

**ONTARIO CURLING COUNCIL**

**FINANCIAL STATEMENTS**  
(Unaudited)

**FOR THE YEAR ENDED APRIL 30, 2015**

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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, 2015** 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  
June 30, 2015**

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

**ONTARIO CURLING COUNCIL**  
**STATEMENT OF FINANCIAL POSITION**  
AS AT APRIL 30, 2015

**ASSETS**

	<u>2015</u>	<u>2014</u>
<b>Current Assets</b>		
Cash and bank	\$ 20,745	\$ 12,091
Investments (Note 4)	101,771	170,430
Accounts receivable (Note 8)	5,275	62,126
Government remittances receivable - HST receivable	560	-
Prepaid expenses	-	67
	<u>          </u>	<u>          </u>
	<u>\$ 128,351</u>	<u>\$ 244,714</u>

**LIABILITIES AND NET ASSETS**

<b>Current Liabilities</b>		
Accounts payable and accrued liabilities (Note 8)	\$ 44,540	\$ 112,151
Government remittances payable - Employee deductions	1,142	-
- HST payable	-	415
	<u>          </u>	<u>          </u>
	45,682	112,566
<b>Net Assets</b>		
Internally restricted net assets (Note 5)	-	-
Unrestricted net assets	82,669	132,148
	<u>          </u>	<u>          </u>
	82,669	132,148
	<u>\$ 128,351</u>	<u>\$ 244,714</u>
Commitments (Note 7)		

Approved On Behalf Of The Board:

*Marian P. Rankin*  


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*Wm J. Rankin*  


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**ONTARIO CURLING COUNCIL**  
**STATEMENT OF OPERATIONS**  
FOR THE YEAR ENDED APRIL 30, 2015

	<b>Budget 2015</b>	<b>Actual 2015</b>	<b>Total 2014</b>
<b>Revenue</b>			
Government contributions	\$ 135,394	\$ 135,394	\$ 142,520
Special initiative contributions and grants	23,058	15,208	23,057
Membership fees	52,000	40,768	52,334
Other income	-	11,066	-
Investment income	1,200	1,341	1,709
	<u>211,652</u>	<u>203,777</u>	<u>219,620</u>
<b>Expenses</b>			
Programs	119,391	145,438	124,812
Championship support	39,000	30,576	39,251
Administration			
Contract services, wages and benefits	21,000	44,658	16,062
Office and general	2,265	2,304	3,382
Telephone and fax	2,500	2,892	2,378
Rent, storage and parking	8,074	5,235	7,129
Travel and accommodations	9,000	13,282	5,367
Insurance	3,300	3,641	3,456
Professional fees	8,000	5,230	3,980
	<u>212,530</u>	<u>253,256</u>	<u>205,817</u>
<b>Excess of Revenue Over Expenses</b>			
<b>(Expenses Over Revenue)</b>	<b>\$ (878)</b>	<b>\$ (49,479)</b>	<b>\$ 13,803</b>

**ONTARIO CURLING COUNCIL**  
**STATEMENT OF CHANGES IN NET ASSETS**  
**FOR THE YEAR ENDED APRIL 30, 2015**

	Balance - beginning of year	Excess of Revenues Over Expenses	Appropriated to Reserves	Balance - end of year
Unrestricted				
General surplus	\$ 96,309	\$ (49,479)	\$ 35,839	\$ 82,669
Reserve for OCA Projects	35,839	-	(35,839)	-
Reserve for NOCA Projects	-	-	-	-
	<u>132,148</u>	<u>(49,479)</u>	<u>-</u>	<u>82,669</u>
Internally Restricted	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 132,148</u>	<u>\$ (49,479)</u>	<u>\$ -</u>	<u>\$ 82,669</u>
Budgeted	<u>\$ 132,148</u>	<u>\$ (878)</u>	<u>\$ -</u>	<u>\$ 131,270</u>

