

TORONTO CURLING ASSOCIATION
Financial Statements
Year Ended June 30, 2021

TORONTO CURLING ASSOCIATION
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Year Ended June 30, 2021

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INDEPENDENT AUDITOR'S REPORT

To the Members of Toronto Curling Association

Opinion

We have audited the financial statements of Toronto Curling Association (the Association), which comprise the statement of financial position as at June 30, 2021, and the statements of 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 June 30, 2021, 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 other ethical responsibilities in accordance with those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter - COVID 19 Pandemic

Without modifying our opinion, we draw attention to note 9 to the financial statements, which discusses the COVID-19 pandemic and the uncertainty and undeterminable effects this pandemic may have on future operations and cash flows of the company. Our opinion is not modified in respect of this matter.

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 relating 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.

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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.

Murphy + Chung

Professional Corporation

Chartered Professional Accountants
Authorized to practise public accounting by
the Chartered Professional Accountants of
Ontario

Toronto, Ontario
August 31, 2021



TORONTO CURLING ASSOCIATION

Statement of Financial Position

As at June 30, 2021

	2021	2020
ASSETS		
Current		
Cash	\$ 77,289	\$ 63,582
Accounts receivable	-	10,860
Harmonized sales tax recoverable	-	2,364
Prepaid expenses	911	686
	78,200	77,492
Restricted cash (Note 3)	5,260	5,945
Property, plant and equipment (Note 4)	4,894	6,118
	\$ 88,354	\$ 89,555
LIABILITIES		
Current		
Accounts payable & accrued liabilities	\$ 3,199	\$ 19,712
Harmonized sales tax payable	404	-
Championship advances	2,917	3,601
	6,520	23,313
Deferred income	12,170	-
	18,690	23,313
NET ASSETS		
General fund	35,145	31,723
Youth development fund	19,868	19,868
Championship fund	14,651	14,651
	69,664	66,242
	\$ 88,354	\$ 89,555

ON BEHALF OF THE BOARD

 _____ Director
 _____ Director

See notes to financial statements

TORONTO CURLING ASSOCIATION
Statement of Changes in Net Assets
Year Ended June 30, 2021

	General Fund	Youth Development Fund	Championship Fund	2021	2020
Net assets - beginning of year	\$ 31,723	\$ 19,868	\$ 14,651	\$ 66,242	\$ 62,220
Excess of revenues over expenditures	3,422	-	-	3,422	4,022
Net assets - end of year	\$ 35,145	\$ 19,868	\$ 14,651	\$ 69,664	\$ 66,242

See notes to financial statements

TORONTO CURLING ASSOCIATION
Statement of General Fund Operations

Year Ended June 30, 2021

	2021	2020
Revenues		
Membership dues	\$ -	\$ 9,889
Interest	-	57
OTF grant (Note 5)	51,330	-
Sale of assets	15,075	-
	66,405	9,946
Direct costs		
OTF grant expenses (Note 5)	51,330	-
	15,075	9,946
Expenditures		
Amortization	1,224	1,530
Accounting fees	1,400	-
Advertising and promotion	426	243
Dues and fees	275	275
Insurance	2,259	2,158
Legal and audit	2,200	1,300
Meetings	20	1,082
Office	3,849	1,382
	11,653	7,970
Excess of revenues over expenditures	\$ 3,422	\$ 1,976

TORONTO CURLING ASSOCIATION
Statement of Youth Development Fund Operations

Year Ended June 30, 2021

	2021	2020
Revenues		
Entry fee	\$ -	\$ 23,019
Sponsorship and donations	-	6,900
	<u>-</u>	<u>29,919</u>
Expenses		
Youth bonspiel expenses	-	18,357
Youth development expenses	-	10,715
	<u>-</u>	<u>29,072</u>
Excess of revenues over expenses	\$ -	\$ 847

See notes to financial statements

TORONTO CURLING ASSOCIATION
Statement of Championship Fund Operations

Year Ended June 30, 2021

	2021	2020
Revenues		
Entry fee	\$ -	\$ 53,339
Sponsorship and donations	-	24,314
	<u>-</u>	<u>77,653</u>
Expenditures		
Business women bonspiel expenses	-	9,040
Ladies bonspiel expenses	-	11,312
Men's bonspiel expenses	-	38,790
Mixed bonspiel expenses	-	17,312
	<u>-</u>	<u>76,454</u>
Excess of revenues over expenditures	\$ -	\$ 1,199

