

# Registered Canadian Amateur Athletic Association Information Return

CH203310951215

## Identification

Name of association	
Royal Canadian Golf Association	
Address	
1-1333 Dorval Drive	
City	
Oakville	
Province or territory	Postal code
Ontario	L6M4X7

Return for fiscal period ending

2	0	1	9	1	0	3	1
Year				Month		Day	

\*

Is this the first return filed by this association?

Yes  No 

\*

If "no," has the fiscal period changed from the last return filed?

Yes  No 

Is this the final return to be filed by this association?

Yes  No 

If "yes," please attach an explanation.

File number

BN/Registration number

107928665 R R 001

Yes  No Yes  No 

## Instructions

e the Identification area.

e the boxes (above right) to indicate the end of the association's fiscal period.

INANCIAL STATEMENTS for the fiscal period covered by this return. These should include a statement of and expenditures for the fiscal period and a statement of assets and liabilities as of the end of the fiscal period. ements should indicate the different sources of revenue in sufficient detail to show how funds were spent or

list of the names, addresses, and occupations or lines of business of the association's current directors.

list of the names and the official positions of the people who are authorized to issue official receipts for the ion.

note that fully explains what replacement procedure is followed in the event of lost or spoiled receipts.

ix months from the end of the fiscal period of the association, mail or deliver a completed return and all required nts.to:

Charities Directorate  
Canada Revenue Agency  
Ottawa ON K1A 0L5

Form authorized by the Minister of National Revenue.

NCR MAILROOM  
# 118SALLE DU COURRIER  
RCN

**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. \$ 132,537.70
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 [REDACTED]

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

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 <b>Chief Financial Officer</b>
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Home telephone number (confidential)	Business telephone number	Date
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2. Signature of director (confidential)	Position with the association <b>Chief Executive Officer</b>
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Home telephone number (confidential)	Business telephone number	Date
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**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-receipting 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.

# Statement of Cash Flows

Year ended October 31

<u>Increase / (Decrease) in Cash</u>	2019	2018
<b>Operating activities</b>		
Excess / (Deficiency) of Revenues over Expenses	\$ 825,747	\$ (981,813)
Loss on Disposal of Golf Canada Calgary Centre (Note 7)	483,751	
Amortization of Capital Assets	108,593	217,963
Amortization of Intangible Assets	56,450	80,229
(Increase) / Decrease in Fair Value of Investments	(1,473,761)	525,105
	780	(158,516)
Net Change in Non-cash Working Capital Components Relating to Operations	687,183	409,505
	687,963	250,989
<b>Financing activity</b>		
(Repayment) / Use of Bank Facilities (net)	(410,000)	760,000
<b>Investing activities</b>		
Redemption of Investments	21,779,610	2,305,325
Purchase of Investments	(21,229,075)	(2,432,190)
Net Proceeds on Disposal of Golf Canada Calgary Centre (Note 7)	958,551	
Purchase of Capital Assets	(55,055)	(112,895)
Purchase of Intangible Assets	-	(17,786)
	1,454,031	(257,546)
Decrease in Bank Indebtedness / Increase in Cash, During the Year	1,731,994	753,443
Bank Indebtedness, Beginning of Year	(157,167)	(910,610)
<b>Cash / (Bank Indebtedness), End of Year</b>	<b>\$ 1,574,827</b>	<b>\$ (157,167)</b>

(See accompanying notes to financial statements)

# Notes to Financial Statements

As at October 31, 2019

## 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 13.

### (b) Impact of changes in accounting standards

Section 4441 – *Collections held by not-for-profit organizations* was released by CPA Canada effective for annual financial statements relating to fiscal years beginning on or after January 1, 2019. Management has elected to adopt this section early which requires the Corporation to record the value of the Corporation's collection held at cost or nominal value. The related policy is disclosed in Note 2 (g).

The impact of adopting this standard was accounted for retrospectively, with the adjustment recorded to the Statement of Changes in Net Assets on November 1, 2017.

### (c) 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.

### (d) 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, amortized cost, or cost, less impairment 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.

# Notes to Financial Statements

As at October 31, 2019

## 2. Summary of Significant Accounting Policies (Continued)

### (j) 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.

### (k) 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 using 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.

### (l) 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 its 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 \$147,066 (2018 - \$152,913) and had \$nil (2018 - \$229,985) in outstanding U.S. receivables.

