

ONTARIO CURLING COUNCIL

FINANCIAL STATEMENTS
(Unaudited)

FOR THE YEAR ENDED APRIL 30, 2013

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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, 2013 and the statements of operations and changes in net assets and cash flow 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 Accounting Standards for Not-for-Profit Organizations.

We draw attention to Note 4 to the financial statements which describes that the Ontario Curling Council adopted Canadian Accounting Standards for Not-for-Profit Organizations on May 1, 2012 with a transition date of May 1, 2011. These standards were applied retrospectively by management to the comparative information in these financial statements, including the statements of financial position as at April 30, 2012 and May 1, 2011, and the statements of operations and changes in net assets and cash flow for the year ended April 30, 2012 and related disclosures. We were not engaged to report on the restated comparative information, and as such, it is neither audited nor reviewed.

**Peterborough, Ontario
November 06, 2013**

Grant & Company
Chartered Accountants,
Licensed Public Accountants

ONTARIO CURLING COUNCIL

STATEMENT OF FINANCIAL POSITION

AS AT APRIL 30, 2013ASSETS

	Apr 30 <u>2013</u>	(Note 4) Apr 30 <u>2012</u>	(Note 4) May 1 <u>2011</u>
Current Assets			
Cash and bank	\$ 23,631	\$ 6,693	\$ 200
Investments (Note 5)	180,713	114,014	119,928
Accounts receivable (Note 10)	57,334	-	8,684
HST receivable	4,987	5,423	323
Prepaid expenses	526	65	-
	<u>\$ 267,191</u>	<u>\$ 126,195</u>	<u>\$ 129,135</u>

LIABILITIES AND NET ASSETS

Current Liabilities			
Bank advances	\$ -	\$ -	\$ 880
Accounts payable and accrued liabilities	148,846	11,005	29,849
Deferred revenue (Note 6)	-	944	1,959
	<u>148,846</u>	<u>11,949</u>	<u>32,688</u>
Net Assets			
Internally restricted net assets (Note 7)	-	-	-
Unrestricted net assets	<u>118,345</u>	<u>114,246</u>	<u>96,447</u>
	<u>118,345</u>	<u>114,246</u>	<u>96,447</u>
	<u>\$ 267,191</u>	<u>\$ 126,195</u>	<u>\$ 129,135</u>
Commitments (Notes 9)			

ONTARIO CURLING COUNCIL

STATEMENT OF OPERATIONS

FOR THE YEAR ENDED APRIL 30, 2013

	Budget	Actual	Total
	<u>2013</u>	<u>2013</u>	<u>2012</u>
Revenue			
Government contributions	\$ 150,021	\$ 150,021	\$ 150,021
Special initiative contributions and grants	37,685	28,009	10,500
Programs	1,040	944	1,015
Membership fees	55,000	57,848	55,034
Investment income	1,000	1,699	1,366
	<u>244,746</u>	<u>238,521</u>	<u>217,936</u>
Expenses			
Programs	126,491	120,744	118,510
Championship/development/high performance support	41,275	43,386	41,276
Administration			
Contract services	47,500	44,999	23,241
Office and general	6,910	2,411	1,600
Telephone and fax	1,500	1,751	1,390
Rent, storage and parking	7,063	7,063	7,063
Travel and accommodations	7,537	6,677	203
Insurance	3,553	3,391	3,229
Professional fees	4,000	4,000	3,625
	<u>245,829</u>	<u>234,422</u>	<u>200,137</u>
Excess of Revenue Over Expenses	\$ <u>(1,083)</u>	\$ <u>4,099</u>	\$ <u>17,799</u>