See notes to financial statements

TORONTO CURLING ASSOCIATION
Statement of Cash Flows
Year Ended June 30, 2021

	2021	2020
Operating activities		
Excess of revenues over expenditures	\$ 3,422	\$ 4,022
Item not affecting cash:		
Amortization of property, plant and equipment	1,224	1,530
	<u>4,646</u>	<u>5,552</u>
Changes in non-cash working capital:		
Accounts receivable	10,860	(10,560)
Accounts payable	(16,513)	17,112
Deferred income	12,170	-
Prepaid expenses	(225)	(52)
Harmonized sales tax payable	2,768	3,589
Championship advances	(684)	(1,425)
	<u>8,376</u>	<u>8,664</u>
Increase in cash flow	13,022	14,216
Cash - beginning of year	69,527	55,311
Cash - end of year	\$ 82,549	\$ 69,527
Cash consists of:		
Cash	\$ 77,289	\$ 63,582
Restricted cash	5,260	5,945
	<u>\$ 82,549</u>	<u>\$ 69,527</u>

See notes to financial statements

TORONTO CURLING ASSOCIATION

Notes to Financial Statements

Year Ended June 30, 2021

1. PURPOSE OF THE ASSOCIATION

Toronto Curling Association (the association) is a not-for-profit organization located in Toronto, Ontario. The association was incorporated without share capital on October 29, 1964 as a not-for-profit organization that is exempt from taxes under the Income Tax Act.

The primary purpose of the association is to promote and publicize curling in the Greater Toronto Area. The association runs various championships during the year and is heavily focused on improvement of youth development of all ages within the curling community.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO) and include the following significant accounting policies:

Property, plant and equipment

Property, plant and equipment is stated at cost or deemed cost less accumulated amortization and is amortized over its estimated useful life on a declining balance basis at the following rates:

Junior literock curling stones	20%
House rings	20%
Rock storage	20%
Curling brooms	20%

Fund accounting

A fund is a separate self-balancing group of accounts provided for each accounting entity established within the accounting system, which segregates transactions of a particular activity. The funds are:

General Fund

The General Fund accounts for the association's program delivery and administrative activities. This fund reports unrestricted resources.

The Youth Development Fund

The Youth Development Fund reports only restricted resources that are to be used to fund initiatives to aid in the promotion and development of curling for youth of all ages.

Championship Fund

The Championship Fund was created at the June 19, 2007 Executive Meeting. Its purpose is to retain surpluses within the fund, which can be redistributed to future championship if required.

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TORONTO CURLING ASSOCIATION

Notes to Financial Statements

Year Ended June 30, 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Revenue recognition

Membership dues are recognized as revenue in the year assessed.

Interest income is recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Entry fees, sponsorship and all other contributions are recognized as revenue on an accrual basis.

Financial instruments

Financial instruments are recorded at fair value when acquired. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealised gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. The transaction costs on the acquisition or sale of financial instruments are expensed as incurred.

Financial assets carried at amortized cost include accounts receivable, and harmonized sales taxes receivable. Financial liabilities carried at amortized cost include accounts payable and accrued liabilities, and championship advances.

Measurement uncertainty

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

3. RESTRICTED CASH

The association is required to maintain a separate bank account for monies received from its lottery fundraising. These monies can only be disbursed from this account when qualifying expenses have been incurred for under the age of twenty one curlers.

4. PROPERTY, PLANT AND EQUIPMENT

	Cost	Accumulated amortization	2021 Net book value	2020 Net book value
Junior literock curling stones	\$ 13,866	\$ 10,477	\$ 3,389	\$ 4,241
House rings	3,011	2,303	708	888
Rock storage	2,287	1,745	542	674
Curling brooms	1,066	811	255	315
	<u>\$ 20,230</u>	<u>\$ 15,336</u>	<u>\$ 4,894</u>	<u>\$ 6,118</u>

TORONTO CURLING ASSOCIATION

Notes to Financial Statements

Year Ended June 30, 2021

5. ONTARIO TRILLIUM FOUNDATION GRANT

The Toronto Curling Association was awarded an Ontario Trillium Foundation grant in the amount of \$70,500. The grant was in support of the development of floor curling to provide an innovative way for people of all ages, abilities, and economic backgrounds to be active. As a result of covid-19 restrictions, the Toronto Curling Association received permission to modify the grant parameters from floor curling to street curling to allow for the activity to be played outside and to defer the timing of the programming until provincial health guidelines permitted outdoor gatherings. The program is specific to the Peel Region and is targeted to impact 5,000 people in the Peel community.

A total of \$63,500 has been received from the Ontario Trillium Foundation during the year of which \$51,330 has been spent on equipment (\$19,470) and personnel costs (\$31,860) for programming. The remainder of the grant is expected to be spent later in 2021 as the program progresses. Ontario Trillium Foundation will disburse the remaining \$7,000 of the \$70,500 grant at program completion.

The equipment purchased as part of the grant will predominately be retained by the organizations in Peel that participate in the program and has therefore not been capitalized.

6. FINANCIAL INSTRUMENTS

The association is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the association's risk exposure and concentration as of June 30, 2021.

