

OTTAWA VALLEY CURLING ASSOCIATION
FINANCIAL STATEMENTS
MAY 31, 2010





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**To the Board Members of
OTTAWA VALLEY CURLING ASSOCIATION**

AUDITORS' REPORT

We have audited the statement of net assets of **OTTAWA VALLEY CURLING ASSOCIATION** as at May 31, 2010 and the statements of operations, changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the Association's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Association as at May 31, 2010 and the results of its operations and the changes in net assets and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

A handwritten signature in black ink, appearing to read 'Philip A. Byrne'.

Chartered Accountants
Licensed Public Accountants

Ottawa, Ontario
September 3, 2010

OTTAWA VALLEY CURLING ASSOCIATION

FINANCIAL STATEMENTS

MAY 31, 2010

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OTTAWA VALLEY CURLING ASSOCIATION

STATEMENT OF NET ASSETS

AS AT MAY 31,	2010	2009
<u>ASSETS</u>		
Current		
Cash	\$ 11,651	\$ 75,418
Short term investments (note 3)	75,164	165,532
Accounts receivable	906	400
GST receivable	866	1,073
Current portion of development fund (note 5)	26,400	16,000
	<u>114,987</u>	<u>258,423</u>
Development fund (note 5)	522,067	365,728
Capital assets (note 6)	3,023	3,803
	<u>\$ 640,077</u>	<u>\$ 627,954</u>
<u>LIABILITIES</u>		
Current		
Accounts payable and accrued liabilities	\$ 4,151	\$ 4,202
Funds held in trust (note 3)	1,295	1,268
Deferred contributions	1,625	1,625
	<u>7,071</u>	<u>7,095</u>
Deferred contributions related to capital assets (note 7)	2,151	2,868
	<u>9,222</u>	<u>9,963</u>
<u>NET ASSETS</u>		
Net assets	<u>630,855</u>	<u>617,991</u>
	<u>\$ 640,077</u>	<u>\$ 627,954</u>

APPROVED BY THE BOARD:

_____ Director

_____ Director

(The accompanying notes are an integral part of these financial statements)



OTTAWA VALLEY CURLING ASSOCIATION

STATEMENT OF OPERATIONS

FOR THE YEAR ENDED MAY 31,	2010 BUDGET	2010 ACTUAL	2009 ACTUAL
	(unaudited)		
Revenue			
Membership dues and branch fees	\$ 20,750	\$ 20,610	\$ 20,250
O.V.C.A mens bonspiel (net) (schedule 1)	7,000	5,049	10,235
O.V.C.A. mixed bonspiel (net) (schedule 3)	2,000	3,747	4,200
Women's event (net) (schedule 4)	2,000	2,163	2,166
Golf tournament (net) (schedule 2)	2,000	1,555	1,349
High performance, rentals and miscellaneous	250	775	717
	<u>34,000</u>	<u>33,899</u>	<u>38,917</u>
Expenditures			
Event coordinator fees	15,000	15,000	15,200
Professional fees	3,500	4,400	2,500
Junior curling	7,400	4,391	4,414
Development	4,500	2,838	2,669
Team grants	1,500	2,500	1,500
Telephone	2,500	1,971	2,155
President's dinner and AGM	1,500	1,817	1,449
Insurance	1,750	1,757	1,757
Office and miscellaneous	2,700	1,552	2,317
Ice decals	1,400	1,494	-
Travel	1,200	1,415	1,022
Amortization	-	780	900
Postage, printing and stationery	1,600	604	1,460
Executive meetings	250	472	229
Little rock championship	-	282	-
Association dues	300	275	275
Promotion	650	50	170
Bank charges	50	42	61
	<u>45,800</u>	<u>41,640</u>	<u>38,078</u>
Income (loss) from operations	<u>(11,800)</u>	<u>(7,741)</u>	<u>839</u>
Other income			
Investment income	11,800	12,671	20,275
Loss on sale of investments	-	(4,168)	-
Unrealized gain (loss) on investments	-	12,102	(28,442)
	<u>11,800</u>	<u>20,605</u>	<u>(8,167)</u>
Excess of revenue over expenditures (expenditures over revenue)	<u>\$ -</u>	<u>\$ 12,864</u>	<u>\$ (7,328)</u>

(The accompanying notes are an integral part of these financial statements)



OTTAWA VALLEY CURLING ASSOCIATION
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED MAY 31, 2010

	Unrestricted	Invested in capital assets	2010 Total	2009 Total
Balance, June 1	\$ 617,056	\$ 935	\$ 617,991	\$ 625,319
Excess of revenues over expenditures (expenditures over revenue)	12,864	-	12,864	(7,328)
Deferred contributions related to capital assets recognized as revenue	(717)	717	-	-
Amortization of capital assets	780	(780)	-	-
Balance, May 31	<u>\$ 629,983</u>	<u>\$ 872</u>	<u>\$ 630,855</u>	<u>\$ 617,991</u>

