

FINANCIAL STATEMENTS
For
ONTARIO CURLING ASSOCIATION
For year ended
APRIL 30, 2024

**ONTARIO CURLING ASSOCIATION
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APRIL 30, 2024**

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INDEPENDENT AUDITOR'S REPORT

To the members of

ONTARIO CURLING ASSOCIATION

Opinion

We have audited the financial statements of Ontario Curling Association (the Association), which comprise the statement of financial position as at April 30, 2024, and the statements of changes in fund balances, operations, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Association as at April 30, 2024 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Association in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

The financial statements of the Association for the year ended April 30, 2023 were audited by another auditor who expressed an unmodified opinion on those financial statements, dated August 1, 2023.

*Responsibilities of Management and Those Charged with Governance
for the Financial Statements*

Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Association's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Association to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Welch LLP

Chartered Professional Accountants
Licensed Public Accountants

Ottawa, Ontario
August 9, 2024.

ONTARIO CURLING ASSOCIATION
STATEMENT OF FINANCIAL POSITION
APRIL 30, 2024

	<u>Operating fund</u>	<u>Future development fund</u>	<u>Member club assistance fund</u>	<u>Restricted surplus fund</u>	<u>2024 Total</u>	<u>2023 Total</u>
ASSETS						
Current						
Cash	\$ 182,318	\$ -	\$ -	\$ -	\$ 182,318	\$ 25,283
Investments (note 3)	99,466	-	-	-	99,466	226,648
Accounts receivable	149,160	-	-	-	149,160	230,746
Loans receivable (note 8)	-	-	73,865	-	73,865	122,280
Inventories	39,648	-	-	-	39,648	43,159
Prepaid expenses	<u>8,676</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,676</u>	<u>29,505</u>
	479,268	-	73,865	-	553,133	677,621
Loans receivable (note 8)	-	-	71,617	-	71,617	159,938
Tangible capital assets (note 4)	<u>214,518</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>214,518</u>	<u>282,212</u>
	<u>\$ 693,786</u>	<u>\$ -</u>	<u>\$ 145,482</u>	<u>\$ -</u>	<u>\$ 839,268</u>	<u>\$ 1,119,771</u>
LIABILITIES AND NET ASSETS						
Current						
Accounts payable and accrued liabilities (note 6)	\$ 223,382	\$ -	\$ -	\$ -	\$ 223,382	\$ 251,003
Deferred revenue	3,078	-	-	-	3,078	6,345
Interfund payable (receivable)	628,162	(21,611)	(354,518)	(252,033)	-	-
Canadian Emergency Business Account (note 7)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>37,333</u>
	854,622	(21,611)	(354,518)	(252,033)	226,460	294,681
Fund Balances	<u>(160,836)</u>	<u>21,611</u>	<u>500,000</u>	<u>252,033</u>	<u>612,808</u>	<u>825,090</u>
	<u>\$ 693,786</u>	<u>\$ -</u>	<u>\$ 145,482</u>	<u>\$ -</u>	<u>\$ 839,268</u>	<u>\$ 1,119,771</u>

Approved by the Board:



Director



Director

(See accompanying notes)

ONTARIO CURLING ASSOCIATION
STATEMENT OF CHANGES IN FUND BALANCES
YEAR ENDED APRIL 30, 2024

	<u>Operating fund</u>	<u>Future development fund</u>	<u>Member club assistance fund</u>	<u>Restricted surplus fund</u>	<u>2024 Total</u>	<u>2023 Total</u>
NET ASSETS						
Balance, beginning of year	\$ 51,446	\$ 21,611	\$ 500,000	\$ 252,033	\$ 825,090	\$ 1,290,573
Deficiency of revenue over expenses	<u>(212,282)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(212,282)</u>	<u>(465,483)</u>
Balance, end of year	<u>\$ (160,836)</u>	<u>\$ 21,611</u>	<u>\$ 500,000</u>	<u>\$ 252,033</u>	<u>\$ 612,808</u>	<u>\$ 825,090</u>

(See accompanying notes)

