
Cash from Financing Activity	190,845	63,272
(Decrease) / Increase In Cash	\$ (524,067)	\$ 422,774

The Receivable from the Golf Canada Foundation is settled on a periodic basis. Transactions between the two entities consist of reimbursement of expenses paid on behalf of the Foundation, grants paid to support Golf Canada programming, and licensing of assets. A total of \$808,085 (2017 - \$726,210) has been recorded in the Statement of Revenue and Expenses as revenue from the Foundation.

13. Comparative Figures

Certain of the comparative figures included in these financial statements have been reclassified to conform to the presentation adopted for the current year.

Sport Canada Funding – Revenues and Expenses (unaudited)

Year ended October 31

Schedule A

The following schedule highlights the total cash funding provided by Sport Canada during their fiscal year ending, March 31, 2018 under each of the mainstream contribution blocks of the Contribution Agreement signed between the two parties. Golf Canada recognizes Sport Canada's funding on a pro-rata accrual basis while Schedule A represents the cash funding received from Sport Canada for the April 1, 2017 to March 31, 2018 Contribution Agreement.

The total expenses presented represent the eligible expenditures incurred by the Corporation within each contribution block for Golf Canada's fiscal year ended, October 31, 2018. The eligible total expenditures are presented within Direct Program Expenses and Program Support Expenses of the Statement of Revenues and Expenses, including the percentage of funding to expenditures.

	Sport Canada Funding	Expenses Incurred
Revenues and Expenses by Category		
General Administration	\$ 67,350	\$ 1,030,744
Governance	29,000	341,174
Salaries, Fees and Benefits	237,000	3,199,537
Coaching Salaries and Professional Development	53,000	639,862
National Team Program	88,150	1,275,029
Official Languages	12,000	127,502
Operations and Programming	187,000	2,142,037
Enhanced Excellence	130,000	130,000
Next Generation Initiative	108,750	108,750
Total Revenues and Expenses	\$ 912,250	\$ 8,994,635



March 2019

RE: #4 – Current Business Directors

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BOARD OF DIRECTORS AS OF OCTOBER 31, 2018

NAME	STATUS	OCCUPATION	EMAIL	ADDRESS	CITY	PROV	POSTAL	HOME #	CELL#
David Atkinson	Director at Large								
Charlie Beauneu	1st Vice President								
Paul Daffallah	Director at Large								
Roland Deveau, Q.C.	Past President								
Leslie Dumming, CPA, CMA	President								
Liz Hoffman	2nd Vice President								
Date Jackson	Director at Large								
Rob MacDonald	Director at Large								
Susan MacKinnon	Chair, Provincial Council								
David McCarthy	Director at Large								
Tom Sears	Chair, Governors Council								

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March 2019

RE: #5 – Persons Authorized to Issue Official Receipts

Garrett Ball, [REDACTED]
Chief Financial Officer

[REDACTED]
Chief Executive Officer

[REDACTED]
Chief Sport Officer

COPIED



March 2019

RE: #6 – Receipt Replacement Procedure

Occasionally a charitable tax receipt needs to be replaced.

Duplicate copies of all initial tax receipts and replacements are maintained and marked "copy".

In the event of a lost charitable tax receipt that was previously issued to the donor, the replacement includes the required information originally provided as well as the serial number of the lost receipt. The new receipt references that it cancels and replaces the lost receipt. The copy maintained in our records is marked 'cancelled'.

In the event of a spoiled receipt, a replacement is issued and the original receipt is marked 'cancelled'. The new receipt references that it cancels and replaces the one spoiled.

It would be rare for Golf Canada to return a donated gift. If this were to happen, and if the gift is valued over \$50.00, Golf Canada understands its obligation to notify the CRA within 90 days after the property is returned with an information return, i.e. a letter. A copy is to be provided to the donor. The information return is to include:

- A detailed description of the property
- The fair market value of the transferred property at the time of the transfer
- The date at which the property was transferred back
- Name and Address of the transferee
- Information contained in the original receipt