

CARMAN GOLF AND CURLING CLUB LTD.

Financial Statements

For the Year Ended October 31, 2017

(unaudited)

CARMAN GOLF AND CURLING CLUB LTD.

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For the Year Ended October 31, 2017

(unaudited)

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CHARTERED PROFESSIONAL ACCOUNTANTS
COMPTABLES PROFESSIONNELS AGRÉÉS

ACCOUNTANTS' REPORT

To the Board of Directors
Carman Golf & Curling Club

We have reviewed the statement of financial position of Carman Golf & Curling Club as at October 31, 2017 and the statements of operations, statement of 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 enquiry, analytical procedures and discussion related to information supplied to us by the organization.

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 accounting standards for not-for-profit organizations.

Talbot and Associates
Chartered Professional Accountants

Winnipeg, Manitoba

Ashern, MB	204.768.2346	Oak Bluff, MB	204.269.7460
Birtle, MB	204.842.5301	Winnipeg, MB (St. Boniface)	204.987.4875
Notre-Dame-de-Lourdes, MB	204.248.2557	Winnipeg, MB (St. Norbert)	204.269.7460
Steinbach, MB	204.326.6871		

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CARMAN GOLF AND CURLING CLUB LTD.

Statement of Financial Position

As At October 31, 2017

(unaudited)

	2017	2016
ASSETS		
CURRENT		
Cash	\$ 21,986	\$ 665
Accounts receivable	6,284	14,793
Inventory	2,000	2,000
Prepaid expenses	4,765	17,472
	<u>35,035</u>	<u>34,930</u>
PROPERTY, PLANT AND EQUIPMENT (Note 3)	1,177,644	1,268,425
MAINTENANCE RESERVE FUND (Note 4)	17,440	27,114
	<u>\$1,230,119</u>	<u>\$ 1,330,469</u>
LIABILITIES		
CURRENT		
Bank overdraft	\$ -	\$ 160,976
Accounts payable and accrued liabilities	34,786	67,870
Due to government agencies	16,395	7,438
Scheduled repayments (Note 6)	78,299	56,700
Deferred income	38,150	15,707
	<u>167,630</u>	<u>308,691</u>
Callable term debt (Note 6)	208,110	91,280
	<u>375,740</u>	<u>399,971</u>
DEFERRED CONTRIBUTIONS (Note 7)	9,350	10,450
	<u>385,090</u>	<u>410,421</u>
NET ASSETS		
Share capital (Note 8)	11,975	12,200
Internally restricted - Maintenance reserve funds	17,440	27,114
Unrestricted	815,614	880,734
	<u>833,054</u>	<u>907,848</u>
	<u>845,029</u>	<u>920,048</u>
	<u>\$1,230,119</u>	<u>\$ 1,330,469</u>

Approved on Behalf of the Board:

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

CARMAN GOLF AND CURLING CLUB LTD.

Statement of Changes in Net Assets

For the Year Ended October 31, 2017

(unaudited)

	Internally Restricted Maintenance Reserves	Unrestricted	2017	2016
Balance at beginning of year	\$ 27,114	\$ 880,734	\$ 907,848	\$ 1,059,293
Excess (deficiency) of revenues over expenses for the year	78	(74,872)	(74,794)	(154,064)
Appropriation of maintenance reserves funds to unrestricted (net)	(9,752)	9,752	-	-
Curling Club Contribution	-	-	-	2,619
Balance at end of year	\$ 17,440	\$ 815,614	\$ 833,054	\$ 907,848

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

CARMAN GOLF AND CURLING CLUB LTD.

Statement of Operations

For the Year Ended October 31, 2017

(unaudited)

	Budget (unaudited)	2017	2016
PROJECT REVENUES			
Golf (Schedule 1)	\$ 567,925	\$ 566,461	\$ 559,327
Curling (Schedule 2)	98,100	201,798	84,523
Restaurant (Schedule 3)	78,500	78,247	183,517
	744,525	846,506	827,367
PROJECT EXPENSES			
Golf (Schedule 1)	(702,775)	(564,825)	(531,422)
Curling (Schedule 2)	(17,000)	(196,333)	(90,431)
Restaurant (Schedule 3)	(5,000)	(41,283)	(239,408)
	(724,775)	(802,441)	(861,261)
OTHER REVENUE (EXPENSES)			
Amortization	-	(119,959)	(120,720)
Amortization of deferred contributions	-	1,100	550
	-	(118,859)	(120,170)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	\$ 19,750	\$ (74,794)	\$ (154,064)

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

CARMAN GOLF AND CURLING CLUB LTD.