#### (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 facility (Note 6) debt that bear interest based on the lender's prime rate, which may vary from time to time. 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 engaging external professional investment advisors and establishing risk guidelines to ensure that appropriate diversification exists, guided by the Investment Policy Statement. There have been no changes in this risk from the prior year.

# Notes to Financial Statements

As at October 31, 2019

## 2. Summary of Significant Accounting Policies (Continued)

Financial assets and liabilities measured at amortized cost include cash, accounts receivable, receivable from the Golf Canada Foundation, bank indebtedness, bank facility, accounts payable and accrued liabilities, and Investments are measured at fair value where quoted prices are available from active markets. Investments that do not have a quoted value in an active market are recognized at cost, less impairment. Investment income includes interest, dividends, realized gains/(losses), and net change in unrealized gains/(losses) for the year, less counsel and custodian fees.

### (e) Capital assets and amortization

Rates and bases of amortization applied to amortize 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 (Note 7)	Straight line over remaining years of the lease options

### (f) 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

### (g) Collections

The Canadian Golf Hall of Fame and Museum's collection of archives and assets are owned and curated by Golf Canada. The accumulated value of the entire collection is unknown and cannot be reasonably determined. The Corporation's collections are capitalized in the Statement of Financial Position at a nominal value and are not subject to amortization. For purchased items, the difference between the purchase price and nominal value is expensed in the period the items are acquired.

### (h) 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.

### (i) 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.

# Notes to Financial Statements

As at October 31, 2019

## 2. Summary of Significant Accounting Policies (Continued)

### (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 facility and commitments. Golf Canada manages this risk by maintaining a portion of its invested assets in liquid holdings.

## 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 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 met for the year ended, October 31, 2019.

### (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](http://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 short-term instruments, income, equity, and alternative 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:

	2019	2018
Investments Measured at Fair Value	\$ 23,618,906	\$ 22,639,606
Investments Measured at Cost, Less Impairment	1,474,383	1,530,457
	<b>\$ 25,093,289</b>	<b>\$ 24,170,063</b>

### (iii) Investment Income

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

	2019	2018
Distributions	\$ 530,270	\$ 614,566
Increase / (Decrease) in Fair Value of Investments	1,473,761	(525,105)
	<b>\$ 2,004,031</b>	<b>\$ 89,461</b>

Expenses recognized in the Statement of Revenues and Expenses include professional fees paid to the Corporation's professional investment advisors.

# Notes to Financial Statements

As at October 31, 2019

## 4. Capital Assets

2019		2018			
		Cost	Accumulated Amortization	Net Book Value	Net Book Value
Computer Equipment	\$ 746,892	\$ 663,645	\$ 83,247	\$ 85,311	
Leasehold Improvements	184,482	184,482	-	271,825	
Furniture and Equipment	282,176	233,634	48,542	107,834	
Golf Canada Calgary Centre	-	-	-	1,162,659	
	\$ 1,213,550	\$ 1,081,761	\$ 131,789	\$ 1,627,629	

## 5. Intangible Assets

2019		2018		
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Development	\$ 385,110	\$ 290,315	\$ 94,795	\$ 142,192
Customer Relationship Management System	96,520	78,414	18,106	27,159
	\$ 481,630	\$ 368,729	\$ 112,901	\$ 169,351

## 6. Bank Facility

As at October 31, 2019, the Corporation has a revolving demand facility of \$2,000,000. As security, Golf Canada has pledged a portion (14%; 2018 – 14%) of the investment portfolio against the facility. \$850,000 of this facility was drawn on as at October 31, 2019 (2018 - \$1,260,000). The facility is due upon demand and bears interest at a rate of bank prime plus 0.75%, which equates to 4.70% at October 31, 2019 (2018 – 4.70%). As at October 31, 2019, the Corporation is compliant with all conditions and general covenants of the facility.

## 7. Disposal of the Golf Canada Calgary Centre

On October 31, 2019, the Corporation executed the sale of the Golf Canada Calgary Centre for net proceeds of \$958,551 (\$1,000,000 less working capital adjustments), which were received upon closing. All assets of the Golf Canada Calgary Centre were sold, and the property lease was transferred to the Purchaser (Note 12). The loss on disposal amounted to \$483,751 is recorded in the Statement of Revenues and Expenses.

