



Financial Statements

For the years ended April 30, 2013,
April 30, 2012 and as at May 1, 2011

Canadian Curling Association Financial Statements

**For the years ended April 30, 2013,
April 30, 2012 and as at May 1, 2011**

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Independent Auditor's Report

**To the Members of
Canadian Curling Association**

Report on the Financial Statements

We have audited the accompanying financial statements of Canadian Curling Association which comprise the statements of financial position as at April 30, 2013, April 30, 2012 and May 1, 2011 and the statements of operations, changes in net assets and cash flows for the years ended April 30, 2013 and April 30, 2012, 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

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform an audit to obtain reasonable assurance whether the financial statements are free of 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 judgement, 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Independent Auditor's Report (continued)

Basis for Qualified Opinion

In common with many not-for-profit organizations, the association reports revenues from donations the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the association. Our audit opinion on the financial statements for the year ended April 30, 2012 was also qualified because of the possible effects of this limitation in scope. Therefore we were not able to determine whether any adjustments might be necessary to donations revenues, excess of revenue over expenses for the years ended April 30, 2013 and April 30, 2012, assets as at April 30, 2013, April 30, 2012 and May 1, 2011, and net assets at both the beginning and end of the April 30, 2013 and 2012 years.

Qualified Opinion

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, these financial statements present fairly, in all material respects, the financial position of the association as at April 30, 2013, April 30, 2012 and May 1, 2011 and the results of its operations and its cash flows for the years ended April 30, 2013 and April 30, 2012 in accordance with Canadian accounting standards for not-for-profit organizations.

Report on Other Legal and Regulatory Requirements

As required by the Canada Corporations Act, we report that, in our opinion, Canadian accounting standards for not-for-profit organizations have been applied on a consistent basis.

Collins Barrow Ottawa LLP

Chartered Accountants, Licensed Public Accountants

June 10, 2013

Ottawa, Ontario

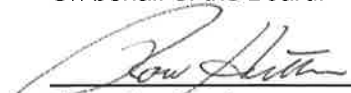
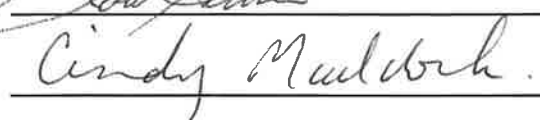
Canadian Curling Association Statements of Financial Position

	April 30 2013	April 30 2012	May 1 2011
Assets			
Current			
Cash (Note 2)	\$ 2,536,167	\$ 2,842,159	\$ 2,248,553
Accounts receivable (Note 3)	1,456,794	2,370,809	2,026,930
Sales taxes receivable	672,395	504,894	943,070
Prepaid expenses	226,488	114,330	101,429
	4,891,844	5,832,192	5,319,982
Tangible capital assets (Note 4)	633,917	696,170	721,077
Intangible assets (Note 4)	10,394	53,025	-
	\$ 5,536,155	\$ 6,581,387	\$ 6,041,059

Liabilities and Net Assets

Current			
Accounts payable and accrued liabilities	\$ 2,175,287	\$ 2,243,175	\$ 2,526,302
Government liabilities	10,330	7,673	5,940
Deferred contribution	688,250	681,250	-
Current portion of long-term debt (Note 5)	-	224,059	311,095
	2,873,867	3,156,157	2,843,337
Net assets			
Internally restricted for invested in tangible capital assets and intangible assets	644,311	525,136	409,982
Internally restricted reserve (Note 6)	866,942	1,197,619	1,464,095
Unrestricted	1,151,035	1,702,475	1,323,645
	2,662,288	3,425,230	3,197,722
	\$ 5,536,155	\$ 6,581,387	\$ 6,041,059

On behalf of the Board:


