

**Ottawa Valley Curling Association**  
**Financial Statements**  
For the year ended May 31, 2011  
(Unaudited)

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## Review Engagement Report

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To the Board of Directors of  
Ottawa Valley Curling Association

We have reviewed the balance sheet of Ottawa Valley Curling Association as at May 31, 2011 and the statements of operations, changes in net assets, and cash flows for the year then ended. Our review was made in accordance with Canadian generally accepted standards for review engagements and accordingly consisted primarily of inquiry, analytical procedures and discussion related to information supplied to us by the Association.

A review does not constitute an audit and, consequently, we do not express an audit opinion on these financial statements.

Based on our review, nothing has come to our attention that causes us to believe that these financial statements are not, in all material respects, in accordance with Canadian generally accepted accounting principles.

The comparative figures were audited by Newton & Co. whose practice now operates under BDO Canada LLP.

*BDO Canada LLP*

Chartered Accountants, Licensed Public Accountants

Ottawa, Ontario  
September 3, 2011

**Ottawa Valley Curling Association  
Balance Sheet  
(Unaudited)**

**May 31** **2011** **2010**

**Assets**

**Current**

|  |           |           |
|--|-----------|-----------|
| Cash   | \$ 39,219 | \$ 11,651 |
| Short-term investments (Note 1)              | 76,332    | 75,164    |
| Amounts receivable                           | -         | 906       |
| Harmonized sales tax recoverable             | 2,425     | 866       |
| Current portion of development fund (Note 3) | 28,400    | 26,400    |
| Prepaid expenses                             | 2,117     | -         |

148,493 114,987

|                           |         |         |
|---------------------------|---------|---------|
| Development fund (Note 3) | 525,324 | 522,067 |
| Capital assets (Note 4)   | 2,404   | 3,023   |

\$ 676,221 \$ 640,077

**Liabilities and Net Assets**

**Current**

|  |          |          |
|--|----------|----------|
| Accounts payable and accrued liabilities | \$ 3,274 | \$ 4,151 |
| Funds held in trust (Note 1)             | 1,295    | 1,295    |
| Deferred contributions                   | 1,625    | 1,625    |

6,194 7,071

|   |       |       |
|---|-------|-------|
| Deferred contributions related to capital assets (Note 5) | 1,434 | 2,151 |
|---|-------|-------|

7,628 9,222

**Net Assets**

|                            |         |         |
|----------------------------|---------|---------|
| Invested in capital assets | 970     | 872     |
| Unrestricted               | 667,623 | 629,983 |

668,593 630,855

\$ 676,221 \$ 640,077

On behalf of the board:

\_\_\_\_\_ Director

\_\_\_\_\_ Director

The accompanying summary of significant accounting policies and notes are integral parts of these financial statements.