The purchaser will license the Golf Canada name and intellectual property on a short-term basis, continuing to operate all facets of the operation while planning to enhance the facility with their proprietary software in the future. All existing staff at the Golf Canada Calgary Centre remained with the purchaser under new employment or contract. Golf Canada may share in a portion of the business profits of the purchaser's operation through 2022 and such revenues will be recorded in the Statement of Revenues and Expenses at the time that such business profits are certain.



[REDACTED]

**RE: #3 – Financial Statements Covered by this Return**

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# Financial statements

Golf Canada

October 31, 2019

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## Independent Auditor's Report

To the Members of Golf Canada,

### Opinion

We have audited the financial statements of Golf Canada (the "Corporation"), which comprise the statement of financial position as at October 31, 2019, and the statement of revenue and expenses, changes in net assets, and cash flows for the year then ended, and a summary of significant account policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Corporation as at October 31, 2019, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

### Basis for Opinion

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

**Responsibilities of Management and Those Charged with Governance for the Financial Statements**  
Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for non-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 Corporation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Corporation or to cease operations, or has no realistic alternative but to do so.

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

### Auditor's Responsibilities for the Audit of the Financial Statements

Our 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 our 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.

## **Auditor's Responsibilities for the Audit of the Financial Statements (Continued)**

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We 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 our 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 Corporation'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 Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Corporation 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.

We 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 we identify during our audit.

Chartered Professional Accountants, Licensed Public Accountants

Burlington, Ontario

# Statement of Financial Position

As at October 31

<b>Assets</b>		<b>2019</b>	<b>2018</b>
<b>Current Assets</b>			
Cash	\$ 1,574,827	\$ -	
Accounts Receivable and Prepaid Expenses	5,517,490	6,258,942	
Receivable from the Golf Canada Foundation (Note 13)	1,620,478	1,127,926	
	<b>8,712,795</b>	<b>7,386,868</b>	
Investments (Note 3)	25,093,289	24,170,063	
Capital Assets (Note 4)	131,789	1,627,629	
Intangible Assets (Note 5)	112,901	169,351	
Collections	1	1	
	<b>\$ 34,050,775</b>	<b>\$ 33,353,912</b>	
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Bank Indebtedness	\$ -	\$ 157,167	
Bank Facility (Note 6)	850,000	1,260,000	
Accounts Payable and Accrued Liabilities	5,462,741	5,206,267	
Deferred Revenue	865,185	683,376	
	<b>7,177,926</b>	<b>7,306,810</b>	
<b>Net Assets</b>			
Operating	<b>26,872,849</b>	<b>26,047,102</b>	
	<b>\$ 34,050,775</b>	<b>\$ 33,353,912</b>	
Commitments (Note 10)			
Contingencies (Note 12)			

(See accompanying notes to financial statements)

On behalf of the Board of Directors:

Robert MacDonald

Director and Audit and Risk Management Committee Chair

Charlie Beaulieu  
President

# Statement of Changes in Net Assets

Year ended October 31

	2019	2018
<b>Balance, beginning of year</b>	\$ 26,047,102	\$ 27,028,914
Adoption of New Accounting Standard (Note 2 (b))	- 1	
<b>Restated balance, beginning of year</b>	\$ 26,047,102	\$ 27,028,915
Excess / (Deficiency) of Revenues over Expenses	825,747	(981,813)
<b>Balance, end of year</b>	\$ 26,872,849	\$ 26,047,102

(See accompanying notes to financial statements)