 _____ Governor

 _____ Governor

Canadian Curling Association Statements of Changes in Net Assets

For the years ended April 30

	2013			
	Invested in Tangible Capital Assets and Intangible Assets	Internally Restricted Reserve	Unrestricted	Total
Balance, beginning of year	\$ 525,136	\$ 1,197,619	\$ 1,702,475	\$ 3,425,230
Excess (deficiency) of revenue over expenses for the year	(159,633)	-	(603,309)	(762,942)
Investment in tangible capital assets and intangible assets				
Purchases and principal repayments on mortgage	278,808	(217,000)	(61,808)	-
Transfers (Note 6)	-	(113,677)	113,677	-
Balance, end of year	\$ 644,311	\$ 866,942	\$ 1,151,035	\$ 2,662,288

	2012			
	Invested in Tangible Capital Assets and Intangible Assets	Internally Restricted Reserve	Unrestricted	Total
Balance, beginning of year	\$ 409,982	\$ 1,464,095	\$ 1,323,645	\$ 3,197,722
Excess (deficiency) of revenue over expenses for the year	(156,146)	-	383,654	227,508
Investment in tangible capital assets and intangible assets				
Purchases and principal repayments on mortgage	271,300	(66,673)	(204,627)	-
Transfers	-	(199,803)	199,803	-
Balance, end of year	\$ 525,136	\$ 1,197,619	\$ 1,702,475	\$ 3,425,230

Canadian Curling Association Statements of Operations

For the year ended April 30

2013

2012

	Budget	Actual	Actual
Revenue			
Domestic	\$ 6,049,800	\$ 6,363,075	\$ 6,694,759
International	187,500	148,000	166,700
High Performance	1,995,000	1,991,000	1,999,300
Management	913,300	1,053,665	920,059
Other	500,750	542,544	443,382
	<u>9,646,350</u>	<u>10,098,284</u>	<u>10,224,200</u>
Expenses (Schedule 1)			
Domestic	4,761,908	5,820,066	5,243,172
International	275,000	514,883	361,316
High Performance	2,408,700	2,251,833	2,331,456
Management (Note 8)	2,135,279	2,113,792	1,844,275
Other	60,000	160,652	216,473
	<u>9,640,887</u>	<u>10,861,226</u>	<u>9,996,692</u>
Excess (deficiency) of revenue over expenses for the year	<u>\$ 5,463</u>	<u>\$ (762,942)</u>	<u>\$ 227,508</u>

Canadian Curling Association Statements of Cash Flows

For the year ended April 30	2013	2012
Cash from (used in) operating activities		
Excess (deficiency) of revenue over expenses for the year	\$ (762,942)	\$ 227,508
Items not affecting cash		
Amortization of tangible capital assets	117,002	123,909
Amortization of intangible assets	42,631	32,237
	<u>(603,309)</u>	383,654
Net change in non-cash working capital items		
Decrease (increase) in accounts receivable	914,015	(343,880)
Decrease (increase) in sales taxes receivable	(167,501)	438,181
Increase in prepaid expenses	(112,158)	(12,901)
Decrease in accounts payable and accrued liabilities	(67,888)	(283,126)
Increase in government liabilities	2,657	1,733
Increase in deferred revenue	7,000	681,245
	<u>(27,184)</u>	864,906
Cash from (used in) investing activities		
Acquisition of tangible capital assets	<u>(54,749)</u>	(184,264)
Cash from (used in) financing activities		
Repayment of long-term debt	<u>(224,059)</u>	(87,036)
Increase (decrease) in cash during the year	(305,992)	593,606
Cash, beginning of year	<u>2,842,159</u>	2,248,553
Cash, end of year	<u>\$ 2,536,167</u>	<u>\$ 2,842,159</u>

