

Ottawa Valley Curling Association
Financial Statements
For the year ended May 31, 2023
(Unaudited)

Contents

Independent Practitioner's Review Engagement Report	2 - 3
Financial Statements	
Statement of Financial Position	4
Statement of General Operations	5
Statement of Changes in Net Assets	6
Statement of Cash Flows	7
Notes to Financial Statements	8 - 12



Tel: 613 739 8221
Fax: 613 739 1517
www.bdo.ca

BDO Canada LLP/s.r.l./S.E.N.C.R.L.
373 Coventry Road,
Ottawa, Ontario K1K 2C5
Canada

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 that comprise the statement of financial position as at May 31, 2023, 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, 2023, 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 18, 2023

Ottawa Valley Curling Association
Statement of Financial Position
(Unaudited)

<u>May 31</u>	<u>2023</u>	<u>2022</u>
Assets		
Current		
Cash	\$ 46,535	\$ 69,016
Accounts receivable	1,554	9,820
Harmonized sales tax recoverable	7,196	1,659
Current portion of development fund (Note 2)	24,242	64,699
Prepaid expenses	388	3,301
Short-term investments	140,948	141,679
	<u>220,863</u>	<u>290,174</u>
Development fund (Note 2)	494,655	476,661
	<u>\$ 715,518</u>	<u>\$ 766,835</u>

Liabilities and Net Assets

Current		
Accounts payable and accrued liabilities	\$ 6,539	\$ 9,533
Funds held in trust	819	819
	<u>7,358</u>	<u>10,352</u>
World Men's Curling Championship 2023 (Note 4)		
Net Assets		
Unrestricted	708,160	756,483
	<u>\$ 715,518</u>	<u>\$ 766,835</u>

On behalf of the board:

_____ Director _____ Director

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

For the year ended May 31	Budget 2023	2023	2022
Revenues			
Membership dues and branch fees	\$ 19,000	\$ 19,304	\$ 9,063
Corporate sponsors	7,600	2,500	-
World men's curling championship 2023 (Note 4)	192,500	192,500	90,000
	<u>219,100</u>	<u>214,304</u>	<u>99,063</u>
Expenses			
Association dues	275	275	275
Bank charges	-	-	4
By law update fees	5,000	-	-
Curling development	1,620	-	-
Event coordinator fees	-	3,934	-
Hosting events grants	4,500	1,325	2,000
Insurance	1,894	4,052	2,753
Office, telephone and miscellaneous	14,000	4,813	7,531
OVCA Symposium	60,000	39,108	-
Professional fees	10,550	11,862	10,920
Promotion	180	5,547	410
Team grants	11,000	18,225	33,700
Travel	2,000	583	693
World men's curling championship 2023 (Note 4)	195,500	196,274	90,000
Youth programs	6,600	4,303	1,700
	<u>313,119</u>	<u>290,301</u>	<u>149,986</u>
Deficiency of revenues over expenses before other income (expenses)	(94,019)	(75,997)	(50,923)
Other income (expenses)			
Investment income	15,200	24,495	14,304
Loss on sale of investments	-	(10,328)	(2,877)
Increase (decrease) in fair market value of short-term investments	15,000	13,507	(36,119)
	<u>30,200</u>	<u>27,674</u>	<u>(24,692)</u>
Deficiency of revenues over expenses	\$ (63,819)	\$ (48,323)	\$ (75,615)

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

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

<u>For the year ended May 31</u>	<u>2023</u>	<u>2022</u>
Balance, beginning of the year	\$ 756,483	\$ 832,098
Deficiency of revenues over expenses	<u>(48,323)</u>	<u>(75,615)</u>
Balance, end of the year	\$ 708,160	\$ 756,483

Ottawa Valley Curling Association
Statement of Cash Flows
(Unaudited)

For the year ended May 31	2023	2022
Cash flows from operating activities		
Deficiency of revenues over expenses	\$ (48,323)	\$ (75,615)
Add back non-cash outlays:		
Loss on sale investments	10,328	2,877
Unrealized loss (gain) on investments	(13,507)	36,119
	<u>(51,502)</u>	<u>(36,619)</u>
Net change in non-cash working capital balances (Note 3)	2,648	(6,496)
	<u>(48,854)</u>	<u>(43,115)</u>
Cash flows from investing activities		
Purchase of short-term investments	(56,512)	(254,787)
Proceeds on sale of short-term investments	54,048	91,484
Purchase of long-term investments in development fund	(127,440)	(119,780)
Proceeds on sale of long-term investments in development fund	129,578	116,859
Increase in loans to curling clubs	(50,000)	(20,696)
Repayment of loans by curling clubs	76,699	48,743
	<u>26,373</u>	<u>(138,177)</u>
Decrease in cash and cash equivalents during the year	(22,481)	(181,292)
Cash and cash equivalents, beginning of the year	69,016	250,308
Cash and cash equivalents, end of the year	\$ 46,535	\$ 69,016
Represented by:		
Cash	\$ 46,535	\$ 69,016

Ottawa Valley Curling Association

Notes to Financial Statements

(Unaudited)

May 31, 2023

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.

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.

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

May 31, 2023

1. Accounting Policies (cont'd)

**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.

2. Development Fund

Loans to Curling Clubs, at amortized cost

<u>Club</u>	<u>Year Matures</u>	<u>2023</u>	<u>2022</u>
RA Centre	2028	\$ 35,714	\$ 42,857
Carleton Heights	2030	50,000	-
Russell	2023	-	5,600
Brownsburg	2022	-	4,000
Lachute	2024	-	6,000
Manotick	2025	-	18,000
Renfrew	2023	-	6,000
North Grenville	2025	-	20,000
Rideau	2027	29,000	36,000
Thurso	2029	17,739	20,696
		<u>132,453</u>	<u>159,153</u>
Long-term investments, at market value		386,444	382,207
		<u>518,897</u>	<u>541,360</u>
Less: current portion		24,242	64,699
		<u>\$ 494,655</u>	<u>\$ 476,661</u>

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 December 2023 to December 2051.

The association has one signed agreement with a curling club for a loan. The agreement was signed subsequent to year end.

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

May 31, 2023

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>2023</u>	<u>2022</u>
Accounts receivable	\$ 8,266	\$ (9,394)
Accounts payable	(2,993)	5,533
Harmonized sales tax recoverable	(5,538)	(1,442)
Prepaid expenses	2,913	(1,193)
	<u>\$ 2,648</u>	<u>\$ (6,496)</u>

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, \$192,500 was received and transferred to Curling Canada. The Association is to receive and transfer an additional \$50,000 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 submission and approval by the Province of the Final Project Report due October 10, 2023	<u>50,000</u>
--	---------------

From hosting the event, the association is expected to receive a share of the profits earned. As of the report date, the exact amount is not known but is estimated by the board to be around \$100,000.

Ottawa Valley Curling Association

Notes to Financial Statements

(Unaudited)

May 31, 2023

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.

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

May 31, 2023

5. 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.
