

**ONTARIO LAWN BOWLS ASSOCIATION**  
**Financial Statements**  
**Year Ended October 31, 2021**

**ONTARIO LAWN BOWLS ASSOCIATION**  
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**Year Ended October 31, 2021**

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# MALOTT PROFESSIONAL CORPORATION

LICENSED PUBLIC ACCOUNTANT

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## INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

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To the Members of Ontario Lawn Bowls Association

I have reviewed the accompanying financial statements of Ontario Lawn Bowls Association (the organization) that comprise the statement of financial position as at October 31, 2021, and the statements of changes in net assets, revenues and expenditures and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO), 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.

### *Practitioner's Responsibility*

My responsibility is to express a conclusion on the accompanying financial statements based on my review. I conducted my review in accordance with Canadian generally accepted standards for review engagements, which require me to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, I do not express an audit opinion on these financial statements.

### *Conclusion*

Based on my review, nothing has come to my attention that causes me to believe that the financial statements do not present fairly, in all material respects, the financial position of Ontario Lawn Bowls Association as at October 31, 2021, and the results of its operations and its cash flows for the year then ended in accordance with ASNPO.



Tilbury, Ontario  
February 27, 2022

PROFESSIONAL CORPORATION  
CHARTERED PROFESSIONAL ACCOUNTANT  
Authorized to practise public accounting by  
the Chartered Professional Accountants of Ontario

**ONTARIO LAWN BOWLS ASSOCIATION**  
**Statement of Financial Position**  
**October 31, 2021**

	2021	2020
<b>ASSETS</b>		
CURRENT		
Cash	\$ 228,531	\$ 185,144
Accounts receivable (Note 3)	9,832	8,534
Inventory (Note 4)	9,532	9,587
Harmonized sales tax recoverable	-	5,605
Prepaid expenses (Note 5)	33,042	3,398
	\$ 280,937	\$ 212,268
 <b>LIABILITIES AND NET ASSETS</b>		
CURRENT		
Accounts payable	\$ 2,128	\$ 1,489
Harmonized sales tax payable	11,746	-
Deferred revenue (Note 6)	64,049	-
	77,923	1,489
<b>NET ASSETS</b>	<b>203,014</b>	<b>210,779</b>
	<b>\$ 280,937</b>	<b>\$ 212,268</b>

CONTINGENT LIABILITY (Note 9)

**ON BEHALF OF THE BOARD**

\_\_\_\_\_ *President*

\_\_\_\_\_ *Treasurer*

**ONTARIO LAWN BOWLS ASSOCIATION**  
**Statement of Changes in Net Assets**  
**Year Ended October 31, 2021**

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	Total	Total
<b>NET ASSETS - BEGINNING OF YEAR</b>	<b>\$ 210,779</b>	<b>\$ 194,467</b>
Excess (deficiency) of revenues over expenses	<u>(7,765)</u>	<u>16,312</u>
<b>NET ASSETS - END OF YEAR</b>	<b><u>\$ 203,014</u></b>	<b><u>\$ 210,779</u></b>

**ONTARIO LAWN BOWLS ASSOCIATION**  
**Statement of Revenues and Expenditures**  
**Year Ended October 31, 2021**

	Budget 2021	Total 2021	Total 2020
<b>REVENUES</b>			
Membership (Note 6)	\$ 106,200	\$ 65,625	\$ 48,471
Grant	43,464	56,310	37,944
Provincial championships and Back to Bowls	-	10,409	-
Miscellaneous sales	-	1,292	2,039
Advertising	-	250	4,333
Hall of fame	3,000	-	-
	<u>152,664</u>	<u>133,886</u>	<u>92,787</u>
<b>EXPENSES</b>			
Sub-contracts	33,760	32,760	17,640
BCB membership fees (Note 7)	61,207	30,855	-
Communications	17,200	19,587	17,949
Insurance	15,877	16,585	20,189
Provincial championships and Back to Bowls	-	14,034	935
Grant disbursements	-	13,923	-
Administration	9,950	6,513	15,631
Professional fees	3,000	3,688	1,513
Advertising and promotion	6,500	2,699	2,029
Diversity	2,000	485	-
Greens	1,500	279	532
Bank charges	100	223	26
Umpiring	-	20	-
Coaching	-	-	31
Hall of fame	6,000	-	-
Contingency	2,500	-	-
Youth	500	-	-
	<u>160,094</u>	<u>141,651</u>	<u>76,475</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>	<u>\$ (7,430)</u>	<u>\$ (7,765)</u>	<u>\$ 16,312</u>

