

ONTARIO CURLING COUNCIL
(FORMERLY KNOWN AS CURL ONTARIO)
FINANCIAL STATEMENTS
AS AT APRIL 30, 2009

McCLUGGAGE & SMITH

CHARTERED ACCOUNTANTS

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AUDITORS' REPORT

TO THE MEMBERS OF

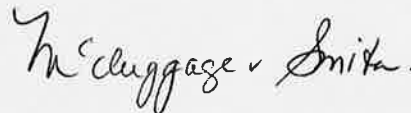
ONTARIO CURLING COUNCIL (FORMERLY KNOWN AS CURL ONTARIO)

We have audited the statement of financial position of the Ontario Curling Council as at April 30, 2009 and the statements of operations, changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the organization's management. 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 plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the organization as at April 30, 2009, and the results of its operations and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles. As required by the Ontario Corporations Act, we report that, in our opinion, these principles have been applied on a basis consistent with that of the preceding year.

NORTH YORK, Ontario
May 29, 2009



McCLUGGAGE & SMITH
Chartered Accountants
Licensed Public Accountants

ONTARIO CURLING COUNCIL
(FORMERLY KNOWN AS CURL ONTARIO)
STATEMENT OF FINANCIAL POSITION
AS AT APRIL 30, 2009

ASSETS

	<u>2009</u>	<u>2008</u>
<u>CURRENT ASSETS:</u>		
Cash	\$ 38,732	\$ -
Short-term investments	57,605	286,520
Accounts receivable	353	59,100
Inventory	-	6,303
Prepaid expenses	<u>3,326</u>	<u>3,526</u>
	<u>100,016</u>	<u>355,449</u>
 <u>CAPITAL ASSETS:</u>		
Computers and equipment	-	25,009
Less accumulated amortization	<u>-</u>	<u>14,174</u>
	<u>-</u>	<u>10,835</u>
 TOTAL ASSETS	 <u>\$ 100,016</u>	 <u>\$ 366,284</u>

LIABILITIES AND NET ASSETS

<u>CURRENT LIABILITIES:</u>		
Bank indebtedness	\$ -	\$ 11,240
Accounts payable and accrued liabilities	22,195	120,868
Deferred revenue (Note 3)	<u>11,277</u>	<u>13,323</u>
	<u>33,472</u>	<u>145,431</u>
 <u>NET ASSETS:</u>		
Invested in capital assets	-	10,835
Internally restricted net assets (Note 4)	4,338	13,923
Unrestricted net assets	<u>62,206</u>	<u>196,095</u>
	<u>66,544</u>	<u>220,853</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u>\$ 100,016</u>	 <u>\$ 366,284</u>

APPROVED ON BEHALF OF THE BOARD

ONTARIO CURLING COUNCIL
(FORMERLY KNOWN AS CURL ONTARIO)
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED APRIL 30, 2009

	<u>Invested in Capital Assets</u>	<u>Internally Restricted</u>	<u>Unrestricted</u>	<u>2009</u>	<u>2008</u>
Balance, beginning of year	\$ 10,835	\$ 13,923	\$ 196,095	\$ 220,853	\$ 173,440
Excess (deficiency) of revenues over expenses for the year	(7,087)	-	(147,222)	(154,309)	47,413
Disposition of capital assets	(3,748)	-	3,748	-	-
Transfer to unrestricted net assets (Note 4)	-	(13,923)	13,923	-	-
Internally imposed restriction (Note 4)	-	<u>4,338</u>	<u>(4,338)</u>	-	-
Balance, end of year	<u>\$ -</u>	<u>\$ 4,338</u>	<u>\$ 62,206</u>	<u>\$ 66,544</u>	<u>\$ 220,853</u>

ONTARIO CURLING COUNCIL
(FORMERLY KNOWN AS CURL ONTARIO)
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED APRIL 30, 2009

