

**Carman Golf and Curling Club Ltd.**

**Financial Statements**

**October 31, 2021**

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# Carman Golf and Curling Club Ltd.

October 31, 2021

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

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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, 2021, 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, 2021, 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  
February 15, 2022

# Carman Golf and Curling Club Ltd.

## Statement of Financial Position

October 31, 2021

	2021	2020
<b>Assets</b>		
<b>Current Assets</b>		
Cash and short term investments		
Unrestricted	\$ 330,034	\$ 146,748
Restricted (note 6)	20,896	11,663
Accounts receivable	8,409	10,336
CEBA loan forgiveness receivable	20,000	10,000
Inventory	23,486	2,000
Prepaid expenses	3,588	3,802
	<u>406,413</u>	<u>184,549</u>
<b>Property, Plant and Equipment (notes 2 and 3)</b>		
Cost	3,969,545	3,868,564
Accumulated amortization	<u>(2,829,057)</u>	<u>(2,707,955)</u>
	<u>1,140,488</u>	<u>1,160,609</u>
<b>Total Assets</b>	<u>\$ 1,546,901</u>	<u>\$ 1,345,158</u>

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

# Carman Golf and Curling Club Ltd.

## Statement of Financial Position

October 31, 2021

	2021	2020
<b>Liabilities and Net Assets</b>		
<b>Current Liabilities</b>		
Accounts payable and accrued liabilities	\$ 80,620	\$ 50,046
Due to government agencies	22,545	8,751
Current portion of callable term debt (note 7)	76,157	74,315
Deferred income	19,876	35,751
	<u>199,198</u>	<u>168,863</u>
<b>Long-term Liabilities</b>		
Callable term debt (note 7)	363,224	419,388
Deferred contributions (note 5)	53,933	59,052
	<u>417,157</u>	<u>478,440</u>
<b>Total Liabilities</b>	<u><b>616,355</b></u>	<u><b>647,303</b></u>
<b>Net Assets</b>		
Share capital (note 9)	9,575	9,525
Internally restricted - Maintenance reserve fund	20,896	11,663
Unrestricted	900,075	676,667
	<u>930,546</u>	<u>697,855</u>
<b>Total Liabilities and Net Assets</b>	<u><b>\$ 1,546,901</b></u>	<u><b>\$ 1,345,158</b></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, 2021

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	<b>Internally Restricted Maintenance Reserve</b>	<b>Unrestricted</b>	<b>2021</b>	<b>2020</b>
Balance, beginning of year	\$ 11,663	\$ 676,667	\$ 688,330	\$ 670,884
Excess (deficiency) of revenues over expenses	9,233	223,408	232,641	17,448
<b>Balance, end of year</b>	<b>\$ 20,896</b>	<b>\$ 900,075</b>	<b>\$ 920,971</b>	<b>\$ 688,332</b>

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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, 2021

	2021	2020
<b>Revenue</b>		
Golf	\$ 914,655	\$ 760,514
Curling	53,243	84,539
Restaurant	522,778	68,000
	<u>1,490,676</u>	<u>913,053</u>
<b>Expenses</b>		
Golf	667,363	660,803
Curling	58,949	89,555
Restaurant	425,741	40,436
	<u>1,152,053</u>	<u>790,794</u>
<b>Excess of revenue over expenses before other items</b>	<u>338,623</u>	<u>122,259</u>
<b>Other items</b>		
Amortization of tangible assets	(121,101)	(119,768)
Amortization of deferred contributions	5,119	4,957
CEBA income	10,000	10,000
	<u>(105,982)</u>	<u>(104,811)</u>
<b>Excess (Deficiency) of revenue over expenses for the year</b>	<u>\$ 232,641</u>	<u>\$ 17,448</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, 2021

