

**Ottawa Valley Curling Association**  
**Financial Statements**  
For the year ended May 31, 2020  
(Unaudited)

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## Independent Practitioner's Review Engagement Report

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### To the members of Ottawa Valley Curling Association

We have reviewed the accompanying financial statements of Ottawa Valley Curling Association that comprise the statement of financial position as at May 31, 2020, 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 entity, 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, 2020, 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.

Chartered Professional Accountants, Licensed Public Accountants

Ottawa, Ontario  
December 19, 2020

**Ottawa Valley Curling Association  
Statement of Financial Position  
(Unaudited)**

**May 31** 2020 2019

**Assets**

**Current**

Cash	\$ 228,384	\$ 318,583
Cash - lottery account	11,130	22,229
Due from lottery fund to operating fund	3,280	-
Current portion of development fund (Note 2)	56,130	43,988
Prepaid expenses	2,108	3,567

	301,032	388,367
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Development fund (Note 2)	515,830	499,360
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	\$ 816,862	\$ 887,727
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**Liabilities and Net Assets**

**Current**

Accounts payable and accrued liabilities	\$ 4,800	\$ 4,801
Harmonized sales tax payable	474	1,367
Funds held in trust	819	819
Due to operating fund from lottery fund	3,280	-
Deferred revenues (Note 3)	-	20,700

	9,373	27,687
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**Subsequent event (Note 5)**

**Net Assets**

Unrestricted	799,639	837,812
Lottery	7,850	22,228

	807,489	860,040
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	\$ 816,862	\$ 887,727
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On behalf of the board:

\_\_\_\_\_ Director \_\_\_\_\_ Director

**Ottawa Valley Curling Association  
Statement of General Operations  
(Unaudited)**

<b>For the year ended May 31</b>	<b>Budget 2020</b>	<b>2020</b>	<b>2019</b>
<b>Revenues</b>			
Roar of the Rings	\$ -	\$ -	\$ 186,378
Membership dues and branch fees	20,300	22,945	19,750
OVCA men's bonspiel (net) (Schedule 1)	-	(4,038)	(10,226)
OVCA mixed bonspiel (net) (Schedule 2)	-	(2,772)	(2,681)
Miscellaneous	-	-	180
	<u>20,300</u>	<u>16,135</u>	<u>193,401</u>
<b>Expenses</b>			
Brier 2016 distribution	-	-	156,000
In-ice logos	-	-	22,563
Event coordinator fees	20,000	20,000	20,000
Development	3,000	1,970	4,635
Professional fees	4,700	4,410	4,598
Office, telephone and miscellaneous	2,000	2,569	1,760
Junior curling	8,000	4,780	8,000
Team grants	8,000	2,720	11,000
Promotion	3,500	-	3,615
Energy grants	-	-	7,149
President's dinner and AGM	2,500	2,863	2,406
Bank charges	2,000	179	2,389
Insurance	2,300	2,461	2,146
Little Rock Championship	-	403	266
World Men's 2021 bid	3,000	856	7,051
Association dues	300	275	275
Executive meetings and travel	300	-	200
Website	3,400	1,546	3,118
Hosting events grants	1,000	-	1,500
	<u>64,000</u>	<u>45,032</u>	<u>258,671</u>
<b>Deficiency of revenues over expenses before other income (expenses)</b>	<b>(43,700)</b>	<b>(28,897)</b>	<b>(65,270)</b>
<b>Other income (expenses)</b>			
Investment income	16,200	16,504	18,907
Unrealized loss on investments	-	(25,780)	(6,485)
<b>Deficiency of revenues over expenses</b>	<b>\$ (27,500)</b>	<b>\$ (38,173)</b>	<b>\$ (52,848)</b>

The accompanying notes are an integral part of these financial statements.

**Ottawa Valley Curling Association  
Statement of Lottery Operations  
(Unaudited)**

<b>For the year ended May 31</b>	<b>2020</b>	<b>2019</b>
<b>Revenues</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Expenses</b>		
Grants:		
OVCA clubs youth programs	-	24,524
Capital grants	-	6,000
Adult program grants	-	2,250
Adult team grants	1,000	4,400
Youth program grants	780	2,000
Youth team grants	12,500	11,375
Event grants	-	500
Bank charges	98	67
	<b>14,378</b>	<b>51,116</b>
<b>Deficiency of revenues over expenses</b>	<b>\$ (14,378)</b>	<b>(51,116)</b>

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

For the year ended May 31	Unrestricted	Lottery	2020	2019
Balance, beginning of the year	\$ 837,812	\$ 22,228	\$ 860,040	\$ 964,004
Deficiency of revenues over expenses	(38,173)	(14,378)	(52,551)	(103,964)
<b>Balance, end of the year</b>	<b>\$ 799,639</b>	<b>\$ 7,850</b>	<b>\$ 807,489</b>	<b>\$ 860,040</b>

The accompanying notes are an integral part of these financial statements.

