

ONTARIO CURLING COUNCIL

FINANCIAL STATEMENTS
(Unaudited)

FOR THE YEAR ENDED APRIL 30, 2012

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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, 2012 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
June 21, 2012**

Grant & Company
**Chartered Accountants,
Licensed Public Accountants**

ONTARIO CURLING COUNCIL

STATEMENT OF FINANCIAL POSITION

AS AT APRIL 30, 2012

ASSETS

Current Assets

Cash and bank
Investments (Note 2)
Accounts receivable
Prepaid expenses

	<u>2012</u>	<u>2011</u>
	\$ 6,693	\$ 200
	114,014	119,928
	5,423	8,684
	<u>65</u>	<u>-</u>
	<u>\$ 126,195</u>	<u>\$ 128,812</u>

LIABILITIES AND NET ASSETS

Current Liabilities

Bank advances
Accounts payable and accrued liabilities
Deferred revenue (Note 3)

	\$ -	\$ 880
	11,005	29,526
	<u>944</u>	<u>1,959</u>
	<u>11,949</u>	<u>32,365</u>

Net Assets

Internally restricted net assets (Note 4)
Unrestricted net assets

	-	-
	<u>114,246</u>	<u>96,447</u>
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	<u>\$ 126,195</u>	<u>\$ 128,812</u>

Approved On Behalf Of The Board:

ONTARIO CURLING COUNCIL

STATEMENT OF OPERATIONS

FOR THE YEAR ENDED APRIL 30, 2012

	Budget <u>2012</u>	Actual <u>2012</u>	Total <u>2011</u>
Revenue			
Government contributions	\$ 150,021	\$ 150,021	\$ 150,021
Special initiative contributions and grants	10,600	10,500	33,035
Programs	200	1,015	2,547
Membership fees	54,000	55,034	53,632
Investment income	900	1,366	1,088
Miscellaneous	-	-	700
	<u>215,721</u>	<u>217,936</u>	<u>241,023</u>
Expenses			
Programs	129,424	118,510	141,076
Championship/development/high performance support	40,500	41,276	40,224
Administration			
Contract services	21,000	23,241	24,562
Office and general	7,150	1,803	2,336
Telephone and fax	1,500	1,390	1,520
Rent, storage and parking	7,263	7,063	7,063
Insurance	3,300	3,229	5,897
Professional fees	4,000	3,625	3,505
	<u>214,137</u>	<u>200,137</u>	<u>226,183</u>
Excess of Revenues Over Expenses	\$ <u>1,584</u>	\$ <u>17,799</u>	\$ <u>14,840</u>

ONTARIO CURLING COUNCIL

STATEMENT OF CHANGES IN NET ASSETS

FOR THE YEAR ENDED APRIL 30, 2012

	Balance - beginning of year	Excess of Revenues Over Expenses	Appropriated to Reserves	Balance - end of year
Unrestricted				
General surplus	\$ 69,430	\$ 19,779	\$ -	\$ 89,209
Reserve for OCA Projects	23,154	-	-	23,154
Reserve for NOCA Projects	3,863	(1,980)	-	1,883
	<u>96,447</u>	<u>17,799</u>	<u>-</u>	<u>114,246</u>
Internally Restricted	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 96,447</u>	<u>\$ 17,799</u>	<u>\$ -</u>	<u>\$ 114,246</u>

FOR THE YEAR ENDED APRIL 30, 2011

	Balance - beginning of year	Excess of Revenues Over Expenses	Appropriated to Reserves	Balance - end of year
Unrestricted				
General surplus	\$ 67,213	\$ 15,625	\$ (13,408)	\$ 69,430
Reserve for OCA Projects	11,629	-	11,525	23,154
Reserve for NOCA Projects	1,980	-	1,883	3,863
	<u>80,822</u>	<u>15,625</u>	<u>-</u>	<u>96,447</u>
Internally Restricted	<u>785</u>	<u>(785)</u>	<u>-</u>	<u>-</u>
	<u>\$ 81,607</u>	<u>\$ 14,840</u>	<u>\$ -</u>	<u>\$ 96,447</u>

