

Carman Golf and Curling Club Ltd.

Financial Statements

October 31, 2020

Carman Golf and Curling Club Ltd.

October 31, 2020

Table of Contents

Review Engagement Report	1
Statement of Financial Position	2
Statement of Changes in Net Assets	4
Statement of Operations	5
Statement of Cash Flows	6
Notes to the Financial Statements	7
Schedules	13

George & Associates Chartered Professional Accountants Inc.
Box 567, 113 2nd Street SW
Carman, Manitoba
R0G 0J0
Review Engagement Report

To the Board
Carman Golf and Curling Club Ltd.

We have reviewed the accompanying financial statements of Carman Golf and Curling Club Ltd. that comprise the statement of financial position as at October 31, 2020, and the statements of operations, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Practitioner's Responsibility

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of Carman Golf and Curling Club Ltd. as at October 31, 2020, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.



George & Associates Chartered Professional Accountants Inc.

Carman, Manitoba
January 06, 2021

Carman Golf and Curling Club Ltd.

Statement of Financial Position

October 31, 2020

	2020	2019
Assets		
Current Assets		
Cash and short term investments		
Unrestricted	\$ 146,748	\$ 665
Restricted (note 6)	11,663	8,423
Accounts receivable	10,336	20,063
CEBA loan forgiveness receivable	10,000	-
Inventory	2,000	2,000
Prepaid expenses	3,802	24,674
	<u>184,549</u>	<u>55,825</u>
Property, Plant and Equipment (notes 2 and 3)		
Cost	3,868,564	3,868,243
Accumulated amortization	<u>(2,707,955)</u>	<u>(2,588,187)</u>
	<u>1,160,609</u>	<u>1,280,056</u>
Total Assets	<u>\$ 1,345,158</u>	<u>\$ 1,335,881</u>

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

Carman Golf and Curling Club Ltd.

Statement of Financial Position

October 31, 2020

	2020	2019
Liabilities and Net Assets		
Current Liabilities		
Bank indebtedness (note 4)	\$ -	\$ 38,728
Accounts payable and accrued liabilities	50,046	53,696
Due to government agencies	8,751	3,431
Current portion of callable term debt (note 7)	74,315	67,107
Deferred income	35,751	35,016
	<u>168,863</u>	<u>197,978</u>
Long-term Liabilities		
Callable term debt (note 7)	419,388	406,280
Deferred contributions (note 5)	59,052	51,064
	<u>478,440</u>	<u>457,344</u>
Total Liabilities	<u>647,303</u>	<u>655,322</u>
Net Assets		
Share capital (note 9)	9,525	9,675
Internally restricted - Maintenance reserve fund	11,663	8,423
Unrestricted	676,667	662,461
	<u>697,855</u>	<u>680,559</u>
Total Liabilities and Net Assets	<u>\$ 1,345,158</u>	<u>\$ 1,335,881</u>

Approved on Behalf of the Board:

_____, Director

_____, Director

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, 2020

	Internally Restricted Maintenance Reserve	Unrestricted	2020	2019
Balance, beginning of year	\$ 8,423	\$ 662,461	\$ 670,884	\$ 760,105
Excess (deficiency) of revenues over expenses	4	17,442	17,446	(89,221)
Appropriation of maintenance reserve funds to unrestricted (net)	3,236	(3,236)	-	-
Balance, end of year	\$ 11,663	\$ 676,667	\$ 688,330	\$ 670,884

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, 2020

	2020	2019
Revenue		
Golf	\$ 760,514	\$ 575,368
Curling	84,539	85,398
Restaurant	68,000	78,275
	<u>913,053</u>	<u>739,041</u>
Expenses		
Golf	660,805	551,574
Curling	89,555	98,127
Restaurant	40,436	42,090
	<u>790,796</u>	<u>691,791</u>
Excess of revenue over expenses before other items	<u>122,257</u>	<u>47,250</u>
Other items		
Amortization of tangible assets	(119,768)	(140,589)
Amortization of deferred contributions	4,957	4,118
CEBA income	10,000	-
	<u>(104,811)</u>	<u>(136,471)</u>
Excess (Deficiency) of revenue over expenses for the year	<u>\$ 17,446</u>	<u>\$ (89,221)</u>

