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## Registered Canadian Amateur Athletic Association Information Return

MAY 03 2022

CISD

### Identification

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

Return for fiscal period ending

2	0	2	1	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**

**RR**

**0001**

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

Yes ☒

No ☐

Is the association 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 received.

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.

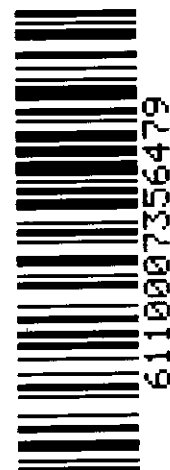
6. Attach a note that fully explains what replacement procedure is followed in the event of lost or spoiled receipts.

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.

RECEIVED Canada Revenue Agency Summerside	Agence du revenu du Canada Summerside
[Redacted]	
Mailroom	No. 60 Salle du Coursier



**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. \$ 1,000
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 of [REDACTED]  
Name of director whose signature appears below.
2. I, [REDACTED] of [REDACTED]  
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.)

Position with the association

**Chief Operating Officer**

Position with the association

**Chief Executive Officer****RCAAA:**

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.



# Financial Statements

Golf Canada

October 31, 2021

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## Independent Auditor's Report

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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, 2021, 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.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Corporation as at October 31, 2021, 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

Oakville, Ontario



# Statement of Financial Position

As at October 31

<b>Assets</b>	2021	2020
<b>Current Assets</b>		
Cash	\$ 1,397,184	\$ 3,066,387
Accounts Receivable and Prepaid Expenses	4,110,200	2,213,637
Receivable from the Golf Canada Foundation (Note 14)	574,660	909,638
	<b>6,082,044</b>	<b>6,189,662</b>
Investments (Note 3)	31,662,526	26,593,207
Capital Assets (Note 4)	88,744	147,665
Intangible Assets (Note 5)	715,926	508,201
Collections	1	1
	<b>\$ 38,549,241</b>	<b>\$ 33,438,736</b>
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Accounts Payable and Accrued Liabilities	3,579,008	3,985,405
Deferred Revenue	2,148,049	1,774,580
	<b>5,727,057</b>	<b>5,759,985</b>
<b>Net Assets</b>		
Operating	32,165,740	27,678,751
Program Enhancement (Note 2)	656,444	-
	<b>32,822,184</b>	<b>27,678,751</b>
	<b>\$ 38,549,241</b>	<b>\$ 33,438,736</b>

Commitments (Note 10)  
Contingencies (Note 12)

(See accompanying notes to financial statements)

On behalf of the Board of Directors:

David McCarthy

Director and Audit and Risk Management Committee Chair

Elizabeth Hoffman

President

# Statement of Changes in Net Assets

Year ended October 31

	Operating Fund	Program Enhancement Fund (Note 2)	2021 Total	2020 Total
Balance, beginning of year	\$ 27,678,751	\$ -	\$ 27,678,751	\$ 26,872,849
Internally Restricted by Board of Directors	(656,444)	656,444	-	-
Excess of Revenues over Expenses	5,143,433	-	5,143,433	805,902
Balance, end of year	\$ 32,165,740	\$ 656,444	\$ 32,822,184	\$ 27,678,751

(See accompanying notes to financial statements)

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# Statement of Revenues and Expenses