ONTARIO CURLING COUNCIL

STATEMENT OF CHANGES IN NET ASSETS

FOR THE YEAR ENDED APRIL 30, 2013

	Balance - beginning of year	Excess of Revenues Over Expenses	Appropriated to Reserves	Balance - end of year
Unrestricted				
General surplus	\$ 89,209	\$ 5,982	\$ -	\$ 95,191
Reserve for OCA Projects	23,154	-	-	23,154
Reserve for NOCA Projects	1,883	(1,883)	-	-
	<u>114,246</u>	<u>4,099</u>	<u>-</u>	<u>118,345</u>
Internally Restricted	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 114,246</u>	<u>\$ 4,099</u>	<u>\$ -</u>	<u>\$ 118,345</u>
Budgeted	<u>\$ 114,246</u>	<u>\$ (1,083)</u>	<u>\$ -</u>	<u>\$ 113,163</u>

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>

ONTARIO CURLING COUNCIL

STATEMENT OF CASH FLOW

FOR THE YEAR ENDED APRIL 30, 2013

	<u>2013</u>	<u>2012</u>
Cash From Operating Activities		
Excess of revenue over expenses for the year	\$ 4,099	\$ 17,799
Add back non-cash items:		
Changes in non-cash working capital balances:		
Accounts receivable	(57,334)	8,684
HST receivable	436	(5,100)
Prepaid expenses	(461)	(65)
Accounts payable and accrued liabilities	137,841	(18,844)
Deferred revenue	<u>(944)</u>	<u>(1,015)</u>
Cash provided by Operations	83,637	1,459
Investment Activities		
Purchase of investments - net	<u>(66,699)</u>	<u>5,914</u>
Increase In Cash and Cash Equivalents	16,938	7,373
Cash and Cash Equivalents - beginning of year	<u>6,693</u>	<u>(680)</u>
Cash and Cash Equivalents - end of year	<u>\$ 23,631</u>	<u>\$ 6,693</u>
 Represented by:		
Cash and bank	<u>\$ 23,631</u>	<u>\$ 6,693</u>

ONTARIO CURLING COUNCIL**NOTES TO THE FINANCIAL STATEMENTS****AS AT APRIL 30, 2013****1. 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.

2. Significant Accounting Policies**Basis of Accounting**

The financial statements of the Ontario Curling Council are prepared by management in accordance with Part III of the CICA Handbook - Accounting Standards for Not-for-Profit Organizations (Part III).

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.

Cash and Cash Equivalents

The organization considers cash on hand, deposits in interest and non-interest bearing accounts, certificates of deposits with original maturities of 30 days or less, and bank overdrafts repayable on demand as cash and cash equivalents.

Investments

Investments consist of short-term securities in guaranteed investment certificates and money market funds. Investments are stated at fair value. Changes in the fair value are recognized as an increase or decrease to the income for the year.

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.

ONTARIO CURLING COUNCIL

NOTES TO THE FINANCIAL STATEMENTS

AS AT APRIL 30, 2013**2. Significant Accounting Policies (continued)****Financial Instruments****a) 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 liabilities at amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in the statement of operations.

Financial assets measured at amortized cost include cash, investments, accounts receivable and HST receivable.

Financial liabilities measured at amortized cost include bank advances and accounts payable and accrued accrued liabilities.

b) Impairment

Financial assets measured at cost are tested for impairment when there are indicators of impairment.

The amount of the write-down is recognized in the statement of operations. A previously recognized impairment loss may be reversed to the extent of the impairment, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in the statement of operations.

c) Transaction costs

The organization recognized its transaction costs in the statement of operations in the period incurred. However, financial instruments that will not be subsequently measured at fair value are adjusted by the transaction costs that are directly attributable to their origination, issuance or assumption.

Use of Estimates

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, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the current period. Actual results could differ from the organization's best estimates as additional information becomes available in the future. All estimates are reviewed periodically and adjustments are made to the statement of operations as appropriate in the year they become known.

3. Budget Figures

The budget figures presented represent the final budget as approved by the Board of Directors on January 29, 2013.

4. Adoption of Accounting Standards for Not-For-Profit Organizations

Effective May 1, 2012 the organization adopted the requirements of the Canadian Institute of Chartered Accountants (CICA) Handbook Part III - Accounting Standards for Not-for-Profit Organizations.

