ACF - ALBERTA CURLING FEDERATION

Financial Statements

Year Ended May 31, 2026

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Year Ended May 31, 2026

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INDEPENDENT AUDITOR'S REPORT

To the Members of ACF - Alberta Curling Federation

Opinion

I have audited the financial statements of ACF - Alberta Curling Federation (the "federation"), which comprise the statement of financial position as at May 31, 2026, 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 (the "financial statements").

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the federation as at May 31, 2026, 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 (ASNPO).

Basis for Opinion

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the federation in accordance with ethical requirements that are relevant to my audit of the financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my 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 ASNPO, 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

My 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 my 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, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

(continues)

- 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 my 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 I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my 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.

I 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 I identify during my audit.

Daniel W Roberts Professional Corporation

Edmonton, Alberta
September 3, 2026

CHARTERED PROFESSIONAL ACCOUNTANT

ACF - ALBERTA CURLING FEDERATION

Statement of Financial Position

As at May 31, 2026

	2026	2025
ASSETS		
CURRENT		
Cash *(Note 3)*	**$ 2,009,741**	$ 2,063,104
Accounts receivable *(Note 4)*	**150,709**	315,454
Prepaid expenses	**9,371**	26,381
	2,169,821	2,404,939
EQUIPMENT *(Note 5)*	**98,006**	47,791
	$ 2,267,827	$ 2,452,730
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	**$ 126,862**	$ 48,888
Deferred contributions related to operations *(Note 12)*	**571,863**	963,197
	698,725	1,012,085
DEFERRED CONTRIBUTIONS RELATED TO EQUIPMENT *(Note 6)*	**15,986**	27,414
	714,711	1,039,499
NET ASSETS		
Unrestricted	**931,096**	852,854
Investment in equipment *(Note 7)*	**82,020**	20,377
Internally restricted *(Note 8)*	**540,000**	540,000
	1,553,116	1,413,231
	$ 2,267,827	$ 2,452,730

ON BEHALF OF THE BOARD

_________________________________ *Director*

_________________________________ *Director*

ACF - ALBERTA CURLING FEDERATION

Statement of Operations

Year Ended May 31, 2026

	2026	2025
REVENUES		
Raffles	$ 635,244	$ 397,989
Fees	541,650	525,951
Grants and donations	330,380	227,833
Programs	173,301	158,035
Competitions	166,876	182,472
Sponsorships	143,382	108,377
Casino	84,394	5,405
Interest	57,447	83,425
Amortization of deferred contributions related to equipment *(Note 6)*	9,929	9,929
	2,142,603	1,699,416
EXPENSES		
Salaries and wages	685,632	488,673
Raffle payouts and related expenses	537,321	315,708
Programs *(Note 9)*	262,164	300,026
Competition	238,327	253,973
Administration *(Note 10)*	133,442	157,955
Professional fees	103,154	81,880
Amortization of equipment	19,067	15,098
CCA affiliation and competition fees	18,740	65,224
Board	18,335	17,204
	2,016,182	1,695,741
EXCESS OF REVENUES OVER EXPENSES FROM OPERATIONS	126,421	3,675
OTHER INCOME		
Gain on disposal of equipment	1,892	-
Events	11,572	140,933
	13,464	140,933
EXCESS OF REVENUES OVER EXPENSES	$ 139,885	$ 144,608

ACF - ALBERTA CURLING FEDERATION

Statement of Changes in Net Assets

Year Ended May 31, 2026

	Unrestricted	Investment in Equipment	Internally Restricted	**2026**	2025
NET ASSETS - BEGINNING OF YEAR	$ 852,854	$ 20,377	$ 540,000	**$ 1,413,231**	$ 1,268,623
Excess (deficiency) of revenues over expenses	147,131	(7,246)	-	**139,885**	144,608
Purchase of equipment	(80,889)	80,889	-	**-**	-
Proceeds from disposal of equipment	12,000	(12,000)	-	**-**	-
NET ASSETS - END OF YEAR	$ 931,096	$ 82,020	$ 540,000	**$ 1,553,116**	$ 1,413,231

