

ACF - ALBERTA CURLING FEDERATION

(Operating as Curling Alberta)

Financial Statements

Year Ended March 31, 2023

ACF - ALBERTA CURLING FEDERATION
(Operating as Curling Alberta)
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Year Ended March 31, 2023

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INDEPENDENT AUDITOR'S REPORT

To the Members of ACF - Alberta Curling Federation operating as Curling Alberta

Opinion

We have audited the financial statements of ACF - Alberta Curling Federation, operating as Curling Alberta, (the Federation), which comprise the statement of financial position as at March 31, 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 Federation as at March 31, 2023, and the results of its operations and 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 Federation in accordance with 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 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 Federation'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 Federation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Federation'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:

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Independent Auditor's Report to the To the Members of ACF - Alberta Curling Federation operating as Curling Alberta *(continued)*

- 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 Federation'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 Federation'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 Federation 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.

King + Company

Edmonton, AB
July 16, 2023

CHARTERED PROFESSIONAL ACCOUNTANTS

ACF - ALBERTA CURLING FEDERATION
(Operating as Curling Alberta)
Statement of Financial Position
As at March 31, 2023

	2023	2022
ASSETS		
CURRENT		
Cash (Note 2)	\$ 1,675,058	\$ 1,573,144
Accounts receivable (Note 3)	335,727	255,298
Prepaid expenses	13,877	14,089
	<u>2,024,662</u>	1,842,531
EQUIPMENT (Note 4)	72,190	96,478
INVESTMENTS (Note 5)	4,000	32,393
	<u>\$ 2,100,852</u>	<u>\$ 1,971,402</u>
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities (Note 6)	\$ 301,823	\$ 154,588
Deferred contributions related to operations (Note 16)	415,831	588,112
Current portion of loan payable (Note 7)	40,000	-
	<u>757,654</u>	742,700
DEFERRED CONTRIBUTIONS RELATED TO EQUIPMENT (Note 8)	52,033	72,289
LOAN PAYABLE (Note 7)	-	40,000
	<u>809,687</u>	854,989
NET ASSETS		
Unrestricted	731,008	562,224
Investment in equipment (Note 9)	20,157	24,189
Internally restricted (Note 10)	540,000	530,000
	<u>1,291,165</u>	1,116,413
	<u>\$ 2,100,852</u>	<u>\$ 1,971,402</u>

ON BEHALF OF THE BOARD

_____ Director

_____ Director

ACF - ALBERTA CURLING FEDERATION*(Operating as Curling Alberta)***Statement of Operations****Year Ended March 31, 2023**

	2023	2022
REVENUE		
Raffles <i>(Note 16)</i>	\$ 546,060	\$ 1,145,039
Fees	388,424	348,713
Competitions	332,843	170,206
Grants and donations <i>(Note 11)</i>	239,143	397,608
Programs	160,216	81,677
Sponsorships	136,647	146,974
Casino <i>(Note 16)</i>	82,271	127,674
Other	36,686	14,885
Amortization of deferred capital contributions <i>(Note 8)</i>	20,255	13,809
	<u>1,942,545</u>	<u>2,446,585</u>
EXPENSES		
Raffle payouts and related expenses	546,628	1,148,522
Salaries and benefits	545,138	486,725
Competition	188,286	168,083
Program <i>(Note 12)</i>	170,061	219,198
Administration <i>(Note 13)</i>	162,896	269,726
CCA affiliation and competition fees	88,925	63,028
Amortization of equipment	25,784	19,390
Board	20,363	12,602
Professional fees	19,712	13,840
	<u>1,767,793</u>	<u>2,401,114</u>
EXCESS OF REVENUE OVER EXPENSES FROM OPERATIONS	174,752	45,471
OTHER INCOME		
Government assistance	-	110,275
	<u>-</u>	<u>110,275</u>
EXCESS OF REVENUE OVER EXPENSES	\$ 174,752	\$ 155,746

ACF - ALBERTA CURLING FEDERATION*(Operating as Curling Alberta)***Statement of Changes in Net Assets****Year Ended March 31, 2023**