**ONTARIO LAWN BOWLS ASSOCIATION**

**Statement of Cash Flows**

**Year Ended October 31, 2021**

	2021	2020
<b>OPERATING ACTIVITIES</b>		
Excess (deficiency) of revenues over expenses	\$ (7,765)	\$ 16,312
Changes in non-cash working capital:		
Accounts receivable	(1,298)	(390)
Inventory	55	(3,493)
Accounts payable	639	(14,093)
Deferred revenue	64,049	(48,226)
Prepaid expenses	(29,644)	76
Harmonized sales tax payable	17,351	(17,032)
	<u>51,152</u>	<u>(83,158)</u>
<b>INCREASE (DECREASE) IN CASH FLOW</b>	<b>43,387</b>	<b>(66,846)</b>
Cash - beginning of year	<u>185,144</u>	<u>251,990</u>
<b>CASH - END OF YEAR</b>	<b><u>\$ 228,531</u></b>	<b><u>\$ 185,144</u></b>

# ONTARIO LAWN BOWLS ASSOCIATION

## Notes to Financial Statements

Year Ended October 31, 2021

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### 1. PURPOSE OF THE ORGANIZATION

Ontario Lawn Bowls Association (the "organization") is a not-for-profit organization incorporated without share capital under the Business Corporations Act of Ontario. Management has determined that they are exempt from payment of income tax under Section 149(1) of the Income Tax Act.

The organization exists to promote, encourage, co-ordinate, and administer the sport of Bowls and provide opportunities for all lawn bowlers in Ontario to participate at their level of interest and ability.

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### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO) and, in management's opinion, with consideration of materiality and within the framework of the following accounting policies:

#### Cash and cash equivalents

Cash includes cash and cash equivalents. Cash equivalents are valued at cost plus accrued interest. The carrying amounts approximate fair value because they have maturities at the date of purchase of less than ninety days.

#### 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.

#### Inventory

Inventory is valued at the lower of cost and net realizable value for inventory being sold or replacement cost for inventory being given away with the cost being determined on a first-in, first-out basis.

#### Capital assets

Capital assets are expensed in the period in which the assets are acquired. Capital assets held by the organization consist of equipment and computer software. The organization did not acquire any capital assets during the year or the corresponding year.

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**ONTARIO LAWN BOWLS ASSOCIATION**  
**Notes to Financial Statements**  
**Year Ended October 31, 2021**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Revenue recognition

Ontario Lawn Bowls Association follows the deferral method of accounting for contributions.

Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Endowment contributions are recognized as direct increases in net assets.

Restricted investment income is recognized as revenue in the year in which the related expenses are incurred. Unrestricted investment income is recognized as revenue when earned.

Product sales and other service revenues are recognized at the later of when the revenue is earned and when collection is reasonably assured.

Membership fee revenues are recognized equally over the term of the membership.

Contributed services

The operations of the organization depend on the contribution of time by volunteers. The fair value of donated services cannot be reasonably determined and is therefore not reflected in these financial statements.

Measurement uncertainty

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. These estimates include accruals, contingencies, deferred revenue, and allowance for doubtful accounts. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

3. ACCOUNTS RECEIVABLE

	2021	2020
Grants	\$ 5,882	\$ 8,534
Membership fees	3,950	-
	\$ 9,832	\$ 8,534

**ONTARIO LAWN BOWLS ASSOCIATION**

**Notes to Financial Statements**

**Year Ended October 31, 2021**

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4. INVENTORY

	<u>2021</u>	<u>2020</u>
Championship clothing	\$ 6,643	\$ 6,643
Umpire clothing	1,096	1,116
Coaching	730	730
Pins	510	575
Director clothing	523	493
Manuals	30	30
	<u>\$ 9,532</u>	<u>\$ 9,587</u>