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

| <b>For the year ended May 31</b>            | <b>Budget<br/>2011</b> | <b>Actual<br/>2011</b> | <b>Actual<br/>2010</b> |
|---|------------------------|------------------------|------------------------|
| <b>Revenue</b>                              |                        |                        |                        |
| Membership dues and branch fees             | \$ 19,250              | \$ 19,250              | \$ 20,610              |
| High performance, rentals and miscellaneous | 50                     | 3,681                  | 775                    |
| OVCA men's bonspiel (net) (Schedule 1)      | 5,000                  | 3,333                  | 5,049                  |
| OVCA mixed bonspiel (net) (Schedule 3)      | 2,000                  | 2,271                  | 3,747                  |
| Women's event (net) (Schedule 4)            | 1,000                  | 2,070                  | 2,163                  |
| Golf tournament (net) (Schedule 2)          | 1,500                  | -                      | 1,555                  |
|   | <u>28,800</u>          | <u>30,605</u>          | <u>33,899</u>          |
| <b>Expenses</b>                             |                        |                        |                        |
| Event coordinator fees                      | 10,500                 | 10,450                 | 15,000                 |
| Team grants                                 | 1,500                  | 4,000                  | 2,500                  |
| Junior curling                              | 6,200                  | 3,635                  | 4,391                  |
| Professional fees                           | 2,400                  | 2,400                  | 4,400                  |
| Development                                 | 4,300                  | 2,216                  | 2,838                  |
| Insurance                                   | 1,900                  | 1,893                  | 1,757                  |
| Rocks and Rings                             | 1,500                  | 1,500                  | -                      |
| Postage, printing and stationery            | 1,100                  | 1,403                  | 604                    |
| Office and miscellaneous                    | 600                    | 1,377                  | 1,552                  |
| President's dinner and AGM                  | 1,900                  | 1,323                  | 1,817                  |
| Travel                                      | 1,600                  | 1,037                  | 1,415                  |
| Little rock championship                    | 500                    | 782                    | 282                    |
| Telephone                                   | 2,500                  | 765                    | 1,971                  |
| Amortization                                | -                      | 619                    | 780                    |
| Association dues                            | -                      | 275                    | 275                    |
| Promotion                                   | 550                    | 110                    | 50                     |
| Executive meetings                          | 400                    | 50                     | 472                    |
| Bank charges                                | 50                     | 44                     | 42                     |
| Ice decals                                  | 500                    | -                      | 1,494                  |
|   | <u>38,000</u>          | <u>33,879</u>          | <u>41,640</u>          |
| Loss from operations                        | (9,200)                | (3,274)                | (7,741)                |
| Other income (expenses)                     |                        |                        |                        |
| Investment income                           | 13,200                 | 16,611                 | 12,671                 |
| Gain (loss) on sale of investments          | -                      | 415                    | (4,168)                |
| Unrealized gain on investments              | -                      | 23,986                 | 12,102                 |
| <b>Excess of revenue over expenses</b>      | <u>\$ 4,000</u>        | <u>\$ 37,738</u>       | <u>\$ 12,864</u>       |

The accompanying summary of significant accounting policies and notes are integral parts of these financial statements.

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

| For the year ended May 31  | Invested in<br>capital assets | Unrestricted | Total<br>2011 | Total<br>2010 |
|--|-------------------------------|--------------|---------------|---------------|
| Balance, June 1  | \$ 872                        | \$ 629,983   | \$ 630,855    | \$ 617,991    |
| Excess of revenue<br>over expenses   | -                             | 37,738       | 37,738        | 12,864        |
| Deferred contributions related to<br>capital assets recognized as<br>revenue | 717                           | (717)        | -             | -             |
| Amortization of capital assets   | (619)                         | 619          | -             | -             |
| Balance, May 31  | \$ 970                        | \$ 667,623   | \$ 668,593    | \$ 630,855    |



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

| For the year ended May 31   | 2011              | 2010             |
|---|-------------------|------------------|
| <b>Cash flows from operating activities</b>                             |                   |                  |
| Excess of revenue over expenses   | \$ 37,738         | \$ 12,864        |
| Add back non-cash outlays:  |                   |                  |
| Amortization  | 619               | 780              |
| (Gain) loss on sale of investments                                      | (415)             | 4,168            |
| Deferred contributions related to capital assets                        | (717)             | (717)            |
| Unrealized gain on investments  | (23,986)          | (12,102)         |
|   | <u>13,239</u>     | <u>4,993</u>     |
| Net change in non-cash working capital balances (Note 6)                | (3,647)           | (323)            |
|   | <u>9,592</u>      | <u>4,670</u>     |
| <b>Cash flows from investing activities</b>                             |                   |                  |
| Purchase of long-term investments in development fund                   | (80,205)          | (165,131)        |
| Proceeds on sale of long-term investments in development fund           | 87,204            | 96,126           |
| Increase in loans to curling clubs                                      | (37,000)          | (107,000)        |
| Repayment of loans by curling clubs                                     | 52,400            | 16,000           |
| (Increase) decrease in accrued interest receivable                      | (3,255)           | 1,200            |
|   | <u>19,144</u>     | <u>(158,805)</u> |
| <b>Increase (decrease) in cash and cash equivalents during the year</b> | <b>28,736</b>     | <b>(154,135)</b> |
| <b>Cash and cash equivalents, beginning of the year</b>                 | <b>86,815</b>     | <b>240,950</b>   |
| <b>Cash and cash equivalents, end of the year</b>                       | <b>\$ 115,551</b> | <b>\$ 86,815</b> |
| <b>Represented by:</b>  |                   |                  |
| Cash  | \$ 39,219         | \$ 11,651        |
| Short-term investments (Note 1)   | 76,332            | 75,164           |
|   | <u>\$ 115,551</u> | <u>\$ 86,815</u> |