Statement of Cash Flows

For the Year Ended October 31, 2017

(unaudited)

	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES:		
Excess (deficiency) of revenues over expenses for the year	\$ (74,794)	\$ (154,064)
Items not affecting cash:		
Amortization	119,959	120,720
Amortization of deferred contributions	(1,100)	(550)
Changes in non-cash working capital:		
Increase (decrease) in receivables	8,442	(2,588)
Increase (decrease) in inventories	-	17,394
Increase (decrease) in prepaid expense	12,707	16,158
Increase (decrease) in accounts payable and accrued liabilities	(33,016)	(7,502)
Increase (decrease) in deferred revenue	22,443	7,476
Increase (decrease) in due from government agencies	8,957	(24,475)
	<u>63,598</u>	<u>(27,431)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Maintenance reserve fund	9,674	13,067
Surplus shares re-invested	-	655
Additions to deferred contributions	-	11,000
Additions to tangible capital assets	(29,181)	(48,221)
	<u>(19,507)</u>	<u>(23,499)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Common shares issued (redemptions)	(225)	(125)
Curling club contribution	-	2,619
Proceeds from callable debt	200,000	-
Repayments of callable debt	(61,570)	(55,190)
	<u>138,205</u>	<u>(52,696)</u>
Net cash increase (decreases) for the year	182,296	(103,626)
CASH AND CASH EQUIVALENTS - beginning of period	<u>(160,310)</u>	<u>(56,685)</u>
CASH AND CASH EQUIVALENTS - end of period	<u>\$ 21,986</u>	<u>\$ (160,311)</u>

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

CARMAN GOLF AND CURLING CLUB LTD.

Notes to the Financial Statements

For the Year Ended October 31, 2017

(unaudited)

1. PURPOSE OF ORGANIZATION

The organization is incorporated under the laws of Manitoba and is a not-for-profit organization under the Income Tax Act. The organization, operates in Carman, Manitoba and is engaged in the operation of a golf course with curling club and rents out the restaurant.

2. SIGNIFICANT ACCOUNTING POLICIES

a. Basis of preparation

The organization prepares its financial statements in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

b. Use of estimates

When preparing financial statements according to Canadian Generally Accepted Accounting Principles, we make estimates and assumptions relating to:

- Reported amounts of revenue and expenses
- Reported amounts of assets and liabilities
- Disclosure of contingent assets and liabilities

The organization bases assumptions on a number of factors including historical experience, current events, actions that the organization may undertake in the future, and other assumptions that we believe are reasonable under the circumstances. Actual results could differ from those estimates under different conditions and assumptions. The organization uses estimates when accounting for certain items such as useful lives of capital assets, impairment of long-lived assets, goodwill, employee future benefits, allowance for doubtful accounts, and provision for slow-moving inventories.

c. Financial instruments

The organization initially measures its financial assets and liabilities at fair value. The organization subsequently measures all its financial assets and financial liabilities at cost. Changes in the fair value of these financial instruments are recognized in income in the period incurred.

Financial assets subsequently measured at amortized cost include cash, accounts receivable and other receivables. Financial liabilities measured at amortized cost include the accounts payable and accrued liabilities, and other payables.

d. Inventories

Inventory is stated at the lower of cost and net realizable value. Cost is determined on a first-in, first-out basis.

CARMAN GOLF AND CURLING CLUB LTD.

Notes to the Financial Statements

For the Year Ended October 31, 2017

(unaudited)

2. Significant Accounting Policies

e. Revenue recognition

The organization follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when they are received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Revenue from green fees and cart rentals is recognized daily upon granting customers access to the facilities.

Revenue from golf memberships is recognized upon issuing an annual membership to a customer.

Restaurant and bar revenue is recognized upon delivery of food and beverages to the customer.

Memberships, curling fees and rent are recognized as revenue proportionately over the fiscal period to which they relate.

