REPORT ON THE OVCA DEVELOPMENT FUND

2010/2011 OPERATIONS

The Development Fund made two loans during the past year. One was to RCMP for the maximum amount, $30,000 and a second to Cobden for $7,000.  Arnprior made a request for a second loan of $13,000. The latter request was deferred pending a review of its past season financial results, the club's efforts to increase its membership and its  fund raising success.

All clubs with loans from the fund, with one exception, made the payments required under their loan agreements.  Rideau sought a deferral of their 2010/11 principal payment due to the RINC stimulation program not being completed in the period and their experience with construction problems.  The request was granted.

The Fund is administered by a six person Board of Administrators. The fund's assets are primarily invested in bonds using a five year ladder of maturities. This approach is to have bonds maturing each year to provide liquidity so we can continually have funds to meet clubs loan requests. This ladder approach has produced funds to  assist with the operations of our association. The bond holdings have interest rates well above current rates and have maturities until 2015.

In the coming two years of low interest rates, as announced by financial authorities in the US and Canada, we may be faced with low bond interest in 2015 and later.  When we attempt to invest next season our future interest income will very likely be much less than we have been able to realise over the preceding five years. The Board of Administrators will look to solutions which will continue  to allow the OVCA to respond to clubs' requests for loans.

During the 2010/11 season, the OVCA Board of Directors increased the maximum loan from $20,000 to $30,000. With loan requests averaging three in number and likely $90,000 in volume, we have to provide for $90K of liquid assets to respond to loan requests.  That situation means the OVCA cannot be fully invested in the more favourable rates generated by longer term holdings.

The Board of Administrators consists of six people, all of whom have very wide exposure to curling club operations and the history of curling in the Ottawa Valley. Our investment approach is to apply three investment objectives. They are; provide enough liquid assets to respond to clubs' requests for loans, preservation of capital and funds to operate the association.  These objectives have been met annually and supplied $2,000 per year for sixteen years as the primary sponsor of the OVCA Superspiel.  In later years John Shea has become a major sponsor for that event.

The people on the Board of Administrators  are Jim Campbell, Russell, Eason Russell, Shawville, Cliff Reddick, Granite. Rodney Reddick, Richmond, Steve Stefanison and me, Rideau.  The five other members have provided me, and the OVCA, with wise and sound consel over many years.  I thank them tremendously!

Douglas Sears

Chairman