# Statement of Revenues and Expenses

Year ended October 31

	2019 Revenues	2019 Expenses	2019 Net	2018 Revenues	2018 Expenses	2018 Net
<b>Member Services</b>						
Member Services	\$ 5,118,713	\$ 2,414,263	\$ 2,704,450	\$ 4,526,941	\$ 1,979,262	\$ 2,547,679
<b>Program Revenues and Expenses</b>						
Sport - Participation	1,329,655	1,352,082	(22,427)	1,346,153	1,337,831	8,322
Sport - Performance	2,030,300	1,729,723	300,577	1,777,410	1,806,891	(29,481)
Amateur Championships	921,770	1,222,580	(300,810)	854,378	1,097,741	(243,363)
Golf Services and Digital	507,321	505,198	2,123	348,825	385,120	(36,295)
<b>Total Program Revenues and Expenses</b>	<b>4,789,046</b>	<b>4,809,583</b>	<b>(20,537)</b>	<b>4,326,766</b>	<b>4,627,583</b>	<b>(300,817)</b>
<b>Program Support Revenues and Expenses</b>						
Commercial	-	1,370,896	(1,370,896)	-	1,090,052	(1,090,052)
Administration and Overhead (Note 9)	67,000	3,160,167	(3,093,167)	67,000	2,508,622	(2,441,622)
<b>Total Program Support Revenues and Expenses</b>	<b>67,000</b>	<b>4,531,063</b>	<b>(4,464,063)</b>	<b>67,000</b>	<b>3,598,674</b>	<b>(3,531,674)</b>
<b>Total Member Services, Program Revenues and Expenses</b>	<b>9,974,759</b>	<b>11,754,909</b>	<b>(1,780,150)</b>	<b>8,920,707</b>	<b>10,205,519</b>	<b>(1,284,812)</b>
<b>Other Operations</b>						
Professional Championships	35,418,984	34,296,287	1,122,697	29,278,667	28,740,671	537,996
Golf Canada Calgary Centre	1,531,899	1,324,175	207,724	1,534,898	1,487,965	46,933
<b>Total Other Operations Revenues and Expenses</b>	<b>36,950,883</b>	<b>35,620,462</b>	<b>1,330,421</b>	<b>30,813,565</b>	<b>30,228,636</b>	<b>584,929</b>
<b>Net Operating Results</b>	<b>\$ 46,925,642</b>	<b>\$ 47,375,371</b>	<b>\$ (449,729)</b>	<b>\$ 39,734,272</b>	<b>\$ 40,434,155</b>	<b>\$ (699,883)</b>
Loss on Disposal of Golf Canada Calgary Centre (Note 7)	-	483,751	(483,751)	-	-	-
Total Investment Income (Note 3)	2,004,031	79,761	1,924,270	89,461	73,198	16,263
Amortization	-	165,043	(165,043)	-	298,193	(298,193)
<b>Excess / (Deficiency) of Revenues over Expenses</b>	<b>\$ 48,929,673</b>	<b>\$ 48,103,926</b>	<b>\$ 825,747</b>	<b>\$ 39,823,733</b>	<b>\$ 40,805,546</b>	<b>\$ (981,813)</b>

Sport Canada Funding (Note 8)  
Golf Canada Foundation (Note 13)

(See accompanying notes to financial statements)

# Notes to Financial Statements

As at October 31, 2019

## 8. 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 Program Revenues and Expenses on a pro-rata basis of total eligible expenditures. During the Corporation's fiscal year, a total of \$832,250 (2018 - \$862,250) was recognized from Sport Canada.

## 9. Allocation of Administration and Overhead Expenses

	2019	2018
Building and IT Systems, Network and Applications	\$ 906,040	\$ 912,211
Salaries, Benefits and Travel	1,445,447	1,357,402
Strategic Planning and Transitional Costs	609,025	22,363
Professional Fees, Insurance, and Bank Fees	329,988	323,574
Conferences and Meetings	356,285	273,333
Postage, Courier and Other Costs	123,859	121,205
Net Tax Rebates, Recoveries and Donations	(183,977)	(102,826)
<b>Total Administration and Overhead Expenses</b>	<b>3,586,667</b>	<b>2,907,262</b>
Allocation to Professional Championships	(426,500)	(398,640)
<b>Net Administration and Overhead Expenses</b>	<b>\$ 3,160,167</b>	<b>\$ 2,508,622</b>

During the year, Golf Canada incurred approximately \$95,000 (2018 - \$74,000) of administration and overhead expenses, on behalf of the Golf Canada Foundation. These expenses have not been charged to the Golf Canada Foundation.

## 10. Commitments

The Corporation has entered into agreements to lease office and storage space, and office equipment to various dates through 2024. Minimum annual payments under these lease agreements in aggregate and for the next five years are due as follows:

# Notes to Financial Statements

As at October 31, 2019

## 10. Commitments (Continued)

2020	\$ 443,558
2021	84,791
2022	15,278
2023	15,278
2024	4,982
<b>Total</b>	<b>\$ 563,887</b>

## 11. 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 \$144,146 (2018 - \$137,144) 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.

## 12. Contingencies

### (i) Legal Matters

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 Statement of Revenues and Expenses in the year of resolution.