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5. PREPAID EXPENSES

	<u>2021</u>	<u>2020</u>
BCB membership fees ( <i>Note 7</i> )	\$ 30,352	\$ -
Insurance	2,690	3,398
	<u>\$ 33,042</u>	<u>\$ 3,398</u>

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6. DEFERRED REVENUE

	<u>2021</u>	<u>2020</u>
Unearned membership fees	\$ 64,049	\$ -

During the year, the organization invoiced \$129,674 (2020 - \$248) in membership fees and recognized \$65,625 (2020 - \$48,471) as revenue. As disclosed in (*Note 3*), \$3,950 (2020 - \$0) of the membership fees invoiced are yet to be collected as of the date of the Statement of Financial Position.

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7. BOWLS CANADA BOULINGRIN MEMBERSHIP FEES

During the year, the organization remitted membership fees to its national associate, Bowls Canada Boulingrin (BCB), totaling \$61,207. BCB charged the association \$9.25 per member based on the organization's membership for the year ended October 31, 2019 of 6,617 members. However, due to the organization's reduced membership in the current year of 4,825, this was equivalent to a fee of \$12.69 per member plus harmonized sales tax. This membership fee covers the period May 1, 2021 - April 30, 2022 and thus \$30,352 (2020 - \$0) was considered prepaid expenses at the date of the Statement of Financial Position.

For the year ended October 31, 2022, this fee will increase 50% to \$13.88 per member based on the organization's membership for the year ended October 31, 2019 of 6,617 members. For the year ended October 31, 2023, this fee is proposed to increase to \$18.50 per member.

In prior years, the organization collected membership fees on behalf of BCB. During the corresponding period, the organization collected \$18.50 per member for a total of \$315 on behalf of BCB, \$107 of which was included in accounts payable at the end of the year. These membership fees were not revenue of the organization and are therefore not reflected in these financial statements.

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# ONTARIO LAWN BOWLS ASSOCIATION

## Notes to Financial Statements

Year Ended October 31, 2021

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### 8. RELATED PARTY TRANSACTIONS

Throughout the year, members of the Board of Directors of the organization paid \$8,104 (2020 - \$14,083) on behalf of the organization, all of which were reimbursed during the year except \$0 (2020 - \$64) which is included in accounts payable at the end of the year. These advances are non-interest bearing and have no set repayment terms. 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 to by the related parties.

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### 9. CONTINGENT LIABILITY

The organization has routinely acted on behalf of its member clubs in terms of receiving and disbursing grant monies to the benefit of these member clubs. There is some question as to the liability of the organization should one of these member clubs fail to fulfill its obligations under their corresponding grant agreement. It is apparent that the organization could potentially be held liable for any grant monies administered in a manner that is not in keeping with the intention of or used for purposes other than outlined in the corresponding grant agreement.

Management is confident that all obligations have been and are being met under all grant agreements previously and currently in place and that no liability, contingent or otherwise, exists for the organization. As a result, no liability has been estimated or accrued in these financial statements.

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### 10. FINANCIAL INSTRUMENTS

The organization 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 organization's risk exposure and concentration as of October 31, 2021.

#### Credit risk

The organization provides credit to its customers and members in the normal course of operations. Credit valuations are performed on a regular basis and the financial statements take into account an allowance for bad debts as necessary. The organization has a significant number of customers and members which minimizes concentration of credit risk.

#### Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the organization manages exposure through its normal operating and financing activities. The organization is exposed to interest rate risk primarily through its cash and short-term investments.

Unless otherwise noted, it is management's opinion that the organization is not exposed to significant liquidity, market, currency, or other price risks arising from these financial instruments.

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### 11. SIGNIFICANT EVENT

Prior to the year end, the organization was exposed to economic risks associated with the coronavirus pandemic. These risks continued past the year end date and are beyond the organization's control. The impact of these risks cannot be identified at this time but could impact the organization's operations, future surplus, cash flows, and financial conditions.

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