

Canadian Curling Association

(operating as "Curling Canada")

Financial Statements

For the year ended April 30, 2023

Contents

Independent Auditor's Report	2 - 3
Financial Statements	
Statement of Financial Position	4
Statement of Changes in Net Assets	5
Statement of Operations	6
Statement of Cash Flows	7
Notes to Financial Statements	8 - 14
Supplementary Financial Information (Unaudited)	
Schedule of Operations - Season of Champions	15 - 17



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Independent Auditor's Report

To the Members of the Canadian Curling Association

Opinion

We have audited the financial statements of the Canadian Curling Association (the "Association"), which comprise the statement of financial position as at April 30, 2023, and the statements of operations, changes in net assets 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, 2023, and its results of 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 other 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.

Responsibilities of Management and Those Charged with Governance 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.

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 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.

Supplementary Financial Information

We have not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the schedules on pages 15 - 17 of the Association's financial statements.

BDO Canada LLP

Chartered Professional Accountants, Licensed Public Accountants


Ottawa, Ontario
September 5, 2023

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

April 30	2023	2022
Assets		
Current		
Cash	\$ 6,017,986	\$ 8,526,790
Accounts receivable (Note 2)	5,868,719	2,801,855
Prepaid expenses	93,016	393,097
Loans receivable (Note 3)	28,176	28,667
Investments (Note 4)	973,017	1,094,833
	12,980,914	12,845,242
Tangible capital assets and intangible assets (Note 5)	960,556	1,078,923
Loans receivable (Note 3)	94,824	85,500
	\$ 14,036,294	\$ 14,009,665
Liabilities and Net Assets		
Current		
Accounts payable and accrued liabilities	\$ 3,094,251	\$ 2,221,867
Deferred contributions (Note 6)	496,953	759,702
	3,591,204	2,981,569
Contractual obligations (Note 7)		
Net Assets		
Invested in tangible capital assets and intangible assets	960,556	1,078,923
Internally restricted reserve (Note 8)	5,442,338	5,453,867
Unrestricted	4,042,196	4,495,306
	10,445,090	11,028,096
	\$ 14,036,294	\$ 14,009,665

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	Invested in Tangible and Intangible Capital Assets	Internally Restricted Reserve	Unrestricted	2023	2022
Balance , beginning of the year	\$ 1,078,923	\$ 5,453,867	\$ 4,495,306	\$11,028,096	\$ 7,936,805
Excess (deficiency) of revenues over expenses	(226,683)	(1,411,529)	1,055,206	(583,006)	3,091,291
Purchase of tangible capital assets	108,316	-	(108,316)	-	-
Internal restriction (Note 8)	-	1,400,000	(1,400,000)	-	-
Balance , end of the year	\$ 960,556	\$ 5,442,338	\$ 4,042,196	\$10,445,090	\$ 11,028,096

The notes are an integral part of these financial statements.

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

For the year ended April 30	2023	2023	2022
	Budget	Actual	Actual
	(unaudited)		
Revenues			
Season of Champions events			
Direct (Note 9)	\$ 9,500,811	\$ 9,071,851	\$ 9,803,286
National and local sponsorships	4,475,000	5,167,084	5,345,571
National team programs (Note 9)	2,121,000	2,241,469	3,172,064
Sport Canada Recovery Fund	-	1,680,767	2,126,616
Sport Canada core funding	1,363,500	1,263,500	1,263,500
Philanthropic programs	701,480	533,089	401,040
Competitor and affiliation fees	560,000	415,851	378,911
Non Season of Champions events	394,720	370,352	16,929
Other income	-	250,091	144,834
Club development	162,500	104,181	-
Investment income (loss)	50,000	45,737	(55,527)
Canadian Emergency Wage Subsidy	-	-	158,303
	19,329,011	21,143,972	22,755,527
Expenses			
Season of Champions events			
Direct	8,140,141	7,392,154	6,601,122
Non Season of Champions events	2,874,513	2,733,929	2,046,501
Salaries and benefits	3,608,707	2,789,036	3,250,726
National team programs	2,692,000	2,321,049	3,235,330
Administration	1,163,719	3,294,482	3,099,992
Distribution to Provincial Member Association	799,148	973,061	817,385
Philanthropic program	701,418	585,055	401,531
Amortization of tangible capital assets and intangible assets	220,000	226,683	211,649
Club development	614,445	761,454	-
Strategic initiatives	539,000	650,075	-
	21,353,091	21,726,978	19,664,236
Excess (deficiency) of revenues over expenses	\$ (2,024,080)	\$ (583,006)	\$ 3,091,291

The notes are an integral part of these financial statements.