Year ended October 31

	2021 Revenues	2021 Expenses	2021 Net	2020 Revenues	2020 Expenses	2020 Net
<b>Member Services</b>						
Member Services	\$ 5,663,578	\$ 2,022,541	\$ 3,641,037	\$ 5,199,236	\$ 2,528,561	\$ 2,670,675
<b>Program Revenues and Expenses</b>						
Sport - Participation	1,366,646	1,119,668	246,978	806,666	509,532	297,134
Sport - Performance	1,581,285	1,972,908	(391,623)	1,503,068	1,341,441	161,627
Amateur Championships	528,943	776,684	(247,741)	96,760	321,281	(224,521)
Golf Services and Digital	780,681	179,967	600,714	388,881	142,229	246,652
<b>Total Program Revenues and Expenses</b>	<b>4,257,555</b>	<b>4,049,227</b>	<b>208,328</b>	<b>2,795,375</b>	<b>2,314,483</b>	<b>480,892</b>
<b>Program Support Revenues and Expenses</b>						
Marketing and Communications	-	1,756,369	(1,756,369)	10,000	1,348,290	(1,338,290)
Administration and Overhead (Note 9)	142,000	2,903,759	(2,761,759)	115,000	2,626,331	(2,511,331)
Government of Canada COVID-19 Relief (Note 13)	2,152,539	-	2,152,539	1,356,844	-	1,356,844
<b>Total Program Support Revenues and Expenses</b>	<b>2,294,539</b>	<b>4,660,128</b>	<b>(2,365,589)</b>	<b>1,481,844</b>	<b>3,974,621</b>	<b>(2,492,777)</b>
<b>Total Member Services, Program Revenues and Expenses</b>	<b>\$ 12,215,672</b>	<b>\$ 10,731,896</b>	<b>\$ 1,483,776</b>	<b>\$ 9,476,455</b>	<b>\$ 8,817,665</b>	<b>\$ 658,790</b>
<b>Other Operations</b>						
Professional Championships	2,083,701	2,686,163	(602,462)	2,566,554	2,882,375	(315,821)
Canadian Golf Hall of Fame and Museum	1,217	126,121	(124,904)	1,026	107,854	(106,828)
Golf Canada Calgary Centre (Note 7)	250,000	-	250,000	-	-	-
<b>Total Other Operations Revenues and Expenses</b>	<b>2,334,918</b>	<b>2,812,284</b>	<b>(477,366)</b>	<b>2,567,580</b>	<b>2,990,229</b>	<b>(422,649)</b>
<b>Net Operating Results</b>	<b>\$ 14,550,590</b>	<b>\$ 13,544,180</b>	<b>\$ 1,006,410</b>	<b>\$ 12,044,035</b>	<b>\$ 11,807,894</b>	<b>\$ 236,141</b>
Total Investment Income (Note 3)	4,583,155	106,130	4,477,025	866,564	101,475	765,089
Amortization	-	340,002	(340,002)	-	195,328	(195,328)
<b>Excess of Revenues over Expenses</b>	<b>\$ 19,133,745</b>	<b>\$ 13,990,312</b>	<b>\$ 5,143,433</b>	<b>\$ 12,910,599</b>	<b>\$ 12,104,697</b>	<b>\$ 805,902</b>

Sport Canada Funding (Note 8)  
Golf Canada Foundation (Note 14)

(See accompanying notes to financial statements)



# Statement of Cash Flows

Year ended October 31

<b>Increase / (Decrease) in Cash</b>	<b>2021</b>	<b>2020</b>
<b>Operating activities</b>		
Excess of Revenues over Expenses	\$ 5,143,433	\$ 805,902
Amortization of Capital Assets	95,177	71,108
Amortization of Intangible Assets	244,825	124,220
Increase in Fair Value of Investments	(3,834,409)	(72,445)
	<b>1,649,026</b>	<b>928,785</b>
 Net Changes in Non-cash Working Capital Components Relating to Operations:		
Accounts Receivable and Prepaid Expenses	(1,896,563)	3,303,853
Receivable from the Golf Canada Foundation	334,978	710,840
Accounts Payable and Accrued Liabilities	(406,397)	(1,477,336)
Deferred Revenue	373,469	909,395
	<b>54,513</b>	<b>4,375,537</b>
 <b>Financing activity</b>		
Repayment of Bank Facility (net)	-	(850,000)
 <b>Investing activities</b>		
Redemption of Investments	3,922,010	17,543,175
Purchase of Investments	(5,156,920)	(18,970,648)
Purchase of Capital Assets	(36,256)	(86,984)
Purchase of Intangible Assets	(452,550)	(519,520)
	<b>(1,723,716)</b>	<b>(2,033,977)</b>
 (Decrease) / Increase in Cash, During the Year	<b>(1,669,203)</b>	<b>1,491,560</b>
Cash, Beginning of Year	<b>3,066,387</b>	<b>1,574,827</b>
 <b>Cash, End of Year</b>	<b>\$ 1,397,184</b>	<b>\$ 3,066,387</b>

(See accompanying notes to financial statements)

# Notes to Financial Statements

As at October 31, 2021

## 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 voting member of the Golf Canada Foundation's Board of Directors (the Foundation), a separate Registered Canadian Amateur Athletic Association that is exempt from income tax in Canada under the Income Tax Act (Canada) and a related party of Golf Canada. The Foundation's mandate is to raise and grant funds for the advancement of golf in Canada. Certain elements of control exist over the Foundation, and Golf Canada elects to disclose the Foundation's results in Note 14.