ACF - ALBERTA CURLING FEDERATION

Statement of Cash Flows

Year Ended May 31, 2026

	2026	2025
OPERATING ACTIVITIES		
Excess of revenues over expenses	$ **139,885**	$ 144,608
Items not affecting cash:		
Amortization of equipment	**19,067**	15,098
Amortization of deferred contributions related to equipment	**(9,929)**	(9,929)
Gain on disposal of equipment	**(1,892)**	-
	147,131	149,777
Changes in non-cash working capital:		
Accounts receivable	**164,745**	(165,452)
Prepaid expenses	**17,010**	1,000
Accounts payable and accrued liabilities	**77,974**	(25,180)
Deferred contributions related to operations	**(391,334)**	331,121
	(131,605)	141,489
Cash flow from operating activities	**15,526**	291,266
INVESTING ACTIVITIES		
Purchase of equipment, net	**(80,889)**	(10,593)
Proceeds on disposal of equipment	**12,000**	-
Cash flow used by investing activities	**(68,889)**	(10,593)
INCREASE (DECREASE) IN CASH	**(53,363)**	280,673
CASH - BEGINNING OF YEAR	**2,063,104**	1,782,431
CASH - END OF YEAR	$ **2,009,741**	$ 2,063,104

1. PURPOSE OF THE FEDERATION

The ACF - Alberta Curling Federation ("the 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

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

Cash and cash equivalents

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

Contributed services

The operations of the federation depend on both the contribution of time by volunteers and donated materials from various sources. The fair value of donated materials and services cannot be reasonably determined and are therefore not reflected in these financial statements.

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 income in the period incurred.

Financial assets measured at amortized cost using the straight-line method include cash and accounts receivable.

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 income 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 income over the life of the instrument using the straight-line method.

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2. SUMMARY OF 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 income. 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 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. The main estimates relate to useful lives of equipment and the valuation of accounts receivable. 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.

Revenue recognition

ACF - Alberta Curling 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.

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

Proceeds from casino and raffle activities that are restricted under Alberta Gaming, Liquor and Cannabis Commission requirements are initially deferred and recognized as revenue when the related eligible expenditures are incurred.

Government assistance for current expenses is recorded as other income.

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

Interest income is recognized as revenue when earned.

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%
Motor vehicles	30%
Computer equipment	30%
Signage	20%

The federation regularly reviews its equipment to eliminate obsolete items. Restricted contributions received for equipment acquisitions are deferred and recognized as revenue on the same basis as the amortization of the related equipment.

Equipment acquired during the year but not placed into use are not amortized until they are placed into use.

3. CASH

Cash is comprised as follows

		2026		2025
Externally restricted for grant expenses approved by the Government of Alberta (Note 12)	**$**	**286,134**	$	664,139
Externally restricted for programs, sponsorships, competitions, and other (Note 12)		**113,661**		114,322
Externally restricted for expenses approved by the Alberta Gaming, Liquor, and Cannabis Commission (AGLC)(gaming funds) (Note 12)		**172,068**		184,736
Internally restricted		**540,000**		540,000
		1,111,863		1,503,197
Unrestricted		**897,878**		559,907
	$	**2,009,741**	$	2,063,104

4. ACCOUNTS RECEIVABLE

		2026		2025
Memberships, competitions, and other	**$**	**78,171**	$	145,988
Grants		**41,357**		98,700
Sponsorships		**21,000**		46,000
Goods and Services Tax receivable		**10,181**		24,766
	$	**150,709**	$	315,454

5. EQUIPMENT

		Cost		Accumulated amortization		**2026 Net book value**		2025 Net book value
Playdown equipment	$	139,252	$	74,594	**$**	**64,658**	$	13,860
Motor vehicles		70,860		48,218		**22,642**		18,891
Computer equipment		24,334		15,051		**9,283**		13,261
Signage		3,993		2,570		**1,423**		1,779
	$	238,439	$	140,433	**$**	**98,006**	$	47,791

6. DEFERRED CONTRIBUTIONS RELATED TO EQUIPMENT

Deferred contributions related to equipment represent restricted contributions for equipment acquisitions. Changes in the balance for the year are as follows.

