

**Curl BC**  
**FINANCIAL STATEMENTS**  
**March 31, 2011**

**Curl BC**  
**FINANCIAL STATEMENTS**  
**For the year ended March 31, 2011**

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## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors  
Curl BC

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Curl BC, which comprise the statement of financial position as at March 31, 2011, the statement of operations and the statement of changes in fund balances 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 generally accepted accounting principles, 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 audit. 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 the audit to obtain reasonable assurance about whether the financial statements are free from 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.

**Basis for Qualified Opinion**

In common with many non-profit organizations, the Organization derives revenues from events and course fees, and other services, 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 Organization and we were not able to determine whether any adjustments might be necessary to revenue, excess of revenue over expenditures, assets and net fund balances.

**Qualified Opinion**

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Curl BC as at March 31, 2011, and its financial performance for the year then ended in accordance with Canadian generally accepted accounting principles.

**Report on Other Legal and Regulatory Requirements**

As required by the Society Act (British Columbia), we report that in our opinion these principles have been applied on a basis consistent with that of the preceding year.

Vancouver, B.C.  
May \_\_, 2011

**Chartered Accountants**

**Curl BC**  
**STATEMENT OF FINANCIAL POSITION**  
**March 31, 2011**

	<u>2011</u>	<u>2010</u>
<b>ASSETS</b>		
CURRENT ASSETS		
Cash and cash equivalents	\$ 247,463	\$ 209,053
Accounts receivable	43,081	21,910
Inventories	<u>13,854</u>	<u>17,452</u>
	304,398	248,415
DEPOSITS	6,253	6,253
EQUIPMENT (Note 3)	<u>53,966</u>	<u>26,010</u>
	\$ <u>364,617</u>	\$ <u>280,678</u>
<b>LIABILITIES</b>		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 29,867	\$ 17,573
Deferred revenue	<u>3,170</u>	<u>—</u>
	<u>33,037</u>	<u>17,573</u>
COMMITMENT (Note 4)		
<b>FUND BALANCES</b>		
INVESTED IN EQUIPMENT	53,966	26,010
UNRESTRICTED	258,155	237,095
RESTRICTED (Note 5)	<u>19,459</u>	<u>—</u>
	<u>331,580</u>	<u>263,105</u>
	\$ <u>364,617</u>	\$ <u>280,678</u>

*See accompanying summary of accounting policies and notes to the financial statements.*

Approved by the Board \_\_\_\_\_ Director \_\_\_\_\_ Director

**Curl BC**  
**STATEMENT OF OPERATIONS**  
**For the year ended March 31, 2011**

	<u>General Fund</u>	<u>Restricted Fund</u>	<u>Total 2011</u>	<u>Total 2010</u>
<b>REVENUE</b>				
Provincial sport grants (Schedule 1)	\$ 245,100	\$ 1,877	\$ 246,977	\$ 301,957
Other provincial funding (Schedule 1)	2,864	86,918	89,782	3,374
Federal grants	25,193	2,850	28,043	11,105
Member services	581,659	-	581,659	563,097
Fundraising and special events (Note 7)	129	-	129	9,700
Sponsorships and advertising	184,249	-	184,249	147,370
Other income	<u>2,735</u>	<u>-</u>	<u>2,735</u>	<u>244</u>
	<u>1,041,929</u>	<u>91,645</u>	<u>1,133,574</u>	<u>1,036,847</u>
<b>EXPENDITURES</b>				
Administration and office	188,716	-	188,716	186,609
Competitions				
National and international	23,937	-	23,937	9,580
Provincial	227,109	16,900	244,009	240,885
Regional clubs	17,611	-	17,611	16,625
Grants to associations, clubs and athletes (Schedule 2)	12,491	-	12,491	15,865
Marketing, promotions and communications	54,990	-	54,990	59,026
Member services	89,483	13,386	102,869	82,219
Payroll and contractors	304,677	41,900	346,577	365,661
Sponsorships and special events	<u>73,899</u>	<u>-</u>	<u>73,899</u>	<u>51,770</u>
	<u>992,913</u>	<u>72,186</u>	<u>1,065,099</u>	<u>1,028,240</u>
<b>EXCESS OF REVENUE OVER EXPENDITURES FOR THE YEAR</b>	<b>\$ <u>49,016</u></b>	<b>\$ <u>19,459</u></b>	<b>\$ <u>68,475</u></b>	<b>\$ <u>8,607</u></b>