### *(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, 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.

Financial assets and liabilities measured at amortized cost include cash, accounts receivable, receivable from the Golf Canada Foundation, bank facility, accounts payable and accrued liabilities. 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 investment management fees.

### *(d) Capital assets and amortization*

Rates and basis of amortization applied to amortize the cost less estimated salvage value of capital assets over their estimated useful lives are as follows:

# Notes to Financial Statements

As at October 31, 2021

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

Computer Equipment	50%, declining balance
Leasehold Improvements	Straight line over the remaining term of the lease
Furniture and Equipment	25%, declining balance

### (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:

Website and [REDACTED]	33%, declining balance
CRM and Golf Canada Mobile App	33%, declining balance

### (f) 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.

### (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, grants and contracts for specified expenses and activities that will be incurred in the following fiscal year. Membership dues are recognized as revenue as fees become due. Public player membership dues are deferred over the 12-month period that the services and benefits extend. Government subsidies are recorded as an offset to the expenses in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. 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.

### (j) 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 and liabilities are translated into Canadian dollars using the exchange rate in effect at that date.

Resulting foreign exchange gains and losses are recorded in the Statement of Revenue and Expenses.

# Notes to Financial Statements

As at October 31, 2021

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

### (k) Financial instruments risk management

#### 1) 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.

#### 2) 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 \$812,741 (2020 - \$483,957), had \$10,000 (2020 - \$10,000) in outstanding U.S. receivables and had \$506,362 (2020 - \$1,525,877) in outstanding accounts payable and accrued liabilities.

#### 3) 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 bears interest based on the lender's prime rate, which may vary from time to time. There have been no changes in this risk from the prior year.

#### 4) 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 Corporation's Investment Policy Statement. There have been no changes in this risk from the prior year.

#### 5) Liquidity risk

Liquidity risk is the risk that the Corporation will encounter financial 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. There have been no changes in this risk from the prior year.

### (l) Fund Accounting

#### 1) Operating Fund

The operating fund is the general fund used to account for the Corporation's programs, including member services, program support, other operations, investment income and amortization.

#### 2) Program Enhancement Fund

The Program Enhancement Fund was approved by the Board of Directors in 2021 in accordance with a new Fund Management Policy designed to establish an internally restricted fund used exclusively to enhance future programming of Golf Canada. At the outset of a fiscal year, the Board of Directors may approve a withdrawal from the Program Enhancement Fund for an amount of up to 75% of the opening fund balance designated toward specified program enhancements, including, but not limited to a strategic investment in a marketing campaign; macro-industry support; new programming or expanded athlete pool for the Sport - High-Performance program; new membership benefit; technology enhancement; or program or initiative to support diversity, equity, and inclusion efforts. At the conclusion of a fiscal year, a transfer of up to 2% of the net assets of the Operating Fund may be transferred to the Program Enhancement Fund. During the year, the Board of Directors internally restricted \$654,444 through an approved transfer of net assets from the Operating Fund.

# Notes to Financial Statements

As at October 31, 2021

## 3. Investments

### (a) Financial Mandate

The Board of Directors upholds a Financial Mandate with the objective for the Corporation to maintain a minimum market value of \$25,000,000 in the portfolio of which a minimum of \$10,000,000 in liquid holdings.

### (b) Governance

The investment objectives and portfolio mix are in accordance with Golf Canada's Investment Policy Statement approved by the Board of Directors. 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:

	2021	2020
Investments Measured at Fair Value	\$ 31,662,526	\$ 25,933,207
Investments Measured at Cost, Less Impairment	-	660,000
	<b>\$ 31,662,526</b>	<b>\$ 26,593,207</b>

### (c) Investment Income

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

	2021	2020
Distributions	\$ 748,746	\$ 794,119
Increase in Fair Value of Investments	3,834,409	72,445
	<b>\$ 4,583,155</b>	<b>\$ 866,564</b>

Expenses recognized in the Statement of Revenues and Expenses include professional fees paid to the Corporation's professional investment advisors of \$106,130 (2020 - \$101,475).

