

**ONTARIO CURLING COUNCIL**

**FINANCIAL STATEMENTS**

(Unaudited)

**FOR THE YEAR ENDED APRIL 30, 2014**

	<b><u>Page</u></b>
Review Engagement Report	1
Statement of Financial Position	2
Statement of Operations	3
Statement of Changes in Net Assets	4
Statement of Cash Flow	5
Notes to the Financial Statements	6

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## REVIEW ENGAGEMENT REPORT

### **To the Officers and Directors of Ontario Curling Council**

I have reviewed the statement of financial position of the **Ontario Curling Council** as at **April 30, 2014** and the statements of operations, changes in net assets and cash flow for the year then ended. These financial statements have been prepared in accordance with Canadian Accounting Standards for Not-For-Profit Organizations. My review was made in accordance with Canadian generally accepted standards for review engagements and accordingly consisted primarily of inquiry, analytical procedures and discussion related to information supplied to me by the organization.

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

Based on my review, nothing has come to my attention that causes me to believe that these financial statements are not, in all material respects, in accordance with Canadian Accounting Standards for Not-For-Profit Organizations.

**Peterborough, Ontario  
July 29, 2014**

*garland-hickey*  
**Chartered Professional Accountant  
Licensed Public Accountant**

**ONTARIO CURLING COUNCIL**  
**STATEMENT OF FINANCIAL POSITION**

AS AT APRIL 30, 2014

**ASSETS**

	<u>2014</u>	<u>2013</u>
<b>Current Assets</b>		
Cash and bank	\$ 12,091	\$ 23,631
Investments (Note 4)	170,430	180,713
Accounts receivable (Note 8)	62,126	57,334
HST receivable	-	4,987
Prepaid expenses	<u>67</u>	<u>526</u>
	<u>\$ 244,714</u>	<u>\$ 267,191</u>

**LIABILITIES AND NET ASSETS**

<b>Current Liabilities</b>		
Accounts payable and accrued liabilities	\$ 112,151	\$ 148,846
HST payable	<u>415</u>	<u>-</u>
	<u>112,566</u>	<u>148,846</u>
<b>Net Assets</b>		
Internally restricted net assets (Note 5)	-	-
Unrestricted net assets	<u>132,148</u>	<u>118,345</u>
	<u>132,148</u>	<u>118,345</u>
	<u>\$ 244,714</u>	<u>\$ 267,191</u>
Commitments (Note 7)		

## ONTARIO CURLING COUNCIL

## STATEMENT OF OPERATIONS

FOR THE YEAR ENDED APRIL 30, 2014

	<b>Budget <u>2014</u></b>	<b>Actual <u>2014</u></b>	<b>Total <u>2013</u></b>
<b>Revenue</b>			
Government contributions	\$ 142,520	\$ 142,520	\$ 150,021
Special initiative contributions and grants	10,500	23,057	28,009
Programs	-	-	944
Membership fees	55,000	52,334	57,848
Investment income	1,000	1,709	1,699
	<u>209,020</u>	<u>219,620</u>	<u>238,521</u>
<b>Expenses</b>			
Programs	147,880	124,812	120,744
Championship/development/high performance support	41,250	39,251	43,386
Administration			
Contract services	21,000	16,062	44,999
Office and general	5,015	3,382	2,411
Telephone and fax	1,500	2,378	1,751
Rent, storage and parking	8,074	7,129	7,063
Travel and accommodations	2,000	5,367	6,677
Insurance	3,300	3,456	3,391
Professional fees	4,000	3,980	4,000
	<u>234,019</u>	<u>205,817</u>	<u>234,422</u>
<b>Excess of Revenue Over Expenses (Expenses Over Revenue)</b>	<b>\$ <u>(24,999)</u></b>	<b>\$ <u>13,803</u></b>	<b>\$ <u>4,099</u></b>

## ONTARIO CURLING COUNCIL

## STATEMENT OF CHANGES IN NET ASSETS

FOR THE YEAR ENDED APRIL 30, 2014

	Balance - beginning of year	Excess of Revenues Over Expenses	Appropriated to Reserves	Balance - end of year
Unrestricted				
General surplus	\$ 95,191	\$ 15,580	\$ (14,462)	\$ 96,309
Reserve for OCA Projects	23,154	-	12,685	35,839
Reserve for NOCA Projects	-	(1,777)	1,777	-
	<u>118,345</u>	<u>13,803</u>	<u>-</u>	<u>132,148</u>
Internally Restricted	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 118,345</u>	<u>\$ 13,803</u>	<u>\$ -</u>	<u>\$ 132,148</u>
Budgeted	<u>\$ 114,246</u>	<u>\$ (24,999)</u>	<u>\$ -</u>	<u>\$ 89,247</u>