*See accompanying summary of accounting policies and notes to the financial statements.*

**Curl BC**  
**STATEMENT OF CHANGES IN FUND BALANCES**  
**For the year ended March 31, 2011**

	2011				2010
	General Fund	Restricted Fund	Invested in equipment	Total	Total
BALANCE, beginning of year	\$ 237,095	\$ -	\$ 26,010	\$ 263,105	\$ 254,498
EXCESS OF REVENUE OVER EXPENDITURES FOR THE YEAR	49,016	19,459	-	68,475	8,607
TRANSFERS					
Purchase of equipment	(43,608)	-	43,608	-	-
Amortization of equipment	<u>15,652</u>	<u>-</u>	<u>(15,652)</u>	<u>-</u>	<u>-</u>
BALANCE, end of year	\$ <u>258,155</u>	\$ <u>19,459</u>	\$ <u>53,966</u>	\$ <u>331,580</u>	\$ <u>263,105</u>

*See accompanying summary of accounting policies and notes to the financial statements.*

# Curl BC

## NOTES TO THE FINANCIAL STATEMENTS

### March 31, 2011

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#### 1. ORGANIZATION

The Organization is incorporated under the *Society Act* (British Columbia). The Organization is a not-for-profit organization and is engaged in the operating of programs and funding curling activities to promote the sport and the Organization.

The Organization is exempt from income taxation under 149(1) (l) of the *Income Tax Act*, as long as certain criteria continue to be met.

#### 2. ACCOUNTING POLICIES

##### **Basis of presentation**

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles which necessarily involves the use of estimates. The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of significant accounting policies summarized below.

##### **Estimates**

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amount of revenues and expenditures during the period. Actual results could differ from these estimates.

##### **Fund accounting**

The Organization follows the restricted fund method of accounting for contributions. The General Fund accounts for the general operations of the Organization including receipt of unrestricted donations, contributions and other.

The restricted fund reports only restricted resources that are used for specific purposes.

##### **Revenue recognition**

Restricted contributions related to general operations are recognized as revenue of the General Fund in the year in which the related expenses are incurred.

Unrestricted contributions and receipts are recorded on a cash basis in the General Fund when received. Affiliation fees are recognized as revenue in the period to which the affiliation relates. Events fees and sponsorships received in advance are deferred and recognized in the period the event takes place. Interest is recognized as revenue in the period earned.

Services in kind contributed without charge by industry members and affiliates consist of moving and storage and prizes. These are based on an agreement between the Organization and its members and are recorded at fair market value. An equivalent amount is also recorded as expenditures in the year.

##### **Donated volunteer services**

Supplemental efforts of volunteer workers are not recorded as revenue since it is not practical to calculate the monetary value of benefits received. Such donated volunteer services are generally provided for the beneficiaries of the Organization and not principally intended for the Organization itself.

##### **Cash and cash equivalents**

Term deposits with an original maturity of 90 days or less, or which are highly liquid, are considered cash equivalents.

# Curl BC

## NOTES TO THE FINANCIAL STATEMENTS

### March 31, 2011

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#### 2. ACCOUNTING POLICIES - continued

##### **Cash and cash equivalents**

Term deposits with an original maturity of 90 days or less, or which are highly liquid, are considered cash equivalents.

##### **Inventories**

Inventories are valued at the lower of cost and net realizable value. Cost is determined using the first-in first-out method.

##### **Equipment**

Equipment is carried at cost less accumulated amortization. Amortization is provided over the estimated useful life of the equipment using the declining balance method at the following annual rates:

Office equipment	– 30%
Leasehold improvements	– 20%
Computer equipment	– 55%
Event equipment	– 30%
Program equipment	– 30%

##### **Statement of cash flows**

A statement of cash flows has not been prepared as the cash flows are readily apparent from the financial statements presented.

##### **Financial instruments**

The Organization has elected to continue to apply CICA 3861 “Presentation and Disclosure” rather than adopting Sections 3862 “Disclosure” and 3863 “Presentation”. Section 3862 requires extensive disclosures about the significance of financial instruments for an entity’s financial position and results of operations as well as quantitative and qualitative disclosures on the nature and extent of risks arising from financial instruments. Management believes that the cost of preparing the additional disclosures exceeds any incremental benefit.

