

ONTARIO CURLING COUNCIL

FINANCIAL STATEMENTS

FOR THE YEAR ENDED APRIL 30, 2016

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INDEPENDENT AUDITOR'S REPORT

To the Officers and Directors of Ontario Curling Council

I have audited the accompanying financial statements of the **Ontario Curling Council**, which comprise the statement of financial position as at **April 30, 2016**, and the statement of operations, statement of changes in net assets and statement of cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Ontario Curling Council as at April 30, 2016, and the results of its operations, changes in its net assets, and its cash flow for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Other Matters

Without modifying my opinion, I draw attention to Note 12 to the financial statements, which explains that certain comparative information for the year ended April 30, 2015 has been reclassified. The financial statements of the Ontario Curling Council for the year ended April 30, 2015 were unaudited.

**Peterborough, Ontario
June 27, 2016**

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

ONTARIO CURLING COUNCIL
STATEMENT OF FINANCIAL POSITION
AS AT APRIL 30, 2016

ASSETS

	<u>2016</u>	<u>2015</u> (Unaudited)
Current Assets		
Cash and bank	\$ 97,273	\$ 20,745
Investments (Note 3)	72,413	101,771
Accounts receivable (Note 5)	13,636	5,275
Government remittances receivable - HST receivable	<u>1,224</u>	<u>560</u>
	<u>\$ 184,546</u>	<u>\$ 128,351</u>

LIABILITIES AND NET ASSETS

Current Liabilities		
Accounts payable and accrued liabilities (Note 5)	\$ 28,011	\$ 44,540
Government remittances payable - Employee deductions	1,735	1,142
Deferred revenue (Note 4)	<u>3,750</u>	<u>-</u>
	33,496	45,682
Net Assets		
Unrestricted net assets	<u>151,050</u>	<u>82,669</u>
	<u>\$ 184,546</u>	<u>\$ 128,351</u>

Approved On Behalf Of The Board:





ONTARIO CURLING COUNCIL

STATEMENT OF OPERATIONS

FOR THE YEAR ENDED APRIL 30, 2016

	<u>Budget</u> <u>2016</u>	<u>Actual</u> <u>2016</u>	<u>Total</u> <u>2015</u> (Unaudited)
Revenues			
Member Associations Funding	\$ 148,776	\$ 157,948	\$ 125,352
Sport Priority Funding	-	102,904	-
High Performance Funding	100,000	105,672	15,208
Other Funding	<u>84,518</u>	<u>78,625</u>	<u>63,217</u>
	<u>333,294</u>	<u>445,149</u>	<u>203,777</u>
Expenses			
Member Associations Programs	148,777	157,948	161,190
Sport Priority Funding Programs	-	102,952	-
High Performance Programs	100,000	41,277	28,106
Administration	<u>84,735</u>	<u>74,591</u>	<u>63,960</u>
	<u>333,512</u>	<u>376,768</u>	<u>253,256</u>
Excess of Revenues Over Expenses (Expenses Over Revenues)	<u>\$ (218)</u>	<u>\$ 68,381</u>	<u>\$ (49,479)</u>

ONTARIO CURLING COUNCIL
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED APRIL 30, 2016

	Balance - beginning of year	Excess of Revenues Over Expenses	Appropriated to Reserves	Balance - end of year
Unrestricted General surplus	\$ 82,669	\$ 68,381	\$ -	\$ 151,050
Budgeted	\$ 82,669	\$ (218)	\$ -	\$ 82,451

FOR THE YEAR ENDED APRIL 30, 2015
(Unaudited)

	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>

ONTARIO CURLING COUNCIL

STATEMENT OF CASH FLOW

FOR THE YEAR ENDED APRIL 30, 2016

	<u>2016</u>	<u>2015</u> (Unaudited)
Cash From Operating Activities		
Excess of revenues over expenses (expenses over revenues) for the year	\$ 68,381	\$ (49,479)
Add back non-cash items:		
Changes in non-cash working capital balances:		
Accounts receivable	(8,361)	56,851
Prepaid expenses	-	67
HST receivable	(664)	(975)
Accounts payable and accrued liabilities	(16,529)	(67,611)
Government remittances payable - Employee deductions	593	1,142
Deferred revenue	3,750	-
	<hr/>	<hr/>
Cash provided by (used in) Operations	47,170	(60,005)
Investment Activities		
Purchase of investments - net	29,358	68,659
	<hr/>	<hr/>
Increase In Cash and Cash Equivalents	76,528	8,654
Cash and Cash Equivalents - beginning of year	20,745	12,091
	<hr/>	<hr/>
Cash and Cash Equivalents - end of year	\$ 97,273	\$ 20,745
	<hr/>	<hr/>
Represented by:		
Cash and bank	\$ 97,273	\$ 20,745
	<hr/>	<hr/>

ONTARIO CURLING COUNCIL**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED APRIL 30, 2016****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. Its membership includes the Ontario Curling Association (OCA) and the Northern Ontario Curling Association (NOCA). The Ontario Curling Council is an affiliate member of curling's national sport organization, Curling Canada.