	<u>2009</u>		<u>2008</u>	
<u>REVENUES:</u>				
Government contributions (Note 7)	\$ 187,433		\$ 187,433	
Special initiative contributions & grants	30,275		38,939	
Programs	2,046		294,628	
Product sales	-		23,729	
Membership fees	54,443		55,692	
Other association fees	7,407		-	
Other	4,217		14,445	
Amortization of deferred contributions	<u>-</u>	\$ 285,821	<u>6,568</u>	\$ 621,434
 <u>EXPENSES:</u>				
Programs	306,847		419,999	
Championship/development/high performance support	40,832		41,769	
Cost of product sales	-		9,689	
Administration:				
Contract services	32,366		31,911	
Office and general	13,319		18,384	
Telephone and fax	4,356		3,655	
Rent, storage and parking	11,772		11,576	
Insurance	10,183		10,191	
Restructure expenditures	4,868		9,579	
Professional fees	<u>8,500</u>		<u>8,500</u>	
Amortization	433,043		565,253	
	<u>7,087</u>	<u>440,130</u>	<u>8,768</u>	<u>574,021</u>
 EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES FOR THE YEAR		 <u>\$ (154,309)</u>		 <u>\$ 47,413</u>

ONTARIO CURLING COUNCIL
(FORMERLY KNOWN AS CURL ONTARIO)
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED APRIL 30, 2009

	<u>2009</u>	<u>2008</u>
<u>OPERATING ACTIVITIES:</u>		
Excess deficiency of revenues over expenses for the year	\$ (154,309)	\$ 47,413
Items not involving cash		
Amortization of deferred contributions	-	(6,568)
Amortization of capital assets	<u>7,087</u>	<u>8,768</u>
	(147,222)	49,613
Net change in non-cash working capital balances	<u>(35,469)</u>	<u>(177,821)</u>
	(182,691)	(128,208)
<u>INVESTING ACTIVITIES:</u>		
Disposition of capital assets	<u>3,748</u>	<u>-</u>
CASH GENERATED FROM OPERATING AND INVESTING ACTIVITIES	(178,943)	(128,208)
<u>INVESTMENTS:</u>		
Purchase of capital assets	<u>-</u>	<u>3,748</u>
DECREASE IN CASH AND EQUIVALENTS	(178,943)	(131,956)
CASH AND EQUIVALENTS, BEGINNING OF YEAR	<u>275,280</u>	<u>407,236</u>
CASH AND EQUIVALENTS, END OF YEAR	<u>\$ 96,337</u>	<u>\$ 275,280</u>
<u>REPRESENTED BY:</u>		
Cash	\$ 38,732	\$ -
Bank indebtedness	-	(11,240)
Short-term investments	<u>57,605</u>	<u>286,520</u>
	<u>\$ 96,337</u>	<u>\$ 275,280</u>
<u>NET CHANGE IN NON-CASH WORKING CAPITAL BALANCES:</u>		
Accounts receivable	\$ 58,747	\$ (496)
Inventory	6,303	4,126
Prepaid expenses	200	5,715
Accounts payable and accrued liabilities	(98,673)	41,885
Deferred revenue	<u>(2,046)</u>	<u>(229,051)</u>
	<u>\$ (35,469)</u>	<u>\$ (177,821)</u>

ONTARIO CURLING COUNCIL
(FORMERLY KNOWN AS CURL ONTARIO)
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2009

1. Purpose of Organization:

The organization was authorized by supplementary letters patent, dated October 30, 2008, to change its name from Curl Ontario to Ontario Curling Council.

The Ontario Curling Council is devoted to identifying and securing funding for its member associations so that they may carry out the educational and development programs for curling in Ontario.

The organization was incorporated in Ontario on November 16, 1981, as a not-for-profit organization, and is exempt from the payment of Canadian income taxes.

2. Significant Accounting Policies:

Revenue Recognition

The organization follows the deferral method of accounting for contributions. 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.

Grants and special initiatives are recognized as revenue when the member organizations use the funding for qualified programs.

Membership and other association fees are recognized as revenue when the invoice is rendered and collection is reasonably assured.

Capital Assets

Capital assets are recorded at cost. Amortization is provided on a straight-line basis over the assets' estimated useful lives, which is three years. All capital assets were fully amortized in 2009.

Contributed Services

Certain services have been contributed by volunteers to the Ontario Curling Council to assist in its operations. Because of the difficulty of determining their fair value, these contributions are not recognized in the financial statements.

Measurement Uncertainty

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amount of revenue and expenses during the reported period. Actual results could differ from these estimates.