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, 2020

	2020	2019
CASH FLOWS FROM (TO) OPERATING ACTIVITIES:		
Excess (Deficiency) of revenues over expenses for the year	\$ 17,446	\$ (89,221)
Items not affecting cash		
Amortization of property, plant and equipment	119,768	140,587
Amortization of deferred contributions	(4,957)	(4,118)
Changes in non-cash working capital		
Accounts receivable	9,727	10,867
CEBA loan forgiveness receivable	(10,000)	-
Prepaid expenses	20,872	(20,972)
Accounts payable and accrued liabilities	(3,650)	(5,846)
Deferred revenue	735	(8,363)
Due to/from government agencies	5,320	7,556
TOTAL CASH FLOWS FROM (TO) OPERATING ACTIVITIES	155,261	30,490
CASH FLOWS FROM (TO) INVESTING ACTIVITIES:		
Maintenance reserve fund	(3,240)	9,874
Additions to tangible capital assets	(321)	(56,215)
Proceeds from sale of tangible capital assets	-	800
TOTAL CASH FLOW FROM (TO) INVESTING ACTIVITIES	(3,561)	(45,541)
CASH FLOWS FROM (TO) FINANCING ACTIVITIES:		
Common shares issued (redemptions)	(150)	(2,575)
Proceeds from callable term debt	90,000	-
Repayments of callable term debt	(69,684)	(64,601)
Proceeds from deferred contributions	12,945	24,689
TOTAL CASH FLOW FROM (TO) FINANCING ACTIVITIES	33,111	(42,487)
Net increase (decrease) in cash and cash equivalents	184,811	(57,538)
Cash and cash equivalents at beginning of year	(38,063)	19,475
Cash and cash equivalents at end of year	\$ 146,748	\$ (38,063)

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, 2020

1 Purpose of the Organization

Carman Golf and Curling Club Ltd. is a not-for-profit organization incorporated under the laws of Manitoba and is exempt from income tax under section 149(1) of the Income Tax Act.

The organization, operates in Carman, Manitoba and is engaged in the operation of a golf course and curling club, and the leasing of a restaurant.

2 Significant accounting policies

a. Basis of presentation

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

b. Use of Estimates

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Differences in actual results from prior estimates are taken into account at the time the differences are determined.

The significant items subject to such estimates and assumptions include valuation of accounts receivable, inventory and the estimated useful life of buildings and equipment. Actual results could differ from those estimates.

c. Financial instruments

Measurement of financial instruments:

The organization initially measures its financial assets and liabilities at fair value, except for certain related party transactions that are measured at the carrying amount or exchange amount as appropriate.

The organization subsequently measures all its financial assets and liabilities at cost or amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in the fair value of these financial instruments are recognized in income in the period incurred.

Transaction costs:

Transaction costs related to financial instruments that will be subsequently measured at fair value are recognized in income in the period incurred. Transaction costs related to financial instruments subsequently measured at amortized cost are included in the original cost of the asset or liability and recognized in income over the life of the instrument using the straight-line method.

d. Inventory

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, 2020

2 Significant accounting policies continued

e. Property, Plant and Equipment

Property, plant and equipment are stated at cost and amortized over their estimated useful lives using the following methods and annual rates:

	Rate	Method
Buildings	40 years	straight line
Clubhouse	40 years	straight line
Paving	10 years	straight line
Equipment	10 years	straight line
Vehicles	15%	declining balance

A half year's amortization is taken in the year of acquisition and no amortization is recorded in the year of disposal.

f. 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 insofar 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 memberships, curling fees and rent are recognized as services when rendered, proportionately over the fiscal period to which they relate.

Revenues from fundraising are recognized when the activity is held.

g. Contributed materials and services

Contributed services or materials, the fair value of which are difficult to determine are not recognized in the financial statements.

Carman Golf and Curling Club Ltd.

Notes to the Financial Statements

For the Year Ended October 31, 2020

3 Property, Plant and Equipment

	2020	2020	2020	2019
	Cost	Accumulated Amortization	Net Value	Net Value
Land	\$ 236,172	\$ -	\$ 236,172	\$ 236,172
Land improvements	59,889	-	59,889	59,889
Buildings	226,646	(192,915)	33,731	38,990
Clubhouse	1,456,870	(1,021,441)	435,429	471,851
Paving	347,700	(347,700)	-	-
Equipment	1,147,914	(799,288)	348,626	419,381
Signage	41,643	(12,926)	28,717	32,544
Irrigation	324,730	(324,730)	-	-
Vehicles	27,000	(8,955)	18,045	21,229
	<u>\$ 3,868,564</u>	<u>\$ (2,707,955)</u>	<u>\$ 1,160,609</u>	<u>\$ 1,280,056</u>

4 Bank indebtedness

The organization has an authorized line of credit in the amount of \$100,000 from the Access Credit Union, bearing interest at the Access Base Rate and floating. At October 31, 2020 the Access base rate was 2.45%.

