

TORONTO CURLING ASSOCIATION
Financial Statements
Year Ended June 30, 2020

TORONTO CURLING ASSOCIATION
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Year Ended June 30, 2020

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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, 2020, 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, 2020, 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

Without modifying our opinion, we draw attention to note 8 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
November 5, 2020

TORONTO CURLING ASSOCIATION
Statement of Financial Position
As at June 30, 2020

	2020	2019
ASSETS		
Current		
Cash	\$ 63,582	\$ 49,366
Accounts receivable	10,860	300
Harmonized sales tax receivable	2,364	5,953
Prepaid expenses	686	634
	77,492	56,253
Restricted cash (Note 3)	5,945	5,945
Property, plant and equipment (Note 4)	6,118	7,648
	\$ 89,555	\$ 69,846
LIABILITIES		
Current		
Accounts payable & accrued liabilities	\$ 19,712	\$ 2,600
Championship advances	3,601	5,026
	23,313	7,626
NET ASSETS		
General fund	31,723	29,747
Youth development fund	19,868	19,021
Championship fund	14,651	13,452
	66,242	62,220
	\$ 89,555	\$ 69,846

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, 2020

	General Fund	Youth Development Fund	Championship Fund	2020	2019
Net assets - beginning of year	\$ 29,747	\$ 19,021	\$ 13,452	\$ 62,220	\$ 62,126
Excess of revenues over expenditures	1,976	847	1,199	4,022	94
Net assets - end of year	\$ 31,723	\$ 19,868	\$ 14,651	\$ 66,242	\$ 62,220

See notes to financial statements

TORONTO CURLING ASSOCIATION
Statement of General Fund Operations
Year Ended June 30, 2020

	2020	2019
Revenues		
Membership dues	\$ 9,889	\$ 9,889
Sundry	-	320
Interest	57	69
	<u>9,946</u>	<u>10,278</u>
Expenditures		
Advertising and promotion	243	500
Amortization	1,530	1,911
Dues and fees	275	275
Insurance	2,158	2,055
Legal and audit	1,300	1,300
Meeting	1,082	1,306
Office	1,382	1,146
	<u>7,970</u>	<u>8,493</u>
Excess of revenues over expenditures	\$ 1,976	\$ 1,785

TORONTO CURLING ASSOCIATION
Statement of Youth Development Fund Operations
Year Ended June 30, 2020

	2020	2019
Revenues		
Entry fee	\$ 23,019	\$ 17,443
Sponsorship and donations	6,900	3,800
	<u>29,919</u>	<u>21,243</u>
Expenses		
Youth bonspiel expenses	18,357	459
Youth development expenses	10,715	19,813
	<u>29,072</u>	<u>20,272</u>
Excess of revenues over expenses	<u>\$ 847</u>	<u>\$ 971</u>

See notes to financial statements

TORONTO CURLING ASSOCIATION
Statement of Championship Fund Operations
Year Ended June 30, 2020

	2020	2019
Revenues		
Entry fee	\$ 53,339	\$ 55,214
Sponsorship and donations	24,314	20,560
	<u>77,653</u>	<u>75,774</u>
Expenditures		
Business women bonspiel expenses	9,040	9,375
Ladies bonspiel expenses	11,312	10,032
Men's bonspiel expenses	38,790	40,154
Mixed bonspiel expenses	17,312	18,875
	<u>76,454</u>	<u>78,436</u>
Excess (deficiency) of revenues over expenditures	<u>\$ 1,199</u>	<u>\$ (2,662)</u>

TORONTO CURLING ASSOCIATION

Statement of Cash Flows

Year Ended June 30, 2020

	2020	2019
Operating activities		
Excess of revenues over expenditures	\$ 4,022	\$ 94
Item not affecting cash:		
Amortization of property, plant and equipment	1,530	1,911
	5,552	2,005
Changes in non-cash working capital:		
Accounts receivable	(10,560)	(300)
Accounts payable	17,112	(14,409)
Prepaid expenses	(52)	-
Harmonized sales tax payable	3,589	(2,401)
Championship advances	(1,425)	3,431
	8,664	(13,679)
Increase (decrease) in cash flow	14,216	(11,674)
Cash - beginning of year	55,311	66,985
Cash - end of year	\$ 69,527	\$ 55,311
Cash consists of:		
Cash	\$ 63,582	\$ 49,366
Restricted cash	5,945	5,945
	\$ 69,527	\$ 55,311

See notes to financial statements

TORONTO CURLING ASSOCIATION

Notes to Financial Statements

Year Ended June 30, 2020

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, 2020

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	2020 Net book value	2019 Net book value
Junior literock curling stones	\$ 13,866	\$ 9,625	\$ 4,241	\$ 5,301
House rings	3,011	2,123	888	1,110
Rock storage	2,287	1,613	674	843
Curling brooms	1,066	751	315	394
	\$ 20,230	\$ 14,112	\$ 6,118	\$ 7,648

TORONTO CURLING ASSOCIATION

Notes to Financial Statements

Year Ended June 30, 2020

5. 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, 2020.