Canadian Curling Association

Summary of Significant Accounting Policies

April 30, 2013, April 30, 2012 and May 1, 2011

Purpose of Association	<p>The association is incorporated under Part II of the Canada Corporations Act as a registered Canadian Amateur Athletics Association and is a registered charity under the Income Tax Act.</p> <p>The association co-ordinates the activities and programs of amateur Canadian curlers nationally and internationally.</p>
Basis for Presentation	<p>These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and are in accordance with Canadian generally accepted accounting principles and include the following significant accounting policies.</p>
Use of Estimates	<p>The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.</p> <p>In particular, the association estimates the profit or loss on events which have occurred before the year end as individual event financial statements are not completed by the association's year end. The anticipated net revenue or net expense is recorded as an estimate due to the uncertainty of the ultimate profitability of the events. Any adjustments required to reconcile estimated results with actual results are recorded in the year in which actual results are known. Additional estimates relate to the possible allowance for doubtful accounts and useful life of tangible capital assets and intangible assets.</p>
Financial Instruments	<p><u>Measurement of financial instruments</u></p> <p>Financial instruments are financial assets or liabilities of the organization where, in general, the organization has the right to receive cash or another financial asset from another party or the organization has the obligation to pay another party cash or other financial assets.</p> <p>The association initially measures its financial assets and liabilities at fair value, except for certain non-arm's length transactions that are measured at the exchange amount.</p> <p>The association subsequently measures all its financial assets and financial liabilities at amortized cost.</p> <p>Financial assets and financial liabilities measured at amortized cost include cash, accounts receivable, sales taxes receivable, accounts payable and accrued liabilities, government liabilities and long-term debt.</p>

Canadian Curling Association

Summary of Significant Accounting Policies

April 30, 2013, April 30, 2012 and May 1, 2011

Financial Instruments (continued)

Impairment

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write down, if any, is recognized in excess of revenues over expenses. The previously recognized impairment loss may be reversed, to the extent of the improvement, directly or by adjusting the allowance account. The reversal may be recorded provided it is no greater than the amount that had been previously reported as a reduction in the asset and it does not exceed original cost. The amount of the reversal is recognized in the excess of revenue over expenses.

Transaction costs

The association recognizes its transactions costs in the excess of revenue over expenses 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.

Revenue Recognition

The association 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 to be received can be reasonably estimated and collections is reasonably assured.

Excess or deficiency of revenue over expenses from events is recognized using the equity method. This method is appropriate since each event is a separate entity governed by its organizing committee.

Tangible Capital Assets

Tangible capital assets are recorded at cost. Amortization is based on the estimated useful life of the asset on a straight-line basis as follows:

Building	25 years
Furniture	15 years
Equipment	2, 3, 5, 10 and 15 years

Intangible Assets

Intangible asset is an identifiable non-monetary asset without physical substance. Intangible assets are recorded at cost. Amortization is based on the estimated useful life of the asset on a straight-line basis as follows:

Website development	2 years
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Invested in Tangible Capital Assets and Intangible Assets

Net assets internally restricted for invested in capital assets are comprised of the net book value of tangible capital assets and intangible assets less long-term debt.

Canadian Curling Association Summary of Significant Accounting Policies

April 30, 2013, April 30, 2012 and May 1, 2011

Contributed Materials and Services

Contributed materials and services which are used in the normal course of the association's operations and would otherwise have been purchased are recorded at their fair value at the date of contribution if fair value can be reasonably estimated. Volunteers contribute many hours each year to assist the association in carrying out its service delivery activities but fair value is not reasonably determinable so these services are not reflected in the financial statements.

Canadian Curling Association Notes to Financial Statements

April 30, 2013, April 30, 2012 and May 1, 2011

1. Impact of the Change in the Basis of Accounting

The Association has elected to apply the Canadian Accounting Standards for Not-for-Profit Organizations of Part III of CICA Accounting Handbook.

These financial statements are the first financial statements for which the association has applied Canadian accounting standards for not for profit organizations, hereafter referred to as "ASNPO."

The financial statements for the year ended April 30, 2013 were prepared in accordance with ASNPO and provisions set out in FIRST TIME ADOPTION, Section 1501, for first time adopters of this basis of accounting.

The association has not elected to use any of the exemptions relating to the initial application of ASNPO under Section 1501.

The adoption of ASNPO did not result in any changes to net assets at the date of transition (May 1, 2011) and the previously issued financial statements for the year ended April 30, 2012 except for the reclassification of sales taxes receivable, government remittances payable, tangible capital assets and intangible assets. As a result, no reconciliations were prepared.

2. Cash

The association's bank accounts are held at one chartered bank and earn nominal interest.