The line of credit is secured by real property.

Carman Golf and Curling Club Ltd.

Notes to the Financial Statements

For the Year Ended October 31, 2020

5 Deferred contributions

Deferred contributions related to capital assets include the unamortized portions of contributed capital assets and restricted contributions that will be used for the purchase of capital assets.

The changes for the year in the deferred contributions balance are as follows:

	2020	2019
Deferred contributions, beginning of period	\$ 51,064	\$ 30,493
Amounts received during the year related to future years	12,945	24,689
Recognized as revenue in the year	(4,957)	(4,118)
Deferred contributions, end of period	\$ 59,052	\$ 51,064

The deferred contributions are from the following:

	2020	2019
Manitoba Community Services Council Inc.	\$ 6,050	\$ 7,150
Manitoba Community Places Program	7,949	9,008
Canadian Council of Provincial & Territorial Sport Federations Inc.	9,612	10,894
Access Credit Union Grant	2,550	2,850
Manitoba Sports Trust Fund	5,801	6,484
Manitoba Hydro Grant	11,882	12,190
Member Capital Contributions	2,425	2,488
Member Capital Contributions	12,783	-
	\$ 59,052	\$ 51,064

Carman Golf and Curling Club Ltd.

Notes to the Financial Statements

For the Year Ended October 31, 2020

6 Maintenance reserve fund

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.

	<u>2020</u>	<u>2019</u>
Balance, beginning of year	\$ 8,423	\$ 18,297
Deposits	23,978	38,432
Interest income earned	4	124
Disbursements and transfers	<u>(20,742)</u>	<u>(48,430)</u>
	<u>\$ 11,663</u>	<u>\$ 8,423</u>
The restricted cash consists of:		
ACU - Investment savings (repairs & maintenance)	\$ 5,534	\$ 3,026
ACU - Texas holdem	<u>6,129</u>	<u>5,397</u>
	<u>\$ 11,663</u>	<u>\$ 8,423</u>

Carman Golf and Curling Club Ltd.

Notes to the Financial Statements

For the Year Ended October 31, 2020

7 Long-term debt

Long-term debt consists of the following:

	2020	2019
Access Credit Union	\$ 244,757	\$ 212,032
Interest at Access Base Rate per annum, repayable in monthly blended payments of \$2,050, due June 30, 2032 and secured by land and buildings.		
Access Credit Union	208,946	261,356
Interest at Access Base Rate per annum, repayable in monthly payments of \$5,000 including interest, due July 1, 2024, secured by a Registered General Security Agreement over all assets with a specific interest in the mowing equipment and carts, Registered Real Property First Charge in the amount of \$300,000 over land and buildings, and a promissory note in the amount of \$318,500.		
Access Credit Union	40,000	-
Interest at 5% per annum, starting January 1, 2023 repayable in annual payments of \$1,199 including interest starting January 1, 2023 due December 31, 2025, secured by the Government of Canada		
Total debt	493,703	473,388
Current portion of long-term debt	(74,315)	(67,107)
Long-term portion of debt	\$ 419,388	\$ 406,281

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 principle repayments required on all long-term debt over the next five years and thereafter are as follows:

Year	Amount
2020	\$ 74,315
2021	86,674
2022	91,255
2023	72,418
2024	23,131
Subsequent	145,910
Total	\$ 493,703

Carman Golf and Curling Club Ltd.

Notes to the Financial Statements

For the Year Ended October 31, 2020

8 Financial instruments

The organization is exposed to various risks through its financial instruments. The fair value of these financial instruments approximate their carrying values, Unless otherwise noted. The following analysis describes the organization's risk exposure as at October 31, 2020.

Liquidity risk:

Liquidity risk is the risk that the organization will encounter difficulty in meeting obligations associated with financial liabilities which is dependent on receipt of funds from operations and continued support by financial institutions providing sufficient operating lending facilities.