Sections 3855 and 3861 of the CICA Handbook set out criteria for the recognition, measurement, disclosure and presentation of financial instruments and requires all financial instruments within its scope, including derivatives, to be accounted for either at fair value, or in circumstances where fair value may not be considered the most relevant information, at cost or amortized cost. All financial instruments are classified into one of five categories, with each category possessing specific requirements for initial and subsequent recognition and measurement.

The Organization has designated its cash as held for trading which is measured at fair value and its cash equivalents on initial recognition as available for sale. These instruments are initially recognized at fair value. Upon application of the financial instruments accounting policy, they are re-measured at each period end at their fair value. Net gains and losses arising from changes in fair value are recognized as a change in net assets.

Accounts receivable and accounts payable are measured at amortized cost.

##### **Capital disclosures**

The organization does not have any externally-imposed capital requirements. The Organization believes that it has continued to comply with all the terms of the restricted contribution contracts.

**Curl BC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**March 31, 2011**

**3. EQUIPMENT**

	2011		
	Cost	Accumulated amortization	Net
Office equipment	\$ 17,098	\$ 13,193	\$ 3,905
Leasehold improvements	21,592	10,858	10,734
Computer equipment	32,006	26,401	5,605
Event equipment	22,028	4,468	17,560
Program equipment	<u>19,014</u>	<u>2,852</u>	<u>16,162</u>
	<u>\$ 111,738</u>	<u>\$ 57,772</u>	<u>\$ 53,966</u>
	2010		
	Cost	Accumulated amortization	Net
Office equipment	\$ 17,098	\$ 10,859	\$ 6,239
Leasehold improvements	21,592	8,175	13,417
Computer equipment	27,406	22,648	4,758
Event equipment	<u>2,684</u>	<u>1,087</u>	<u>1,597</u>
	<u>\$ 69,780</u>	<u>\$ 42,769</u>	<u>\$ 26,011</u>

**4. COMMITMENT**

The Organization's operating lease for its premises expires March 30, 2012. The Organization is obligated to make the following minimum lease payment in the fiscal year ending:

March 31, 2012 \$ 28,346

**5. RESTRICTED FUND**

The restricted fund balance consists of the following contributions restricted by donors for the following programs that were not spent at March 31:

	2011	2010
Wheelchair participation (Gaming)	\$ 16,609	\$ —
Aboriginal events	<u>2,850</u>	<u>—</u>
	<u>\$ 19,459</u>	<u>\$ —</u>

As at March 31, 2011 there is a balance in the Organization's Gaming bank account of \$ 16,609.

**6. FINANCIAL INSTRUMENTS**

Financial instruments consist of cash and cash equivalents, accounts receivable, and accounts payable.

**Fair value**

The fair value of cash and cash equivalents, accounts receivable, and accounts payable are believed to equal their carrying amounts due to their short terms to maturity.

# **Curl BC**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **March 31, 2011**

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#### **6. FINANCIAL INSTRUMENTS - continued**

##### **Interest rate risk**

Cash and cash equivalents bear interest at fixed rates and therefore do not subject the Organization to interest rate risk

##### **Credit risk**

The Organization is exposed to credit risk in respect of its cash and cash equivalents and accounts receivable due to the potential for counterparties to default on their contractual obligations with the Organization. The maximum potential loss on all financial instruments is equal to the carrying amount of these items. In management's view the credit risk exposure is minimal due to the Organization dealing with counterparties that are believed to be creditworthy.

#### **7. FUNDRAISING**

During the year the Organization established the "Curling for Life Endowment Fund" to support the long-term sustainability of curling in British Columbia. Up to March 31, 2011 the Organization has raised \$ 15,075, which is held and administered by the Vancouver Foundation. The Vancouver Foundation, with advice from the Organization, is to disburse the income of the Fund to "qualified donees" (as defined by the Income Tax Act (Canada)) for the following purposes:

- To promote and develop the game of curling as a recreational and competitive sport in the Province of British Columbia.
- To provide technical, marketing and other relevant assistance to affiliated member curling facilities in British Columbia in order to promote the sport of curling generally.
- To arrange and conduct playdowns and championships in British Columbia for the purpose of determining British Columbia provincial championship teams.

As at March 31, 2011, income of \$ 237 is available to be distributed.