(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 bonspiel participants. In order to reduce its credit risk, the bonspiel participants are required to register their team prior to the event providing a team roster, name of home curling club and other contact information. Payment at the time of registration is usually required. Entry fees not paid are invoiced to the home curling club for collection. The association has a significant number of participants which minimizes the concentration of credit risk and management believes its exposure is not significant.

(b) Liquidity risk

Liquidity risk is the risk that the association 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 bonspiel participants.

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

Unless otherwise noted, it is management's opinion that the association is not exposed to significant other price risks arising from these financial instruments.

6. 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.

7. COMPARATIVE FIGURES

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

TORONTO CURLING ASSOCIATION

Notes to Financial Statements

Year Ended June 30, 2020

8. 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.

9. SUBSEQUENT EVENTS

In the subsequent period the Toronto Curling Association agreed to oversee the sale of Weston Curling Club's curling facility assets. The assets will be sold to clubs at the association's discretion and proceeds will be retained to fund future growth of curling in the greater Toronto area.

TORONTO CURLING ASSOCIATION
Schedule of Championship Fund Operations
Year Ended June 30, 2020

	2020	2019
Business Women's		
Revenues		
Entry fees/other revenues	\$ 5,522	\$ 5,612
Sponsorship & donations	3,518	3,760
	<u>9,040</u>	<u>9,372</u>
Expenditures		
Business Women - Prizes (ex) (BF)	2,818	3,076
Business Women - Food & Bev (ex) (BF)	5,258	5,250
Business Women - Admin (ex) (BF)	776	763
Business Women - Printing/Posters, etc (ex) (BF)	-	65
Business Women - Stripe Fees	188	221
	<u>9,040</u>	<u>9,375</u>
	-	(3)
Women's		
Revenues		
Entry fees/other revenues	7,965	7,363
Sponsorship & donations	3,347	2,499
	<u>11,312</u>	<u>9,862</u>
Expenditures		
Ladies Food at host clubs (ex) (BF)	7,097	6,134
Ladies Printing/Admin, etc (ex) (BF)	2,240	2,130
Ladies Prizes (ex) (BF)	1,705	1,550
Ladies Stripe Fees	270	218
	<u>11,312</u>	<u>10,032</u>
	-	(170)
Men's		
Revenues		
Entry fees/other revenues	27,168	25,821
Sponsorship & donations	14,250	11,500
	<u>41,418</u>	<u>37,321</u>
Expenditures		
Men's Admin (BF)	6,320	5,056
Men's Elimination Draw Prizes (ex) (BF)	1,901	1,000
Men's Food & Bev (ex) (BF)	5,355	7,873
Men's Prizes (ex) (BF)	24,259	25,346
Men's Stripe Fees	955	879
	<u>38,790</u>	<u>40,154</u>
	<u>2,628</u>	<u>(2,833)</u>
Mixed		

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TORONTO CURLING ASSOCIATION
Schedule of Championship Fund Operations *(continued)*
Year Ended June 30, 2020

	2020	2019
Revenues		
Entry fees/other revenues	12,683	16,418
Sponsorship & donations	3,200	2,800
	<u>15,883</u>	<u>19,218</u>
Expenditures		
Mixed Admin (ex) (BF)	1,447	1,504
Mixed Banquet/Dinner/Dance (ex) (BF)	12,049	12,904
Mixed Printing/ posters, etc (ex) (BF)	-	164
Mixed Prizes (ex) (BF)	2,739	1,864
Mixed Stripe Fees	427	561
Mixed Trophies/Banners, etc (ex) (BF)	650	1,878
	<u>17,312</u>	<u>18,875</u>
	<u>(1,429)</u>	<u>343</u>
Mixed Doubles		
Revenues		
	-	-
Expenditures		
	-	-
Excess (deficiency) of revenues over expenditures	<u>\$ 1,199</u>	<u>\$ (2,663)</u>