

**ONTARIO CURLING COUNCIL**

**FINANCIAL STATEMENTS**

(Unaudited)

**FOR THE YEAR ENDED APRIL 30, 2010**

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REVIEW ENGAGEMENT REPORT

To the Officers and Directors of  
Ontario Curling Council

We have reviewed the statement of financial position of the **Ontario Curling Council** as of April 30, 2010 and the statements of operations and changes in net assets and cash flows for the year then ended. Our review was made in accordance with Canadian generally accepted standards for review engagements and accordingly consisted primarily of enquiry, analytical procedures and discussion related to information supplied to us by the organization.

A review does not constitute an audit and consequently we do not express an audit opinion on these financial statements.

Based on our review, nothing has come to our attention that causes us to believe that these financial statements are not, in all material respects, in accordance with Canadian generally accepted accounting principles.

Peterborough, Ontario  
May 27, 2010

  
Chartered Accountants,  
Licensed Public Accountants

ONTARIO CURLING COUNCIL  
 STATEMENT OF FINANCIAL POSITION  
AS AT APRIL 30, 2010

ASSETS

	<u>2010</u>	<u>2009</u>
<b>Current Assets</b>		
Cash and bank	\$ 13,121	\$ 38,732
Investments (Note 2)	93,111	57,605
Accounts receivable	1,091	353
Prepaid expenses	<u>3,516</u>	<u>3,326</u>
	<u>\$ 110,839</u>	<u>\$ 100,016</u>

LIABILITIES AND NET ASSETS

<b>Current Liabilities</b>		
Accounts payable and accrued liabilities	\$ 24,726	\$ 22,195
Deferred revenue (Note 3)	<u>4,506</u>	<u>11,277</u>
	<u>29,232</u>	<u>33,472</u>
<b>Net Assets</b>		
Internally restricted net assets (Note 4)	785	4,338
Unrestricted net assets	<u>80,822</u>	<u>62,206</u>
	<u>81,607</u>	<u>66,544</u>
	<u>\$ 110,839</u>	<u>\$ 100,016</u>

Approved On Behalf Of The Board:

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**ONTARIO CURLING COUNCIL**  
**STATEMENT OF OPERATIONS**  
**FOR THE YEAR ENDED APRIL 30, 2010**

	<b><u>Budget</u></b> <b><u>2010</u></b>	<b><u>Actual</u></b> <b><u>2010</u></b>	<b><u>Total</u></b> <b><u>2009</u></b>
<b>Revenue</b>			
Government contributions	\$ 163,067	\$ 163,067	\$ 187,433
Special initiative contributions and grants	-	35,653	30,275
Programs	2,800	4,271	2,046
Membership fees	50,000	54,435	54,443
Other association fees	7,500	7,832	7,407
Investment income	1,000	516	4,204
Miscellaneous	1,000	500	13
	<u>225,367</u>	<u>266,274</u>	<u>285,821</u>
<b>Expenses</b>			
Programs	114,147	155,123	306,847
Championship/development/high performance support	37,500	40,826	40,832
Administration			
Contract services	22,800	21,209	32,366
Office and general	6,834	6,575	13,319
Telephone and fax	4,400	5,260	4,356
Rent, storage and parking	11,772	9,418	11,772
Insurance	10,183	9,900	10,183
Restructure expenditures	-	-	4,868
Professional fees	4,000	2,900	8,500
Amortization	-	-	7,087
	<u>211,636</u>	<u>251,211</u>	<u>440,130</u>
<b>Excess of Revenues Over Expenses</b>			
<b>(Expenses Over Revenues)</b>	<b><u>\$ 13,731</u></b>	<b><u>\$ 15,063</u></b>	<b><u>\$ (154,309)</u></b>

## ONTARIO CURLING COUNCIL

## STATEMENT OF CHANGES IN NET ASSETS

FOR THE YEAR ENDED APRIL 30, 2010

	<u>Invested in Capital Assets</u>	<u>Unrestricted</u>	<u>Internally Restricted</u> (Note 4)	<u>Total</u>
Balance - beginning of year	\$ -	\$ 62,206	\$ 4,338	\$ 66,544
Excess of Revenues Over Expenses (Expenses Over Revenues)	-	18,616	(3,553)	15,063
Investment in capital assets	-	-	-	-
Internal appropriation from restricted funds	-	-	-	-
Balance - end of year	<u>\$ -</u>	<u>\$ 80,822</u>	<u>\$ 785</u>	<u>\$ 81,607</u>

FOR THE YEAR ENDED APRIL 30, 2009

	<u>Invested in Capital Assets</u>	<u>Unrestricted</u>	<u>Internally Restricted</u>	<u>Total</u>
Balance - beginning of year	\$ 10,835	\$ 196,095	\$ 13,923	\$ 220,853
Excess of Revenues Over Expenses (Expenses Over Revenues)	(7,087)	(147,222)	-	(154,309)
Disposition of capital assets	(3,748)	3,748	-	-
Transfer to unrestricted net assets	-	13,923	(13,923)	-
Internally imposed restriction	-	(4,338)	4,338	-
Balance - end of year	<u>\$ -</u>	<u>\$ 62,206</u>	<u>\$ 4,338</u>	<u>\$ 66,544</u>

