



Canadian Curling Association

(operating as “Curling Canada”)



Financial Statements

For the year ended April 30, 2018



Canadian Curling Association
(operating as "Curling Canada")
Financial Statements
For the year ended April 30, 2018

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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 statement of financial position as at April 30, 2018 and the statement of operations, changes in net assets and cash flows 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

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audit 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 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.

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



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Independent Auditor's Report (continued)

Opinion

In our opinion, these financial statements present fairly, in all material respects, the financial position of the association as at April 30, 2018, 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.

Collins Barrow Ottawa LLP

Chartered Professional Accountants, Licensed Public Accountants
August 30, 2018
Ottawa, Ontario

Canadian Curling Association
(operating as "Curling Canada")
Statement of Financial Position

April 30 2018 2017

Assets

Current

Cash (Note 2)	\$ 5,448,177	\$ 3,829,725
Investments (Note 3)	600,000	-
Accounts receivable	1,736,962	3,215,279
Sales taxes receivable	856,147	465,457
Prepaid expenses	151,352	328,117
	8,792,638	7,838,578

Tangible capital assets (Note 4)	861,371	515,792
	\$ 9,654,009	\$ 8,354,370

Liabilities and Net Assets

Current

Accounts payable and accrued liabilities	\$ 1,003,786	\$ 1,794,716
Due to partners	1,058,580	871,932
Deferred contributions (Note 5)	1,421,904	790,718
	3,484,270	3,457,366

Net assets

Internally restricted for invested in tangible capital assets and intangible assets	861,371	515,792
Internally restricted reserve (Note 6)	3,829,847	2,857,112
Unrestricted	1,478,521	1,524,100
	6,169,739	4,897,004
	\$ 9,654,009	\$ 8,354,370

On behalf of the Board:



Governor



Governor

Canadian Curling Association
(operating as "Curling Canada")
Statement of Changes in Net Assets

For the year ended April 30 **2018** **2017**

	Invested in Capital Assets	Internally Restricted Reserve	Unrestricted	Total	Total
Balance , beginning of year	\$ 515,792	\$ 2,857,112	\$ 1,524,100	\$ 4,897,004	\$ 4,007,668
Excess (deficiency) of revenue over expenses for the year	(122,831)	-	1,395,566	1,272,735	889,336
Investment in capital assets					
Purchases	468,410	-	(468,410)	-	-
Transfers (Note 6)	-	972,735	(972,735)	-	-
Balance , end of year	\$ 861,371	\$ 3,829,847	\$ 1,478,521	\$ 6,169,739	\$ 4,897,004

Canadian Curling Association
(operating as "Curling Canada")
Statement of Operations

For the year ended April 30

2018

2017

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Revenue			
Season of Champions events			
Direct (Schedule)	\$ 13,046,000	\$ 11,476,302	\$ 9,973,767
National and local sponsorships	6,089,000	6,591,003	5,474,297
National team programs (Note 7)	1,740,000	2,299,570	1,775,000
Sport Canada core funding	1,263,500	1,263,500	1,263,500
Philanthropic programs	718,500	568,925	551,336
Competitors and affiliation fees	460,000	552,336	540,743
Grants and other	201,000	284,173	236,539
Non Season of Champions events	76,000	240,243	102,590
	<u>23,594,000</u>	<u>23,276,052</u>	<u>19,917,772</u>
Expenses			
Season of Champions events			
Direct (Schedule)	9,201,000	8,318,124	7,606,824
Sponsorship commissions	1,797,000	2,188,804	1,988,788
Non Season of Champions events	2,796,000	3,621,998	2,266,755
National team programs	1,840,000	2,275,561	2,486,264
Salaries and benefits	2,231,000	2,255,204	1,924,343
Administration	2,106,000	1,596,949	1,345,797
Distributions to Host Committees, World Curling Federation and Provincial Member Associations (Schedule)	824,000	1,058,582	871,931
Philanthropic program	718,000	565,264	460,037
Amortization	150,000	122,831	77,697
	<u>21,663,000</u>	<u>22,003,317</u>	<u>19,028,436</u>
Excess of revenue over expenses for the year	\$ 1,931,000	\$ 1,272,735	\$ 889,336

Canadian Curling Association
(operating as "Curling Canada")
Statement of Cash Flows

For the year ended April 30	2018	2017
Cash from (used in) operating activities		
Excess of revenue over expenses for the year	\$ 1,272,735	\$ 889,336
Items not affecting cash		
Amortization of tangible capital assets	122,831	77,697
	1,395,566	967,033
Net change in non-cash working capital items		
Decrease (increase) in accounts receivable	1,478,317	(862,198)
Decrease (Increase) in sales taxes receivable	(390,690)	177,192
Decrease (increase) in prepaid expenses	176,765	(305,167)
Increase (decrease) in accounts payable and accrued liabilities	(790,930)	480,767
Increase in due to partners	186,648	407,646
Increase in deferred contributions	631,186	324,086
	2,686,862	1,189,359
Cash from (used in) investing activities		
Acquisition of investments	(600,000)	-
Acquisition of tangible capital assets	(468,410)	(92,607)
	(1,068,410)	(92,607)
Increase in cash during the year	1,618,452	1,096,752
Cash, beginning of year	3,829,725	2,732,973
Cash, end of year	\$ 5,448,177	\$ 3,829,725

