

FINANCIAL STATEMENTS
For
ONTARIO CURLING ASSOCIATION
For year ended
APRIL 30, 2026

ONTARIO CURLING ASSOCIATION
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APRIL 30, 2026

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INDEPENDENT AUDITOR'S REPORT

To the members of

ONTARIO CURLING ASSOCIATION

Opinion

We have audited the financial statements of Ontario Curling Association (the "Association"), which comprise the statement of financial position as at April 30, 2026, the statements of operations - operating fund and changes in fund balances 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 April 30, 2026 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 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 Association'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 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.

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.

Welch LLP

Chartered Professional Accountants
Licensed Public Accountants

Ottawa, Ontario
August 6, 2026.

Welch LLP[®]

ONTARIO CURLING ASSOCIATION
STATEMENT OF FINANCIAL POSITION
APRIL 30, 2026

	<u>2026</u>	<u>2025</u>
ASSETS		
Current		
Cash	\$ -	\$ 101,537
Investments (note 3)	441,606	382,555
Accounts receivable	78,639	71,484
Loans receivable (note 7)	23,950	45,960
Inventories	7,797	18,668
Prepaid expenses	<u>3,836</u>	<u>4,117</u>
	555,828	624,321
 Loans receivable (note 7)	 5,500	 27,274
 Tangible capital assets (note 4)	 <u>29,189</u>	 <u>124,851</u>
	<u>\$ 590,517</u>	<u>\$ 776,446</u>
 LIABILITIES AND NET ASSETS		
Current		
Bank overdraft	\$ 34,128	\$ -
Accounts payable and accrued liabilities (note 6)	72,297	213,769
Deferred revenue	<u>15,762</u>	<u>4,878</u>
	122,187	218,647
 Fund balances - operating	 <u>468,330</u>	 <u>557,799</u>
	<u>\$ 590,517</u>	<u>\$ 776,446</u>

Approved by the Board:

Rick Helm

Director



Director

(See accompanying notes)

ONTARIO CURLING ASSOCIATION
STATEMENT OF OPERATIONS - OPERATING FUND AND CHANGES IN FUND BALANCES
YEAR ENDED APRIL 30, 2026

	<u>2026</u>	<u>2025</u>
Revenue		
Membership	\$ 743,758	\$ 599,001
Competition	394,978	334,465
Club development	21,937	24,866
Operational	142,856	146,135
Annual conference	<u>16,219</u>	<u>23,910</u>
	<u>1,319,748</u>	<u>1,128,377</u>
Expenses		
Competition (Schedule 1)	298,133	261,929
Club development (Schedule 2)	36,048	33,510
Governance and committee (Schedule 3)	17,435	10,757
Annual conference	32,796	25,147
Office and administrative (Schedule 4)	709,689	671,347
Communication and marketing	7,894	2,650
Canadian Curling Association fees	263,185	123,926
Ontario Curling Council fees	20,210	19,989
Write off of inventory	11,199	27,908
Cost of goods sold	6,603	6,198
Donations	<u>6,025</u>	<u>25</u>
	<u>1,409,217</u>	<u>1,183,386</u>
Deficiency of revenue over expenses	(89,469)	(55,009)
Fund balance, beginning of year	<u>557,799</u>	<u>612,808</u>
Fund balance, end of year	<u>\$ 468,330</u>	<u>\$ 557,799</u>

(See accompanying notes)

