

Ottawa Valley Curling Association

Financial Statements

For the year ended May 31, 2025
(Unaudited)

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Independent Practitioner's Review Engagement Report

To the members of Ottawa Valley Curling Association

We have reviewed the accompanying financial statements of Ottawa Valley Curling Association (the "Association") that comprise the statement of financial position as at May 31, 2025, and the statements of operations, the statement of changes in net assets and cash flows 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 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.

Practitioner's Responsibility

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the Association, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of Ottawa Valley Curling Association as at May 31, 2025, 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.

BDO Canada LLP

Chartered Professional Accountants, Licensed Public Accountants

Ottawa, Ontario
September 18, 2025

Ottawa Valley Curling Association
Statement of Financial Position
(Unaudited)

May 31	2025	2024
Assets		
Current		
Cash	\$ 100,153	\$ 181,595
Accounts and other receivables	11,895	6,288
Harmonized sales tax recoverable	3,074	3,082
Current portion of development fund (Note 2)	43,528	169,047
	158,650	360,012
Operating fund investments	137,801	131,808
Development fund (Note 2)	566,731	410,944
	\$ 863,182	\$ 902,764
Liabilities and Net Assets		
Current		
Accounts payable and accrued liabilities	\$ 7,200	\$ 26,906
Funds held in trust	819	819
	8,019	27,725
Deferred contributions (Note 3)	105,932	144,982
	113,951	172,707
Net Assets		
Unrestricted	749,231	730,057
	\$ 863,182	\$ 902,764

On behalf of the board:

_____ Director _____ Director

Ottawa Valley Curling Association
Statement of General Operations
(Unaudited)

For the year ended May 31	Budget 2025	2025	2024
Revenues			
World Men's Curling Championship legacy funds \$	33,100	\$ 39,050	\$ 67,919
Membership dues and branch fees	19,000	18,875	18,875
Sponsorships	3,500	325	3,500
	<u>55,600</u>	<u>58,250</u>	<u>90,294</u>
Expenses			
Advertising and promotion	10,000	4,643	714
Association dues	300	275	775
Bank charges	-	6	4
Curling club support grants	-	36,300	-
Executive meetings and travel	4,500	2,741	2,753
Hosting events grants	3,000	4,000	2,825
Insurance	2,300	-	2,439
Little Rock Championship	500	1,448	-
Office, telephone and miscellaneous	12,800	13,024	153
OVCA Symposium	-	-	1,500
Professional fees	16,000	15,596	15,405
Team grants	28,000	18,264	85,166
Youth programs	4,600	5,370	4,150
	<u>82,000</u>	<u>101,667</u>	<u>115,884</u>
Deficiency of revenues over expenses before other income (expenses)	<u>(26,400)</u>	<u>(43,417)</u>	<u>(25,590)</u>
Other income (expenses)			
Investment income	13,000	14,831	13,426
Interest income - development fund loans	7,000	15,247	6,600
Realized gain (loss) on investments	-	3,359	(5,733)
Unrealized gain on investments	-	29,154	33,194
	<u>20,000</u>	<u>62,591</u>	<u>47,487</u>
Excess (deficiency) of revenues over expenses \$	<u>(6,400)</u>	<u>\$ 19,174</u>	<u>\$ 21,897</u>

Ottawa Valley Curling Association
Statement of Changes in Net Assets
(Unaudited)

<u>For the year ended May 31</u>	<u>2025</u>	<u>2024</u>
Balance, beginning of the year	\$ 730,057	\$ 708,160
Excess of revenues over expenses	<u>19,174</u>	<u>21,897</u>
Balance, end of the year	<u>\$ 749,231</u>	<u>\$ 730,057</u>

Ottawa Valley Curling Association
Statement of Cash Flows
(Unaudited)

For the year ended May 31	2025	2024
Cash flows from operating activities		
Excess of revenues over expenses	\$ 19,174	\$ 21,897
Items not affecting cash:		
Realized (gain) loss on investments	(3,359)	5,733
Unrealized gain on investments	(29,154)	(33,194)
	(13,339)	(5,564)
Net changes in working capital items (Note 4)	(64,355)	165,114
	(77,694)	159,550
Cash flows from investing activities		
Purchase of operating fund investments	(47,638)	(36,508)
Proceeds from disposal of operating fund investments	44,025	46,188
Purchase of development fund investments	(105,510)	(125,897)
Proceeds from disposal of development fund investments	150,704	145,485
Proceeds from loans to curling clubs in development fund	(84,000)	(100,000)
Repayment of loans to curling clubs in development fund	38,671	46,242
	(3,748)	(24,490)
(Decrease) increase in cash during the year	(81,442)	135,060
Cash, beginning of the year	181,595	46,535
Cash, end of the year	\$ 100,153	\$ 181,595

Ottawa Valley Curling Association
Notes to Financial Statements
(Unaudited)

May 31, 2025

1. Accounting Policies

Status and Purpose of
Organization

The Ottawa Valley Curling Association (the "Association") was incorporated without share capital under the Ontario Corporations Act, and continued under the *Ontario Non-For-Profit Corporations Act, 2010*. The Association is a non-profit organization under the Income Tax Act and, as such, is exempt from income taxes.

The purpose of the Association is to foster curling in the greater Ottawa Valley, promote close understanding and friendly relations between club members, to provide guidance and assistance to new clubs and to schedule inter-club bonspiels in the area.

Basis of Accounting

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

Revenue Recognition

The Association follows the deferral method of accounting for contributions. Restricted contributions which includes the World Men's Curling Championship legacy funds 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.

Membership dues and branch fees are recognized over the term of the membership, if collectability is reasonably assured.