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>

## ONTARIO CURLING COUNCIL

## STATEMENT OF CASH FLOW

FOR THE YEAR ENDED APRIL 30, 2014

	<u>2014</u>	<u>2013</u>
<b>Cash From Operating Activities</b>		
Excess of revenue over expenses for the year	\$ 13,803	\$ 4,099
Add back non-cash items:		
Changes in non-cash working capital balances:		
Accounts receivable	(4,792)	(57,334)
HST receivable	5402	436
Prepaid expenses	459	(461)
Accounts payable and accrued liabilities	(36,695)	137,841
Deferred revenue	-	(944)
	<u>(21,823)</u>	<u>83,637</u>
Cash provided by (used in) Operations		
<b>Investment Activities</b>		
Purchase of investments - net	<u>10,283</u>	<u>(66,699)</u>
<b>Increase (Decrease) In Cash and Cash Equivalents</b>	(11,540)	16,938
<b>Cash and Cash Equivalents - beginning of year</b>	<u>23,631</u>	<u>6,693</u>
<b>Cash and Cash Equivalents - end of year</b>	<u>\$ 12,091</u>	<u>\$ 23,631</u>
 <b>Represented by:</b>		
Cash and bank	<u>\$ 12,091</u>	<u>\$ 23,631</u>

## ONTARIO CURLING COUNCIL

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED APRIL 30, 2014**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

FOR THE YEAR ENDED APRIL 30, 2014**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 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 13, 2014.

**4. Investments**

Investments consist of the following:

	<u>2014</u>	<u>2013</u>
Money Market Fund	\$ 170,430	\$ 178,741
Guaranteed investment certificate - matures May 2013, interest rate 1.0%	<u>-</u>	<u>1,972</u>
	<u>\$ 170,430</u>	<u>\$ 180,713</u>



## ONTARIO CURLING COUNCIL

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED APRIL 30, 2014**5. 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.

**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 \$605 per month plus HST until November of 2014; and \$621 per month plus HST from December 2014 to November 2015.

**8. 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 \$7,129 was paid.

During the year the organization expensed the following amounts to its member associations:

	<u>2014</u>	<u>2013</u>
Programs	\$ 76,782	\$ 75,048
Ontario Curling Association	<u>48,030</u>	<u>45,696</u>
Northern Ontario Curling Association	<u>28,752</u>	<u>29,352</u>
	<u>\$ 124,812</u>	<u>\$ 120,744</u>
Championship/development/high performance support		
Ontario Curling Association	\$ 34,048	\$ 38,053
Northern Ontario Curling Association	<u>5,203</u>	<u>5,333</u>
	<u>\$ 39,251</u>	<u>\$ 43,386</u>

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

Memberships		
Ontario Curling Association	\$ 45,397	\$ 50,738
Northern Ontario Curling Association	<u>6,937</u>	<u>7,110</u>
	<u>\$ 52,334</u>	<u>\$ 57,848</u>

At year end the Accounts receivable includes the following amounts from related parties:

Ontario Curling Association	\$ 51,299	\$ 57,334
Northern Ontario Curling Association	<u>7,839</u>	<u>-</u>
	<u>\$ 59,138</u>	<u>\$ 57,334</u>

At year end the Accounts payable and accruals includes the following amounts from related parties (incl hst):

Ontario Curling Association	\$ 83,832	115,326
Northern Ontario Curling Association	<u>15,678</u>	<u>1,027</u>
	<u>\$ 99,510</u>	<u>\$ 116,353</u>

## ONTARIO CURLING COUNCIL

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED APRIL 30, 2014**9. 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.

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 primarily due from related parties. Management has determined, however that the organization is not subject to any significant credit risk as there are offsetting payables to these receivables.

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 current liabilities. 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.

**10. Economic Dependence**

The organization received \$142,520 (\$150,021 in 2013) in base funding and \$10,724 (\$15,343 in 2013) in special funding from the Government of Ontario which represents 70% (69% in 2013) 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 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.

**11. Comparative Figures**

Certain accounts in the prior year's financial statements have been reclassified to conform to the presentation adopted for the 2014 financial statements.