(The accompanying notes are an integral part of these financial statements)



OTTAWA VALLEY CURLING ASSOCIATION

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MAY 31,

2010

2009

Cash provided by (used for):

Operating Activities

Operations

Excess of revenue over expenditures
(expenditures over revenue)

\$ 12,864 \$ (7,328)

Add back non-cash outlays:

Amortization

780 900

Loss on sale of investments

4,168 -

Deferred contributions related to capital assets

(717) (717)

Unrealized (gain) loss on investments

(12,102) 28,442

4,993 21,297

Net change in non-cash working capital balances (note 8)

(323) (8,341)

4,670 12,956

Investing Activities

Purchase of long term investments in development fund

(165,131) (88,324)

Increase in loans to curling clubs

(107,000) -

(Increase) decrease in accrued interest receivable

1,200 (200)

Repayment of curling club loans

16,000 45,200

Proceeds on sale of long term investments in development fund

96,126 115,916

Purchase of capital assets

- (664)

(158,805) 71,928

Increase (decrease) in cash and equivalents

(154,135) 84,884

Cash and equivalents, June 1

240,950 156,066

Cash and equivalents, May 31

\$ 86,815 \$ 240,950

Cash and equivalents consists of:

Cash

\$ 11,651 \$ 75,418

Investments (note 3)

75,164 165,532

\$ 86,815 \$ 240,950

(The accompanying notes are an integral part of these financial statements)



OTTAWA VALLEY CURLING ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

MAY 31, 2010

1. DESCRIPTION OF BUSINESS

The Association was incorporated without share capital on July 29, 1968 under the Corporation 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 within the area.

2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements are prepared in accordance with Canadian generally accepted accounting principles and reflect the following policies:

Revenue Recognition

Revenue and expenditures are recorded on the accrual basis, whereby they are reflected in the accounts in the period in which they have been earned and incurred respectively, whether or not such transactions have been finally settled by the receipt or payment of money.

Capital Assets

Capital assets are recorded at cost. Amortization is recorded using the following rates and methods, except in the year of acquisition when one-half the rate is used:

Office equipment	20%	declining balance
Computer equipment	30%	declining balance
Junior development equipment	20%	declining balance

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.



OTTAWA VALLEY CURLING ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

MAY 31, 2010

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Financial Instruments (cont'd)

The Association has classified and measured its financial instruments as follows:

Instrument	Classification	Measurement
Cash	Held for trading	Fair value
Investments	Held for trading	Fair value
Accounts receivable and loans	Loans and receivables	Amortized cost
Accounts payable and accrued liabilities	Other liabilities	Amortized cost

Investments

Investments are accounted for as held for trading and therefore are carried at market value, which includes any interest accrued to May 31, 2010. Interest earned on these investments, as well as realized and unrealized gains and losses, are included in investment income in the Statement of Operations.

Use of Estimates

The preparation of the financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of changes in such estimates in future periods could be significant.

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 of determining their fair market value.



OTTAWA VALLEY CURLING ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

MAY 31, 2010

3. SHORT TERM INVESTMENTS

Investments consist of the following:

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>

2009

<u>Description</u>	<u>Maturity Date</u>	<u>Market</u>	<u>Cost</u>
CIBC GIC at 2.45%	July 16, 2009	\$ 47,866	\$ 46,862
CIBC GIC (in trust) at 2.10%	August 26, 2009	1,268	1,268
CIBC GIC at 1.10%	January 6, 2010	20,087	20,000
CIBC GIC at 1.10%	February 10, 2010	25,083	25,000
CIBC GIC at 0.25%	May 4, 2010	30,684	30,679
CIBC GIC at 0.85%	May 19, 2010	15,004	15,000
CIBC GIC at 0.20%	May 21, 2010	25,539	25,538
		<u>\$ 165,531</u>	<u>\$ 164,347</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 2010 is \$1,295 (2009 - \$1,268).

4. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial instruments of the Association consist mainly of cash, investments, accounts receivable, development fund loans receivable and investments, and accounts payable and accrued liabilities.

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

MAY 31, 2010

5. DEVELOPMENT FUND

Loans to Curling Clubs

	<u>Year</u>	<u>09/10</u>	<u>09/10</u>	<u>2010</u>	<u>2009</u>
	<u>Due</u>	<u>Advances</u>	<u>Instalment</u>	<u>Balance</u>	<u>Balance</u>
Arnprior Curling Club	2015	\$ 17,000	\$ -	\$ 17,000	\$ -
Gananoque Curling Club	2012	-	4,000	8,000	12,000
Granite Curling Club	2010	-	4,000	-	4,000
Lachute Curling Club	2012	-	4,000	8,000	12,000
Navan Curling Club	2010	-	4,000	-	4,000
North Grenville Curling Club	2016	30,000	-	30,000	-
Rideau Curling Club	2016	30,000	-	30,000	-
Russell Curling Club	2016	30,000	-	30,000	-
		<u>\$ 107,000</u>	<u>\$ 16,000</u>	<u>123,000</u>	<u>32,000</u>

Long term investments - at market value
(cost - \$424,931; 2009 - \$346,862)

	425,467	349,728
	<u>548,467</u>	<u>381,728</u>
Less current portion	26,400	16,000
	<u>\$ 522,067</u>	<u>\$ 365,728</u>

Instalments, 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.