**Ottawa Valley Curling Association**  
**Statement of Cash Flows**  
**(Unaudited)**

<b>For the year ended May 31</b>	<b>2020</b>	<b>2019</b>
<b>Cash flows from operating activities</b>		
Excess of revenues over expenses	\$ (52,551)	\$ (103,964)
Add back non-cash outlays:		
Unrealized loss on investments	25,780	6,485
	<u>(26,771)</u>	<u>(97,479)</u>
Net change in non-cash working capital balances (Note 4)	<u>(20,134)</u>	<u>36,636</u>
	<u>(46,905)</u>	<u>(60,843)</u>
<b>Cash flows from investing activities</b>		
Redemption of short-term investments	-	26,803
Purchase of long-term investments in development fund	(18,381)	(43,015)
Proceeds on sale of long-term investments in development fund	18,381	43,015
Increase in loans to curling clubs	(75,000)	(30,000)
Repayment of loans by curling clubs	20,388	71,188
Decrease (increase) in accrued interest receivable	219	179
	<u>(54,393)</u>	<u>68,170</u>
<b>(Decrease) increase in cash and cash equivalents during the year</b>	<b>(101,298)</b>	<b>7,326</b>
<b>Cash and cash equivalents, beginning of the year</b>	<b>340,812</b>	<b>333,486</b>
<b>Cash and cash equivalents, end of the year</b>	<b>\$ 239,514</b>	<b>\$ 340,812</b>
<b>Represented by:</b>		
Cash	\$ 228,384	\$ 318,583
Cash - lottery account	11,130	22,229
	<u>\$ 239,514</u>	<u>\$ 340,812</u>

The accompanying notes are an integral part of these financial statements.



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# Ottawa Valley Curling Association

## Notes to Financial Statements

### (Unaudited)

May 31, 2020

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#### 1. Accounting Policies

##### Status and Purpose of Organization

The Ottawa Valley Curling Association is a not-for-profit organization incorporated without share capital under the Corporations Act of Ontario.

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.

The Association is a non-profit organization under the Income Tax Act and, as such, is exempt from income taxes.

##### Basis of Accounting

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

##### Revenue Recognition

Revenues from events are recognized when the related event occurs. Membership revenues are recognized in the year of membership. Investment income is recognized when earned. Other revenues, including all lottery fund revenues which are exclusively proceeds from lottery ticket sales, are recognized when received.

##### Financial Instruments

###### Initial and subsequent measurement

The Association initially measures its financial assets and liabilities at fair value. The Association subsequently measures all its financial assets and liabilities at amortized cost, except for short-term investments and investments in the development fund, which it chooses to measure at fair value. Changes in fair value of these financial instruments are recognized in the statement of operations in the year incurred.

###### Impairment

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

###### Transaction costs

Transaction costs related to financial instruments that will be subsequently measured at fair value are recognized in the statement of general 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 general operations over the life of the instrument using the straight-line method.

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**Ottawa Valley Curling Association  
Notes to Financial Statements  
(Unaudited)**

**May 31, 2020**

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**1. Accounting Policies (cont'd)**

**Lottery Net Assets**

In conjunction with the 2016 Brier, the Association obtained from the Alcohol and Gaming Commission of Ontario a license to operate a 50 / 50 lottery during the event. Terms of the license restrict the future use of profits from this lottery to the benefit of curling programs aimed at youth, seniors and persons with disabilities. The Board of Directors has reviewed these requirements and approves any disbursements from the lottery fund to ensure they are compliant with these restrictions. Similarly, in conjunction with the 2017 Roar of the Rings, the Association received a portion of the proceeds from a 50 / 50 lottery operated by another party, with the understanding that those funds would be used solely for programs aimed at youth. The Board of Directors has reviewed these requirements and approves any disbursements from the lottery fund to ensure they are compliant with these restrictions.

**Donated Assets and  
Volunteer Services**

The value of assets donated to the Association are not reflected in these financial statements unless their value is reasonably determinable and such items would be otherwise purchased. Contributed services are not recognized in the financial statements due to the difficulty in determining their fair market value.

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**Ottawa Valley Curling Association  
Notes to Financial Statements  
(Unaudited)**

**May 31, 2020**

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**2. Development Fund**

**Loans to Curling Clubs, at amortized cost**

<u>Club</u>	<u>Year Matures</u>	<u>2020</u>	<u>2019</u>
City View	2022	\$ 6,000	\$ 6,000
Russell	2023	11,200	11,200
Deep River	2021	4,387	8,775
Buckingham	2021	6,000	12,000
Brownsburg	2022	8,000	12,000
Lachute	2024	18,000	18,000
Manotick	2025	20,000	20,000
Renfrew	2023	18,000	24,000
North Grenville	2025	25,000	-
Rideau	2027	50,000	-
		<hr/>	<hr/>
		166,587	111,975
<b>Long-term investments, at market value</b>		<b>405,373</b>	<b>431,373</b>
		<hr/>	<hr/>
		571,960	543,348
Less: current portion		56,130	43,988
		<hr/>	<hr/>
		<b>\$ 515,830</b>	<b>\$ 499,360</b>
		<hr/>	<hr/>

Installments on the loans, plus interest, are due March 1 of each year. The interest rate is set at prime rate minus 1% for business loans as set by the Canadian chartered banks, rounded to the nearest quarter percentage point. Due to COVID-19, the Association has allowed for debt forgiveness of the principal portion of member club loans receivable until 2022.