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

For the year ended April 30	2023	2022
Cash flows from operating activities		
Excess (deficiency) of revenues over expenses	\$ (583,006)	\$ 3,091,291
Item not affecting cash:		
Amortization of tangible capital assets and intangible assets	226,683	211,649
Unrealized loss on investments	113,738	102,303
	(242,585)	3,405,243
Changes in non-cash working capital:		
Accounts receivable	(3,066,864)	23,683
Prepaid expenses	300,081	(42,607)
Accounts payable and accrued liabilities	872,384	1,392,077
Deferred contributions	(262,749)	(1,899,590)
	(2,399,733)	2,878,806
Cash flows from investing activities		
Increase in investments	8,078	(35,963)
Advances of loans receivable	(25,000)	(30,000)
Repayment of loans receivable	16,167	14,333
Acquisition of tangible capital assets and intangible assets	(108,316)	(74,245)
	(109,071)	(125,875)
Net (decrease) increase in cash	(2,508,804)	2,752,931
Cash, beginning of the year	8,526,790	5,773,859
Cash, end of the year	\$ 6,017,986	\$ 8,526,790

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

April 30, 2023

1. Accounting Policies

Purpose of Association Canadian Curling Association ("the Association") is a not-for-profit organization incorporated under the Canada Not-for-profit Corporations Act and is a Registered Canadian Amateur Athletic Association under the Income Tax Act and as such is exempt from income tax.

The Association co-ordinates the activities and programs of amateur Canadian curlers nationally and internationally.

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

Use of Estimates The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the reported amounts of revenues and expenses for the year covered. The main estimates relate to useful lives of tangible capital assets and intangible assets, and the valuation of accounts receivable.

Revenue Recognition The Association follows the deferral method of accounting for contributions. Under this method, restricted contributions are recognized as revenue in the year in which the related expense is incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably assured.

Ticket sales, sponsorships and volunteer fees are recognized when the event occurs.

Bar services and merchandising sales are recognized when the goods have been transferred and collection is reasonably assured.

Philanthropic program revenue is comprised of donations and fundraising revenue and recognized when the amounts are received or receivable if the amounts can be reasonably estimated and collection is reasonably assured.

Competitor and affiliation fees are recognized as revenue proportionately over the year to which they relate.

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

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

April 30, 2023

1. Accounting Policies (continued)

Financial Instruments

Initial and subsequent measurement

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.

Impairment

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

Transaction costs

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.

Tangible Capital Assets

Tangible capital assets are accounted for at cost less accumulated amortization. Amortization is provided on the basis of their useful lives using the straight-line method and following durations:

Building	25 years
Equipment	3-15 years
Furniture	15 years
Roof	15 years

Intangible Assets

Intangible assets are recognized at cost and amortized on the basis of their useful life using the straight-line method and following duration:

Website	5 years
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Impairment of Long-Lived Assets

When a tangible capital asset or intangible asset no longer has any long-term service potential to the organization, the excess of its net carrying amount over any residual value is recognized as an expense in the statement of operations.

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.

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

April 30, 2023

1. Accounting Policies (continued)

Contributed Materials 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 the fair value is known.

Sport Canada Contribution Contributions received from Sport Canada are subject to specific terms and conditions regarding the expenditure of the funds. The Association's accounting records are subject to audit by Sport Canada to identify instances, if any, in which amounts charged against contributions have not complied with the agreed terms and conditions and which therefore would be refundable to Sport Canada. Adjustments to prior years' contributions are recorded in the year Sport Canada requests the adjustment.

