

MANITOBA COMBATIVE SPORTS COMMISSION

Financial Statements

Year Ended March 31, 2021

MANITOBA COMBATIVE SPORTS COMMISSION

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Year Ended March 31, 2021

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INDEPENDENT AUDITORS' REPORT

To the Board of Commissioners of Manitoba Combative Sports Commission

Opinion

We have audited the financial statements of Manitoba Combative Sports Commission (the Commission), which comprise the statement of financial position as at March 31, 2021, and the statements of revenue and expenses, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

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

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 *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Commission 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 those 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 the 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.

In preparing the financial statements, management is responsible for assessing the Commission's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Commission or to cease operations, or has no realistic alternative but to do so.

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

(continues)

Independent Auditors' Report to the Board of Commissioners of Manitoba Combative Sports Commission
(continued)

Auditors' 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 auditors' 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. 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 Commission'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 Commission's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Commission 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.

Exchange

Chartered Professional Accountants LLP
Winnipeg, Manitoba
May 29, 2021


MANITOBA COMBATIVE SPORTS COMMISSION

Statement of Financial Position

March 31, 2021

	2021	2020
ASSETS		
CURRENT		
Cash	<u>\$ 59,722</u>	<u>\$ 88,994</u>
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	<u>\$ 4,646</u>	<u>\$ 4,646</u>
NET ASSETS	<u>55,076</u>	<u>84,348</u>
	<u>\$ 59,722</u>	<u>\$ 88,994</u>

ON BEHALF OF THE BOARD

 Director

 Director

See notes to financial statements

MANITOBA COMBATIVE SPORTS COMMISSION

Statement of Revenue and Expenses

Year Ended March 31, 2021

	Budget 2021	2021	2020
REVENUE			
Grant - Province of Manitoba	\$ 15,900	\$ 15,900	\$ 15,900
Event administration fees	3,000	-	5,500
Commission, licenses, and permits	4,000	-	1,880
Interest	150	138	168
Other	450	1,000	100
	<u>23,500</u>	<u>17,038</u>	<u>23,548</u>
EXPENSES			
Dues and subscriptions	200	137	140
Event official	2,000	-	8,422
Event related	500	-	713
GST	-	297	492
Honoraria	4,200	4,200	4,200
Interest and bank charges	-	-	13
Meetings, training and travel	8,300	-	4,128
Office	1,800	2,064	2,254
Professional fees	8,500	39,612	7,508
	<u>25,500</u>	<u>46,310</u>	<u>27,870</u>
DEFICIENCY OF REVENUE OVER EXPENSES	<u>\$ (2,000)</u>	<u>\$ (29,272)</u>	<u>\$ (4,322)</u>

MANITOBA COMBATIVE SPORTS COMMISSION

Statement of Changes in Net Assets

Year Ended March 31, 2021

	2021	2020
NET ASSETS - BEGINNING OF YEAR	\$ 84,348	\$ 88,670
Deficiency of revenue over expenses	<u>(29,272)</u>	<u>(4,322)</u>
NET ASSETS - END OF YEAR	\$ 55,076	\$ 84,348

MANITOBA COMBATIVE SPORTS COMMISSION

Notes to Financial Statements

Year Ended March 31, 2021

1. DESCRIPTION OF OPERATIONS

Manitoba Combative Sports Commission was incorporated under the Province of Manitoba by a proclamation dated October 16, 1983.

On June 14, 2012 the Provincial government passed legislation changing the name of the Manitoba Boxing Commission and the name of The Boxing Commission Act. As per section 4 of The Statute Correction and Minor Amendments Act, 2012, the name of commission will be The Manitoba Combative Sports Commission and the Act will be The Boxing Act. The purpose of the organization is to regulate professional combative sport matches in the Province of Manitoba in accordance with regulations set down in the Act

Manitoba Combative Sports Commission is tax-exempt as a registered charity under paragraph 149(1)(f) of the Income Tax Act of Canada.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. Because a precise determination of many assets and liabilities is dependent upon future events, the preparation of financial statements for a period necessarily involves the use of estimates which have been made using careful judgement. The financial statements have, in management's opinion, been properly prepared within the reasonable limits of materiality and within the framework of the significant accounting policies summarized below:

Financial instruments policy

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

Capital Assets

Capital assets are expensed in the year of acquisition.

Revenue recognition

Revenue is recognized when they are received or receivable if the amount can be reasonably estimated and collection is reasonably assured.

Interest revenue is generated through interest received from bank. The revenue is recognized as interest when received.

MANITOBA COMBATIVE SPORTS COMMISSION

Notes to Financial Statements

Year Ended March 31, 2021

3. FINANCIAL INSTRUMENTS

The commission is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the commission's risk exposure and concentration as of March 31, 2021.

Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The commission is primarily exposed to credit risk from funders. Management considers credit risk to be low, since its primary funder is the Province of Manitoba.

4. ECONOMIC DEPENDENCE

The organization is economically dependent on the Province of Manitoba which provides funding through an annual grant.