The association has separate bank accounts for each event in process. Although local committees handle each event, the association protects their interest in, and ultimate liability for, the events by maintaining the bank accounts centrally. These accounts are not shown in these financial statements since, by contract, the entire balance does not belong to the association. Only the association's share of the profits (losses) are reflected. However, the association has a banking arrangement whereby an overdrawn balance in the association's operating account is offset by the balances in the event bank accounts. Consequently, the association does not pay interest on an overdraft position since the net balance of all accounts is positive. This cash management and treasury arrangement was recommended by the association's bank.

For the events that have not taken place yet, no share of profits (losses) have been estimated. Bank account balances for these events total \$379,102 at April 30, 2013 (\$402,423 at April 30, 2012 and \$ 301,879 at May 1, 2011).

Canadian Curling Association Notes to Financial Statements

April 30, 2013, April 30, 2012 and May 1, 2011

3. Accounts Receivable

The association's accounts receivable consist of the following balances:

	April 30 2013	April 30 2012	May 1 2011
Accrued CCA events receivables	\$ 782,384	\$ 1,366,195	\$ 1,396,795
Sponsor/Supplier and other receivables	674,410	1,004,614	630,135
	\$ 1,456,794	\$ 2,370,809	\$ 2,026,930

4. Tangible Capital Assets and Intangible Assets

April 30, 2013			
	Cost	Accumulated Amortization	Net Book Value
Tangible capital assets			
Land	\$ 66,227	\$ -	\$ 66,227
Building	740,380	341,604	398,776
Furniture	35,515	29,664	5,851
Equipment	407,574	244,511	163,063
	\$ 1,249,696	\$ 615,779	\$ 633,917
Intangible assets			
Website development	\$ 109,093	\$ 98,699	\$ 10,394
April 30, 2012			
	Cost	Accumulated Amortization	Net Book Value
Tangible capital assets			
Land	\$ 66,227	\$ -	\$ 66,227
Building	740,380	311,989	428,391
Furniture	35,515	26,486	9,029
Equipment	641,033	448,510	192,523
	\$ 1,483,155	\$ 786,985	\$ 696,170
Intangible assets			
Website development	\$ 109,093	\$ 56,068	\$ 53,025

Canadian Curling Association Notes to Financial Statements

April 30, 2013, April 30, 2012 and May 1, 2011

4. Tangible Capital Assets and Intangible Assets (continued)

	May 1, 2011		
	Cost	Accumulated Amortization	Net Book Value
Tangible capital assets			
Land	\$ 66,227	\$ -	\$ 66,227
Building	736,763	282,374	454,389
Furniture	35,515	23,308	12,207
Equipment	545,648	357,394	188,254
	<u>\$ 1,384,153</u>	<u>\$ 663,076</u>	<u>\$ 721,077</u>
Intangible assets			
Website development	<u>\$ 23,831</u>	<u>\$ 23,831</u>	<u>\$ -</u>

5. Long-Term Debt

	April 30 2013	April 30 2012	May 1 2011
Royal Bank of Canada mortgage, prime plus 1.75%, repayable in blended monthly instalments of \$2,514, secured by building, paid in full October 2012	\$ -	\$ 224,059	\$ 311,095
Less: Current portion	-	224,059	311,095
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Since the association has paid its mortgage obligations in full, the bank has discharged its security on the building.

6. Internally Restricted Reserve

The association's Board of Governors has established a long-term financial reserve to protect against future financial jeopardy. The association has targeted a minimum long-term reserve amount of \$2,368,411 (2012 - \$2,324,250). The Board must approve any transfers to or from the long-term reserve. Additionally, 50% of the long-term reserve is further restricted by being utilized only after passage of a Board resolution confirmed by a majority of those entitled to vote at a General Meeting.

Canadian Curling Association Notes to Financial Statements

April 30, 2013, April 30, 2012 and May 1, 2011

6. Internally Restricted Reserve (continued)

At the conclusion of the 2011/12 fiscal year end audit process, the Board of Governors approved an increase of \$44,161 to the minimum long-term financial reserve target and transfers from the internally restricted reserve of \$157,838 to be used for discretionary spending during the 2012/13 fiscal year. The net transfer from the internally restricted reserve to the general fund was \$113,677 during the 2012/13 fiscal year.