The accompanying summary of significant accounting policies and notes are integral parts of these financial statements.

# Ottawa Valley Curling Association

## Summary of Significant Accounting Policies

### (Unaudited)

May 31, 2011

|                           |   |  |
|---------------------------|---|--|
| Description of Business   | The Association was incorporated without share capital on July 29, 1968 under the Corporations Act of Ontario. The Association is exempt from income taxes under the Income Tax Act. 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. |  |
| Revenue Recognition       | Revenues from events are recognized when the related event occurs. Membership revenues are recognized in the year of membership. Other revenues are recognized when received.   |  |
| Capital Assets            | Capital assets are recorded at cost. Amortization is recorded using the declining balance basis and the following rates, except in the year of acquisition when one-half the rate is used.  |  |
|                           | Office equipment  | 20%  |
|                           | Computer equipment  | 30%  |
|                           | Junior development equipment  | 20%  |
| Financial Instruments     | Financial assets and financial liabilities are initially recognized at fair value and their subsequent measurement is dependent on their classification as described below. Their classification depends on the purpose for which the financial instruments were acquired or issued, their characteristics and the Association's designation of such instruments. Settlement date accounting is used.   |  |
|                           | The Association has classified its financial instruments as follows:  |  |
|                           | Asset/Liability   | Category Measurement                       |
|                           | Cash  | Held for trading Fair value                |
|                           | Investments   | Held for trading Fair value                |
|                           | Accounts receivable   | Loans and receivables Amortized cost       |
|                           | Loans receivable  | Loans and receivables Amortized cost       |
|                           | Accounts payable and accrued liabilities  | Other financial liabilities Amortized cost |
|                           | The fair value of these financial instruments approximates their carrying value unless otherwise disclosed.   |  |
| Cash and cash equivalents | Cash and cash equivalents are comprised of cash balances and short-term investments that are redeemable on demand.  |  |
| Investments               | Investments are accounted for as held for trading and therefore are carried at market value, which includes any interest accrued to May 31, 2011. Interest earned on these investments is included in investment income in the Statement of Operations.   |  |

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**Ottawa Valley Curling Association  
Summary of Significant Accounting Policies  
(Unaudited)**

**May 31, 2011**

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**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.

**New Accounting  
Pronouncements**

In December 2010, the Accounting Standards Board (AcSB) issued new accounting and financial reporting requirements for not-for-profit organizations, which will require non-government (private sector) not-for-profit organizations to adopt either International Financial Reporting Standards (IFRS) or Accounting Standards for Private Enterprises (ASPE) plus the current 4400 Series of Standards related to not-for-profit organizations, for year ends beginning on or after January 1, 2012. Early adoption is allowed. Unless they early adopt, not-for-profit organizations will continue to follow the current CICA Handbook - Accounting Part V - Pre-Changeover Standards until January 1, 2012. The impact of the transition on the Association's financial statements has yet to be determined.



