

Curl BC
FINANCIAL STATEMENTS
March 31, 2008

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For the year ended March 31, 2008

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AUDITORS' REPORT

To the Directors of
Curl BC

We have audited the statement of financial position of Curl BC as at March 31, 2008 and the statements of operations and changes in fund balances for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Except as explained in the following paragraph, we conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In common with many non-profit organizations, the Organization derives revenue from events and course fees, and other sources, 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 fund balances.

In our opinion, except for the effect of adjustments, if any, which we might have determined to be necessary had we been able to satisfy ourselves concerning the completeness of the revenue referred to in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of the Organization as at March 31, 2008 and the results of its operations and changes in fund balances for the year then ended in accordance with Canadian generally accepted accounting principles. 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 28, 2008



Chartered Accountants

Curl BC
STATEMENT OF FINANCIAL POSITION
March 31, 2008

	General Fund	Gaming Fund	Athlete Development Fund	Total March 31, 2008	Total March 31, 2007
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	\$ -	\$ 85,425	\$ -	\$ 85,425	\$ 403,441
Term deposit	247,091	-	-	247,091	-
Accounts receivable	74,441	-	-	74,441	22,143
Inventories	13,011	-	-	13,011	6,822
Prepaid expenses	3,000	-	-	3,000	6,357
Due from General Fund	-	-	36,003	36,003	63,011
Due from Gaming Fund	<u>55,242</u>	<u>-</u>	<u>-</u>	<u>55,242</u>	<u>1,352</u>
	392,785	85,425	36,003	514,213	503,126
DEPOSITS	6,253	-	-	6,253	6,253
EQUIPMENT (Note 3)	<u>44,454</u>	<u>-</u>	<u>-</u>	<u>44,454</u>	<u>2,546</u>
	<u>\$ 443,492</u>	<u>\$ 85,425</u>	<u>\$ 36,003</u>	<u>\$ 564,920</u>	<u>\$ 511,925</u>
LIABILITIES					
CURRENT LIABILITIES					
Cheques issued in excess of funds on deposit	\$ 62,977	\$ -	\$ -	\$ 62,977	\$ -
Accounts payable and accrued liabilities	66,450	-	-	66,450	42,534
Deferred revenue	-	-	-	-	9,334
Due to General Fund	-	55,242	-	55,242	1,352
Due to Gaming Fund	-	-	-	-	-
Due to Athlete Development Fund	<u>36,003</u>	<u>-</u>	<u>-</u>	<u>36,003</u>	<u>63,011</u>
	<u>165,430</u>	<u>55,242</u>	<u>-</u>	<u>220,672</u>	<u>116,231</u>
COMMITMENT (Note 4)					
FUND BALANCES					
INVESTED IN EQUIPMENT	44,454	-	-	44,454	2,546
UNRESTRICTED	233,608	-	-	233,608	275,348
RESTRICTED	-	30,183	-	30,183	54,789
INTERNALLY DESIGNATED	<u>-</u>	<u>-</u>	<u>36,003</u>	<u>36,003</u>	<u>63,011</u>
	<u>278,062</u>	<u>30,183</u>	<u>36,003</u>	<u>344,248</u>	<u>395,694</u>
	<u>\$ 443,492</u>	<u>\$ 85,425</u>	<u>\$ 36,003</u>	<u>\$ 564,920</u>	<u>\$ 511,925</u>

See accompanying notes to the financial statements.

Approved by the Board “Nigel Easton” Director “Marnie Jepsen” Director

Curl BC
STATEMENT OF OPERATIONS
For the year ended March 31, 2008

	General Fund	Gaming Fund	Athlete Development Fund	Total 2008	Total ten months ended March 31, 2007
REVENUE					
Provincial government grants (Schedule 1)	\$ 285,700	\$ 65,050	\$ -	\$ 350,750	\$ 394,384
Advertising	15,328	-	-	15,328	14,548
Affiliation dues	274,020	-	-	274,020	275,027
Camps and programs	1,140	-	-	1,140	18,251
Canadian Curling Association	10,600	-	-	10,600	38,605
Ice technician courses	4,542	-	-	4,542	472
Interest income	8,341	-	-	8,341	8,607
Miscellaneous	12,520	-	-	12,520	6,656
Officiating courses	587	-	-	587	3,229
Playdown entries	80,441	-	-	80,441	85,215
Sale of manuals and merchandise	4,219	-	-	4,219	2,875
Sponsors/partners/associates	99,775	-	-	99,775	37,500
Technical program courses	<u>24,498</u>	<u>-</u>	<u>-</u>	<u>24,498</u>	<u>15,689</u>
	821,711	65,050	-	886,761	901,058
EXPENDITURES (SCHEDULE 2)	<u>836,535</u>	<u>89,656</u>	<u>12,016</u>	<u>938,207</u>	<u>815,034</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES FOR THE YEAR	\$ <u>(14,824)</u>	\$ <u>(24,606)</u>	\$ <u>(12,016)</u>	\$ <u>(51,446)</u>	\$ <u>86,024</u>

See accompanying notes to the financial statements.