	2021	2020
<b>CASH FLOWS FROM (TO) OPERATING ACTIVITIES:</b>		
Excess (Deficiency) of revenues over expenses for the year	\$ 232,641	\$ 17,448
<b>Items not affecting cash</b>		
Amortization of property, plant and equipment	121,101	119,766
Amortization of deferred contributions	(5,119)	(4,957)
<b>Changes in non-cash working capital</b>		
Accounts receivable	1,927	9,727
CEBA loan forgiveness receivable	(10,000)	(10,000)
Prepaid expenses	214	20,872
Accounts payable and accrued liabilities	30,575	(3,650)
Deferred revenue	(15,875)	735
Due to/from government agencies	13,794	5,320
Inventory	(21,486)	-
<b>TOTAL CASH FLOWS FROM (TO) OPERATING ACTIVITIES</b>	<b>347,772</b>	<b>155,261</b>
<b>CASH FLOWS FROM (TO) INVESTING ACTIVITIES:</b>		
Maintenance reserve fund	(9,233)	(3,240)
Additions to tangible capital assets	(100,981)	(321)
<b>TOTAL CASH FLOW FROM (TO) INVESTING ACTIVITIES</b>	<b>(110,214)</b>	<b>(3,561)</b>
<b>CASH FLOWS FROM (TO) FINANCING ACTIVITIES:</b>		
Common shares issued (redemptions)	50	(150)
Proceeds from callable term debt	-	90,000
Repayments of callable term debt	(54,322)	(69,684)
Proceeds from deferred contributions	-	12,945
<b>TOTAL CASH FLOW FROM (TO) FINANCING ACTIVITIES</b>	<b>(54,272)</b>	<b>33,111</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>183,286</b>	<b>184,811</b>
Cash and cash equivalents at beginning of year	146,748	(38,063)
<b>Cash and cash equivalents at end of year</b>	<b>\$ 330,034</b>	<b>\$ 146,748</b>

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, 2021

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### 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, 2021

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### 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
Computer equipment	55%	declining balance
Vehicles	15%	declining balance
Computer equipment		

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, 2021

### 3 Property, Plant and Equipment

	2021	2021	2021	2020
	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	(198,174)	28,472	33,731
Clubhouse	1,471,940	(1,058,051)	413,889	435,429
Paving	347,700	(347,700)	-	-
Equipment	1,226,994	(869,771)	357,223	348,626
Signage	41,643	(17,090)	24,553	28,717
Irrigation	324,730	(324,730)	-	-
Vehicles	27,000	(11,662)	15,338	18,045
Computer equipment	6,831	(1,879)	4,952	-
	<u>\$ 3,969,545</u>	<u>\$ (2,829,057)</u>	<u>\$ 1,140,488</u>	<u>\$ 1,160,609</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, 2021 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, 2021

### 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:

	2021	2020
Deferred contributions, beginning of period	\$ 59,052	\$ 51,064
Amounts received during the year related to future years	-	12,945
Recognized as revenue in the year	(5,119)	(4,957)
<b>Deferred contributions, end of period</b>	<b>\$ 53,933</b>	<b>\$ 59,052</b>

The deferred contributions are from the following:

	2021	2020
Manitoba Community Services Council Inc.	\$ 4,950	\$ 6,050
Manitoba Community Places Program	6,889	7,949
Canadian Council of Provincial & Territorial Sport Federations Inc.	8,330	9,612
Access Credit Union Grant	2,250	2,550
Manitoba Sports Trust Fund	5,119	5,801
Manitoba Hydro Grant	11,573	11,882
Member Capital Contributions	2,362	2,425
Member Capital Contributions	12,460	12,783
	<b>\$ 53,933</b>	<b>\$ 59,052</b>

# Carman Golf and Curling Club Ltd.

## Notes to the Financial Statements

For the Year Ended October 31, 2021

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### 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>2021</u>	<u>2020</u>
Balance, beginning of year	\$ 11,663	\$ 8,423
Deposits	9,259	23,978
Interest income earned	28	4
Disbursements and transfers	(54)	(20,742)
	<u>\$ 20,896</u>	<u>\$ 11,663</u>
<b>The restricted cash consists of:</b>		
ACU - Investment savings (repairs & maintenance)	\$ 12,282	\$ 5,534
ACU - Texas holdem	8,614	6,129
	<u>\$ 20,896</u>	<u>\$ 11,663</u>

# Carman Golf and Curling Club Ltd.

## Notes to the Financial Statements

For the Year Ended October 31, 2021

### 7 Long-term debt

Long-term debt consists of the following:

	2021	2020
Access Credit Union	\$ 225,939	\$ 244,757
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	153,441	208,946
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	60,000	40,000
Interest at 5% per annum, starting January 1, 2024 repayable in annual payments of \$1,798 including interest starting January 1, 2024 due December 31, 2025, secured by the Government of Canada		
<b>Total debt</b>	<b>439,380</b>	493,703
Current portion of long-term debt	<b>(76,157)</b>	(74,315)
<b>Long-term portion of debt</b>	<b>\$ 363,223</b>	<b>\$ 419,388</b>

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
2022	\$ 76,157
2023	78,044
2024	58,526
2025	20,749
2026	81,263
Subsequent	124,641
<b>Total</b>	<b>\$ 439,380</b>

# Carman Golf and Curling Club Ltd.

## Notes to the Financial Statements

For the Year Ended October 31, 2021

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### 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, 2021.