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

May 31, 2011

**1. Short-term investments**

**2011**

| <u>Description</u>           | <u>Maturity Date</u> | <u>Market</u>    | <u>Cost</u>      |
|------------------------------|----------------------|------------------|------------------|
| CIBC GIC (in trust) at 0.20% | August 26, 2011      | \$ 1,295         | \$ 1,295         |
| CIBC GIC at 1.00%            | October 12, 2011     | 29,123           | 29,000           |
| CIBC GIC at 0.40%            | January 6, 2012      | 20,283           | 20,250           |
| CIBC GIC at 0.75%            | May 23, 2012         | 25,631           | 25,627           |
|                              |                      | <u>\$ 76,332</u> | <u>\$ 76,172</u> |

**2010**

| <u>Description</u>           | <u>Maturity Date</u> | <u>Market</u>    | <u>Cost</u>      |
|------------------------------|----------------------|------------------|------------------|
| CIBC GIC at 0.15%            | July 16, 2010        | \$ 28,047        | \$ 28,011        |
| CIBC GIC (in trust) at 2.10% | August 26, 2010      | 1,295            | 1,295            |
| CIBC GIC at 0.15%            | January 6, 2011      | 20,232           | 20,220           |
| CIBC GIC at 0.15%            | May 24, 2011         | 25,590           | 25,589           |
|                              |                      | <u>\$ 75,164</u> | <u>\$ 75,115</u> |

Included in investments is a GIC restricted for the former Eastern Ontario Ladies Curling Association to be used in support of women's curling activities within the Ottawa Valley. The total amount of restricted funds in 2011 is \$1,295 (2010 - \$1,295).

**2. 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.

Ottawa Valley Curling Association  
Notes to Financial Statements  
(Unaudited)

May 31, 2011

3. Development Fund

Loans to Curling Clubs

| <u>Club</u>  | <u>Year Matures</u> | <u>2011</u>       | <u>2010</u>       |
|--|---------------------|-------------------|-------------------|
| Gananoque  | 2012                | \$ 4,000          | \$ 8,000          |
| Lachute  | 2012                | 4,000             | 8,000             |
| Champlain  | 2014                | 6,000             | -                 |
| Arnprior   | 2015                | 13,600            | 17,000            |
| Rideau   | 2016                | 25,000            | 30,000            |
| Russell  | 2016                | 25,000            | 30,000            |
| RCMP Ottawa  | 2017                | 30,000            | -                 |
| North Grenville  | 2011                | -                 | 30,000            |
|  |                     | <u>107,600</u>    | <u>123,000</u>    |
| Long-term investments, at market value<br>(cost - \$405,683; 2010 - \$411,967) |                     | <u>446,124</u>    | <u>425,467</u>    |
|  |                     | <u>553,724</u>    | <u>548,467</u>    |
| Less current portion   |                     | <u>28,400</u>     | <u>26,400</u>     |
|  |                     | <u>\$ 525,324</u> | <u>\$ 522,067</u> |

Instalments 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.

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 2.41% to 4.75% with maturity dates from June 2013 to May 2015.

4. Capital Assets

|                              | 2011             |                                 | 2010                       |                            |
|------------------------------|------------------|---------------------------------|----------------------------|----------------------------|
|                              | <u>Cost</u>      | <u>Accumulated Amortization</u> | <u>Net Carrying Amount</u> | <u>Net Carrying Amount</u> |
| Office equipment             | \$ 6,081         | \$ 5,986                        | \$ 95                      | \$ 119                     |
| Computer equipment           | 1,750            | 1,659                           | 91                         | 131                        |
| Junior development equipment | 5,643            | 3,425                           | 2,218                      | 2,773                      |
|                              | <u>\$ 13,474</u> | <u>\$ 11,070</u>                | <u>\$ 2,404</u>            | <u>\$ 3,023</u>            |

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Ottawa Valley Curling Association  
Notes to Financial Statements  
(Unaudited)

May 31, 2011

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5. Deferred Contributions Related to Capital Assets

Deferred contributions consist of amounts received in prior years for the purpose of acquiring capital assets. These amounts are credited to revenue over time on the same basis as the amortization of the related assets. During the year deferred contributions of \$717 (2010 - \$717) were recognized as revenue.