# Curl BC

## SCHEDULE OF PROVINCIAL GRANTS

### Year ended March 31, 2011

	General Fund	Restricted Fund	Total 2011	Total 2010
<b>Provincial sport grants</b>				
Participation base funding	\$ 117,648	\$ –	\$ 117,648	\$ 117,638
Performance base funding	60,000	–	60,000	173,454
BC sport participation program	17,500	–	17,500	–
Hosting BC	15,000	–	15,000	–
Athlete assistance	5,991	–	5,991	9,365
Coaches Association of BC	2,000	1,877	3,877	–
Kidsport Aboriginal	10,704	–	10,704	–
Travel	5,057	–	5,057	–
Team BC funding	11,200	–	11,200	–
2010 Legacies Now	–	–	–	1,500
	<u>245,100</u>	<u>1,877</u>	<u>246,977</u>	<u>301,957</u>
<b>Other provincial funding</b>				
Gaming Branch – direct access	–	58,800	58,800	3,374
Canucks for Kids	–	25,690	25,690	–
Other	<u>2,864</u>	<u>2,428</u>	<u>5,292</u>	<u>–</u>
	<u>2,864</u>	<u>86,918</u>	<u>89,782</u>	<u>3,374</u>
	\$ <u>247,964</u>	\$ <u>88,795</u>	\$ <u>336,759</u>	\$ <u>305,331</u>

Schedule 2

## SCHEDULE OF GRANTS TO ASSOCIATIONS, CLUBS AND ATHLETES

### Year ended March 31, 2011

	2011	2010
Association grant payments	\$ 6,500	\$ 6,500
AAP grants	<u>5,991</u>	<u>9,365</u>
	\$ <u>12,491</u>	\$ <u>15,865</u>

## **AUDITOR'S REPORT ON SUPPLEMENTARY SCHEDULE**

To the Board of Directors of  
Curl BC

We have audited and reported separately herein on the financial statements of Curl BC as at and for the year ended March 31, 2011.

Our examination was made for the purpose of forming an opinion on the financial statements for the Organization taken as a whole. The supplementary information included in Schedule 3 is presented for purposes of additional analysis and is not a required part of the financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

Vancouver, B.C.  
May \_\_, 2010

**Chartered Accountants**

# Curl BC

## SCHEDULE OF REVENUE AND EXPENDITURE: STRATEGIC PLAN

For the year ended March 31, 2011

	Participation		Performance		Capacity		Interaction		Total	Total
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
REVENUE										
Government Grants										
Core grants	\$ 117,648	\$ -	\$ 60,000	\$ -	\$ -	\$ 117,638	\$ -	\$ -	\$ 177,648	\$ 117,638
Game plan/Canada games	-	-	11,200	173,454	-	-	-	-	11,200	173,454
Athlete assistance	-	-	5,991	5,991	-	-	-	-	5,991	5,991
Travel grants	1,195	-	3,862	-	-	-	-	-	5,057	-
Hosting BC grants	-	-	15,000	-	-	-	-	-	15,000	-
Other Provincial grants	-	-	-	-	2,864	-	-	-	2,864	-
2010 Legacies Now	28,204	-	-	1,500	-	-	-	-	28,204	1,500
Other gaming	25,690	-	-	-	4,305	-	-	-	29,995	-
Game direct access	17,000	-	16,900	3,374	24,900	-	-	-	58,800	3,374
Advertising	-	-	-	-	14,776	14,731	-	-	14,776	14,731
Affiliation dues	-	73,496	-	-	308,188	191,089	-	29,398	308,188	293,981
BC Championships	70,136	58,463	132,599	161,906	-	-	-	-	202,735	220,369
Camps and programs	25,160	11,371	6,384	1,374	-	-	-	-	31,544	12,745
CCA funding										
Annual grant	2,850	-	-	-	647	-	-	-	3,498	-
High performance	-	-	20,000	10,000	-	-	-	-	20,000	10,000
Wheelchair curling	463	1,105	2,500	-	-	-	-	-	2,963	1,105
Other Federal grants	-	-	-	-	1,583	-	-	-	1,583	-
Event proceeds	-	-	-	-	-	-	-	-	-	-
Fundraising	-	-	-	-	129	9,700	-	-	129	9,700
Programs and courses										
Tech. courses NCCP, business curling	-	-	-	-	23,553	18,006	-	-	23,553	18,006
Officiating course	-	-	-	-	1,231	1,267	-	-	1,231	1,267
Ice technician course	-	-	-	-	8,764	8,667	-	-	8,764	8,667
Sales merchandise and manuals	-	-	-	-	4,947	5,994	-	-	4,947	5,994
Sponsors and partnerships										
Event sponsors	15,750	-	40,250	50,397	-	-	32,569	21,599	88,569	71,996
Program sponsors	7,750	-	-	-	3,503	-	3,600	-	14,853	-
Contribution of services	-	-	44,800	35,540	-	-	-	14,803	44,800	49,343
TV ad sales	-	-	6,500	7,910	-	-	17,250	3,390	23,750	11,300
Coaching BC grant	-	-	-	5,251	2,000	-	-	-	2,000	5,251