ONTARIO CURLING ASSOCIATION

STATEMENT OF CASH FLOWS

YEAR ENDED APRIL 30, 2026

	<u>2026</u>	<u>2025</u>
CASH FLOWS FROM (USED IN)		
OPERATING ACTIVITIES		
Deficiency of revenue over expenses	\$ (89,469)	\$ (55,009)
Items not affecting cash:		
Amortization of tangible capital assets	78,605	66,119
Loss (gain) on disposal of tangible capital assets	<u>8,725</u>	<u>(1,833)</u>
	(2,139)	9,277
Changes in non-cash working capital:		
Accounts receivable	(7,155)	77,676
Inventories	10,871	20,980
Prepaid expenses	281	4,559
Accounts payable and accrued liabilities	(141,472)	(9,613)
Deferred revenue	<u>10,884</u>	<u>1,800</u>
	<u>(128,730)</u>	<u>104,679</u>
INVESTING ACTIVITIES		
Purchase of investments	(441,607)	(382,555)
Proceeds from disposal of investments	382,559	99,466
Acquisition of tangible capital assets	-	(16,630)
Proceeds from disposal of tangible capital assets	8,330	42,012
Repayment of loans receivable	<u>43,783</u>	<u>72,248</u>
	<u>(6,935)</u>	<u>(185,459)</u>
DECREASE IN CASH	(135,665)	(80,780)
CASH AT BEGINNING OF YEAR	<u>101,537</u>	<u>182,317</u>
CASH/BANK OVERDRAFT AT END OF YEAR	\$ <u>(34,128)</u>	\$ <u>101,537</u>

(See accompanying notes)

ONTARIO CURLING ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED APRIL 30, 2026

1. NATURE OF OPERATIONS

The Ontario Curling Association (the Association) is a not-for-profit organization incorporated without share capital under the laws of Ontario. The Association's purpose is to operate programs and provide support to curlers to promote the sport of curling in the province of Ontario. The Association is a non-profit organization under the Income Tax Act and, as such, is exempt from income taxes.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting

The Association applies the Canadian accounting standards for not-for-profit organizations.

Fund accounting

The operating fund accounts for the Association's program delivery, support services and administrative activities, and includes the cumulative, unrestricted net excess of operating revenue over expenses.

The future development fund includes specific funds designated for financing future projects by the Association. Interest earned on investments in the fund is unrestricted and recorded as revenue in the operating fund.

The member club assistance fund was established by the Board of Directors to provide limited financial assistance to curling clubs that encounter temporary financial problem, which requires urgent funding. Interest earned on the investments in the fund and on the loans to member clubs is unrestricted and recorded as revenue in the operating fund. During fiscal 2025, this program was discontinued.

The restricted surplus fund was established by the Board of Directors for contingencies or unexpected expenses. Interest earned on investments in the fund is unrestricted and recorded as revenue in the operating fund.

In 2025, the Board of Directors resolved to transfer internally restricted funds held in the future development, member club assistance, and restricted surplus to the operating fund.

Revenue recognition

The Association follows the restricted fund method of accounting for contributions. Contributions where use is externally restricted but where no fund exists are deferred and recognized as revenue in the operating fund as the related expenses are incurred. All other externally restricted contributions are recognized as revenue of the appropriate restricted fund.

Memberships include membership fees and annual sheet fees which are recognized as revenue proportionately over the year to which they relate.

Merchandise sales are recognized when goods are shipped.

Club development, sponsorship, competition entry fees, conferences and event hosting are recognized as revenue once the related event has occurred. Amounts that are received in the year that pertain to events occurring in future years are recorded as deferred revenue.

Investment income is recognized as revenue when earned and includes dividends and realized and unrealized gains and losses on the investments.

ONTARIO CURLING ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS - Cont'd.
YEAR ENDED APRIL 30, 2026

2. SIGNIFICANT ACCOUNTING POLICIES - Cont'd.

Financial instruments

The Association initially measures its financial assets and liabilities at fair value. The Association subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments which are measured at fair value. Changes in fair value of these financial instruments are recognized in the statement of operations in the year incurred.

Financial assets measured at amortized cost are tested for impairment when there are indications of possible impairment.

Transaction costs related to financial instruments that will be subsequently measured at fair value are recognized in the statement of operations in the year incurred. Transaction costs related to financial instruments subsequently measured at amortized cost are included in the original cost of the asset or liability and recognized in the statement of operations over the life of the instrument using the straight-line method.

Inventories

Inventories held for consumption are measured at the lower of cost and replacement value. The cost is determined using the weighted average cost method.