Curl BC

STATEMENT OF CHANGES IN FUND BALANCES

For the year ended March 31, 2008

	2008				2007	
	General Fund	Gaming Fund	Athlete Fund	Invested in capital assets	Total	Total
BALANCE, beginning of year	\$ 275,348	\$ 54,789	\$ 63,011	\$ 2,546	\$ 395,694	\$ 309,670
EXCESS OF REVENUE OVER EXPENDITURES FOR THE YEAR	<u>(14,824)</u>	<u>(24,606)</u>	<u>(12,016)</u>	<u>—</u>	<u>(51,446)</u>	<u>86,024</u>
	<u>260,524</u>	<u>30,183</u>	<u>50,995</u>	<u>2,546</u>	<u>344,248</u>	<u>395,694</u>
TRANSFERS						
Purchase of equipment	(34,610)	—	(18,197)	52,807	—	—
Amortization of equipment	<u>7,694</u>	<u>—</u>	<u>3,205</u>	<u>(10,899)</u>	<u>—</u>	<u>—</u>
	<u>(26,916)</u>	<u>—</u>	<u>(14,992)</u>	<u>41,908</u>	<u>—</u>	<u>—</u>
BALANCE, end of year	\$ <u>233,608</u>	\$ <u>30,183</u>	\$ <u>36,003</u>	\$ <u>44,454</u>	\$ <u>344,248</u>	\$ <u>395,694</u>

See accompanying notes to the financial statements.

Curl BC

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2008

1. ORGANIZATION

The Organization is incorporated under the *Society Act* (British Columbia). The Organization is a non-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.

The current year statements of operations and changes in fund balances cover the year ended March 31, 2008. Due to a previous change in year end, the prior year figures cover the ten month period June 1, 2006 to March 31, 2007.

Fund accounting

The General Fund accounts for the general operations of the organization including receipt of restricted and unrestricted donations, contributions and other.

The Gaming Fund receipts are used in accordance with the terms and conditions set out for charitable gaming requirements, particularly with respect to promotional material regarding youth participation projects.

The Athlete Development Fund is an internally designated reserve fund created for Athlete Development. The intent is to use the funds for programs that support Athlete Development and Canada Winter Games targeted programs.

Revenue recognition

The Organization follows the restricted fund method of accounting for contributions.

Unrestricted donations and receipts are recorded on a cash basis when received. Interest is recorded as earned.

Donated goods and services

Supplemental efforts of volunteer workers are not recorded as revenue since it is not practical to calculate the monetary value of benefits received. In addition, contributions of other personal service, facilities and supplies are not included in the accompanying statements. Such donated goods and 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.

Inventory

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

Curl BC

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2008

2. ACCOUNTING POLICIES - continued

Equipment

Equipment are 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%

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.

New accounting standards

Effective January 1, 2007, the Organization adopted Sections 3855 "Financial instruments – Recognition and measurement", 3861, "Financial instruments – Disclosure and presentation", and 3865 "Hedges" issued by the Accounting Standards Board ("AcSB") of the Canadian Organization of Chartered Accountants.

Sections 3855 and 3861 set our 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 cash equivalents on initial recognition as available for sale. These instruments are initially recognized at cost. 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.

Section 3865 specifies the circumstances under which hedge accounting is permissible and how hedge accounting may be performed. The Organization currently does not have any hedges.

New accounting pronouncements

Effective January 1, 2008 the Organization will adopt Section 3862 "Financial instruments – Disclosures", Section 1535 "Capital Disclosures", Section 3863, "Financial Instruments – Presentation", and Section 3031 "Inventories". Section 3862 replaces the disclosure requirements of Section 3861 "Financial instruments – Presentation and disclosure" and will require additional disclosure of the risks associated with financial instruments and of how those risks are managed. Section 3863 is to enhance financial statement users' understanding of the significance to an entity's financial position, performance and cash flows. Section 1535 will require disclosure of information to enable users of the financial statements to evaluate the Organization's objectives, policies and processes for managing capital. Section 3031 requires inventory to be carried at the lower of cost and net realizable value using, in certain cases, the specific identification method or either of the first-in, first-out or average cost methods. Write downs to net realizable value may be reversed, to the extent of the original write down, if there is clear evidence of an increase in value due to a change in circumstances. The Organization does not anticipate any financial statement effect from the implementation of this Section.

Curl BC

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2008

2. ACCOUNTING POLICIES - continued

The AcSB also amended Section 1400, to include requirements for management to assess and disclose an entity's ability to continue as a going concern. This Section will apply to the Organization's annual financial statements for the fiscal year beginning January 1, 2008.

Effective April 1, 2009, the Organization will adopt Section 3064 "Goodwill and intangible assets", which establishes standards for the recognition, measurement and disclosure of goodwill and intangible assets including internally developed intangible assets. The Organization does not anticipate any financial statement effect from the implementation of this Section.