## 4. Capital Assets

	2021			2020		
	Cost	Accumulated Amortization	Net Book Value	Cost	Accumulated Amortization	Net Book Value
Computer Equipment	\$ 464,520	\$ 401,656	\$ 62,864	\$ 785,878	\$ 714,634	\$ 71,244
Leasehold Improvements	232,471	212,517	19,954	232,471	192,484	39,987
Furniture and Equipment	282,185	276,259	5,926	282,185	245,751	36,434
	<b>\$ 979,176</b>	<b>\$ 890,432</b>	<b>\$ 88,744</b>	<b>\$ 1,300,534</b>	<b>\$ 1,152,869</b>	<b>\$ 147,665</b>

## 5. Intangible Assets

	2021			2020		
	Cost	Accumulated Amortization	Net Book Value	Cost	Accumulated Amortization	Net Book Value
Website and [REDACTED]	\$ 670,529	\$ 390,549	\$ 279,980	\$ 385,110	\$ 321,914	\$ 63,196
CRM and Golf Canada Mobile App	783,171	347,225	435,946	616,040	171,035	445,005
	<b>\$ 1,453,700</b>	<b>\$ 737,774</b>	<b>\$ 715,926</b>	<b>\$ 1,001,150</b>	<b>\$ 492,949</b>	<b>\$ 508,201</b>

# Notes to Financial Statements

As at October 31, 2021

## 6. Bank Facility

As at October 31, 2021, the Corporation has a revolving demand facility of \$2,000,000. As general and continuing collateral, security on the bank facility is equal to a maximum lending value of 50% of the market value of the Corporation's investments (Note 3). As at October 31, 2021, \$nil (2020 - \$nil) of this facility was utilized. The facility is due upon demand and bears interest at a rate of bank prime plus 0.75%, which equates to 3.20% at October 31, 2021 (2020 - 3.20%). During the year, the Corporation incurred \$1,733 (2020 - \$11,745) of interest expense in relation to the bank facility. As at October 31, 2021, the Corporation is compliant with all conditions and general covenants of the facility.

## 7. Disposal of the Golf Canada Calgary Centre

As part of the executed purchase and sale agreement of the Golf Canada Calgary Centre in 2019, Golf Canada was to be paid a portion of the future business profits from the purchaser's operations through 2022. Golf Canada and the purchaser negotiated a one-time settlement payment of \$250,000 in lieu of future contingent business profits (the "Buyout Agreement") and this amount was received in 2021.

## 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 \$894,525 (2020 - \$932,025) was recognized from Sport Canada through the Sport Support Program.

## 9. Allocation of Administration and Overhead Expenses

	2021	2020
Building and IT Systems, Network and Applications	\$ 904,684	\$ 878,361
Salaries, Benefits and Travel	1,730,430	1,506,209
Strategic Planning and Transitional Costs	269,004	394,426
Professional Fees, Insurance, and Bank Fees	341,324	303,998
Conferences and Meetings	41,855	181,240
Postage, Courier and Other Costs	99,092	70,915
Rebates and Subsidies, Recoveries, and Donations	(90,110)	(263,238)
<b>Total Administration and Overhead Expenses</b>	<b>3,296,279</b>	<b>3,071,911</b>
Allocation to Professional Championships	(392,520)	(445,580)
<b>Net Administration and Overhead Expenses</b>	<b>\$ 2,903,759</b>	<b>\$ 2,626,331</b>

Golf Canada incurred approximately \$111,000 (2020 - \$99,000) of administration and overhead expenses, on behalf of the Golf Canada Foundation during the year. These expenses have not been charged to the Golf Canada Foundation.

# Notes to Financial Statements

As at October 31, 2021

## 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 three years are due as follows:

2022	\$	439,825
2023		84,791
2024		4,982
<b>Total</b>	<b>\$</b>	<b>529,598</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 annually, on behalf of each eligible employee. During the year, the Corporation contributed \$167,795 (2020 - \$143,751) 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

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 the Statement of Revenues and Expenses in the year in which management can reasonably estimate the quantum of loss.