ONTARIO CURLING ASSOCIATION

STATEMENT OF OPERATIONS

YEAR ENDED APRIL 30, 2024

	<u>Operating fund</u>	<u>Total 2024</u>	<u>Total 2023</u>
Revenue			
Annual sheet fees	\$ 383,475	\$ 383,475	\$ 324,650
Event hosting revenue	7,031	7,031	170,556
Competition entry fees	247,958	247,958	214,175
Canadian Curling Association	116,668	116,668	100,598
Ontario Curling Council transfers	59,000	59,000	59,000
Sponsorship	50,333	50,333	57,750
CurlION competitor fees	54,918	54,918	16,441
Interest income on loans receivable	9,719	9,719	16,012
Grants	3,837	3,837	7,439
Programs	25,199	25,199	4,330
Merchandise sales	9,522	9,522	3,820
Ontario Curling Council high performance 50/50 sales	6,550 4,130	6,550 4,130	3,500 -
	<u>978,340</u>	<u>978,340</u>	<u>978,271</u>
Expenses			
Competition (Schedule 1)	299,079	299,079	370,168
Program (Schedule 2)	48,959	48,959	156,332
Meeting and committee (Schedule 3)	57,255	57,255	107,391
Office and administrative (Schedule 4)	658,373	658,373	693,265
Canadian Curling Association fees	107,906	107,906	100,598
Ontario Curling Council fees	19,050	19,050	16,000
	<u>1,190,622</u>	<u>1,190,622</u>	<u>1,443,754</u>
Deficiency of revenue over expenses	<u>\$ (212,282)</u>	<u>\$ (212,282)</u>	<u>\$ (465,483)</u>

(See accompanying notes)

ONTARIO CURLING ASSOCIATION

STATEMENT OF CASH FLOWS

YEAR ENDED APRIL 30, 2024

	<u>2024</u>	<u>2023</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Deficiency of revenue over expenses	\$ (212,282)	\$ (465,483)
Items not affecting cash:		
Amortization of tangible capital assets	<u>70,882</u>	<u>69,934</u>
	(141,400)	(395,549)
Changes in non-cash working capital:		
Accounts receivable	81,586	(23,360)
Inventories	3,511	25,060
Prepaid expenses	20,829	6,600
Accounts payable and accrued liabilities	(27,621)	38,737
Deferred revenue	<u>(3,267)</u>	<u>600</u>
	<u>(66,362)</u>	<u>(347,912)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(100,260)	(136,271)
Proceeds from disposal of investments	227,442	226,658
Acquisition of tangible capital assets	(3,188)	(101,353)
Disbursements of loans receivable	-	(60,000)
Repayment of loans receivable	<u>136,736</u>	<u>109,210</u>
	<u>260,730</u>	<u>38,244</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of Canadian Emergency Business Account	<u>(37,333)</u>	<u>-</u>
INCREASE (DECREASE) IN CASH	157,035	(309,668)
CASH AT BEGINNING OF YEAR	<u>25,283</u>	<u>334,951</u>
CASH AT END OF YEAR	<u>\$ 182,318</u>	<u>\$ 25,283</u>

(See accompanying notes)

ONTARIO CURLING ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED APRIL 30, 2024

1. NATURE OF OPERATIONS

The Ontario Curling Association (the Association) is a not-for-profit organization incorporated without share capital under the laws of Ontario. The Association's purpose is to operate programs and provide support to curlers to promote the sport of curling in the province of Ontario. The Association is a non-profit organization under the Income Tax Act and, as such, is exempt from income taxes.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting

The Association applies the Canadian accounting standards for not-for-profit organizations.

Fund accounting

The operating fund accounts for the Association's program delivery, support services and administrative activities, and includes the cumulative, unrestricted net excess of operating revenue over expenses.

The future development fund includes specific funds designated for financing future projects by the Association. Interest earned on investments in the fund is unrestricted and recorded as revenue in the operating fund.

The member club assistance fund was established by the Board of Directors to provide limited financial assistance to curling clubs that encounter temporary financial problem, which requires urgent funding. The Association will make loans to member clubs on such a basis from time to time. Interest earned on the investments in the fund and on the loans to member clubs is unrestricted and recorded as revenue in the operating fund.

The restricted surplus fund was established by the Board of Directors for contingencies or unexpected expenses. Interest earned on investments in the fund is unrestricted and recorded as revenue in the operating fund.

Revenue recognition

The Association follows the restricted fund method of accounting for contributions. Contributions where use is externally restricted but where no fund exists are deferred and recognized as revenue in the operating fund as the related expenses are incurred. All other externally restricted contributions are recognized as revenue of the appropriate restricted fund.