3. EQUIPMENT	2008			2007
	Cost	Accumulated amortization	Net	Net
Office equipment	\$ 18,388	\$ 1,479	\$ 16,909	\$ 2,546
Leasehold improvements	14,787	6,497	8,290	–
Computer equipment	<u>23,625</u>	<u>4,370</u>	<u>19,255</u>	<u>–</u>
	\$ <u>56,800</u>	\$ <u>12,346</u>	\$ <u>44,454</u>	\$ <u>2,546</u>

4. COMMITMENT

The Organization's operating lease for its premises, payable at \$1,495 per month, expired March 2008. The Organization renewed the lease during the year. The new term will commence on April 1, 2008 and terminate on March 31, 2012. The Organization is obligated to make the following minimum lease payments in each of the fiscal years ending:

March 31, 2009	\$ 29,915
March 31, 2010	30,830
March 31, 2011	32,308
March 31, 2012	<u>32,730</u>
	\$ <u>125,783</u>

5. FINANCIAL INSTRUMENTS

Financial instruments consist of cash, term deposits, accounts receivable, and accounts payable and accrued liabilities.

Fair value

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

Interest rate risk

Term deposits bear interest at fixed rates and therefore do not subject the Organization to interest rate risk.

Credit risk

The Organization's primary accounts receivable relate to a grant from Pacific Sport, GST refunds receivable from the government of Canada and interest receivable from term deposits held with Scotiabank. Collection from Pacific Sport, GST refunds, and interest receivable is reasonably assured.

Curl BC**SCHEDULE OF PROVINCIAL GOVERNMENT GRANTS****Year ended March 31, 2008**

	General Fund	Gaming Fund	Athlete Development Fund	2008	2007
Core grants	\$ 120,200	\$ -	\$ -	\$ 120,200	\$ 120,200
Athlete assistance	-	-	-	-	18,000
Canada Games	-	-	-	-	8,376
Game plan	165,500	-	-	165,500	134,063
Gaming	-	65,050	-	65,050	113,745
	<u>\$ 285,700</u>	<u>\$ 65,050</u>	<u>\$ -</u>	<u>\$ 350,750</u>	<u>\$ 394,384</u>

Curl BC

SCHEDULE OF EXPENDITURES

Year ended March 31, 2008

	General Fund	Gaming Fund	Athlete Development Fund	2008	2007
Advertising and promotion	\$ 4,615	\$ -	\$ -	\$ 4,615	\$ 5,061
Amortization of equipment	10,899	-	-	10,899	849
Annual general and directors' meetings	71,854	-	1,000	72,854	45,379
Athlete development					
Athlete assistance	13,475	-	-	13,475	18,000
High performance	47,529	-	4,287	51,816	38,366
La Releve	4,471	-	149	4,620	11,108
Technology and research	-	-	-	-	28,723
Wheelchair curling	-	15,392	2,000	17,392	16,911
Camps and Clinics	544	-	-	544	-
Capital expenditures	302	-	384	686	303
CCA Affiliation fees	37,825	-	-	37,825	28,925
Coaching development					
High performance	-	-	-	-	12,270
NCCP	16,621	13,569	-	30,190	27,036
Curling newsletter	-	-	-	-	1,241
Contract/salary costs					
Administration staff	193,390	-	-	193,390	136,655
Provincial and regional coaches expense	100,777	-	1,446	102,223	109,543
Funding to Regions	31,900	-	-	31,900	24,625
Grants to associations and clubs (Schedule 3)	17,402	-	-	17,402	17,154
Ice Technician program	7,686	-	1,193	8,879	7,581
Manuals	2,575	-	-	2,575	1,236
Marketing and youth development	2,903	36,888	-	39,791	10,230
Membership and dues	1,500	-	-	1,500	1,083
National Championships	16,035	-	-	16,035	15,300
Office and miscellaneous	93,129	-	1,557	94,686	29,494
Officiating program	5,210	-	-	5,210	6,739
Professional fees	6,068	-	-	6,068	4,800
Provincial Playdown	130,256	-	-	130,256	175,216
Rent	19,569	-	-	19,569	15,761
Yearbook	-	23,807	-	23,807	25,445
	<u>\$ 836,535</u>	<u>\$ 89,656</u>	<u>\$ 12,016</u>	<u>\$ 938,207</u>	<u>\$ 815,034</u>

Schedule 3

SCHEDULE OF GRANTS TO ASSOCIATIONS AND CLUBS

Year ended March 31, 2008

	General Fund	Gaming Fund	Athlete Development Fund	2008	2007
Association Grant Payments	\$ 17,000	\$ -	\$ -	\$ 17,000	\$ 7,500
Pacific Club Challenge	-	-	-	-	9,654
Canadian Wheelchair Championships	402	-	-	402	-
	<u>\$ 17,402</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,402</u>	<u>\$ 17,154</u>