In accordance with by-law #11 of the Association, all income earned by the investments of the Development Fund was utilized for the general purpose of the Association. Investment income in the year amounted to \$11,953 (2009 - \$17,712). The interest rates of fixed income investments range from 3.85% to 4.75% with maturity dates from December 2010 to May 2015 respectively.

Long term investments held as part of the development fund consist of fixed income securities, common shares and mutual funds.



OTTAWA VALLEY CURLING ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

MAY 31, 2010

6. CAPITAL ASSETS

	2010		2009	
	Cost	Accumulated Amortization	Net Carrying Amount	Net Carrying Amount
Office equipment	\$ 6,081	\$ 5,962	\$ 119	\$ 149
Computer equipment	1,750	1,619	131	188
Junior development equipment	5,643	2,870	2,773	3,466
	<u>\$ 13,474</u>	<u>\$ 10,451</u>	<u>\$ 3,023</u>	<u>\$ 3,803</u>

7. 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 capital assets. During the year deferred contributions of \$717 were recognized as revenue (2009 - \$717).

8. NET CHANGE IN NON-CASH WORKING CAPITAL

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

	<u>2010</u>	<u>2009</u>
Accounts receivable	\$ (506)	\$ 534
GST Refundable	207	1,412
Prepaid expenses	-	1,757
Accounts payable and accrued liabilities	(51)	(12,052)
Funds held in trust	27	8
	<u>\$ (323)</u>	<u>\$ (8,341)</u>



OTTAWA VALLEY CURLING ASSOCIATION

NOTES TO FINANCIAL STATEMENTS**MAY 31, 2010**

9. CAPITAL MANAGEMENT

As a not-for-profit entity, the Association's operations are reliant on membership and 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 discretion.

10. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with 2010 financial statement presentation.



OTTAWA VALLEY CURLING ASSOCIATION

SCHEDULE 1 - O.V.C.A MEN'S BONSPIEL

FOR THE YEAR ENDED MAY 31,

2010

2009

Revenue

Entry fees	\$ 49,217	\$ 55,175
Sponsors	2,400	3,200
Raffle	940	970
	<u>52,557</u>	<u>59,345</u>

Expenditures

Banquet and entertainment	20,858	21,439
Prizes and trophies	11,070	12,963
Bonspiel book and photographer	4,066	3,978
Draw sheets	3,577	2,879
Crests and pins	3,213	3,229
Ceremony and signage	3,193	4,622
Administration	1,531	-
	<u>47,508</u>	<u>49,110</u>

Excess of revenue over expenditures for the year

\$ 5,049 \$ 10,235

(The accompanying notes are an integral part of these financial statements)



OTTAWA VALLEY CURLING ASSOCIATION

SCHEDULE 2 - GOLF TOURNAMENT

FOR THE YEAR ENDED MAY 31,

2010

2009

Revenue

Entry fees

\$ 11,629

\$ 12,257

Raffle

1,108

1,235

12,73713,492**Expenditures**

Fees

6,744

7,157

Dinner

3,047

3,786

Trophies and prizes

1,391

1,200

11,18212,143**Excess of revenue over expenditures for the year**\$ 1,555\$ 1,349

(The accompanying notes are an integral part of these financial statements)



OTTAWA VALLEY CURLING ASSOCIATION

SCHEDULE 3 - O.V.C.A. MIXED BONSPIEL

FOR THE YEAR ENDED MAY 31,

2010

2009

Revenue

Entry fees	\$ 9,037	\$ 10,894
Raffle	480	580
Sponsors	-	400
	<u>9,517</u>	<u>11,874</u>

Expenditures

Entertainment	2,193	1,833
Prizes, pins and crests	2,081	2,928
Promotion and photography	799	1,279
Ceremony and signage	528	1,088
Administration	169	546
	<u>5,770</u>	<u>7,674</u>

Excess of revenue over expenditures for the year

\$ 3,747	\$ 4,200
<u><u>3,747</u></u>	<u><u>4,200</u></u>

(The accompanying notes are an integral part of these financial statements)



OTTAWA VALLEY CURLING ASSOCIATION

SCHEDULE 4 - WOMEN'S EVENT

FOR THE YEAR ENDED MAY 31,

2010

2009

Revenue

Entry fees

\$ 12,595

\$ 13,142

Sponsors

5,035

4,465

17,63017,607**Expenditures**

Trophies and prizes

13,000

12,035

Administration

2,467

3,406

15,46715,441**Excess of revenue over expenditures for the year**\$ 2,163\$ 2,166

(The accompanying notes are an integral part of these financial statements)