	Unrestricted	Investment in equipment	Internally restricted	2023	2022
NET ASSETS -					
BEGINNING OF YEAR	\$ 562,224	\$ 24,189	\$ 530,000	\$ 1,116,413	\$ 960,667
Excess (deficiency) of revenue over expenses	180,279	(5,527)	-	174,752	155,746
Purchase of equipment	(1,495)	1,495	-	-	-
Transfers <i>(Note 10)</i>	(10,000)	-	10,000	-	-
NET ASSETS - END OF YEAR	\$ 731,008	\$ 20,157	\$ 540,000	\$ 1,291,165	\$ 1,116,413

ACF - ALBERTA CURLING FEDERATION
(Operating as Curling Alberta)
Statement of Cash Flows
Year Ended March 31, 2023

	2023	2022
OPERATING ACTIVITIES		
Excess of revenue over expenses	\$ 174,752	\$ 155,746
Items not affecting cash:		
Amortization of equipment	25,784	19,390
Amortization of deferred capital contributions	<u>(20,255)</u>	<u>(13,809)</u>
	<u>180,281</u>	<u>161,327</u>
Changes in non-cash working capital:		
Accounts receivable	(80,429)	(140,922)
Prepaid expenses	212	(12,481)
Accounts payable and accrued liabilities	147,233	(63,031)
Deferred contributions related to operations	<u>(172,281)</u>	<u>15,453</u>
	<u>(105,265)</u>	<u>(200,981)</u>
Cash flow from (used by) operating activities	<u>75,016</u>	<u>(39,654)</u>
INVESTING ACTIVITIES		
Purchase of equipment	(1,495)	(77,803)
Purchase of investments	<u>28,393</u>	<u>37,205</u>
Cash flow from (used by) investing activities	<u>26,898</u>	<u>(40,598)</u>
FINANCING ACTIVITY		
Deferred contributions related to equipment	<u>-</u>	<u>86,098</u>
INCREASE IN CASH	101,914	5,846
CASH - BEGINNING OF YEAR	<u>1,573,144</u>	<u>1,567,298</u>
CASH - END OF YEAR	<u>\$ 1,675,058</u>	<u>\$ 1,573,144</u>

ACF - ALBERTA CURLING FEDERATION

(Operating as Curling Alberta)

Notes to Financial Statements

Year Ended March 31, 2023

NATURE OF OPERATIONS

The ACF - Alberta Curling Federation operates to promote, govern and develop the sport of Curling in the province of Alberta. The Federation is incorporated under the Societies Act of Alberta as a not-for-profit organization and is exempt from income tax under the provisions of paragraph 149(1)(l) of the Income Tax Act.

1. SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations.

Financial Instruments

Initial Measurement

The federation initially measures its financial assets and liabilities originated or exchanged in arm's length transactions at fair value. Financial assets and liabilities originated or exchanged in related party transactions, except for those that involve parties whose sole relationship with the federation is in the capacity of management, are initially measured at cost.

The cost of a financial instrument in a related party transaction depends on whether the instrument has repayment terms. If it does, the cost is determined using its undiscounted cash flows, excluding interest and dividend payments, less any impairment losses previously recognized by the transferor. Otherwise, the cost is determined using the consideration transferred or received by the federation in the transaction.

Subsequent Measurement

The federation subsequently measures all its financial assets and liabilities at cost or amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in earnings in the period incurred.

Financial assets measured at amortized cost using the straight-line method include cash and accounts receivable. Financial liabilities measured at amortized cost using the straight-line method include accounts payable and the government assistance loan.

Transaction Costs

Transaction costs attributable to financial instruments subsequently measured at fair value and to those originated or exchanged in a related party transaction are recognized in earnings in the period incurred. Transaction costs related to financial instruments originated or exchanged in an arm's length transaction that are subsequently measured at cost or amortized cost are recognized in the original cost of the instrument. When the instrument is measured at amortized cost, transaction costs are recognized in earnings over the life of the instrument using the straight-line method.

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ACF - ALBERTA CURLING FEDERATION

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Notes to Financial Statements

Year Ended March 31, 2023

1. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Impairment

For financial assets measured at cost or amortized cost, the federation determines whether there are indications of possible impairment. When there are, and the federation determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows, a write-down is recognized in earnings. If the indicators of impairment have decreased or no longer exist, the previously recognized impairment loss may be reversed to the extent of the improvement. The carrying amount of the financial asset may be no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in earnings.