Canadian Curling Association
(operating as "Curling Canada")

Summary of Significant Accounting Policies

April 30, 2018

Purpose of Association	<p>Canadian Curling Association (operating as "Curling Canada") is incorporated under the Canada Not-for-profit Corporations Act as a registered Canadian Amateur Athletic 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, 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, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value of financial instruments are recorded in excess of revenue over expenses.</p> <p>Financial assets and financial liabilities measured at amortized cost include cash, accounts receivable, sales taxes receivable, accounts payable and accrued liabilities and due to partners.</p>

Canadian Curling Association
(operating as "Curling Canada")

Summary of Significant Accounting Policies

April 30, 2018

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 collection is reasonably assured.

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 tangible capital assets and intangible assets are comprised of the net book value of tangible capital assets and intangible assets.

Canadian Curling Association
(operating as "Curling Canada")
Summary of Significant Accounting Policies

April 30, 2018

**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
(operating as "Curling Canada")
Notes to Financial Statements

April 30, 2018

1. Change in Accounting Policy

Prior to May 1, 2017, the association recognized the excess or deficiency of revenue over expenses from Season of Champions events using the equity method. Beginning May 1, 2017, management of the association consolidated the Season of Champion event operations with the association's operations. Management believes this results in the financial statements providing reliable and more relevant information about the effects of transactions, other events or conditions on the association's financial position, financial performance or cash flows.

This change in accounting policy is applied retrospectively. As a result, comparative amounts have been adjusted as follows:

Statement of Financial Position

- Cash has increased by \$3,051,096
- Accounts receivable has decreased by \$1,567,301
- Prepaid expenses have increased by \$199,248
- Accounts payable and accrued liabilities has increased by \$165,112
- Due to partners has increased by \$871,931
- Deferred revenue has increased by \$646,000

Statement of Operations

- Overall revenue has increased by \$8,159,436
- Overall expenses have increased by \$8,159,436

Statement of Cash Flows

- Cash from operating activities have increased by \$2,767,837
- Cash, beginning of the year has increased by \$283,259
- Cash, end of the year has increased by \$3,051,096

In addition, 2017 amounts presented for comparative purposes have been reclassified to conform to the financial statement presentation adopted for the current year.

2. Cash

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

Canadian Curling Association
(operating as "Curling Canada")
Notes to Financial Statements

April 30, 2018

3. Investments

The association's investments are recorded at market value and consist of the following:

	2018	2017
Marketable securities	\$ 434,950	\$ -
Cash in savings	165,050	-
	\$ 600,000	\$ -

4. Tangible Capital Assets and Intangible Assets

	2018			2017		
	Cost	Accumulated Amortization	Net Book Value	Cost	Accumulated Amortization	Net Book Value
Tangible Capital Assets						
Land	\$ 66,227	\$ -	\$ 66,227	\$ 66,227	\$ -	\$ 66,227
Building	831,338	493,639	337,699	748,386	460,065	288,321
Furniture	83,999	41,180	42,819	53,766	37,948	15,818
Equipment	753,907	339,281	414,626	398,683	253,257	145,426
	\$1,735,471	\$ 874,100	\$ 861,371	\$1,267,062	\$ 751,270	\$ 515,792
Intangible Assets						
Website development	\$ 109,093	\$ 109,093	\$ -	\$ 109,093	\$ 109,093	\$ -

5. Deferred Contributions

Deferred contributions represents externally restricted contributions received in the current year that relate to the subsequent year.

	Beginning Balance	Additions during the year	Recognized as Revenue during the year	Ending Balance
Philanthropic	\$ 66,003	\$ 50,229	\$ (66,003)	\$ 50,229
Grants	8,000	315,875	(8,000)	315,875
Events	716,715	1,055,800	(716,715)	1,055,800
	\$ 790,718	\$ 1,421,904	\$ (790,718)	\$ 1,421,904

Canadian Curling Association
(operating as "Curling Canada")
Notes to Financial Statements

April 30, 2018

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 \$5,000,000 by the end of the April 30, 2021. 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.

During the year, the board approved to transfer \$972,735 from unrestricted net assets to the internally restricted reserve. The balance at April 30, 2018 in the internally restricted reserve is \$3,829,847.

Internally restricted reserve also includes a commitment of funds towards the Curling Assistance Program (CAP) fund. As at April 30, 2018, the amount committed was \$21,204 (2017 - \$21,204). The association's CAP fund consists of the following balances:

	2018	2017
Balance, beginning of year	\$ 21,204	\$ 23,583
Funds allocated to CAP	-	7,621
Funds disbursed in year	-	(10,000)
	\$ 21,204	\$ 21,204

7. National Team Programs Revenue

Included in National Team Programs revenue is an amount contributed by Sports Canada of \$1,827,500 (2017 - \$1,670,000).