ONTARIO CURLING COUNCIL
(FORMERLY KNOWN AS CURL ONTARIO)
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2009

2. Significant Accounting Policies: (cont'd)

Financial Instruments

The organization classified cash and short-term investments as financial assets which are held for trading and are recognized at fair value determined on the basis of market value. Gains and losses are recognized in the results of operations in the period in which they occur. Accounts receivable, classified as loans and receivables, and accounts payable and accrued liabilities, classified as other liabilities, are recognized at fair value. Gains and losses are recognized in the results of operations when the assets or liabilities are removed.

Future Accounting Pronouncements:

Financial statement presentation by not-for-profit organizations.

In September 2008, amendments were made to CICA Handbook Section 4400 – Financial Statement presentation by Not-for-profit Organizations. Amendments to the section included removal of the requirement to treat net assets invested in capital assets as a separate component of net assets, and, instead, permitting such an amount to be presented as a category of internally restricted net assets. In addition, the requirement to recognize and present revenues and expenses on a gross basis when a not-for-profit organization is acting as a principal in the transaction was clarified. Finally, guidance was included to reflect that Section 1540 – Cash Flow Statements and Section 1751 – Interim Financial Statements are applicable to not-for-profit organizations.

These amendments apply to interim and annual financial statement relating to fiscal years beginning on or after January 1, 2009. The organization does not expect the changes to the standard to have a material impact on the financial statements.

Additional amendments in regard to capital assets and recommendations for disclosures regarding allocated expenses by not-for-profit organizations were also issued by the Canadian Institute of Chartered Accountants. These pronouncements were not considered relevant to the Ontario Curling Council and, therefore, no further detail has been provided.

ONTARIO CURLING COUNCIL
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NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2009

3. Deferred Revenue:

Deferred revenue consists of special initiative and memorial contributions received in the current period that are related to subsequent periods. Changes in the deferred revenue balance are as follows:

	<u>2009</u>	<u>2008</u>
Special Initiative Contributions,		
Balance, beginning of year	\$ 2,500	\$ 18,253
Less amount recognized as revenue in the year	(2,500)	(18,253)
Add amount received related to subsequent periods	2,500	2,500
Balance, end of year	\$ 2,500	\$ 2,500
Pat "O" Reid Memorial Contributions,		
Balance, beginning of year	\$ 10,823	\$ 15,234
Less amount recognized as revenue in the year	(2,046)	(4,411)
Balance, end of year	\$ 8,777	\$ 10,823
	\$ 11,277	\$ 13,323

4. Restriction on Net Assets:

During the year, the board of directors approved the transfer of \$13,923 of previously restricted net assets to member associations for qualified programs.

The board of directors internally restricted \$4,338 of unrestricted net assets for transfer to member associations for qualified programs. This internally restricted amount is not available for other purposes without approval of the board of directors.

ONTARIO CURLING COUNCIL
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NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2009

5. Trust Fund (Hamilton Brier 1991 Inc.):

In 1991, the Hamilton Brier 1991 Inc. gave the Ontario Curling Council (formally Curl Ontario) claim to an amount of funds to be held in trust for the development of Junior Curling, specifically through the "Little Rock" program or its successor or equivalent program.

Due to the reorganization, the trust fund balance is to be distributed equally to the member organizations. During the year a distribution to the NOCA was made in the amount of \$14,106. As at April 30, 2009, the balance of the fund amounts to \$14,110 at cost and will be held in investments until distributed.

6. Financial Instruments:

The organization's financial instruments consist of cash, short-term investments, accounts receivable, accounts payable and accrued liabilities. Unless otherwise noted, it is management's opinion that the organization is not exposed to significant interest, currency or credit risks arising from these financial instruments.

The carrying amount of cash, short-term investments, accounts receivable, accounts payable and accrued liabilities is a reasonable approximation of their fair value given their short-term maturity.

7. Economic Dependence:

The organization received \$187,433 (2008 - \$187,433) in base funding and \$15,525 (2008 - \$5,880) in special initiative funding from the Government of Ontario which represents approximately 71% (2008 - 31%) of its total revenue.

The organization has entered into servicing agreements with the Government of Ontario which set out the terms and conditions of the government funding for the organization. Special initiative funding must be spent or repaid. Amounts repayable are estimated and accrued in the financial statements. The Government of Ontario may terminate the servicing agreement if it determines the organization is in breach of any of its terms and conditions.