Revenues from fundraising is recognized when the activity is held.

f. Tangible capital assets

Tangible capital assets are stated at cost less accumulated amortization and amortized over their estimated useful lives at the following methods and rates:

	Method	Years
Buildings	straight-line	40.00
Equipment	straight-line	10.00
Paving	straight-line	10.00
Clubhouse	straight-line	40.00

The amortization of the tangible capital assets is calculated half of the above mentioned rates for the year of purchase and no amortization is recorded in the year of disposal.

g. Contributed materials and service

Contributed materials and services which are used in the normal course of the organization's operations and would otherwise have been purchased are recorded at their fair value at the date of contribution if fair value can be reasonably estimated.

CARMAN GOLF AND CURLING CLUB LTD.

Notes to the Financial Statements

For the Year Ended October 31, 2017

(unaudited)

3.

TANGIBLE CAPITAL ASSETS

			2017	2016
	Cost	Accumulated amortization	Net Book Value	Net Book Value
Land	\$ 236,172	\$ -	\$ 236,172	\$ 236,172
Land improvements	59,889	-	59,889	59,889
Buildings	226,646	(177,138)	49,508	54,768
Clubhouse	1,416,463	(913,691)	502,772	538,184
Paving	347,700	(304,559)	43,141	64,712
Equipment	979,028	(722,645)	256,383	308,513
Signage	29,690	(1,902)	27,788	3,962
Irrigation	324,730	(322,739)	1,991	2,225
	\$ 3,620,318	\$ (2,442,674)	\$ 1,177,644	\$ 1,268,425

4. INTERNALLY RESTRICTED

The maintenance reserve accounts report the assets, liabilities, revenues, and expenses related to future building maintenance.

The Board of Directors of the organization have internally restricted funds for the purposes of large maintenance projects. The organization may not use these internally restricted amounts for any other purposes without the approval of the Board of Directors.

	2017	2016
Balance at the beginning of the year	\$ 27,114	\$ 27,382
Deposits	96,332	27,623
Interest income earned	82	94
Disbursements and transfers	(106,088)	(27,985)
	\$ 17,440	\$ 27,114
The restricted cash consists of:		
Investment savings - ACU (R&M)	\$ 13,657	\$ 14,045
DCU - Texas holdem (Curling)	3,783	13,069
	\$ 17,440	\$ 27,114

CARMAN GOLF AND CURLING CLUB LTD.

Notes to the Financial Statements

For the Year Ended October 31, 2017

(unaudited)

5. BANK INDEBTEDNESS

	2017	2016
ACU General account	\$ -	\$ 160,976

The organization has an authorized line of credit limit in the amount of \$100,000 from the Access Credit Union bearing interest at the Credit Union's base rate. The line of credit is secured by real property. At October 31, 2017 the Credit Union's base rate was 3.20%. At the balance sheet date, the organization had unutilized capacity under its line of credit facility of \$100,000.

6. CALLABLE TERM DEBT

	2017	2016
Access Credit Union mortgage bearing interest at 2.750%, repayable in monthly blended payments of \$2,100. The mortgage is secured by land and buildings. The mortgage matures June 30, 2032.	\$ 195,064	\$ -
Access Credit Union loan bearing interest at 2.750%, repayable in monthly blended payments of \$2,900. The loan matures May 1, 2019 and is secured by promissory note.	51,741	84,624
Access Credit Union loan bearing interest at 2.750%, repayable in monthly blended payments of \$2,100. The loan matures May 1, 2019 and is secured by promissory note.	39,604	63,356
	<u>286,409</u>	<u>147,980</u>
Less:		
Scheduled repayments	(78,299)	(56,700)
	<u>\$ 208,110</u>	<u>\$ 91,280</u>

Canadian accounting standards for not-for-profit organizations require that loans that the lender can require to be repaid on demand be classified as current liabilities.

Management does not believe that the demand features of the callable debt will be exercised in the current period. Assuming payment of the callable debt is not demanded, regular principal repayments required on all long-term debt for the next five years are due as follows:

2018	\$ 78,299
2019	53,771
2020	21,219
2021	24,895
2022	25,200
Subsequent	83,025
	<u>\$ 286,409</u>

CARMAN GOLF AND CURLING CLUB LTD.