(a) Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The association is exposed to credit risk from customers. In order to reduce its credit risk, the association reviews a new customer's credit history before extending credit and conducts regular reviews of its existing customers' credit performance. An allowance for doubtful accounts is established based upon factors surrounding the credit risk of specific accounts, historical trends and other information. The association has a significant number of customers which minimizes concentration of credit risk.

(b) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The association is exposed to this risk mainly in respect of its receipt of funds from its customers and other related sources, long-term debt, obligations under capital leases, contributions to the pension plan, and accounts payable.

(c) 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 rate risk, interest rate risk and other price risk. The association is mainly exposed to XXX risk and XXX risk.

(d) Currency risk

Currency risk is the risk to the company's earnings that arise from fluctuations of foreign exchange rates and the degree of volatility of these rates. The association is exposed to foreign currency exchange risk on cash, accounts receivable, and accounts payable held in U.S. dollars. The company does not use derivative instruments to reduce its exposure to foreign currency risk.

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TORONTO CURLING ASSOCIATION

Notes to Financial Statements

Year Ended June 30, 2021

6. FINANCIAL INSTRUMENTS *(continued)*

(e) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the association manages exposure through its normal operating and financing activities. The association is exposed to interest rate risk primarily through its floating interest rate bank indebtedness and credit facilities.

Liquidity risk is managed by the preparation of annual operating budgets and annual budgets for the championships.

7. RELATED PARTY TRANSACTIONS

Directors and committee members volunteer their time to assist in the association's activities. While these services benefit the association considerably, a reasonable estimate of their amount and fair value cannot be made. No remuneration was paid to directors and officers during the year and, accordingly, these contributed services are not recognized in the financial statements.

Officers and committee members are reimbursed for certain administrative costs. These transactions were in the normal course of operations and were measured at the exchanged amount.

8. COMPARATIVE FIGURES

Some of the comparative figures have been reclassified to conform to the current year's presentation.

9. COVID-19

In March 2020, the World Health Organization declared a global pandemic due to the novel coronavirus (COVID-19). The situation is constantly evolving, and the measures put in place are having multiple impacts on local, provincial, national and global economies.

The association is aware of changes in its operations as a result of the COVID-19 crisis, including the closure of its member curling clubs for an indefinite period by provincial decree.

Management is uncertain of the effects of these changes on its financial statements and believes that any disturbance may be temporary; however, there is uncertainty about the length and potential impact of the disturbance.

As a result, we are unable to estimate the potential impact on the association's operations as at the date of these financial statements.

TORONTO CURLING ASSOCIATION
Schedule of Championship Fund Operations

Year Ended June 30, 2021

	2021	2020
Business Women's		
Revenues		
Entry fees/other revenues	\$ -	\$ 5,522
Sponsorship & donations	-	3,518
	<u>-</u>	<u>9,040</u>
Expenditures		
Business Women - Prizes (ex) (BF)	-	2,818
Business Women - Food & Bev (ex) (BF)	-	5,258
Business Women - Admin (ex) (BF)	-	776
Business Women - Stripe Fees	-	188
	<u>-</u>	<u>9,040</u>
	-	-
Women's		
Revenues		
Entry fees/other revenues	-	7,965
Sponsorship & donations	-	3,347
	<u>-</u>	<u>11,312</u>
Expenditures		
Ladies Food at host clubs (ex) (BF)	-	7,097
Ladies Printing/Admin, etc (ex) (BF)	-	2,240
Ladies Prizes (ex) (BF)	-	1,705
Ladies Stripe Fees	-	270
	<u>-</u>	<u>11,312</u>
	-	-
Men's		
Revenues		
Entry fees/other revenues	-	27,168
Sponsorship & donations	-	14,250
	<u>-</u>	<u>41,418</u>
Expenditures		
Men's Admin (BF)	-	6,320
Men's Elimination Draw Prizes (ex) (BF)	-	1,901
Men's Food & Bev (ex) (BF)	-	5,355
Men's Prizes (ex) (BF)	-	24,259
Men's Stripe Fees	-	955
	<u>-</u>	<u>38,790</u>
	-	2,628
Mixed		

(continues)

TORONTO CURLING ASSOCIATION
Schedule of Championship Fund Operations *(continued)*

Year Ended June 30, 2021

	2021	2020
Revenues		
Entry fees/other revenues	-	12,683
Sponsorship & donations	-	3,200
	-	15,883
Expenditures		
Mixed Admin (ex) (BF)	-	1,447
Mixed Banquet/Dinner/Dance (ex) (BF)	-	12,049
Mixed Prizes (ex) (BF)	-	2,739
Mixed Stripe Fees	-	427
Mixed Trophies/Banners, etc (ex) (BF)	-	650
	-	17,312
	-	(1,429)
Mixed Doubles		
Revenues	-	-
Expenditures	-	-
	-	-
Excess (deficiency) of revenues over expenditures	\$ -	\$ 1,199

See notes to financial statements