### (ii) Property lease – Golf Canada Calgary Centre

Upon execution of the disposal of the Golf Canada Calgary Centre (Note 7), the Corporation transferred the property lease to the Purchaser. If the Purchaser defaults on their obligations of the lease with the landlord in the initial 5-year term, ending October 31, 2024, Golf Canada may be liable for unfulfilled obligations to the Landlord. Management does not expect the Purchaser to default on their obligations and a liability amount cannot be reasonably estimated at October 31, 2019. Should any loss result from the default of the purchaser occur during the initial lease term, such losses will be charged to the Statement of Revenues and Expenses in the year of default.

## 13. 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 fiscal 2019, the Foundation awarded a total of \$1,556,000 in scholarships and grants (2018 - \$1,306,000).

# Notes to Financial Statements

As at October 31, 2019

## 13. Golf Canada Foundation (Continued)

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. A summary of the audited financial statements of the Foundation as at October 31 and for the years then ended are as follows:

	2019	2018
<b>Financial Position</b>		
Total Assets	\$ 3,510,866	\$ 2,894,750
Total Liabilities	1,843,569	1,445,379
<b>Total Net Assets</b>	<b>\$ 1,667,297</b>	<b>\$ 1,449,371</b>
 <b>Results of Operations</b>		
Total Revenues	\$ 2,542,158	\$ 2,301,335
Gain / (Loss) on Fair Value of Investments	126,584	(30,915)
Total Expenses	2,450,816	2,080,751
<b>Excess of Revenues over Expenses</b>	<b>\$ 217,926</b>	<b>\$ 189,669</b>
 <b>Cash Flows</b>		
Cash from / (used in) Operations	\$ 353,416	\$ (682,177)
Cash used in Investing Activity	(41,035)	(32,735)
Cash from Financing Activity	180,863	190,845
<b>Increase / (Decrease) in Cash</b>	<b>\$ 493,245</b>	<b>\$ (524,067)</b>

The Receivable from the Golf Canada Foundation is non-interest bearing, has no specific repayment terms, and 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 \$1,071,445 (2018 - \$808,085) has been recorded in the Statement of Revenue and Expenses as revenue from the Foundation. These transactions are in the normal course of operations and are measured at the exchange amount which is the amount of consideration established and agreed upon by the related parties.

## 14. 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.

# Schedule A

Year ended October 31, 2019

## Sport Canada Funding – Revenues and Expenses

The following schedule highlights the total cash funding provided by Sport Canada during their fiscal year ending, March 31, 2019 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, 2018 to March 31, 2019 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, 2019. 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
<b>Revenues and Expenses by Category</b>		
General Administration	\$ 67,350	\$ 964,884
Governance	29,000	448,466
Salaries, Fees and Benefits	237,000	3,679,365
Coaching Salaries and Professional Development	53,000	550,692
National Team Program	88,150	1,314,031
Official Languages	12,000	133,617
Operations and Programming	187,000	2,736,399
Enhanced Excellence Initiatives	100,000	100,000
Next Generation Initiatives	58,750	58,750
<b>Total Revenues and Expenses</b>	<b>\$ 832,250</b>	<b>\$ 9,986,204</b>

Prepared by management solely for internal purposes without audit or review.



[REDACTED]

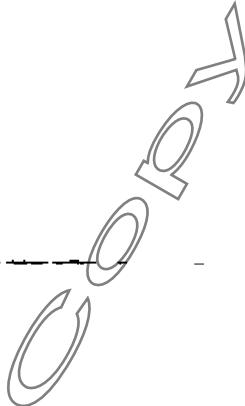
**RE: #4 – Current Business Directors**

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NAME	STATUS	OCCUPATION	EMAIL	ADDRESS	CITY	PROV	POSTAL
David Atkinson	Director at Large						
Charlie Beaulieu	President						
Adam Daifallah	Director at Large						
Patrick Kelly	Director at Large						
Leslie Dunning	Past President						
Liz Hoffman	1st Vice President						
Dale Jackson	2nd Vice President						
David McCarthy	Director at Large						
Rob MacDonald	Director at Large						
Susan Mackinnon	Chair, Provincial Council						
Jean Stone-Séguin	Governors Council Chair						

As of Oct. 31, 2019 (GR)





[REDACTED]

**RE: #5 – Persons Authorized to Issue Official Receipts**

Garrett Ball,  
Chief Financial Officer

[REDACTED]  
Chief Executive Officer

COPIED



**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