Membership fees and annual sheet fees are recognized as revenue proportionately over the year to which they relate.

Merchandise sales are recognized when goods are shipped.

Programs, sponsorship, competition entry fees, and event hosting are recognized as revenue once the related event has occurred. Amounts that are received in the year that pertain to events occurring in future years are recorded as deferred revenue.

Investment income is recognized as revenue when earned and includes dividends and realized and unrealized gains and losses on the investments.

ONTARIO CURLING ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS - Cont'd.
YEAR ENDED APRIL 30, 2024

2. SIGNIFICANT ACCOUNTING POLICIES - Cont'd.

Financial instruments

The Association initially measures its financial assets and liabilities at fair value. The Association subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments which are measured at fair value. Changes in fair value of these financial instruments are recognized in the statement of operations in the year incurred.

Financial assets measured at amortized cost are tested for impairment when there are indications of possible impairment.

Transaction costs related to financial instruments that will be subsequently measured at fair value are recognized in the statement of operations in the year incurred. Transaction costs related to financial instruments subsequently measured at amortized cost are included in the original cost of the asset or liability and recognized in the statement of operations over the life of the instrument using the straight-line method.

Inventories

Inventories held for consumption are measured at the lower of cost and replacement value. The cost is determined using the weighted average cost method.

Tangible capital assets

Tangible capital assets are initially recorded at cost and are amortized on a straight-line basis over their estimated useful lives as follows:

Automobile	5 years
Computer equipment	3 years
Other equipment	5 years

Contributed services

Volunteers contribute many hours per year to assist the Association in carrying out its activities. Due to the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

Contributed materials

Materials contributed to the Association are not recognized in the financial statements.

Government of Canada Subsidies

Funding received from the the government of Canada is subject to specific terms and conditions regarding the expenditure of the funds. The Association's accounting records may be subject to audit by the Canada Revenue Agency (CRA) to identify instances, if any, which amounts are charged against the funds have not complied with the agreed terms and conditions and which would therefore be refundable to the CRA.

ONTARIO CURLING ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS - Cont'd.
YEAR ENDED APRIL 30, 2024

2. SIGNIFICANT ACCOUNTING POLICIES - Cont'd.

Use of estimates

These financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations and, accordingly, require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. The main estimates relate to the results of profit sharing events recorded in accounts receivable, valuation of accounts receivable, the valuation of inventories, the useful lives of tangible capital assets, and the valuation of loans receivable. Actual results could differ from these estimates and adjustments are made to the statement of operations as appropriate in the year they become known.

3. INVESTMENTS

	<u>2024</u>	<u>2023</u>
Equitable Bank, GIC 5.14%, maturing on April 23, 2025	\$ 54,422	\$ -
Versabank, GIC 5.15%, maturing on April 23, 2025	45,044	-
RBC Investment Savings Account	-	130,566
ICICI Bank of Canada, GIC 3.48%, matured during the year	<u>-</u>	<u>96,082</u>
	<u>\$ 99,466</u>	<u>\$ 226,648</u>

4. TANGIBLE CAPITAL ASSETS

	<u>2024</u>		<u>2023</u>	
	<u>Cost</u>	<u>Accumulated amortization</u>	<u>Cost</u>	<u>Accumulated amortization</u>
Automobile	\$ 148,020	\$ 76,877	\$ 148,020	\$ 61,663
Computer equipment	68,019	64,112	64,830	62,747
Other equipment	<u>290,794</u>	<u>151,326</u>	<u>290,794</u>	<u>97,022</u>
	506,833	<u>\$ 292,315</u>	503,644	<u>\$ 221,432</u>
	<u>292,315</u>		<u>221,432</u>	
Net book value	<u>\$ 214,518</u>		<u>\$ 282,212</u>	

5. LINE OF CREDIT

The Association has an authorized revolving line of credit of \$100,000 that is due on demand and bears interest at the bank's prime rate plus 1.50%, calculated and payable monthly. It is secured by a general security agreement covering all assets. At April 30, 2024, the Association had undrawn credit capacity under this facility of \$100,000 (2023 - \$100,000).

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Included in accounts payable and accrued liabilities are government remittances payable of \$12,925 (2023 - \$9,439).