Notes to the Financial Statements

For the Year Ended October 31, 2017

(unaudited)

7. DEFERRED CONTRIBUTION

	Received	Amortized	2017	2016
Manitoba Community Services Council Inc.	\$ 11,000	\$ 1,650	\$ 9,350	\$ 10,450

8. SHARE CAPITAL

Authorized:

1,000 Common shares at par value of \$25 each

	2017	2016
Issued:		
54 Class A common shares	\$ 1,350	\$ 1,375
425 Class B common shares	10,625	10,825
	<u>\$ 11,975</u>	<u>\$ 12,200</u>

CARMAN GOLF AND CURLING CLUB LTD.

Statement of Operations - Golf

For the Year Ended October 31, 2017

(unaudited)

Schedule 1

	2017	2016
REVENUE		
Memberships	\$ 235,420	\$ 235,612
Green fees	176,703	181,345
Golf cart rental	92,028	92,192
Compound storage	18,714	15,688
Trail fees	13,892	13,500
Other golf income	12,651	6,615
Share initiation	2,250	6,175
Club storage	1,428	1,486
Share assessment	875	1,450
Tickets - Club 100	-	5,264
Grant	12,500	-
	<u>566,461</u>	<u>559,327</u>
OPERATING EXPENSES		
Administration and general expenses	7,725	4,062
Advertising and promotion	7,764	5,268
Caretaker	4,875	5,402
Clubhouse	8,433	17,034
Competitions and tournaments	450	325
Employee benefits	26,288	27,559
Equipment rental	10,739	6,469
Fundraising	-	-
Greens and fairways	276,992	282,844
Insurance	14,784	15,030
Interest and bank charges	12,195	10,907
Interest on other long term debt	4,579	4,687
Membership expense	5,763	3,970
Professional contract	74,147	67,385
Professional fees	4,898	2,718
Property taxes	15,529	14,308
Repairs and maintenance	28,767	85
Utilities	27,228	25,367
Wages - administration	10,114	13,509
Wages - Back shop	9,387	6,617
Wages - General manager	14,168	17,876
	<u>564,825</u>	<u>531,422</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	<u>\$ 1,636</u>	<u>\$ 27,905</u>

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

CARMAN GOLF AND CURLING CLUB LTD.

Statement of Operations - Curling Club

For the Year Ended October 31, 2017

(unaudited)

Schedule 2

	2017	2016
REVENUE		
Fundraising activities	\$ 130,467	\$ 29,741
Curling league fees	41,908	43,810
Wall and ice sign	12,350	6,700
Curling non league	2,375	209
Ice rental	2,198	4,063
Grant	12,500	-
	<u>201,798</u>	<u>84,523</u>
OPERATING EXPENSES		
Accounting fees	3,926	1,989
Administration and general expenses	2,371	912
Advertising and promotion	1,453	707
Clubhouse	4,924	3,637
Competitions	-	277
Fundraising	39,265	14,353
Golf Pro fees	5,722	-
Insurance	7,647	7,774
Interest and bank charges	617	1,247
Membership expense	1,629	1,701
Property taxes	8,051	8,763
Repairs and maintenance	69,053	6,686
Salaries and wages	35,748	30,044
Sponsorship / member / guest night	1,132	42
Supplies	-	803
Utilities	14,795	11,496
	<u>196,333</u>	<u>90,431</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	<u>\$ 5,465</u>	<u>\$ (5,908)</u>

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

CARMAN GOLF AND CURLING CLUB LTD.

Statement of Operations - Restaurant

For the Year Ended October 31, 2017

(unaudited)

Schedule 3

	2017	2016
REVENUE		
Kitchen - Rent	\$ 78,247	\$ 183,517
OPERATING EXPENSES		
Administration and general expense	-	1,894
Advertising and promotion	18	2,514
Alcoholic Beverages	-	18,179
Beverages	-	5,434
Clubhouse	4,359	10,473
Confectionary	-	1,017
Employee benefits	-	10,234
Food	-	38,146
Insurance	3,059	3,110
Interest and bank charges	-	3,064
Office expenses	102	-
Professional fees	2,388	2,836
Property taxes	4,181	4,571
Repairs and maintenance	425	6,569
Salaries and wages	3,272	-
Supplies	-	9,442
Telephone	-	440
Utilities	23,479	21,615
Wages	-	99,870
	<u>41,283</u>	<u>239,408</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	<u>\$ 36,964</u>	<u>\$ (55,891)</u>

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