8. Contributed Materials and Services

Administration expenses include \$93,936 (2017 - \$88,530) of contributed in-kind services for insurance and storage.

9. Budget Amounts

The budget amounts were provided by the association.

Canadian Curling Association
(operating as "Curling Canada")
Notes to Financial Statements

April 30, 2018

10. Risks and Concentrations

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, 2018.

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 association 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 association is exposed to this risk mainly in respect of its accounts payable and accrued liabilities and government liabilities.

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 association is not exposed to any significant market risk.

Changes in risk

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

Canadian Curling Association
(operating as "Curling Canada")
Schedule of Operations
Season of Champions

For the year ended April 30, 2018

	World Financial Group Continental Cup London	Ford World Women's Curling Championship North Bay	Tim Hortons Brier Regina	Scotties Tournament of Hearts Penticton	Tim Hortons Canadian Curling Trials (Roar of the Rings) Ottawa	Total
Revenue						
Tickets	\$ 328,413	\$ 1,098,346	\$ 2,169,944	\$ 728,804	\$ 2,113,780	\$ 6,439,287
Sponsorship and grants	350,907	920,996	1,652,704	737,500	360,550	4,022,657
Bar services	12,563	49,031	159,697	64,027	102,329	387,647
Volunteer fees	17,400	40,400	55,710	31,600	49,000	194,110
Merchandising	7,756	34,366	55,007	22,910	67,856	187,895
Other income	18,134	12,185	65,550	22,291	126,546	244,706
	735,173	2,155,324	4,158,612	1,607,132	2,820,061	11,476,302
Expenses						
Administration	122,035	387,081	505,344	373,748	332,401	1,720,609
Bar services	23,145	99,584	231,017	151,953	184,529	690,228
Facilities	133,450	393,697	512,286	259,566	554,895	1,853,894
Hosting	137,973	233,604	508,503	131,529	396,630	1,408,239
Media/Publications	16,574	30,666	58,109	22,836	38,854	167,039
Sponsor fulfillment	5,991	44,520	60,209	43,772	51,054	205,546
Tickets	24,546	276,696	577,509	365,880	674,011	1,918,642
Volunteers	37,172	81,849	90,441	65,168	79,297	353,927
	500,886	1,547,697	2,543,418	1,414,452	2,311,671	8,318,124
Distributions to						
Host committees	33,191	108,143	216,994	72,331	211,378	642,037
World Curling Federation	-	149,768	-	-	-	149,768
Provincial Member Associations	20,110	49,950	139,820	12,035	44,862	266,777
	53,301	307,861	356,814	84,366	256,240	1,058,582
Excess of revenue over expenses for the year	\$ 180,986	\$ 299,766	\$ 1,258,380	\$ 108,314	\$ 252,150	\$ 2,099,596

Canadian Curling Association
(operating as "Curling Canada")
Schedule of Operations
Season of Champions (continued)

For the year ended April 30, 2017

	Ford World Men's Curling Championship Edmonton	Tim Hortons Brier St. John's	Scotties Tournament of Hearts St. Catharines	Home Hardware Canada Cup Brandon	Total
Revenue					
Tickets	\$ 1,685,987	\$ 2,343,820	\$ 763,160	\$ 369,468	\$ 5,162,435
Sponsorship and grants	1,103,242	1,145,200	726,193	592,000	3,566,635
Bar services	114,241	399,175	49,933	58,969	622,318
Volunteer fees	57,113	58,434	36,163	26,463	178,173
Merchandising	52,648	78,201	22,812	6,888	160,549
Other income	22,424	200,592	48,852	11,789	283,657
	<u>3,035,655</u>	<u>4,225,422</u>	<u>1,647,113</u>	<u>1,065,577</u>	<u>9,973,767</u>
Expenses					
Administration	504,781	624,625	547,387	347,507	2,024,300
Bar services	161,398	467,666	152,863	103,985	885,912
Facilities	561,929	331,578	247,535	163,799	1,304,841
Hosting	338,480	363,414	116,047	185,270	1,003,211
Media/Publications	25,060	45,715	21,467	17,516	109,758
Sponsor fulfillment	65,579	49,369	78,746	21,038	214,732
Tickets	568,282	563,074	400,855	190,257	1,722,468
Volunteers	122,511	101,861	63,947	53,283	341,602
	<u>2,348,020</u>	<u>2,547,302</u>	<u>1,628,847</u>	<u>1,082,655</u>	<u>7,606,824</u>
Distributions to					
Host committees	150,286	234,330	74,330	36,936	495,882
World Curling Federation	166,808	-	-	-	166,808
Provincial Member Associations	53,735	144,379	7,433	3,694	209,241
	<u>370,829</u>	<u>378,709</u>	<u>81,763</u>	<u>40,630</u>	<u>871,931</u>
Excess (deficiency) of revenue over expenses for the year	<u>\$ 316,806</u>	<u>\$ 1,299,411</u>	<u>\$ (63,497)</u>	<u>\$ (57,708)</u>	<u>\$ 1,495,012</u>