## Curl BC

## SCHEDULE OF REVENUE AND EXPENDITURE: STRATEGIC PLAN - continued

For the year ended March 31, 2011

	Participation		Performance		Capacity		Interaction		Total	Total
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
Interest	-	-	-	-	235	245	-	-	235	245
Miscellaneous	-	-	-	-	140	190	557	-	697	190
	<u>311,846</u>	<u>144,436</u>	<u>365,986</u>	<u>455,697</u>	<u>401,766</u>	<u>367,528</u>	<u>53,977</u>	<u>69,190</u>	<u>1,133,574</u>	<u>1,036,847</u>
<b>EXPENSES</b>										
Advertising and promotion	\$ 1,410	\$ -	\$ 750	\$ -	\$ 2,442	\$ 2,395	\$ -	\$ -	\$ 4,602	\$ 2,395
Amortization of equipment	-	-	-	-	15,652	12,527	-	-	15,652	12,527
AGM and directors meeting	-	-	-	-	29,183	31,042	4,103	-	33,286	31,042
Athlete Development	18,387	-	28,419	51,563	-	-	-	-	46,806	51,563
BC playdowns	59,365	43,882	159,278	218,511	-	-	11,829	-	230,472	262,393
Capital expenditures	-	-	3,499	-	273	610	-	-	3,773	610
CCA affiliation dues	-	-	-	-	39,338	38,473	-	-	39,338	38,473
Coaching development, business curling	-	-	-	-	25,628	21,050	-	-	25,628	21,050
Contract, salary costs	75,080	52,309	93,650	133,786	144,014	134,458	33,833	32,349	346,577	352,903
Funding to regions	7,140	-	6,471	12,400	8,750	8,750	-	-	22,361	21,150
Grants to associations and clubs	4,000	4,225	-	-	6,500	6,500	-	-	10,500	10,725
Ice technician program	-	-	-	-	6,861	4,787	-	-	6,861	4,787
In kind services contribution	-	-	44,800	36,239	-	-	17,250	15,531	62,050	51,770
Manuals and clothing	-	-	-	-	4,968	209	-	-	4,968	209
Marketing and youth development	57,143	18,459	20	-	3,304	6,031	-	-	60,468	24,490
Membership and dues	-	-	-	-	-	-	1,500	1,500	1,500	1,500
National championships	26,897	6,142	15,427	3,438	-	-	-	-	42,324	9,579
Office and miscellaneous	-	-	-	6,694	41,269	44,720	-	1,114	41,269	52,524
Officiating programs	-	-	-	-	3,458	5,620	-	-	3,458	5,620
Professional fees	-	-	-	-	4,675	7,935	-	-	4,675	7,935
Rent	-	-	-	-	43,972	39,857	-	-	43,972	39,857
Yearbook	-	-	-	-	14,561	25,139	-	-	14,561	25,139
Total Expenses	<u>249,422</u>	<u>125,017</u>	<u>352,314</u>	<u>460,630</u>	<u>394,847</u>	<u>390,103</u>	<u>68,515</u>	<u>50,494</u>	<u>1,065,100</u>	<u>1,028,240</u>
Contribution	\$ <u>62,424</u>	\$ <u>19,419</u>	\$ <u>13,671</u>	\$ <u>(6,933)</u>	\$ <u>6,919</u>	\$ <u>(22,575)</u>	\$ <u>(14,539)</u>	\$ <u>18,696</u>	\$ <u>68,475</u>	\$ <u>8,607</u>