**ONTARIO CURLING COUNCIL**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED APRIL 30, 2010**

	<u>2010</u>	<u>2009</u>
<b>Cash From Operating Activities</b>		
Excess of revenue over expenses (expenses over revenue) for the year	\$ 15,063	\$ (154,309)
Add back non-cash items:		
Amortization	-	7,087
	<u>15,063</u>	<u>(147,222)</u>
Changes in non-cash working capital balances:		
Accounts receivable	(738)	58,747
Inventory	-	6,303
Prepaid expenses	(190)	200
Accounts payable and accrued liabilities	2,531	(98,673)
Deferred revenue	<u>(6,771)</u>	<u>(2,046)</u>
Net cash generated by (used in) operating activities	9,895	(182,691)
<b>Financing and Investing Activities</b>		
Proceeds of capital assets	<u>-</u>	<u>3,748</u>
<b>Increase (Decrease) In Cash</b>	9,895	(178,943)
<b>Cash and short-term investments - beginning of year</b>	<u>96,337</u>	<u>275,280</u>
<b>Cash and short-term investments - end of year</b>	<u>\$ 106,232</u>	<u>\$ 96,337</u>
<b>Represented by:</b>		
Cash and bank	\$ 13,121	\$ 38,732
Investments	<u>93,111</u>	<u>57,605</u>
	<u>\$ 106,232</u>	<u>\$ 96,337</u>

## ONTARIO CURLING COUNCIL

## NOTES TO THE FINANCIAL STATEMENTS

AS AT APRIL 30, 2010**1. Significant Accounting Policies****Nature of the Organization**

The Ontario Curling Council was incorporated in Ontario on November 16, 1981 as a not-for-profit organization and is exempt from the payment of Canadian income taxes. The organization changed its name from Curl Ontario to Ontario Curling Council by supplementary letters patent dated October 30, 2008.

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

**Revenue Recognition**

The organization 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 can be reasonably estimated and collection is reasonably assured.

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.

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

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

**Capital Assets**

Purchased assets are recorded at cost. Contributed capital assets are recorded at the fair value at the date of contribution. Amortization is provided on a straight-line basis over the assets' estimated useful lives, which is three years. All capital assets are fully amortized.

**Contributed Services and Materials**

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. Contributed materials are recognized as revenue and expenses at their estimated fair market value.

**Cash and Investments**

Cash and bank consists of cash on hand and deposits in non-interest bearing accounts. Investments consist of short-term securities in guaranteed investment certificates and money market funds. Investment transactions are accounted for on the trade date (date the order to buy or sell is executed). Interest income is recorded on the accrual basis. Investment income which consists of interest, realized and unrealized gains and losses are recorded as investment income on the statement of operations. Transaction costs are expensed to the statement of operations as incurred.

**Use of Estimates**

The preparation of financial statements in accordance with generally accepted accounting principles requires the organization to make estimates and assumptions that affect the reported amount of assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from the organization's best estimates, as additional information becomes available in the future.

## ONTARIO CURLING COUNCIL

## NOTES TO THE FINANCIAL STATEMENTS

AS AT APRIL 30, 2010**2. Investments**

Investments consist of the following:

	<u>2010</u>	<u>2009</u>
Money Market Fund	\$ 84,621	\$ 49,290
Guaranteed investment certificate - matures May 2010, interest rate 0.20%	8,490	-
Guaranteed investment certificate - matures May 2009, interest rate 2.10%	-	8,315
	<u>\$ 93,111</u>	<u>\$ 57,605</u>

**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>2010</u>	<u>2009</u>
Special Initiative Contributions		
Balance, beginning of year	\$ 2,500	\$ 2,500
Less amount recognized as revenue in the year	(2,500)	(2,500)
Add amount received related to subsequent periods	-	2,500
	<u>-</u>	<u>2,500</u>
Balance, end of year	<u>-</u>	<u>2,500</u>
Pat "O" Reid Memorial Contributions		
Balance, beginning of year	8,777	10,823
Less amount recognized as revenue in the year	(4,271)	(2,046)
	<u>4,506</u>	<u>8,777</u>
Balance, end of year	<u>4,506</u>	<u>8,777</u>
Total Deferred Revenue	<u>\$ 4,506</u>	<u>\$ 11,277</u>

**4. Restriction on Net Assets**

The board of directors had previously internally restricted \$4,338 of unrestricted net assets for transfer to member associations for qualified programs. During the year \$3,553 was disbursed, leaving a balance of \$785 in restricted net assets. This internally restricted amount is not available for other purposes without the approval of the board of directors.

**5. Financial Instruments**

The organization's financial instruments consist of cash, investments, accounts receivable, accounts payable and accrued liabilities. The fair value of cash, accounts receivable, accounts payable and accrued liabilities approximate their carrying values due to their nature or capacity for prompt liquidity. The fair value of the investments are determined by reference to their market value. The organization is subject to market risk and interest rate price risk with respect to its investment portfolio. To manage these risks the organization mainly invests in money market funds and guaranteed investment certificates.



## ONTARIO CURLING COUNCIL

## NOTES TO THE FINANCIAL STATEMENTS

AS AT APRIL 30, 2010**6. Capital Disclosures**

The organization's objective when managing capital is to raise sufficient funds to meet its obligations.

**7. Commitments**

The organization is committed to lease payments on its office space of \$589 per month plus GST/HST until November of 2012.

**8. Related Party Transactions**

The organization shares office space and support functions with the Ontario Curling Association.

**9. Economic Dependence**

The organization received \$163,067 (\$187,433 in 2009) in base funding and \$18,653 (\$15,525 in 2009) in special initiative funding from the Government of Ontario which represents 68% (71% in 2009) of its total revenue. The organization has entered into servicing agreements with the Government of Ontario which stipulates the terms and conditions of the funding. Special initiative funding must be spent or repaid. The service agreements are subject to termination if the organization is in breach of any of its terms and conditions.

**10. Comparative Figures**

Certain accounts in the prior year's financial statements have been reclassified to conform to the presentation adopted for the 2010 financial statements.