

**Ottawa Valley Curling Association**  
**Financial Statements**  
For the year ended May 31, 2022  
(Unaudited)

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**Contents**

<b>Independent Practitioner's Review Engagement Report</b>	<b>2 - 3</b>
<b>Financial Statements</b>	
Statement of Financial Position	4
Statement of General Operations	5
Statement of Lottery Operations	6
Statement of Changes in Net Assets	7
Statement of Cash Flows	8
Notes to Financial Statements	9 - 13



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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, 2022, 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, 2022, 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  
September 13, 2022



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

<b>For the year ended May 31</b>	<b>Budget 2022</b>	<b>2022</b>	<b>2021</b>
<b>Revenues</b>			
Membership dues and branch fees	\$ 11,475	\$ 9,063	\$ -
Corporate sponsors	600	-	-
World men's curling championship 2023 (Note 4)	-	90,000	-
	<u>12,075</u>	<u>99,063</u>	<u>-</u>
<b>Expenses</b>			
Association dues	275	275	275
Bank charges	250	4	918
Curling development	2,500	-	-
Event coordinator fees	-	-	13,333
Hosting events grants	4,000	2,000	-
Insurance	2,753	2,753	2,255
Junior curling	-	1,700	-
Little Rock Championship	600	-	(155)
Office, telephone and miscellaneous	700	6,851	1,348
Professional fees	4,000	10,920	4,264
Promotion	-	410	131
Team grants	18,000	24,850	-
Travel	300	693	207
Website	1,000	680	673
World men's curling championship 2023 (Note 4)	4,000	90,000	-
Youth programs	4,300	-	-
	<u>42,678</u>	<u>141,136</u>	<u>23,249</u>
<b>Deficiency of revenues over expenses before other income (expenses)</b>	<b>(30,603)</b>	<b>(42,073)</b>	<b>(23,249)</b>
<b>Other income (expenses)</b>			
Investment income	11,200	14,304	12,268
Loss on sale of investments	-	(2,877)	-
Unrealized gain (loss) on investments	10,000	(36,119)	34,590
	<u>21,200</u>	<u>(24,692)</u>	<u>46,858</u>
<b>Excess (deficiency) of revenues over expenses</b>	<b>\$ (9,403)</b>	<b>\$ (66,765)</b>	<b>\$ 23,609</b>

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

<b>For the year ended May 31</b>	<b>2022</b>	<b>2021</b>
<b>Revenues</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Expenses</b>		
Grants:		
Adult team grants	1,350	-
Youth program grants	-	-
Youth team grants	7,500	(1,000)
Event grants	-	-
Bank charges	-	-
	<b>8,850</b>	<b>(1,000)</b>
<b>Excess (deficiency) of revenues over expenses</b>	<b>\$ (8,850)</b>	<b>\$ 1,000</b>

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

For the year ended May 31	Unrestricted	Lottery	2022	2021
Balance, beginning of the year	\$ 823,248	\$ 8,850	\$ 832,098	\$ 807,489
Excess (deficiency) of revenues over expenses	(66,765)	(8,850)	(75,615)	24,609
<b>Balance, end of the year</b>	<b>\$ 756,483</b>	<b>\$ -</b>	<b>\$ 756,483</b>	<b>\$ 832,098</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>2022</b>	<b>2021</b>
<b>Cash flows from operating activities</b>		
Excess (deficiency) of revenues over expenses	\$ (75,615)	\$ 24,609
Add back non-cash outlays:		
Loss on sale investments	2,877	-
Cash transfers	-	(11,130)
Unrealized loss (gain) on investments	36,119	(34,590)
	<u>(36,619)</u>	<u>(21,111)</u>
Net change in non-cash working capital balances (Note 3)	(6,496)	2,589
	<u>(43,115)</u>	<u>(18,522)</u>
<b>Cash flows from investing activities</b>		
Purchase of short-term investments	(254,787)	-
Proceeds on sale of short-term investments	91,484	-
Purchase of long-term investments in development fund	(119,780)	-
Proceeds on sale of long-term investments in development fund	116,859	50,000
Increase in loans to curling clubs	(20,696)	(50,000)
Repayment of loans by curling clubs	48,743	29,388
Increase in accrued interest receivable	-	(72)
	<u>(138,177)</u>	<u>29,316</u>
<b>(Decrease) increase in cash and cash equivalents during the year</b>	<b>(181,292)</b>	<b>10,794</b>
Cash and cash equivalents, beginning of the year	<u>250,308</u>	<u>239,514</u>
<b>Cash and cash equivalents, end of the year</b>	<b>\$ 69,016</b>	<b>\$ 250,308</b>
<b>Represented by:</b>		
Cash	\$ 69,016	\$ 250,308
Cash - lottery account	-	-
	<u>\$ 69,016</u>	<u>\$ 250,308</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, 2022