The Board also approved a transfer from the internally restricted reserve of \$217,000 to be used towards the repayment of the remaining principal on the mortgage.

Internally restricted reserve also includes a commitment of funds towards the Curling Assistance Program (CAP) fund. As at April 30, 2013, the amount committed was \$196,536 (2012 - \$269,436). The association's CAP fund consists of the following balances:

	<u>2013</u>	<u>2012</u>
Balance, beginning of year	\$ 269,436	\$ 318,522
Funds allocated to CAP	250,000	184,332
Funds disbursed in year	<u>(322,900)</u>	<u>(233,418)</u>
Balance, end of year	<u>\$ 196,536</u>	<u>\$ 269,436</u>

7. Sport Canada Contributions

Sport Canada provides contributions towards specific activities of the association as follows:

	<u>2013</u>	<u>2012</u>
Domestic	\$ 185,000	\$ 170,000
International	98,000	116,700
High performance	1,963,000	1,974,300
Management	<u>731,000</u>	<u>595,000</u>
	<u>\$ 2,977,000</u>	<u>\$ 2,856,000</u>

8. Contributed Materials and Services

Management administration expenses include \$130,000 (2012 - \$130,000) of contributed services.

Canadian Curling Association Notes to Financial Statements

April 30, 2013, April 30, 2012 and May 1, 2011

9. **Budget Amounts**

The budget amounts were provided by the association. The amount transferred from the reserve for discretionary spending and the Curling Assistance Program referenced in note 6 above were not included in the budget amounts.

10. **Risks and Concentrations**

The association is exposed to various risks through its financial instruments. The following analysis provides a measure of the organization's risk exposure and concentrations as at April 30, 2013, April 30, 2012 and May 1, 2011.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The organization is exposed to this credit risk mainly in respect of its accounts receivable and sales taxes receivable.

Liquidity risk

Liquidity risk is the risk that the organization will encounter difficulty in meeting obligations associated with financial liabilities. The organization is exposed to this risk mainly in respect of its accounts payable and accrued liabilities, government liabilities and long-term debt.

Market 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 organization is not exposed to any significant market risk.

Canadian Curling Association Schedule 1 - Statements of Expenses by Activity

For the year ended April 30	2013		2012
	Budget	Actual	Actual
Domestic			
Canadian championships	\$ 1,069,900	\$ 1,045,336	\$ 968,454
Curling Hall of Fame	14,000	18,827	12,519
Curling development fund / C.A.P. grants	-	634,767	491,470
Development	264,000	285,003	267,073
Championship supplies	96,000	103,788	82,000
Publications	4,500	2,274	2,307
Season of Champions	3,059,508	2,954,147	2,572,381
Season of Champions additional events	180,500	713,884	789,528
Sponsor/business travel	6,000	5,740	3,733
Technical	67,500	56,300	53,707
	\$ 4,761,908	\$ 5,820,066	\$ 5,243,172
International			
Championships	\$ 258,000	\$ 502,827	\$ 331,738
Meetings	14,000	9,456	27,066
WCF affiliation fees	3,000	2,600	2,512
	\$ 275,000	\$ 514,883	\$ 361,316
High Performance			
CCA Excellence	\$ 408,200	\$ 408,200	\$ 408,200
High performance development	345,000	302,504	255,316
Meetings	5,500	3,820	702
National development centre	-	20,000	31,150
National team program	480,000	164,410	70,337
Olympics	1,170,000	1,352,899	1,565,751
	\$ 2,408,700	\$ 2,251,833	\$ 2,331,456
Management			
Administration	\$ 619,500	\$ 563,470	\$ 575,736
Information technology	283,000	275,278	116,752
Meetings	139,150	103,283	104,297
Salaries and benefits	1,068,629	1,154,292	1,032,970
Travel	25,000	17,469	14,520
	\$ 2,135,279	\$ 2,113,792	\$ 1,844,275
Other			
Miscellaneous contingencies	\$ 60,000	\$ 160,652	\$ 216,473