**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>

## ONTARIO CURLING COUNCIL

## STATEMENT OF CASH FLOW

FOR THE YEAR ENDED APRIL 30, 2015

	<u>2015</u>	<u>2014</u>
<b>Cash From Operating Activities</b>		
Excess of revenue over expenses for the year	\$ (49,479)	\$ 13,803
Add back non-cash items:		
Changes in non-cash working capital balances:		
Accounts receivable	56,851	(4,792)
Prepaid expenses	67	459
HST receivable	(975)	5,402
Government remittances payable - Employee deductions	1,142	-
Accounts payable and accrued liabilities	<u>(67,611)</u>	<u>(36,695)</u>
Cash provided by (used in) Operations	(60,005)	(21,823)
<b>Investment Activities</b>		
Purchase of investments - net	<u>68,659</u>	<u>10,283</u>
<b>Increase (Decrease) In Cash and Cash Equivalents</b>	8,654	(11,540)
<b>Cash and Cash Equivalents - beginning of year</b>	<u>12,091</u>	<u>23,631</u>
<b>Cash and Cash Equivalents - end of year</b>	<u>\$ 20,745</u>	<u>\$ 12,091</u>
 <b>Represented by:</b>		
Cash and bank	<u>\$ 20,745</u>	<u>\$ 12,091</u>

## ONTARIO CURLING COUNCIL

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED APRIL 30, 2015**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 acts as the Provincial Sport Organization for the sport of curling in Ontario. 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 CPA Canada 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.

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.

**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. The carrying amounts of long-lived assets are reviewed regularly. If the long-lived assets no longer have any long-term service potential to the organization, the excess of the net carrying value over any residual value is recognized as an expense in the statement of operations.

**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 October 20, 2014.

**4. Investments**

Investments consist of the following:

	<u>2015</u>	<u>2014</u>
Money Market Fund	\$ <u>101,771</u>	\$ <u>170,430</u>

**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.



## ONTARIO CURLING COUNCIL

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED APRIL 30, 2015**7. Commitments**

The organization is committed to lease payments on its office space of \$200 per month plus HST until November of 2015 at which time the terms of the lease can be discussed and renegotiated if necessary.

**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 \$5,235 was paid.

The organization entered into a Contract Services agreement during the year to supply contract employment services in the area of Curling Club Development to the Ontario Curling Association. The base contract is for \$25,000 plus HST per annum to be billed monthly starting December 1, 2014 for a two year term unless extended or terminated.

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

	<u>2015</u>	<u>2014</u>
Programs		
Ontario Curling Association	\$ 105,002	\$ 76,782
Northern Ontario Curling Association	40,436	48,030
	<u>\$ 145,438</u>	<u>\$ 124,812</u>
Championship support		
Ontario Curling Association	\$ 26,874	\$ 34,048
Northern Ontario Curling Association	3,702	5,203
	<u>\$ 30,576</u>	<u>\$ 39,251</u>

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

Memberships		
Ontario Curling Association	\$ 35,832	\$ 45,397
Northern Ontario Curling Association	4,936	6,937
	40,768	52,334
Other income - contract services		
Ontario Curling Association	11,066	-
	<u>\$ 51,834</u>	<u>\$ 52,334</u>

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

Ontario Curling Association	\$ 3,850	\$ 51,299
Northern Ontario Curling Association	-	7,839
	<u>\$ 3,850</u>	<u>\$ 59,138</u>

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

Ontario Curling Association	\$ 36,277	\$ 83,832
Northern Ontario Curling Association	-	15,678
	<u>\$ 36,277</u>	<u>\$ 99,510</u>

## ONTARIO CURLING COUNCIL

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED APRIL 30, 2015**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. The objective of management is to manage market risk within acceptable parameters while optimizing the return on risk.

Currency risk refers to the risk that the fair value of financial instruments or 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. This risk is minimal.

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. The primary objective of the organization is to ensure the security of the principal amounts invested, provide for a high degree of liquidity, and achieve a satisfactory rate of return. A 1% fluctuation in interest rates related to the investments would reduce interest revenue by approximately \$1,020.

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 and government agencies. Management has determined, however, that the organization is not subject to any significant credit risk.

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. Management has determined that this risk is minimal.

There have been no significant changes from the prior year in the exposure to these risks or policies, procedures and methods used to measure the risks.

**10. Economic Dependence**

The organization received \$135,394 (\$142,520 in 2014) in base funding from the Ontario Ministry of Tourism, Culture and Sport which represents 66% (67% in 2014) 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.