Cash and Cash Equivalents

Cash includes funds held in bank accounts including those held in a treasury bill savings account.

Equipment

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:

Playdown equipment	20%
Computer equipment	30%

The Federation regularly reviews its equipment to eliminate obsolete items. Equipment acquired during the year but not placed into use are not amortized until they are placed into use.

Revenue Recognition

The Federation follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Fees and other revenues are recognized when they are received or receivable.

Revenues from competitions, programs and sponsorships are recognized when the related event occurs.

Casino and raffle revenues are recognized as the funds are expended in accordance with Alberta Gaming, Liquor and Cannabis Commission guidelines.

Government assistance for current expenses is recorded as other income.

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.

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ACF - ALBERTA CURLING FEDERATION

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Notes to Financial Statements

Year Ended March 31, 2023

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

Contributed Materials and Services

Volunteers contribute time each year to aid the association in carrying out its services and fundraising activities. Due to the difficulty in determining the fair value, the financial value of contributed services is not recognized in these financial statements.

The Federation records the fair market value of contributed goods and services only in circumstances when the fair market value is determinable and when the goods and services would otherwise be purchased.

2. CASH

Cash is comprised as follows:

	<u>2023</u>	<u>2022</u>
Externally restricted for expenses approved by the Alberta Gaming, Liquor and Cannabis Commission (AGLC) (gaming funds) (Note 16)	\$ 412,186	\$ 422,204
Externally restricted for programs, sponsorships, competitions, and other (Note 16)	<u>102,239</u>	<u>199,557</u>
	514,425	621,761
Internally restricted (Note 10)	540,000	530,000
Unrestricted	<u>620,633</u>	<u>421,383</u>
	<u>\$ 1,675,058</u>	<u>\$ 1,573,144</u>

3. ACCOUNTS RECEIVABLE

	<u>2023</u>	<u>2022</u>
Memberships, competitions, and other	\$ 191,238	\$ 118,948
Sponsorships	139,000	116,659
Goods and Services Tax receivable	5,489	4,536
Government assistance	-	15,155
	<u>\$ 335,727</u>	<u>\$ 255,298</u>

ACF - ALBERTA CURLING FEDERATION*(Operating as Curling Alberta)***Notes to Financial Statements****Year Ended March 31, 2023****4. EQUIPMENT**

	Cost	Accumulated amortization	2023 Net book value	2022 Net book value
Playdown equipment	\$ 91,325	\$ 68,921	\$ 22,404	\$ 28,004
Motor vehicles	68,206	27,624	40,582	57,975
Computer equipment	12,242	5,913	6,329	6,905
Other machinery and equipment	3,993	1,118	2,875	3,594
	<u>\$ 175,766</u>	<u>\$ 103,576</u>	<u>\$ 72,190</u>	<u>\$ 96,478</u>

5. LONG-TERM INVESTMENTS

	2023	2022
Artwork	\$ 4,000	\$ 4,000
Money market fund investments	-	28,393
	<u>\$ 4,000</u>	<u>\$ 32,393</u>

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2023	2022
Trade payables - operations	\$ 203,229	\$ 120,939
Trade payables - raffle	98,594	33,649
	<u>\$ 301,823</u>	<u>\$ 154,588</u>

7. LOAN PAYABLE

The federation applied for and received a loan in the amount of \$60,000 under the Canada Emergency Business Account program. Of this loan, \$20,000 is forgivable if fully repaid by December 31, 2023. If the loan is not repaid, beginning January 1, 2024 the remaining principal balance will be repayable at an interest rate of 5% per annum and will be due in full by December 31, 2025.

As of March 31, 2023, no amounts have been repaid.