		2026		2025
Balance - beginning of year	$	27,414	$	35,843
Recognized as revenue		(9,929)		(9,929)
Deferred contributions recognized on disposal of equipment		(1,499)		-
Contributions received		-		1,500
Balance - end of year	$	15,986	$	27,414

7. INVESTMENT IN EQUIPMENT

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

		2026		2025
Equipment	$	98,006	$	47,791
Deferred contributions related to equipment		(15,986)		(27,414)
	$	82,020	$	20,377

8. INTERNALLY RESTRICTED NET ASSETS

The federation has internally restricted net assets of $540,000 (2025 - $540,000) in the event that future revenues are insufficient to sustain operations. Interest earned on the funds is used for the general operations of the federation.

9. PROGRAM EXPENSES

Program expenses are comprised as follows.

		2026		2025
Sponsorships and club development	$	182,020	$	200,094
High performance		47,179		16,449
Special projects and events		32,965		83,483
	$	262,164	$	300,026

10. ADMINISTRATION EXPENSES

Administration expenses are comprised as follows.

	2026	2025
Promotion	**$ 29,176**	$ 31,927
Office	**26,720**	33,641
Travel	**25,472**	30,848
Interest and bank charges	**19,099**	10,004
Insurance	**17,532**	30,776
Telephone	**9,752**	5,764
Rent	**3,375**	14,464
Dues and fees	**2,316**	531
	$ 133,442	$ 157,955

11. 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 May 31, 2026.

Credit risk

Credit risk arises from the potential that a counterparty will fail to perform its obligations. The federation is exposed to credit risk on its cash and accounts receivable. Cash is held with a Canadian chartered bank. The federation provides credit to its members in the normal course of operations. It assesses, on a continuing basis, the collectibility of these amounts and will set up a provision if necessary. This provision is established based upon factors surrounding the credit risk of specific accounts, historical trends and other information.

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. The federation's approach to managing liquidity is to ensure that it will always have sufficient cash flows to fund its operations and to meet its liabilities when due.

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

12. DEFERRED CONTRIBUTIONS RELATED TO OPERATIONS

Deferred contributions related to operations 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 balance are as follows.

	Opening	Funds Received	Recognized as Revenue	**2026**	2025
Government of Alberta					
Every Kid Can Play (Rocks and Rings)	$ 191,000	$ -	$ (112,842)	**$ 78,158**	$ 191,000
Ministry of Alberta Tourism and Sport - Association Development Program	98,700	-	(98,700)	**-**	98,700
Arctic Winter Games	5,810	-	(5,810)	**-**	5,810
Every Kid Can Play - Ready to Rock	155,000	-	(112,335)	**42,665**	155,000
Canada Winter Games	41,850	-	-	**41,850**	41,850
Alberta - Korea Curling Exchange	162,779	-	(39,318)	**123,461**	162,779
Donations (SPAR)	-	137,250	(137,250)	**-**	-
	655,139	137,250	(506,255)	**286,134**	655,139
Other Sources					
Grants	-	28,469	(17,850)	**10,619**	-
Donations	-	577	-	**577**	-
Sponsorships and competitions	20,000	23,940	(20,000)	**23,940**	20,000
Alberta Rocks!	97,350	98,525	(117,350)	**78,525**	97,350
Canada Summer Jobs	5,972	-	(5,972)	**-**	5,972
	123,322	151,511	(161,172)	**113,661**	123,322
Alberta Gaming, Liquor, and Cannabis					
Raffles	184,736	451,816	(537,321)	**99,231**	184,736
Casino	-	157,231	(84,394)	**72,837**	-
	184,736	609,047	(621,715)	**172,068**	184,736
	$ 963,197	$ 897,808	$ (1,289,142)	**$ 571,863**	$ 963,197