Tangible capital assets

Tangible capital assets are initially recorded at cost and are amortized on a straight-line basis over their estimated useful lives as follows:

Automobile	5 years
Computer equipment	3 years
Other equipment	5 years
Computer software	3 years

Contributed services and materials

Volunteers contribute many hours per year to assist the Association in carrying out its activities. Due to the difficulty of determining their fair value, contributed services are not recognized in the financial statements. Materials contributed to the Association are not recognized in the financial statements.

Use of estimates

These financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations and, accordingly, require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. The main estimates relate to the results of profit sharing events recorded in accounts receivable, valuation of accounts receivable, the valuation of inventories, the useful lives of tangible capital assets, and the valuation of loans receivable. Actual results could differ from these estimates and adjustments are made to the statement of operations as appropriate in the year they become known.

ONTARIO CURLING ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS - Cont'd.
YEAR ENDED APRIL 30, 2026

3. INVESTMENTS

	<u>2026</u>	<u>2025</u>
CIBC Variable Rate, GIC 3.75% (CIBC prime rate less 2.20%), matured December 10, 2025	\$ -	\$ 76,094
CIBC Variable Rate, GIC 3.25% (CIBC prime rate less 2.20%), redeemed May 3, 2025	-	201,923
Peoples Trust, GIC 3.36%, matured April 24, 2026	-	20,011
Versabank, GIC 3.37%, matured April 24, 2026	-	84,527
Fairstone Bank, GIC 3.25%, maturing April 28, 2027	20,003	-
Home Trust Company, GIC 3.25%, maturing April 28, 2027	88,015	-
CIBC Variable Rate, GIC 2.25%, maturing May 4, 2026	51,232	-
CIBC Flexible GIC, GIC 2.15%, maturing November 30, 2026	151,361	-
CIBC Flexible GIC, GIC 2.15%, maturing December 22, 2026	<u>130,995</u>	<u>-</u>
	<u>\$ 441,606</u>	<u>\$ 382,555</u>

4. TANGIBLE CAPITAL ASSETS

	<u>2026</u>		<u>2025</u>	
	<u>Cost</u>	<u>Accumulated amortization</u>	<u>Cost</u>	<u>Accumulated amortization</u>
Automobile	\$ 102,051	\$ 91,762	\$ 102,051	\$ 75,126
Computer equipment	66,469	65,188	66,469	63,708
Other equipment	26,081	15,035	261,259	174,311
Computer software	<u>9,860</u>	<u>3,287</u>	<u>9,860</u>	<u>1,643</u>
	204,461	<u>\$ 175,272</u>	439,639	<u>\$ 314,788</u>
Accumulated amortization	<u>175,272</u>		<u>314,788</u>	
Net book value	<u>\$ 29,189</u>		<u>\$ 124,851</u>	

5. LINE OF CREDIT

The Association has an authorized revolving line of credit of \$100,000 that is due on demand and bears interest at the bank's prime rate plus 1.50%, calculated and payable monthly. It is secured by a general security agreement covering all assets. At April 30, 2026, the Association had undrawn credit capacity under this facility of \$100,000 (2025 - \$100,000).

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Included in accounts payable and accrued liabilities are government remittances payable of \$28,878 (2025 - \$22,947).

ONTARIO CURLING ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS - Cont'd.
YEAR ENDED APRIL 30, 2026

7. LOANS RECEIVABLE

The Association currently has 4 (2025 - 8) loans receivable from member curling clubs. The outstanding balances range from \$5,950 - \$10,000 and per their respective terms are repayable in quarterly or annual instalments, according to the terms of the agreements. Interest rates on these loans receivable are calculated at the bank's prime rate minus 100 basis points, and currently range from 1.50% - 3.70% and mature between March 31, 2027 and March 31, 2028 (2025 - 1.50% - 3.70% and mature between March 31, 2026 and March 31, 2028).