Credit risk:

The organization's main credit risks relate to its cash and short-term investments and receivables which are assessed, on a continuous basis, on the basis of amounts for which ultimate collections is reasonably assured based on their estimated realizable value.

Interest rate risk:

The organization is exposed to interest rate risk on its floating interest rate financial instruments, which include the line of credit and callable term debt. Floating rate instruments subject the organization to its cash flow risk.

9 Share capital

	2020	2019
20 Class A common shares	\$ 500	\$ 500
361 Class B common shares	9,025	9,175
Total	\$ 9,525	\$ 9,675

Carman Golf and Curling Club Ltd.

Statement of Operations - Golf

For the Year Ended October 31, 2020

	<u>2020</u>	<u>2019</u>
Revenue		
Memberships	\$ 232,361	\$ 230,052
Green fees	292,491	180,111
Golf cart rentals	151,491	104,191
Compound storage	16,392	19,194
Other golf income	38,899	22,918
Trail fees	11,938	11,191
Share initiation	1,825	4,080
Club storage	2,481	1,716
Donations	-	15
Share assessment	825	1,900
Grant - Green Team	11,811	-
	<u>760,514</u>	<u>575,368</u>
Expenses		
Accounting fees	9,068	5,383
Administration and general expenses	3,984	5,007
Advertising and promotion	13,435	14,619
Bad debt expense	435	-
Caretaker	5,760	6,240
Clubhouse	6,287	7,851
Competitions and tournaments	3,752	2,524
Employee benefits	29,018	25,962
Equipment rental	57,369	8,688
Insurance - general	12,101	10,386
Interest and bank charges	12,978	9,756
Interest on mortgages	14,916	19,999
Membership expense	2,716	6,693
Penalties and interest	271	-
Professional contract	101,229	71,305
Property taxes	13,138	13,196
Repairs and maintenance - equipment	4,531	-
Repairs and maintenance - grounds	82,723	80,273
Salaries and wages	220,171	200,209
Sponsorship / member / guest night	326	584

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

Carman Golf and Curling Club Ltd.

Statement of Operations - Golf

For the Year Ended October 31, 2020

	<u>2020</u>	<u>2019</u>
Utilities	27,323	26,554
Wages - administration	15,323	12,335
Wages - back shop	8,951	9,009
Wages - general manager	15,000	15,001
	<u>660,805</u>	<u>551,574</u>
Excess (deficiency) of revenues over expenses	<u>\$ 99,709</u>	<u>\$ 23,794</u>

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

Carman Golf and Curling Club Ltd.

Statement of Operations - Curling

For the Year Ended October 31, 2020

	<u>2020</u>	<u>2019</u>
Revenue		
Curling league fees	\$ 48,191	\$ 45,783
Fundraising	18,770	21,507
Wall and ice sign	13,550	13,425
Curling non league	942	2,085
Ice rental	3,086	2,598
	<u>84,539</u>	<u>85,398</u>
Expenses		
Accounting fees	1,968	3,262
Administration and general expenses	2,838	2,275
Advertising and promotion	595	665
Clubhouse	2,768	7,707
Delivery, freight and postage	6,802	8,627
Insurance	6,259	5,372
Interest and bank charges	448	516
Membership expense	2,276	1,778
Property taxes	5,890	5,914
Repairs and maintenance - COVID 19	907	-
Repairs and maintenance - equipment	13,789	12,912
Salaries and wages	31,414	31,809
Utilities	13,086	16,770
Warranty	515	520
	<u>89,555</u>	<u>98,127</u>
Excess (deficiency) of revenues over expenses	<u>\$ (5,016)</u>	<u>\$ (12,729)</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, 2020

	<u>2020</u>	<u>2019</u>
Revenue		
Rental	\$ 61,500	\$ 78,275
CECRA	6,500	-
	<u>68,000</u>	<u>78,275</u>
Expenses		
Accounting fees	369	1,538
Administration and general expenses	31	13
Advertising and promotion	60	-
Clubhouse	4,538	6,546
Insurance	2,504	2,149
Membership expense	10	-
Property taxes	3,624	3,642
Repairs and maintenance - equipment	3,315	86
Salaries and wages	4,106	4,365
Utilities	21,879	23,751
	<u>40,436</u>	<u>42,090</u>
Excess (deficiency) of revenues over expenses	<u>\$ 27,564</u>	<u>\$ 36,185</u>

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