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6. 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>2011</u>       | <u>2010</u>     |
|--|-------------------|-----------------|
| Accounts receivable                      | \$ 906            | \$ (506)        |
| Harmonized sales tax recoverable         | (1,559)           | 207             |
| Prepaid expenses                         | (2,117)           | -               |
| Accounts payable and accrued liabilities | (877)             | (51)            |
| Funds held in trust                      | -                 | 27              |
|  | <u>\$ (3,647)</u> | <u>\$ (323)</u> |

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7. Capital Management

As a not-for-profit entity, the Association's operations are reliant on membership and other registration revenues generated annually. The Association has accumulated unrestricted net assets over its history. A portion of the accumulated net assets is retained as working capital which may be required from time to time due to timing delays in receiving external funding. The unrestricted net asset balances are available for the use of the Association at the Board's direction.

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

| For the year ended May 31              | 2011            | 2010            |
|--|-----------------|-----------------|
| <b>Revenue</b>                         |                 |                 |
| Entry fees                             | \$ 41,719       | \$ 49,217       |
| Sponsors                               | 1,600           | 2,400           |
| Raffle                                 | 500             | 940             |
|  | <u>43,819</u>   | <u>52,557</u>   |
| <b>Expenses</b>                        |                 |                 |
| Banquet and entertainment              | 14,447          | 20,858          |
| Prizes and trophies                    | 11,258          | 11,070          |
| Crests and pins                        | 5,189           | 3,213           |
| Draw sheets                            | 3,200           | 3,577           |
| Bonspiel book and photographer         | 2,724           | 4,066           |
| Administration                         | 1,883           | 1,531           |
| Ceremony and signage                   | 1,785           | 3,193           |
|  | <u>40,486</u>   | <u>47,508</u>   |
| <b>Excess of revenue over expenses</b> | <u>\$ 3,333</u> | <u>\$ 5,049</u> |

Ottawa Valley Curling Association  
Golf Tournament - Schedule 2  
(Unaudited)

| For the year ended May 31              | 2011 | 2010      |
|--|------|-----------|
| <b>Revenue</b>                         |      |           |
| Entry fees                             | \$ - | \$ 11,629 |
| Raffle                                 | -    | 1,108     |
|  | -    | 12,737    |
| <b>Expenses</b>                        |      |           |
| Fees                                   | -    | 6,744     |
| Dinner                                 | -    | 3,047     |
| Trophies and prizes                    | -    | 1,391     |
|  | -    | 11,182    |
| <b>Excess of revenue over expenses</b> | \$ - | \$ 1,555  |



Ottawa Valley Curling Association  
OVCA Mixed Bonspiel - Schedule 3  
(Unaudited)

| For the year ended May 31              | 2011            | 2010            |
|--|-----------------|-----------------|
| <b>Revenue</b>                         |                 |                 |
| Entry fees                             | \$ 14,234       | \$ 9,037        |
| Raffle                                 | 320             | 480             |
|  | <u>14,554</u>   | <u>9,517</u>    |
| <b>Expenses</b>                        |                 |                 |
| Entertainment                          | 7,035           | 2,193           |
| Prizes, pins and crests                | 3,657           | 2,081           |
| Promotion and photography              | 807             | 799             |
| Administration                         | 784             | 169             |
| Ceremony and signage                   | -               | 528             |
|  | <u>12,283</u>   | <u>5,770</u>    |
| <b>Excess of revenue over expenses</b> | <u>\$ 2,271</u> | <u>\$ 3,747</u> |

**Ottawa Valley Curling Association  
Women's Event - Schedule 4  
(Unaudited)**

| <b>For the year ended May 31</b>       | <b>2011</b>     | <b>2010</b>     |
|--|-----------------|-----------------|
| <b>Revenue</b>                         |                 |                 |
| Entry fees                             | \$ 15,000       | \$ 12,595       |
| Sponsors                               | 4,800           | 5,035           |
|  | <u>19,800</u>   | <u>17,630</u>   |
| <b>Expenses</b>                        |                 |                 |
| Trophies and prizes                    | 15,000          | 13,000          |
| Administration                         | 2,730           | 2,467           |
|  | <u>17,730</u>   | <u>15,467</u>   |
| <b>Excess of revenue over expenses</b> | <u>\$ 2,070</u> | <u>\$ 2,163</u> |