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Notes to Financial Statements

Year Ended March 31, 2023

8. DEFERRED CAPITAL CONTRIBUTIONS

Deferred capital contributions represent restricted contributions for capital asset acquisitions. Changes in the deferred contributions balance for the year are as follows:

	<u>2023</u>	<u>2022</u>
Balance - beginning of year	\$ 72,289	\$ -
Funding received	-	86,098
Recognized as revenue	<u>(20,255)</u>	<u>(13,809)</u>
Balance - end of year	<u>\$ 52,034</u>	<u>\$ 72,289</u>

9. INVESTMENT IN EQUIPMENT

The federation's investment in equipment is comprised as follows:

	<u>2023</u>	<u>2022</u>
Equipment	\$ 72,190	\$ 96,478
Deferred contributions related to equipment (Note 8)	<u>(52,033)</u>	<u>(72,289)</u>
	<u>\$ 20,157</u>	<u>\$ 24,189</u>

10. INTERNALLY RESTRICTED NET ASSETS

The federation has internally restricted net assets of \$540,000 (2022 - \$530,000) in the event that future revenues are insufficient to sustain profitable operations. Interest earned on the funds is used for the general operations of the federation.

11. GOVERNMENT SUPPORT

Amounts received from the Government of Alberta Sport, Physical Activity, and Recreation (SPAR) department of Culture, Multicultural, and Status of Women are as follows:

	<u>2023</u>
Included in grant revenues:	
Association Development Program Grant	\$ 98,626
Included in donation revenues:	
Donation Fund Program	<u>56,448</u>
TOTAL	<u>\$ 155,074</u>

Of the total amounts received above, \$32,363 remain unspent at year end and are included in deferred contributions related to operations.

ACF - ALBERTA CURLING FEDERATION
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Notes to Financial Statements
Year Ended March 31, 2023

12. PROGRAM EXPENSES

Program expenses are comprised as follows:

	<u>2023</u>	<u>2022</u>
Sponsorships and club support	\$ 133,080	\$ 168,140
Special projects and events	36,981	51,058
	<u>\$ 170,061</u>	<u>\$ 219,198</u>

13. ADMINISTRATION EXPENSES

Administration expenses are comprised as follows:

	<u>2023</u>	<u>2022</u>
Office	\$ 44,203	\$ 38,542
Travel	38,813	29,957
Promotion	22,784	49,260
Insurance	15,305	22,762
Donations	14,000	101,581
Rent	13,539	10,080
Telephone	8,193	11,730
Dues and fees	4,591	2,998
Interest and bank charges	1,468	2,816
	<u>\$ 162,896</u>	<u>\$ 269,726</u>

ACF - ALBERTA CURLING FEDERATION

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Notes to Financial Statements

Year Ended March 31, 2023

14. FINANCIAL INSTRUMENTS

The Federation 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 Federation's risk exposure and concentration as of March 31, 2023.

Credit Risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Federation is exposed to credit risk from customers. In order to reduce its credit risk, the Federation 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 Federation has a significant number of customers which minimizes concentration of credit risk.

Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Federation is exposed to this risk mainly in respect of its receipt of funds from its members and its accounts payable and accrued liabilities.

15. COMPARATIVE FIGURES

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

ACF - ALBERTA CURLING FEDERATION

(Operating as Curling Alberta)

Notes to Financial Statements

Year Ended March 31, 2023

16. DEFERRED CONTRIBUTIONS RELATED TO OPERATIONS

Deferred contributions consist of unspent contributions externally restricted for expenses approved by the funders. Recognition of these amounts as revenue is deferred to periods when the specified expenditures are made. Changes in the deferred contribution balance are as follows:

	Opening	Funds Received	Recognized as Revenue	2023	2022
Government of Alberta					
COVID-19 support	\$ 42,735	\$ -	\$ (42,735)	\$ -	\$ 42,735
Zone development	3,500	-	(3,500)	-	3,500
Government of Alberta total	46,235	-	(46,235)	-	46,235
Other					
Raffles	339,149	486,877	(546,060)	279,966	339,149
Casino	49,406	66,491	(82,271)	33,626	49,406
Grants	132,282	123,226	(195,908)	59,600	132,282
Sponsorships	15,040	8,275	(15,058)	8,257	15,040
Competitions	6,000	-	-	6,000	6,000
Donations	-	28,382	-	28,382	-
Other total	541,877	713,251	(839,297)	415,831	541,877
	\$ 588,112	\$ 713,251	\$ (885,532)	\$ 415,831	\$ 588,112