Long-term investments held as part of the development fund consist of fixed income securities, common shares and mutual funds. The interest rates of fixed income investments range from 2.30% to 2.96% with maturity dates from June 2020 to March 2024.

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**Ottawa Valley Curling Association**  
**Notes to Financial Statements**  
**(Unaudited)**

**May 31, 2020**

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**3. Deferred Revenue**

Deferred revenue consists of amounts received in the current year for events that will take place in future years. The balance of deferred revenue for each event is as follows:

	<u>2020</u>	<u>2019</u>
World Men's 2021 Curling Championship	\$ -	\$ 20,700

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**4. Net Change in Non-Cash Working Capital Balances**

The net change in non-cash working capital balances consists of the following changes in current assets and liabilities:

	<u>2020</u>	<u>2019</u>
Accounts receivable	\$ -	\$ 25,000
Harmonized sales tax recoverable/payable	(893)	(1,620)
Prepaid expenses	1,459	761
Accounts payable and accrued liabilities	-	(8,205)
Deferred revenues	(20,700)	20,700
	<u>\$ (20,134)</u>	<u>\$ 36,636</u>

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**5. Subsequent Events**

The global pandemic, COVID-19, has disrupted economic activities and supply chains. Although, the disruption from the virus is expected to be temporary, given the dynamic nature of these circumstances, the duration of business disruption and the related financial impact cannot be reasonably estimated at this time. The Association's ability to continue to service debt and meet obligations as they come due is dependent on the continued ability to generate earnings and cash flows.

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the Association's financial condition, liquidity, and future results of operations. Management is actively monitoring the global situation on its financial condition, liquidity, operations, suppliers and industry. COVID-19 has resulted in the cancellation of bonspiels for fiscal year 2020 and 2021 and the World Men's Championships for 2021 which the Association was scheduled to host. Furthermore, due to COVID-19 the Association has offered assistance to its member clubs by offering principal loan forgiveness on loans receivable for fiscal years 2020 and 2021. In addition, if the impacts of COVID-19 continue there could be further impact on the Association and its member clubs, suppliers and other third party business associates that could impact the timing and amounts realized on the Association's assets and future operations.

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**Ottawa Valley Curling Association  
Notes to Financial Statements  
(Unaudited)**

**May 31, 2020**

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**6. Financial Instruments and Risk Management**

**Credit Risk**

The Association provides credit to its member clubs in the normal course of business. The Association performs ongoing credit evaluations of its customers and maintains allowances for potential credit losses which, to date, have been within the range of management's expectations.

**Interest rate risk**

The Association manages the interest rate exposure of its investments by using a laddered portfolio with varying terms to maturity. The laddered structure of maturities helps to enhance the average portfolio yield while reducing the sensitivity of the portfolio to the impact of interest rate fluctuations. Investments subject to interest rate risk are comprised of bonds maturing between June 2020 to March 2024, bearing interest rates between 2.30% to 2.96%. The Association is subject to interest rate risk related to loans receivable. The interest rate charged on loans receivable is prime minus 1%, therefore it is subject to market fluctuations. Management does not consider the risk associated with interest rates to be significant.

**Other price risk**

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Association is exposed to other price risk through its investments in quoted shares and mutual funds.

There have not been any changes in the risks from the prior year.

**Ottawa Valley Curling Association  
OVCA Men's Bonspiel - Schedule 1  
(Unaudited)**

<b>For the year ended May 31</b>	<b>2020</b>	<b>2019</b>
<b>Revenues</b>		
Entry fees	\$ 219	\$ 41,229
Raffle and refreshment	-	995
	<u>219</u>	<u>42,224</u>
<b>Expenses</b>		
Prizes and trophies	1,966	20,050
Banquet and entertainment	-	11,664
Ice rental	(640)	15,720
Crests and pins	-	1,840
Administration	1,353	2,190
Bank charges	1,578	986
	<u>4,257</u>	<u>52,450</u>
<b>Excess of revenues over expenses</b>	<b>\$ (4,038)</b>	<b>\$ (10,226)</b>

**Ottawa Valley Curling Association  
OVCA Mixed Bonspiel - Schedule 2  
(Unaudited)**

<b>For the year ended May 31</b>	<b>2020</b>	<b>2019</b>
<b>Revenues</b>		
Entry fees	\$ 10,797	\$ 12,425
Other	-	351
	<u>10,797</u>	<u>12,776</u>
<b>Expenses</b>		
Entertainment	4,269	4,910
Prizes, pins and crests	2,025	4,775
Ice rental	3,960	5,080
Administration	1,888	125
Bank charges	1,177	317
Promotion and photography	250	250
	<u>13,569</u>	<u>15,457</u>
<b>Excess of revenues over expenses</b>	<b>\$ (2,772)</b>	<b>\$ (2,681)</b>