Sponsorship revenue is recognized as the related performance obligations are fulfilled.

Investment income is recognized as revenue when earned. This includes interest, dividends, and other returns on investments. Unrealized gains or losses on investments measured at fair value are recognized in the income during the period in which they arise.

Use of Estimates

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amount of revenue and expenses during the reporting period. Actual results could differ from management's best estimate as additional information becomes available in the future. Management's estimates and assumptions used in determining the valuation of accounts receivable as well as loans issued to curling clubs, which are reviewed annually and are based on management's best estimate.

Ottawa Valley Curling Association
Notes to Financial Statements
(Unaudited)

May 31, 2025

1. Accounting Policies (continued)

Financial Instruments Arm's length financial instruments are recorded at fair value at initial recognition.

In subsequent periods, investments traded in an active market are reported at fair value, with any change in fair value reported in income. All other financial instruments are reported at cost or amortized cost less impairment. Transaction costs on the acquisition, sale or issue of financial instruments are expensed for those items measured at fair value and charged to the financial instrument for those measured at amortized cost.

Financial assets are tested for impairment when indicators of impairment exist. When a significant change in the expected timing or amount of the future cash flows of the financial asset is identified, the carrying amount of the financial asset is reduced and the amount of the write-down is recognized in net income. A previously recognized impairment loss may be reversed to the extent of the improvement, provided it is not greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously, and the amount of the reversal is recognized in net income.

Donated Assets and
Volunteer Services Donated assets are not recorded in the financial statements unless their fair value can be reasonably determined and the items would have otherwise been purchased by the Association. Contributed services are not recognized due to the inherent difficulty in reliably measuring their fair market value.

Ottawa Valley Curling Association
Notes to Financial Statements
(Unaudited)

May 31, 2025

2. Development Fund

Loans to Curling Clubs

<u>Club</u>	<u>Year Matures</u>	<u>2025</u>	<u>2024</u>
Recreation Association Centre	2028	21,429	28,571
Club de curling de Thurso	2029	11,826	14,783
Carleton Heights Curling Club	2030	35,714	42,857
Russell Curling Club	2031	42,857	50,000
Buckingham Curling Club	2031	42,857	50,000
Club Curling de Lachute	2031	42,857	-
Metcalfe Curling Club	2032	34,000	-
		231,540	186,211
Investments			
		378,719	393,780
		610,259	579,991
Less: current portion of the loans		43,528	31,528
Less: short-term investments		-	137,519
		\$ 566,731	\$ 410,944

Loans to Curling Clubs

Installments on the outstanding loans, including interest, are payable annually on March 1. The applicable interest rate is based on the prime rate less 1% per annum, as established by Canadian chartered banks, and applies to all business loans. As at May 31, 2025, interest receivable of \$2,431 (2024 - nil) is included in accounts and other receivables.

Investments

Investments held within the development fund include a mix of fixed income securities, common shares, and mutual funds. Fixed income instruments bear interest rates ranging from 1.75% to 5.85% per annum, with maturity dates spanning from June 2027 to December 2051.

Ottawa Valley Curling Association
Notes to Financial Statements
(Unaudited)

May 31, 2025

3. Deferred Contributions

The Association was the designated recipient of funding from the Ontario Ministry of Heritage, Sport, Tourism and Culture Industries in connection with the 2023 World Men's Curling Championship. A portion of the event profits was received through Curling Canada, the event operator, and allocated to provincial curling associations and specific program initiatives as indicated in below:

	<u>2025</u>		<u>2024</u>
Learn to Curl programs	\$ 11,300	\$	11,300
Youth programs	46,122		49,122
Adult programs	20,659		20,859
Capital upgrades program for Ottawa curling clubs	14,880		15,630
Capital assistance	12,971		48,071
	<u>\$ 105,932</u>	\$	<u>144,982</u>

4. Net Changes in Working Capital Items

The net changes in working capital items represent year-over-year movements in the Association's assets and liabilities, as reflected in the statement of cash flows.

	<u>2025</u>		<u>2024</u>
Accounts and other receivables	\$ (5,607)	\$	(4,734)
Accounts payable and accrued liabilities	(19,706)		20,364
Harmonized sales tax recoverable	8		4,114
Prepaid expenses	-		388
Deferred contributions	(39,050)		144,982
	<u>\$ (64,355)</u>	\$	<u>165,114</u>

Ottawa Valley Curling Association
Notes to Financial Statements
(Unaudited)

May 31, 2025

5. Financial Instruments and Risk Management

Credit risk

Credit risk arises from the possibility that a counterparty to a financial instrument may fail to fulfill its obligations, resulting in a financial loss to the Association. The Association is exposed to credit risk primarily through its accounts receivable and loans issued to curling clubs under the development fund. To mitigate this risk, the Association conducts ongoing credit assessments of the clubs and maintains allowances for potential credit losses based on management's expectations.

Credit risk has increased compared to the prior year due to a higher balance of loans issued to curling clubs.

Interest rate risk

Interest rate risk is 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 this risk through its fixed- and variable-rate financial instruments. To manage this exposure, the Association diversifies the maturities of its fixed-income investments.

Management considers the interest rate risk to be minimal and notes that there have been no significant changes in this risk compared to the prior year.

Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices, excluding those arising from interest rate or currency risk. These changes may result from factors specific to an individual instrument or its issuer, or from broader market movements. The Association is exposed to other price risk through its investments in publicly traded shares and mutual funds. To mitigate this risk, the Association maintains a diversified investment portfolio that includes fixed income securities, mutual funds, and equities. This diversification reduces the reliance on any single asset class and helps manage the impact of market volatility.

There have been no significant changes in the Association's exposure to other price risk compared to the prior year.