## 13. Impact of COVID-19

In March 2020, the World Health Organization characterized the outbreak of the novel strain of coronavirus, specifically identified as "COVID-19" as a global pandemic. This has resulted in the local governments enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses worldwide resulting in an economic slowdown. Equity markets have experienced significant volatility and weakness and the local governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions.

In 2021, Golf Canada cancelled several amateur championships and both professional championships, and reduced travel and activities for the National Amateur Teams, to ensure the health and safety of the communities that the Corporation had planned to operate in. During the year, Golf Canada filed applications for the Government of Canada's COVID-19 relief measures, specifically the Canada Emergency Wage Subsidy and Canada Emergency Rent Subsidy. \$2,152,539 (2020 - \$1,356,844) in aggregate subsidies from these programs were recognized in the Statement of Revenues and Expenses.

# Notes to Financial Statements

As at October 31, 2021

## 14. 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 2021, the Foundation awarded a total of \$1,968,293 in scholarships and grants (2020 - \$1,164,129).

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 of 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:

	2021	2020
<b>Statement of Financial Position</b>		
Total Assets	\$ 3,943,688	\$ 2,903,001
Total Liabilities	1,497,439	1,233,281
<b>Total Net Assets</b>	<b>\$ 2,446,249</b>	<b>\$ 1,669,720</b>
<b>Statement of Revenues and Expenses</b>		
Total Revenues	\$ 3,169,997	\$ 1,846,945
Gain / (Loss) on Fair Value of Investments	284,480	(5,081)
Total Expenses	2,677,949	1,839,440
<b>Excess of Revenues over Expenses</b>	<b>\$ 776,528</b>	<b>\$ 2,424</b>
<b>Statement of Cash Flows</b>		
Cash from / (used in) Operations	\$ 111,896	\$ (275,972)
Cash used in Investing Activity	(118,485)	(96,888)
Cash from Financing Activity	99,424	50,965
<b>Increase / (Decrease) in Cash</b>	<b>\$ 92,835</b>	<b>\$ (321,895)</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 \$1,192,702 (2020 - \$650,000) of revenue has been recorded in the Statement of Revenue and Expenses from the Foundation towards Sport – Participation and Sport – Performance programs. 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.

## 15. 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 (Unaudited)

Year ended October 31, 2021

## 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, 2022, 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 committed from Sport Canada for the April 1, 2021, to March 31, 2022, 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, 2021. 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.

<b>Funding and Expenses by Category</b>	<b>Sport Canada Funding</b>	<b>Expenses Incurred</b>
General Administration	\$ -	\$ 736,470
Governance	-	216,079
Salaries, Fees and Benefits	173,500	7,139,608
Coaching Salaries and Professional Development	50,000	741,526
National Team Program	135,000	521,558
Official Languages	15,000	130,603
Operations and Programming	300,000	1,807,989
Enhanced Excellence Initiatives	100,000	100,000
Next Generation Initiatives	50,000	50,000
Gender Equity & Safe Sport	122,650	122,650
COVID-19 Pandemic Travel Measures Support	6,000	-
Athletes with a Disability	-	57,021
<b>Total Revenues and Expenses</b>	<b>\$ 952,150</b>	<b>\$ 11,623,504</b>

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



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

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BOARD OF DIRECTORS AS OF MARCH 6, 2022

NAME	STATUS	OCCUPATION	EMAIL	ADDRESS	CITY	PROV	POSTAL	HOME #	CELL #
Liz Hoffman	President								
Dale Jackson	Vice President								
Allison Chisholm	Director at Large								
Michelle Collins	Chair, Provincial Council								
Paul Delfatoh	Director at Large								
Diane Drury-Clarke	Chair of Governors Council								
Shawn Evans	Director at Large								
Patrick Kelly	Director at Large								
Peter Major	Director at Large								
Susan MacKinnon	Chair, Provincial Council								
David McCarthy	Director at Large								
Jean-Sebastien Monty	Director at Large								
Raf Sali	Director at Large								

COPY - COPY



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

Garrett Ball,   
Chief Financial Officer

  
Chief Executive Officer

COPY / COPIES



**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