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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, 2022**

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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, 2022**

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**2. Development Fund**

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

<u>Club</u>	<u>Year Matures</u>	<u>2022</u>	<u>2021</u>
RA Centre	2028	\$ 42,857	\$ 50,000
City View	2022	-	6,000
Russell	2023	5,600	11,200
Brownsburg	2022	4,000	8,000
Lachute	2024	6,000	12,000
Manotick	2025	18,000	20,000
Renfrew	2023	6,000	12,000
North Grenville	2025	20,000	25,000
Rideau	2027	36,000	43,000
Thurso	2029	20,696	-
		<hr/>	
		159,153	187,200
<b>Long-term investments, at market value</b>		<b>382,207</b>	<b>396,658</b>
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		541,360	583,858
Less: current portion		64,699	48,743
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		<b>\$ 476,661</b>	<b>\$ 535,115</b>
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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.

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 1.75% to 5.85% with maturity dates from September 2022 to December 2051.

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

**May 31, 2022**

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**3. 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>2022</u>	<u>2021</u>
Accounts receivable	\$ (9,394)	\$ 3,280
Accounts payable	5,533	-
Harmonized sales tax recoverable/payable	(1,442)	(691)
Prepaid expenses	(1,193)	-
	<u>\$ (6,496)</u>	<u>\$ 2,589</u>

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**4. World Men's Curling Championship 2023**

The Association has entered into an agreement with Ontario's Ministry of Heritage, Sport, Tourism and Culture Industries whereby the Association is the Recipient to funds administered by the Province of Ontario specific to the hosting of 2023 World Men's Curling Championship. Upon receipt, the Association then transfers the funds to Curling Canada, who is acting as the operator of the Championship. During the fiscal year, \$90,000 was received and transferred to Curling Canada. The Association is to receive and transfer an additional \$242,500 in accordance with the milestones of the project. The funds are to be received following the submission and approval of the required reports. The payment and subsequent transfer schedule of the funds is as follows.

Upon execution of the agreement	\$ 90,000
Upon submission and approval by the Province of the Interim Report 1 due August 9, 2022	64,000
Upon submission and approval by the Province of the Interim Report 2 due November 9, 2022	64,000
Upon submission and approval by the Province of the Interim Report 3 due March 1, 2023	64,500
Upon submission and approval by the Province of the Final Project Report due October 10, 2023	50,000
	<u>\$ 332,500</u>

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# Ottawa Valley Curling Association

## Notes to Financial Statements

### (Unaudited)

May 31, 2022

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#### 5. Financial Instruments and Risk Management

##### Liquidity risk

Liquidity risk is the risk that the Association will encounter difficulty in meeting its obligations associated with financial liabilities. Liquidity risk includes the risk that, as a result of operational liquidity requirements, the Association will not have sufficient funds to settle a transaction on the due date; will be forced to sell financial assets at a value, which is less than what they are worth; or may be unable to settle or recover a financial asset. The Association is exposed to this risk mainly in respect of its accounts payable.

The Association's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient cash flows to fund its operations and to meet its liabilities when due, under both normal and stressed conditions. The Association maintains a portion of its invested assets in liquid securities.

The Association's ability to obtain funding from external sources may be restricted if the Association's financial performance and condition deteriorate. In addition, credit and capital markets are subject to inherent global risks that may negatively affect the Association's access and ability to fund its short-term and long-term debt requirements. The Association mitigates this risk by actively monitoring market conditions and diversifying its sources of funding and debt maturity.

##### 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 comprises three types of risk: currency risk, interest rate risk and other price risk. The Association is exposed to all of these three risks as described below.

##### 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 September 2021 to December 2051, bearing interest rates between 1.75% to 5.85%. 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.

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

**May 31, 2022**

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**6. Financial Instruments and Risk Management (continued)**

**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.

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