

**Bowl Ontario Tenpin**

**Financial Statements**

**December 31, 2017**



## **Independent Auditors' Report**

To the members of  
**Bowl Ontario Tenpin**

We have audited the accompanying financial statements of **Bowl Ontario Tenpin** which comprise the statement of financial position as at December 31, 2017 and the statements of operations and changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## **Independent Auditors' Report (continued)**

### **Opinion**

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Organization as at December 31, 2017 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.

**Mississauga, Ontario  
July 10, 2018**

*Clarkson Rouble LLP*

**Clarkson Rouble LLP  
Chartered Professional Accountants  
Licensed Public Accountants**



# Bowl Ontario Tenpin

## Statement of Financial Position As at December 31

	2017	2016
<b>Assets</b>		
<b>Current</b>		
Cash	\$ 82,479	\$ 75,883
Accounts receivable	4,546	2,617
Prepaid expenses	675	1,423
	<u>87,700</u>	<u>79,923</u>
<b>Equipment (Note 3)</b>	388	-
	<u>\$ 88,088</u>	<u>\$ 79,923</u>

## Liabilities and net assets

<b>Current</b>		
Accounts payable and accrued liabilities (Note 4)	\$ 11,868	\$ 12,640
Dues and entry fees received in advance (Note 5)	7,440	6,715
Due to Bowl Ontario	20,842	20,842
	<u>40,150</u>	<u>40,197</u>
<b>Marketing fund (Note 6)</b>	10,260	9,660
<b>Unrestricted net assets</b>	<u>37,678</u>	<u>30,066</u>
	<u>\$ 88,088</u>	<u>\$ 79,923</u>

On behalf of the Organization:

\_\_\_\_\_  
Brenda Dottermann, President

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Mark Decman, Treasurer

# Bowl Ontario Tenpin

## Statement of Operations and Changes in Net Assets Year Ended December 31

	2017	2016
<b>Revenue</b>		
Membership dues	\$ 36,850	\$ 40,335
Registration fees	6,291	3,138
Tournament entry fees	2,436	588
National fund rebates	9,172	-
Other income	160	-
	<u>54,909</u>	<u>44,061</u>
<b>Administrative expenditures</b>		
Amortization	113	-
Awards	3,334	-
Bank charges	298	32
Director meetings	8,362	6,387
Insurance	1,574	1,512
Membership dues	15,991	16,562
Office and general	1,720	427
Professional fees	5,540	5,200
Salaries and benefits	5,091	-
Telephone	491	-
Tournament costs	3,199	765
Uniforms	1,584	-
	<u>47,297</u>	<u>30,885</u>
<b>Excess of revenue over expenditures for the year</b>	<b>7,612</b>	<b>13,176</b>
<b>Net assets, beginning of the year</b>	<b>30,066</b>	<b>16,890</b>
<b>Net assets, end of the year</b>	<b>\$ 37,678</b>	<b>\$ 30,066</b>

# Bowl Ontario Tenpin

## Cash Flow Statement Year Ended December 31

	2017	2016
<b>Operating activities</b>		
Excess of revenue over expenditures for the year	\$ 7,612	\$ 13,176
Item not requiring an outlay of cash:		
Amortization	113	-
	<u>7,725</u>	<u>13,176</u>
Cash generated from (used for):		
Changes in non-cash working capital items		
Accounts receivable	(1,929)	2,945
Prepaid expenses	748	(793)
Accounts payable and accrued liabilities	(772)	8,855
Dues and entry fees received in advance	725	(2,950)
	<u>6,497</u>	<u>21,233</u>
<b>Increase from operating activities</b>	<u>6,497</u>	<u>21,233</u>
<b>Financing activities</b>		
Marketing fund	600	5,140
	<u>600</u>	<u>5,140</u>
<b>Increase from financing activities</b>	<u>600</u>	<u>5,140</u>
<b>Investing activities</b>		
Purchase of capital assets	(501)	-
	<u>(501)</u>	<u>-</u>
<b>(Decrease) increase from investing activities</b>	<u>(501)</u>	<u>-</u>
<b>Increase in cash</b>	<u>6,596</u>	<u>26,373</u>
<b>Cash, beginning of year</b>	<u>75,883</u>	<u>49,510</u>
<b>Cash, end of year</b>	<u>\$ 82,479</u>	<u>\$ 75,883</u>

# Bowl Ontario Tenpin

## Notes to Financial Statements December 31, 2017

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### 1. Nature of organization

Bowl Ontario Tenpin (the "Organization") was incorporated on January 29, 2015 under the Canada Not-for-profit Corporations Act as a non-share, non-profit organization. As a non-profit organization, the Organization is exempt from corporate income taxes.