The Ontario Curling Council acts in a coordinating role between its member associations when liaising with the Ministry of Tourism, Culture and Sport of Ontario (MTCS).

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 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.

Participant 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.

ONTARIO CURLING COUNCIL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED APRIL 30, 2016**2. Significant Accounting Policies (continued)****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.

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. Investments

Investments consist of the following:

	<u>2016</u>	<u>2015</u> (Unaudited)
Money Market Fund	\$ <u>72,413</u>	\$ <u>101,771</u>

4. Deferred Revenue

Deferred revenue consist of the following:

	<u>2016</u>	<u>2015</u> (Unaudited)
Balance, beginning of year	\$ -	\$ -
Contributions received	110,513	15,208
Amounts recognized as revenue in the year	<u>(106,763)</u>	<u>(15,208)</u>
Balance, end of year	\$ <u>3,750</u>	\$ -

ONTARIO CURLING COUNCIL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED APRIL 30, 20165. **Related Party Transactions**

The Ontario Curling Council had the following transactions with its member associations:

	<u>2016</u>	<u>2015</u> (Unaudited)
Revenue		
Ontario Curling Association		
Participant Fees	\$ 51,612	\$ 35,832
HP Support	10,000	-
Coaching Support	20,000	-
Athlete Surcharge	28,150	-
Own the Podium	12,000	-
Other income - contract services	22,116	11,066
	<u>143,878</u>	<u>46,898</u>
Northern Ontario Curling Association		
Participant Fees	\$ 8,784	\$ 4,936
Athlete Surcharge	2,480	-
Own the Podium	8,000	-
	<u>\$ 19,264</u>	<u>\$ 4,936</u>
Expenses		
Ontario Curling Association		
Program Support	\$ 61,604	\$ 105,002
Championship Support	38,709	26,874
Summer Student Support	2,875	-
Rental - facilities	2,400	-
Sponsorship	7,500	-
	<u>\$ 113,088</u>	<u>\$ 131,876</u>
Northern Ontario Curling Association		
Program Support	\$ 33,172	\$ 40,436
Championship Support	6,588	3,702
Sponsorship	7,500	-
	<u>\$ 47,260</u>	<u>\$ 44,138</u>
At year end the Accounts receivable includes the following amounts from related parties:		
Ontario Curling Association	\$ 4,609	\$ 3,850
Northern Ontario Curling Association	1,250	-
	<u>\$ 5,859</u>	<u>\$ 3,850</u>
At year end the Accounts payable and accruals includes the following amounts from related parties (incl hst):		
Ontario Curling Association	\$ 7,500	\$ 36,277
Northern Ontario Curling Association	-	-
	<u>\$ 7,500</u>	<u>\$ 36,277</u>

ONTARIO CURLING COUNCIL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED APRIL 30, 2016**6. 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.

7. 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. The organization 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 less than \$1,000.

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.

ONTARIO CURLING COUNCIL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED APRIL 30, 2016**8. Capital Disclosures**

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

9. Budget Figures

The budget figures presented represent the final budget as approved by the Board of Directors on June 8, 2015.

10. Economic Dependence

The organization received \$237,573 (\$135,394 in 2015) in total funding from the Ontario Ministry of Tourism, Culture and Sport which represents 53% (66% in 2015) 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. Segment Information

The organization prepares segmented financial information on the following basis: government grants, users charges and other revenues are allocated to the specific program of service to which they relate; expenses, internal and external, are allocated to the segment to which they relate. The accounting policies used in these segments are consistent with those followed in the preparation of the financial statements as disclosed in the Significant Accounting Policies - Note 2.

The reportable segments are: Members Association Programs, Sport Priority Fund Program, High Performance Program and Administration.

12. Comparative Figures

Certain accounts in the prior year's unaudited financial statements have been reclassified to conform to the presentation adopted for the 2016 financial statements.