ONTARIO CURLING COUNCIL

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED APRIL 30, 2012

	<u>2012</u>	<u>2011</u>
Cash From Operating Activities		
Excess of revenue over expenses for the year	\$ 17,799	\$ 14,840
Add back non-cash items:		
Changes in non-cash working capital balances:		
Accounts receivable	3,261	(7,593)
Prepaid expenses	(65)	3,516
Accounts payable and accrued liabilities	(18,521)	4,800
Deferred revenue	<u>(1,015)</u>	<u>(2,547)</u>
Increase In Cash	1,459	13,016
Cash and short-term investments - beginning of year	<u>119,248</u>	<u>106,232</u>
Cash and short-term investments - end of year	<u>\$ 120,707</u>	<u>\$ 119,248</u>
Represented by:		
Cash and bank	\$ 6,693	\$ 200
Investments	114,014	119,928
Bank advances	<u>-</u>	<u>(880)</u>
	<u>\$ 120,707</u>	<u>\$ 119,248</u>

ONTARIO CURLING COUNCIL

NOTES TO THE FINANCIAL STATEMENTS

AS AT APRIL 30, 2012**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. Short-term investments are deemed to be investments with original maturities of one year or less. 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 is 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, 2012**2. Investments**

Investments consist of the following:

	<u>2012</u>	<u>2011</u>
Money Market Fund	\$ 112,052	\$ 115,693
Guaranteed investment certificate - matures May 2012, interest rate 0.50%	1,962	-
Guaranteed investment certificate - matures May 2011, interest rate 0.15%	-	4,235
	<u>\$ 114,014</u>	<u>\$ 119,928</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>2012</u>	<u>2011</u>
Special Initiative Contributions		
Balance, beginning of year	\$ -	\$ -
Less amount recognized as revenue in the year	-	-
Add amount received related to subsequent periods	-	-
	<u>-</u>	<u>-</u>
Balance, end of year	<u>-</u>	<u>-</u>
Pat "O" Reid Memorial Contributions		
Balance, beginning of year	1,959	4,506
Less amount recognized as revenue in the year	<u>(1,015)</u>	<u>(2,547)</u>
Balance, end of year	<u>944</u>	<u>1,959</u>
Total Deferred Revenue	<u>\$ 944</u>	<u>\$ 1,959</u>

4. Restriction on Net Assets

The board of directors had previously internally restricted \$785 of unrestricted net assets for transfer to member associations for qualified programs. During the year \$785 was disbursed, leaving a balance of \$nil 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, 2012**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 HST until November of 2012.

8. Related Party Transactions

The organization shares office space and support functions with the Ontario Curling Association. During the year rent, at fair market value, totalling \$7,063 was paid.

During the year the organization paid out the following amounts to its member associations:

	<u>2012</u>	<u>2011</u>
Programs		
Ontario Curling Association	\$ 76,290	\$ 88,198
Northern Ontario Curling Association	<u>42,220</u>	<u>52,878</u>
	<u>\$ 118,510</u>	<u>\$ 141,076</u>
Championship/development/high performance support		
Ontario Curling Association	\$ 35,813	\$ 34,575
Northern Ontario Curling Association	<u>5,463</u>	<u>5,649</u>
	<u>\$ 41,276</u>	<u>\$ 40,224</u>

Included in accounts payable and accrued liabilities at year end is a payable to Ontario Curling Association of \$3,171 which was paid in full in the subsequent month.

9. Economic Dependence

The organization received \$150,021 (\$150,021 in 2011) in base funding and \$0 (\$23,892 in 2011) in special initiative funding from the Government of Ontario which represents 69% (72% in 2011) 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 2012 financial statements.

11. Future Changes in Accounting Policies

Effective for its fiscal year beginning May 1, 2012 the organization will be required to transition to Part III (Accounting Standards for Not-For-Profit Organizations) of the CICA Handbook - Accounting or Part I (International Financial Reporting Standards) of the CICA Handbook - Accounting. The standards require retrospective application, except for certain exemptions and exceptions contained within the standards. Early adoption of the standards is permitted. The organization will adopt the Part III Standards and management is currently evaluating the impact of adopting these standards.