These are the organization's first financial statements prepared in accordance with Part III and the transitional provisions of Section 1501, First Time Adoption, have been applied. Section 1501 requires retrospective application of the accounting standards with certain elective exemptions and limited retrospective exceptions. The accounting policies set out in the significant accounting policy note have been applied in preparing the financial statements for the year ended April 30, 2013, the comparative information for the year ended April 30, 2012 and the opening Part III balance sheet as at May 1, 2011 (the organization's date of transition).

ONTARIO CURLING COUNCIL

NOTES TO THE FINANCIAL STATEMENTS

AS AT APRIL 30, 20134. **Adoption of Accounting Standards for Not-For-Profit Organizations** (continued)

The organization has elected to use the following exemptions when adopting these standards for the first time:

Not restate assets or liabilities to transactions with related parties that occurred prior to the date of transition.

Not restate assets or liabilities recognized in a previous transaction involving a non-derivative financial instrument that does not exist at the date of transition.

Adjustments resulting from adopting Part III, including the use of exemptions under Section 1501, have been recognized directly in net assets as at May 1, 2011.

The effect to the opening balance sheet at May 1, 2011 (date of transition) of adopting Part III respectively is as follows:

	Balance Sheet as at May 1, 2011 based on previous <u>financial statements</u>	Changes in Unrestricted <u>Net Assets</u>	Balance Sheet as at May 1, 2011 based on <u>Part III</u>
Assets			
Current Assets	\$ 129,135	\$ -	\$ 129,135
Liabilities			
Current Liabilities	\$ 32,688	\$ -	\$ 32,688
Net Assets			
Internally restricted net assets	-	-	-
Unrestricted net assets	96,447	-	96,447
	96,447	-	96,447
	\$ 129,135	\$ -	\$ 129,135

The effect of adopting Part III retrospectively to the statement of operations and the statement of net assets for the year ended April 30, 2012 in accordance with the CICA Handbook is as follows:

	Income Statement for the year ended April 30, 2012 based on previous <u>financial statements</u>	Changes in Unrestricted <u>Net Assets</u>	Income Statement for the year ended April 30, 2012 <u>based on Part III</u>
Revenue	\$ 217,936	\$ -	\$ 217,936
Expenses	200,137	-	200,137
Income (Loss) From Operations	17,799	-	17,799
Fair Market Value Adjustments in Investments	-	-	-
Excess of Revenue Over Expenses For the Year	17,799	-	17,799
Net Assets, beginning of year	96,447	-	96,447
Net Assets, end of year	\$ 114,246	\$ -	\$ 114,246

ONTARIO CURLING COUNCIL

NOTES TO THE FINANCIAL STATEMENTS

AS AT APRIL 30, 2013**4. Adoption of Accounting Standards for Not-For-Profit Organizations** (continued)

The effect of adopting Part III retrospectively to the statement of cash flows for the year ended April 30, 2012 previously reported is as follows:

	Statement of Cash Flows for the year ended April 30, 2012 based on previous financial statements		Changes in Unrestricted Net Assets	Statement of Cash Flows the year ended April 30, 2012 based on Part III
Operating Activities				
Excess of Revenue Over Expenses	\$ 17,799	\$ -	\$ -	\$ 17,799
Changes in non-cash working capital items	(16,340)	-	-	(16,340)
	1,459	-	-	1,459
Financing Activities	-	-	-	-
Investing Activities	5,914	-	-	5,914
Increase (Decrease) In Cash and Cash Equivalents	\$ 7,373	\$ -	\$ -	\$ 7,373

5. Investments

Investments consist of the following:

	<u>2013</u>	<u>2012</u>
Money Market Fund	\$ 178,741	\$ 112,052
Guaranteed investment certificate - matures May 2013, interest rate 1.0%	1,972	-
Guaranteed investment certificate - matures May 2012, interest rate 0.50%	-	1,962
	\$ 180,713	\$ 114,014

6. 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>2013</u>	<u>2012</u>
Pat "O" Reid Memorial Contributions		
Balance, beginning of year	\$ 944	\$ 1,959
Less amount recognized as revenue in the year	(944)	(1,015)
Balance, end of year	-	944
Total Deferred Revenue	\$ -	\$ 944

7. Restriction on Net Assets

From time to time the board of directors will internally restrict net assets for transfer to member associations for qualified programs. This internally restricted amount is not available for other purposes without the approval of the board of directors.