ONTARIO CURLING COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED APRIL 30, 2016

Schedule A - Segmented Information 2016

	Programs				Administration	Total	Budget
	Member Associations	Sport Priority Fund	High Performance				
Revenues							
Ministry of Tourism, Culture and Sport							
Base Funding	\$ 94,776	\$ -	\$ -	\$ 40,618	\$ 135,394	\$ 135,394	
Sport Priority Funding	-	98,304	-	-	98,304	-	
Summer Experience Program	2,875	-	-	-	2,875	-	
Coaches Association of Ontario	-	-	7,460	-	7,460	-	
ParaSport Ontario	-	-	5,408	-	5,408	-	
Member Associations							
HP Support	-	-	10,000	-	10,000	10,000	
Coaching Support	-	-	20,000	-	20,000	20,000	
Athlete Surcharge	-	-	30,630	-	30,630	40,000	
Participant Fees	45,287	-	-	15,099	60,386	72,000	
Own the Podium	-	-	20,000	-	20,000	20,000	
Other Revenue	-	-	-	22,266	22,266	25,000	
Other Sources							
Athlete User Fees	-	3,600	12,174	-	15,774	5,000	
Interest Earned	-	-	-	642	642	900	
Sponsorships	15,000	-	-	-	15,000	5,000	
	<u>157,948</u>	<u>102,904</u>	<u>105,672</u>	<u>78,625</u>	<u>445,149</u>	<u>333,294</u>	
Expenses							
Program Support	94,776	-	-	-	94,776	94,777	
Championship Support	45,287	-	-	-	45,287	54,000	
Coach Development	-	-	7,460	-	7,460	-	
Consulting Fees and Honorariums	-	59,151	7,552	-	66,703	55,000	
Travel	-	9,635	2,741	1,719	14,095	21,500	
Accommodations	-	8,609	2,389	-	10,998	9,900	
Meals and per Diem	-	7,038	5,145	60	12,243	6,500	
Materials and Resources	-	-	3,698	-	3,698	500	
Training Equipment	-	3,065	9,033	-	12,098	10,000	
Rental - Facilities	-	8,113	1,710	-	12,223	7,400	
Insurance	-	-	-	2,400	2,400	3,500	
Office and General	-	-	-	3,564	3,564	700	
Communications	-	-	-	1,267	1,267	2,600	
Memberships and Subscriptions	-	-	-	2,323	2,323	2,600	
Postage and Courier	-	-	-	1,240	1,240	625	
Wages and Benefits	-	-	-	995	995	200	
Professional Fees	-	6,619	-	51,661	58,280	54,800	
Board Meeting Expense	-	-	-	5,500	5,500	4,500	
Bank Charges and Interest	-	-	-	3,473	3,473	6,700	
Other	17,875	722	1,549	389	20,146	60	
	<u>157,948</u>	<u>102,952</u>	<u>41,277</u>	<u>74,591</u>	<u>376,768</u>	<u>333,512</u>	
Excess of Revenue Over Expenses							
(Expenses Over Revenue)	\$ -	\$ (48)	\$ 64,395	\$ 4,034	\$ 68,381	\$ (218)	

**ONTARIO CURLING COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED APRIL 30, 2016**

Schedule B - Segmented Information 2015

	Programs				Administration	Total (Unaudited)
	Member Associations	Sport Priority Fund	High Performance	-		
Revenues						
Ministry of Tourism, Culture and Sport Base Funding	\$ 94,776	\$ -	\$ -	\$ 40,618	\$ 135,394	
Coaches Association of Ontario	-	-	3,000	-	3,000	
Sport Alliance of Ontario	-	-	11,520	-	11,520	
Member Associations	-	-	-	-	-	
Participant Fees	30,576	-	-	10,192	40,768	
Other Revenue	-	-	688	11,066	11,754	
Other Sources	-	-	-	-	-	
Interest Earned	-	-	-	1,341	1,341	
	<u>125,352</u>	<u>-</u>	<u>15,208</u>	<u>63,217</u>	<u>203,777</u>	
Expenses						
Program Support	130,614	-	-	-	130,614	
Championship Support	30,576	-	-	-	30,576	
Coach Development	-	-	14,824	-	14,824	
Travel	-	-	8,295	-	8,295	
Accommodations	-	-	3,320	-	3,320	
Meals and per Diem	-	-	1,667	-	1,667	
Rental - Facilities	-	-	-	5,235	5,235	
Insurance	-	-	-	3,641	3,641	
Office and General	-	-	-	567	567	
Communications	-	-	-	2,892	2,892	
Memberships and Subscriptions	-	-	-	848	848	
Postage and Courier	-	-	-	220	220	
Wages and Benefits	-	-	-	44,658	44,658	
Professional Fees	-	-	-	5,230	5,230	
Bank Charges and Interest	-	-	-	48	48	
Other	-	-	-	621	621	
	<u>161,190</u>	<u>-</u>	<u>28,106</u>	<u>63,960</u>	<u>253,256</u>	
Excess of Revenue Over Expenses (Expenses Over Revenue)	<u>\$ (35,838)</u>	<u>\$ -</u>	<u>\$ (12,898)</u>	<u>\$ (743)</u>	<u>\$ (49,479)</u>	