2. Accounts Receivable

	2023	2022
Accounts receivable	\$ 4,944,895	\$ 1,969,822
Grants receivable	268,750	253,700
Sales tax receivable	655,074	578,333
	\$ 5,868,719	\$ 2,801,855

3. Loans Receivable

	2023	2022
Loans receivable under the Curling Assistance Program, bearing interest between 1.225% to 1.975%, maturing between February 2026 and December 2029.	\$ 123,000	\$ 114,167
Less: current portion	28,176	28,667
	\$ 94,824	\$ 85,500

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

April 30, 2023

4. Investments

	2023	2022
Cash	\$ -	\$ 10,187
Common Shares	40,375	-
Mutual funds	48,602	47,265
Preferred shares	884,040	1,037,381
	\$ 973,017	\$ 1,094,833

5. Tangible Capital Assets and Intangible Assets

	2023		2022	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Tangible Capital Assets				
Land	\$ 66,227	-	\$ 66,227	\$ -
Building	852,600	662,179	852,600	628,858
Equipment	1,423,442	935,079	1,397,287	800,920
Furniture	90,937	59,072	90,937	55,643
Roof	104,252	21,398	104,252	17,155
	2,537,458	1,677,728	2,511,303	1,502,576
Intangible Assets				
Website	257,650	156,824	175,490	105,294
	\$ 2,795,108	\$ 1,834,552	\$ 2,686,793	\$ 1,607,870
Net carrying amount		\$ 960,556		\$ 1,078,923

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

April 30, 2023

6. Deferred Contributions

Deferred contributions represents externally restricted contributions received in the current year that relate to the subsequent year or for which the related expenses have not yet been incurred. The major components are as follows:

	2023	2022
Philanthropic		
Balance, beginning of the year	\$ 483,533	\$ 416,115
Plus: amounts received during the year	313,105	70,093
Less: amounts recognized as revenue in the year	(369,685)	(2,675)
Balance, end of the year	426,953	483,533
Grants		
Balance, beginning of the year	63,969	802,827
Plus: amounts received during the year	-	63,969
Less: amounts recognized as revenue in the year	(63,969)	(802,827)
Balance, end of the year	-	63,969
SOC Events		
Balance, beginning of the year	212,200	1,438,350
Plus: amounts received during the year	-	212,200
Less: amounts recognized as revenue in the year	(212,200)	(1,438,350)
Balance, end of the year	-	212,200
Cancelled Event - 2020 World Women's Curling Championship		
Balance, beginning of the year	-	2,000
Less: amounts recognized as revenue in the year	-	(2,000)
Balance, end of the year	-	-
Non-SOC Events		
Balance, beginning of the year	-	-
Plus: amounts received during the year	70,000	-
Less: amounts recognized as revenue in the year	-	-
Balance, end of the year	70,000	-
Total deferred contributions, end of the year	\$ 496,953	\$ 759,702

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

April 30, 2023

7. Contractual Obligations

The Association has committed to various contracts for the season of champion events, stakeholders, and high performance consultant and contractors. Future payments total \$2,286,742 over the next five fiscal years:

2024	\$	710,641
2025	\$	466,101
2026	\$	370,000
2027	\$	370,000
2028	\$	370,000

8. Internally Restricted Reserve

The Association's Board of Governors has established a long-term financial reserve to protect against future financial jeopardy. The Board must approve any transfers to or from the long-term reserve. In addition, 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 a transfer of \$1,400,000 (2022 - \$nil) from unrestricted net assets to the internally restricted reserve, and a transfer of \$1,411,529 (2022 - \$nil) from the internally restricted reserve to unrestricted net assets to support club development and strategic initiatives.

The internally restricted reserve also includes a commitment of funds towards the Curling Assistance Program (CAP) fund.

9. Season of Champions Event and National Team Programs Revenues

Included in National team programs revenue is an amount contributed by Sport Canada of \$1,813,969 (2022 - \$2,187,263). Included in the Season of Champion events - direct revenues are amounts contributed by Sport Canada of \$320,000 (2022 - \$415,250), and tourism bodies totalling of \$1,620,000 (2022 - \$1,750,000).

10. Contributed Materials and Services

The Season of Champions direct expenses for facilities include \$195,000 (2022 - \$398,547) of contributed in-kind service for media. The Season of Champions expenses include \$662,495 (2022 - \$1,139,930) of contributed goods and services provided during the events.

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

April 30, 2023

11. Financial Instruments Risks

Credit risk

The Association is exposed to credit risk for its accounts receivable and loans receivable. The Association assesses, on a continuous basis, its receivables on the basis of amounts it is virtually certain to receive, and will set up an appropriate allowance for doubtful accounts when needed.