ONTARIO CURLING COUNCIL

NOTES TO THE FINANCIAL STATEMENTS

AS AT APRIL 30, 2013**8. Capital Disclosures**

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

9. Commitments

The organization is committed to lease payments on its office space of \$589 per month plus HST until November of 2013; \$605 per month plus HST from December 2013 to November 2014 and \$621 per month from December 2014 to November 2015.

10. Related Party Transactions

The Ontario Curling Council has two member associations - the Ontario Curling Association and the Northern Ontario Curling Association.

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 expensed the following amounts to its member associations:

	<u>2013</u>	<u>2012</u>
Programs	\$ 75,048	\$ 76,290
Ontario Curling Association	45,696	42,220
Northern Ontario Curling Association	<u>120,744</u>	<u>118,510</u>
Championship/development/high performance support	\$ 38,053	\$ 35,813
Ontario Curling Association	5,333	5,463
Northern Ontario Curling Association	<u>43,386</u>	<u>41,276</u>

During the year the organization recognized as revenue the following amounts from its member associations:

Memberships		
Ontario Curling Association	\$ 50,738	\$ 47,750
Northern Ontario Curling Association	7,110	7,284
	<u>\$ 57,848</u>	<u>\$ 55,034</u>

At year end the Accounts receivable of \$57,334 was due from the Ontario Curling Association.

At year end the Accounts payable and accruals includes \$115,326 (incl hst) due to the Ontario Curling Association and \$1,027 due to the Northern Ontario Curling Association.

11. Risk Management

The organization is exposed to a number of financial risks in the normal course of its business operations, including market risk, credit risk and liquidity 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.

Currency risk refers to the risk that the fair value of financial instruments of future cash flows associated with the instruments will fluctuate relative to the Canadian dollar due to changes in foreign exchange rates. The functional currency of the organization is the Canadian dollar. It infrequently, if ever, transacts in U. S. Dollars.

ONTARIO CURLING COUNCIL

NOTES TO THE FINANCIAL STATEMENTS

AS AT APRIL 30, 2013**11. Risk Management (continued)**

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 organization is exposed to interest rate risk on its short term investments and cash savings accounts. It manages its exposure to the interest rate risk of its cash by maximizing the interest income earned on excess funds while maintaining the liquidity necessary to conduct operations on a day-to-day basis.

Fluctuations in market rates of interest on cash do not have a significant impact on the organization's results of operations.

The primary objective of the organization with respect to its fixed income investments is to ensure the security of the principal amounts invested, provide for a high degree of liquidity, and achieve a satisfactory investment return.

Other price risk refers to the risk that the fair value of financial instruments or future cash flows associated with the instruments will fluctuate because of changes in market prices (other than those arising from currency risk or interest rate risk), whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all similar instruments traded in the market. Management has determined that the organization is not subject to any significant price risks.

Credit risk is the risk of counterparties being unable to fulfill their obligations. The organization's main credit risks relates to its accounts receivables. The organization provides credit to its members in the normal course of its operations. At year end the accounts receivable is due entirely from one party. Management has determined, however that the organization is not subject to any significant credit risk as there is an offsetting payable to this receivable.

Liquidity risk is the risk that the organization will encounter difficulties in meeting its financial liabilities when they become due. The organization is exposed to this risk mainly in respect of its long-term indebtedness. The organization manages liquidity risk by forecasting the cash flows to identify liquidity requirements, and monitoring activity levels which affect cash flow while maintaining adequate cash balances to cover daily expenses.

12. Economic Dependence

The organization received \$150,021 (\$150,021 in 2012) in base funding and \$15,343 (\$0 in 2012) in special initiative funding from the Government of Ontario which represents 69% (69% in 2012) 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.

13. Comparative Figures

Certain accounts in the prior year's financial statements have been reclassified to conform to the presentation adopted for the 2013 financial statements.