ONTARIO CURLING ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS - Cont'd.
YEAR ENDED APRIL 30, 2024

7. CANADA EMERGENCY BUSINESS ACCOUNT

	<u>2024</u>	<u>2023</u>
CEBA loan, without interest or principal payments, as noted below	\$ -	\$ 37,333

At April 30, 2023, the Association had received an amount of \$60,000 under the Canada Emergency Business Account (CEBA) loan to finance certain expenses related to COVID-19. Since the loan balance was paid in full before December 31, 2023, \$20,000 of the \$60,000 loaned is forgiven and was recognized as income in the year the funds were received.

8. LOANS RECEIVABLE

The Association currently has 14 (2023 - 19) loans receivable from member curling clubs. The outstanding balances range from \$455 - \$22,000 and are repayable in quarterly or annual instalments, according to the terms of the agreements. Interest rates on these loans receivable are calculated at the prime rate minus 100 basis points, and currently range from 1.50% - 2.95% and mature between March 31, 2025 and March 31, 2028.

9. FINANCIAL INSTRUMENTS

The Association is exposed to various risks through its financial instruments. The following analysis provides a measure of the Association's risk exposure and concentrations as at April 30, 2024.

Liquidity risk

Liquidity risk refers to the adverse consequence that the Association will encounter, if it has difficulty in meeting obligations associated with its financial liabilities. The Association is exposed to liquidity risk for its accounts payable. The Association's approach to managing liquidity is to ensure that it will always have sufficient cash flows to fund its operations and to meet its liabilities when due.

Credit risk

The Association is exposed to credit risk resulting from the possibility that parties may default on their financial obligations. The Association is exposed to credit risk on its cash, investments, accounts and loans receivable. Cash and investments are held with a Canadian chartered bank. The Association provides credit to its members in the normal course of its operations. It assesses, on a continuing basis, the collectibility of these amounts and will set up a provision if necessary.

Interest rate risk

Interest rate risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Association is exposed to interest rate risk on its fixed interest rate financial instruments. Fixed interest instruments subject the Association to a fair value risk, since fair value fluctuates inversely to changes in market interest rates.

Changes in risk

There have been no significant changes in the Association's risk exposures from the prior year.

ONTARIO CURLING ASSOCIATION
SCHEDULES OF EXPENSES
YEAR ENDED APRIL 30, 2024

	<u>2024</u>	<u>2023</u>
Schedule 1 - Competition		
Accommodations	\$ 12,189	\$ 31,102
Awards and prizes	49,302	104,423
Clothing	19,966	22,780
Competition hosting costs	93,960	91,070
Contract services	-	5,663
Media and promotion	-	1,222
Other	35,691	25,151
Postage and courier	89	308
Printing and supplies	7,690	44,627
Receptions	46,235	7,483
Signs and standings	2,736	-
Sponsorship fees	18,377	-
Travel	<u>12,844</u>	<u>36,339</u>
	<u>\$ 299,079</u>	<u>\$ 370,168</u>
Schedule 2 - Program		
Accommodations	\$ -	\$ 833
CurlTV	37,381	127,787
Instructors and presenters	7,500	4,448
Other	534	11,165
Postage and courier	-	138
Printing and supplies	-	6,489
Receptions	238	1,727
Travel	<u>3,306</u>	<u>3,745</u>
	<u>\$ 48,959</u>	<u>\$ 156,332</u>
Schedule 3 - Meeting and Committee		
Accommodations	\$ 8,962	\$ 22,853
Clothing	296	30
General promotion	26,419	48,581
Other	10,495	4,429
Printing and supplies	399	724
Postage and courier	94	-
Receptions	4,589	12,693
Travel	<u>6,001</u>	<u>18,081</u>
	<u>\$ 57,255</u>	<u>\$ 107,391</u>
Schedule 4 - Office and Administrative		
Amortization of tangible capital assets	\$ 70,882	\$ 69,934
Automobile	3,098	7,143
Club development	2,577	25
Cost of goods sold	6,030	1,040
Gain on disposal of automobile	-	(25,990)
Insurance	38,317	36,787
Interest and bank charges	5,745	6,052
Inventory write off	-	5,800
Office	41,996	118,179
Professional fees	17,495	28,137
Rent	28,837	13,228
Salaries	<u>443,396</u>	<u>432,930</u>
	<u>\$ 658,373</u>	<u>\$ 693,265</u>