8. FINANCIAL INSTRUMENTS

The Association is exposed to various risks through its financial instruments. The following analysis provides a measure of the Association's risk exposure and concentrations as at April 30, 2026.

Liquidity risk

Liquidity risk refers to the adverse consequence that the Association will encounter, if it has difficulty in meeting obligations associated with its financial liabilities. The Association is exposed to liquidity risk for its accounts payable. The Association'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.

Credit risk

The Association is exposed to credit risk resulting from the possibility that parties may default on their financial obligations. The Association is exposed to credit risk on its cash, investments, accounts and loans receivable. Cash and investments are held with a Canadian chartered bank. The Association provides credit to its members in the normal course of its operations. It assesses, on a continuing basis, the collectibility of these amounts and will set up a provision if necessary.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is comprised of currency risk, interest rate risk and other price risk. The Association is not subject to significant market risk.

i) *Interest rate risk*

Interest rate risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Association is exposed to interest rate risk on its GIC's

Interest rate risk is mitigated by the use of a mixture of variable and fixed rate investments with staggered maturity dates.

ii) *Other price risk*

Other price risk is the risk that the fair value of financial instruments or future cash flows associated with the instruments will fluctuate because of the changes in market prices (other than those arising from currency risk or interest rate risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar instruments traded in the market. Fixed interest instruments subject the Association to an other price risk, since fair value fluctuates inversely to changes in market interest rates. The Association mitigates other price risk by holding primarily principal protected and guaranteed income investments.

Changes in risk

There have been no significant changes in the Association's risk exposures from the prior year.

ONTARIO CURLING ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS - Cont'd.
YEAR ENDED APRIL 30, 2026

9. SUBSEQUENT EVENT

Effective May 1, 2026, the Association merged all activities with Ontario Curling Council and Northern Ontario Curling Association and are continuing those activities through the Association.

As a result of the merger, the assets, liabilities and operations of Ontario Curling Council and Northern Ontario Curling Association were transferred to the Association. Because the transaction occurred after the reporting date, its effects have not been reflected in these financial statements. Management is in the process of determining the financial impact of the merger.

10. COMPARATIVE FIGURES

Comparative figures were reclassified where necessary to conform to the presentation adopted in the current year.

ONTARIO CURLING ASSOCIATION
UNAUDITED SCHEDULES OF EXPENSES
YEAR ENDED APRIL 30, 2026

	<u>2026</u>	<u>2025</u>
Schedule 1 - Competition		
Accommodations	\$ 18,473	\$ 10,405
Awards and prizes	13,028	14,346
Competition hosting costs	156,915	127,433
Media and promotion	23,389	22,438
Other	36,336	33,814
Postage and courier	347	135
Printing and supplies	2,496	5,429
Signs and standings	14,250	13,676
Travel	<u>32,899</u>	<u>34,253</u>
	<u>\$ 298,133</u>	<u>\$ 261,929</u>
Schedule 2 - Club development		
Accommodations	\$ 286	\$ -
Instructors and presenters	16,064	16,226
Other	16,624	13,984
Travel	<u>3,074</u>	<u>3,300</u>
	<u>\$ 36,048</u>	<u>\$ 33,510</u>
Schedule 3 - Governance and Committee		
Accommodations	\$ 808	\$ 1,815
Board and Committee Management	14,597	5,223
Clothing	668	788
Travel	<u>1,362</u>	<u>2,931</u>
	<u>\$ 17,435</u>	<u>\$ 10,757</u>
Schedule 4 - Office and Administrative		
Amortization of tangible capital assets	\$ 78,605	\$ 66,119
Automobile	349	-
Bad debt expense	4,554	4,932
Loss (gain) on disposal of tangible capital assets	8,725	(1,833)
Insurance	34,601	33,196
Interest and bank charges	4,182	4,361
Office	47,917	46,937
Professional fees	27,453	14,530
Rent	16,446	17,715
Salaries	<u>486,857</u>	<u>485,390</u>
	<u>\$ 709,689</u>	<u>\$ 671,347</u>