

OTTAWA VALLEY CURLING ASSOCIATION DEVELOPMENT FUND

History

The fund was set up following the 1979 Brier to support the development of curling in the Ottawa Valley. Fund capital came from the profits from the '79 and '93 Briers.

Purpose

The main purpose of the fund is loans to member clubs. Loans are made to assist with clubs' **capital projects** such as replacing the roof over the ice surface, compressor replacement, header repairs or replacement and projects to reduce energy costs. Loans are often needed to meet emergency situations.

Income from the fund (interest, dividends etc.) and interest on outstanding loans to member clubs is used by the OVCA as operating revenue.

Administration

The OVCA Board of Administrators is established pursuant to the Bylaws of the OVCA, and it has principal responsibility for the examination of loan requests. This group consists of three representatives from urban clubs and three from rural clubs. They are all curlers and have a variety of backgrounds to provide sound advice, if needed, on club projects. After their review of a loan request, the group makes a recommendation to the OVCA's Board of Directors. That board makes a decision, prepares a loan agreement and issues a cheque to the curling club.

The **maximum** aggregate loan available to a member club is \$30,000. Repayment of the principal portion of a loan is made annually and amortized over a maximum of six years. Prepayment in whole or in part is permitted, provided that accrued and unpaid interest on the amount of the prepayment must be paid concurrently.

Outstanding loans attract interest at the annual rate of Royal Bank prime minus 1%, established at the end of January in each year

The advance of a loan, in whole or in part, remains in the discretion of the Board of Directors of the OVCA, acting on ordinary prudent lending principles.

Clubs with an outstanding loan may consider additional financing from the fund. The Board of Directors of the OVCA has a guideline to see the first loan reduced to an amount less than 50% of the original amount before proceeding with a further loan. In an emergency situation, the second loan may be granted but the total debt cannot surpass \$30,000. Simply put, the fund is not to be used as a continuing source of low cost financing.

Curling clubs do experience major emergencies. Circumstances may produce a situation where a club wants relief from its financial difficulties. Requests for **deferral** of a principal payment may be given favourable consideration. Such requests should be accompanied with a detailed plan showing how the shortfall will be met. A deferral is not expected to last beyond one repayment period. Financial statements will have to be provided for the periods involved.

20 May 2009

Logan Atkinson, President