Other price risk

The Association is exposed to other price risk through its investments for which the value fluctuates with the quoted market price. This risk is reduced to a minimum since the Association mitigates the risk by investing in preferred equities of the Canadian financial sector.

Changes in risk

There have not been any changes in the Association's risk exposures from the prior year.

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

For the year ended April 30, 2023	Tim Hortons Brier Ontario	Pointsbet Invitational New Brunswick	Scotties Tournament of Hearts British Columbia	BKT Tires & OK Tire World Men's Curling Championship Ontario	Total
Revenues					
Sponsorship and grants	\$ 1,724,015	\$ 119,265	\$ 486,100	\$ 1,074,161	\$ 3,403,541
Tickets	1,969,911	150,277	741,206	1,629,015	4,490,409
Bar services	252,746	-	97,376	187,194	537,316
Volunteer fees	35,500	7,102	25,200	33,800	101,602
Other income	141,081	9,017	374,146	14,739	538,983
	<u>4,123,253</u>	<u>285,661</u>	<u>1,724,028</u>	<u>2,938,909</u>	<u>9,071,851</u>
Expenses					
Administration	314,627	216,019	366,907	483,709	1,381,262
Bar services	364,181	10,100	143,241	295,116	812,638
Facilities	344,990	102,111	196,001	326,232	969,334
Hosting	1,117,628	437,317	695,924	395,150	2,646,019
Media and Publications	15,659	11,755	9,618	18,802	55,834
Sponsor fulfillment	67,859	67,029	64,159	52,099	251,146
Tickets	374,584	71,325	291,279	354,968	1,092,156
Volunteers	61,496	24,628	48,212	49,429	183,765
	<u>2,661,024</u>	<u>940,284</u>	<u>1,815,341</u>	<u>1,975,505</u>	<u>7,392,154</u>
Distributions					
Provincial Membership Associations	343,142	18,516	85,239	526,164	973,061
Excess (deficiency) of revenues over expenses	<u>\$ 1,119,087</u>	<u>\$ (673,139)</u>	<u>\$ (176,552)</u>	<u>\$ 437,240</u>	<u>\$ 706,636</u>

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

For the year ended April 30, 2022	Tim Hortons Brier Alberta	Continental Cup New Brunswick (cancelled)	Hub City Event Alberta	Home Hardware Curling Pre- Trials Nova Scotia	Scotties Tournament of Hearts Ontario	Tim Hortons Curling Trial Saskatchewan	BKT Tires & OK Tire World Women's Curling Championship British Columbia	Total
Revenues								
Sponsorship and grants	\$ 1,702,779	\$ -	\$ 242,524	\$ -	\$ 396,876	1,704,062	785,363	\$ 4,831,604
Tickets	1,562,716	-	-	-	-	1,747,750	551,074	3,861,540
Bar services	242,527	-	-	-	-	189,039	87,516	519,082
Merchandising	54,340	-	-	-	27,876	45,000	22,857	150,073
Volunteer fees	30,800	-	-	-	300	29,300	19,300	79,700
Other income	75,017	-	-	20,000	207,183	52,674	6,413	361,287
	3,668,179	-	242,524	20,000	632,235	3,767,825	1,472,523	9,803,286
Expenses								
Administration	302,189	95,894	9,097	31,521	243,540	294,745	259,527	1,236,513
Bar services	240,762	-	-	-	37,898	312,096	89,248	680,004
Facilities	437,473	-	-	74,647	163,383	228,336	140,104	1,043,943
Hosting	774,078	12,285	-	194,390	529,389	421,673	229,657	2,161,472
Media and Publications (recovery)	18,235	-	(2,138)	11,600	14,149	16,342	20,793	78,981
Sponsor fulfillment	61,548	-	18,686	31,260	45,336	8,837	37,631	203,298
Tickets	279,626	9,489	-	-	163,555	416,925	143,013	1,012,608
Volunteers	38,887	534	111	-	49,093	45,406	45,280	179,311
	2,152,798	118,202	25,756	343,418	1,246,343	1,744,360	965,253	6,596,130
Distributions								
Provincial Membership Associations (recovery)	(1,157)	-	-	-	-	-	6,149	4,992
Excess (deficiency) of revenues over expenses	\$ 1,516,538	\$ (118,202)	\$ 216,768	\$ (323,418)	\$ (614,108)	2,023,465	501,121	\$ 3,202,164