Bowl Ontario Tenpin is the provincial voice for tenpin bowling centres and their members across southern Ontario, facilitates the exchange of information and ideas and offers beneficial programs and services to grow the sport, game and industry of tenpin bowling.

### 2. Summary of accounting policies

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

#### (a) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, bank balances and fixed income investments with maturities of less than 90 days.

#### (b) Equipment

Equipment is recorded at acquisition cost. Amortization is recorded in the accounts at rates intended to write off the cost of the assets over their estimated useful life. In the year of acquisition, equipment is amortized at one-half of the normal rate.

Rates are as follows:

Asset	Rate	Method
Furniture and equipment	20%	declining balance
Computer equipment	45%	declining balance

#### (c) Tournament revenues and expenditures

Tournament revenues and expenditures are reported in the fiscal year in which the tournament occurs.

# Bowl Ontario Tenpin

## Notes to Financial Statements

December 31, 2017

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### 2. Summary of Summary of accounting policies (continued)

#### (d) Revenue recognition

Revenue received for the marketing program is deferred and recognized as revenue in the year which the related expenditures are incurred.

Membership dues are collected in advance for the season from April to March of the next fiscal year and revenue is recognized on a time allocation basis.

Revenue from registrations is recognized when received.

Revenue from tournaments and programs is recognized when the specific tournament or program has been completed.

#### (e) Measurement uncertainty

The preparation of these financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management 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 revenues and expenses during the year. Actual results could differ from estimates. Significant items subject to such estimates and assumptions include the carrying value of accounts receivable and accounts payable and accrued liabilities.

#### (f) Measurement of financial instruments

The Organization initially measures its financial assets and liabilities at fair value. The Organization subsequently measures all its financial assets and financial liabilities at amortized cost. Financial assets measured at amortized cost include accounts receivable. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities. The Organization has not designated any financial asset or financial liability to be measured at fair value. Changes in fair value are recognized in the period such changes are recorded.



# Bowl Ontario Tenpin

## Notes to Financial Statements December 31, 2017

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### 3. Equipment

	2017		2016	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Computers and printers	\$ 501	\$ 113	\$ 388	\$ -
	<b>\$ 501</b>	<b>\$ 113</b>	<b>\$ 388</b>	<b>\$ -</b>

### 4. Accounts payable and accrued liabilities

	2017	2016
Accounts payable and accrued liabilities	\$ 5,040	\$ 7,726
Government remittances payable	6,828	4,914
	<b>\$ 11,868</b>	<b>\$ 12,640</b>

### 5. Dues and entry fees received in advance

The Organization receives membership dues and membership fees from the centres and their members for the period from April of the current fiscal year to March of the next fiscal year and from August of the current fiscal year to July of the next fiscal year respectively. The dues received relating to the next fiscal year are deferred.

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## Notes to Financial Statements December 31, 2017

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### 6. Marketing fund

The Board of Directors established a marketing fund to promote bowling awareness in the community.

An annual charge of \$10 per bowling lane is to be collected from all Organization members with the Board of Directors approving all expenditures. Changes in the marketing fund balance are as follows:

	2017	2016
Marketing fund, beginning of year	\$ 9,660	\$ 4,520
Fees collected	4,660	5,140
Promotional event - Blue Jays	(4,060)	-
Marketing fund, end of year	<b>\$ 10,260</b>	<b>\$ 9,660</b>

# **Bowl Ontario Tenpin**

## **Notes to Financial Statements**

**December 31, 2017**

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### **7. Financial instruments**

#### **Liquidity risk**

Liquidity risk is the risk that the Organization will encounter difficulty in meeting obligations associated with financial liabilities. The Organization is exposed to this risk mainly in respect of its accounts payable and accrued liabilities. The Organization expects to meet these obligations as they come due by generating sufficient cash flow from operations. There has been no change in the risk assessment from the prior period.

#### **Credit risk**

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Organization's main credit risk related to accounts receivable from its members. Credit risk associated with accounts receivable is minimized by the Organization's large and diverse member base. The Organization has also adopted credit policies which include the analysis of the financial position of its members and the regular review of their credit limits. The Organization did not incur any significant bad debt expenses during the last two years.

#### **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. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The Organization is mainly exposed to interest rate risk.

#### **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 exposure of the Organization to interest rate risk arises from its interest bearing assets. The Organization's cash and short-term investments on deposit with financial institutions earn interest at market rates. The Organization manages its exposure to the interest rate risk by maximizing the interest earned on excess funds while maintaining the liquidity necessary to conduct operations on a day to day basis.