#### 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

	2021	2020
15 Class A common shares (20 - 2020)	\$ 375	\$ 500
368 Class B common shares (360 - 2020)	9,200	9,025
<b>Total</b>	<b>\$ 9,575</b>	<b>\$ 9,525</b>

# Carman Golf and Curling Club Ltd.

## Statement of Operations - Golf

For the Year Ended October 31, 2021

	<u>2021</u>	<u>2020</u>
<b>Revenue</b>		
Memberships	\$ 272,073	\$ 232,361
Green fees	359,756	292,491
Golf cart rentals	199,397	151,491
Compound storage	18,267	16,392
Other golf income	28,619	38,899
Trail fees	12,263	11,938
Share initiation	5,175	1,825
Club storage	2,604	2,481
Donations	175	-
Share assessment	750	825
Grants	15,576	11,811
	<u>914,655</u>	<u>760,514</u>
<b>Expenses</b>		
Accounting fees	7,348	9,068
Administration and general expenses	5,240	3,984
Advertising and promotion	15,604	13,435
Bad debt expense	-	435
Caretaker	7,200	5,760
Clubhouse	10,918	6,287
Competitions and tournaments	6,291	3,752
Employee benefits	19,565	29,018
Equipment rental	21,784	57,369
Food, beverages and alcohol	9,876	-
Insurance - general	13,361	12,101
Interest and bank charges	14,544	12,978
Interest on mortgages	11,004	14,916
Membership expense	12,163	2,716
Penalties and interest	22	271
Professional contract	108,967	101,229
Property taxes	12,664	13,138
Repairs and maintenance - equipment	-	4,531
Repairs and maintenance - grounds	88,008	82,723
Salaries and wages	218,352	208,277

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, 2021

	<u>2021</u>	<u>2020</u>
Sponsorship / member / guest night	335	326
Utilities	27,209	27,323
Wages - administration	15,483	15,323
Wages - back shop	10,515	8,951
Wages - Green team	15,370	11,892
Wages - general manager	15,000	15,000
Supplies	540	-
	<u>667,363</u>	<u>660,803</u>
Excess (deficiency) of revenues over expenses	<u>\$ 247,292</u>	<u>\$ 99,711</u>

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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, 2021

	<u>2021</u>	<u>2020</u>
<b>Revenue</b>		
Curling league fees	\$ 1,208	\$ 48,191
Fundraising	13,288	18,770
Wall and ice sign	14,800	13,550
Curling non league	228	942
Ice rental	-	3,086
Grant	23,719	-
	<u>53,243</u>	<u>84,539</u>
<b>Expenses</b>		
Accounting fees	667	1,968
Administration and general expenses	1,745	2,838
Advertising and promotion	-	595
Clubhouse	1,990	2,768
Competitions and tournaments	-	515
Delivery, freight and postage	1,534	6,802
Insurance	6,911	6,259
Interest and bank charges	110	448
Membership expense	225	2,276
Property taxes	5,677	5,890
Repairs and maintenance - COVID 19	-	907
Repairs and maintenance - equipment	5,142	13,789
Utilities	10,791	13,086
Wages - administration	1,240	3,914
Wages - general manager	7,500	7,500
Wages - Ice maker	15,417	20,000
	<u>58,949</u>	<u>89,555</u>
Excess (deficiency) of revenues over expenses	<u>\$ (5,706)</u>	<u>\$ (5,016)</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, 2021

	<u>2021</u>	<u>2020</u>
<b>Revenue</b>		
Kitchen - Food	\$ 241,814	\$ -
Kitchen - Beverage	21,827	-
Kitchen - Liquor	232,912	-
Rental	15,155	61,500
CECRA	3,394	6,500
Tips - House portion	544	-
Grant	7,132	-
	<u>522,778</u>	<u>68,000</u>
<b>Expenses</b>		
Accounting fees	1,383	369
Administration and general expenses	1,302	31
Advertising and promotion	513	60
Clubhouse	11,912	4,538
Competitions and tournaments	71	-
Equipment rental	883	-
Food, beverages and alcohol	166,719	-
Insurance	4,286	2,504
Interest and bank charges	5,073	-
Membership expense	-	10
Professional contract	21,766	-
Property taxes	3,493	3,624
Repairs and maintenance - equipment	4,124	3,315
Salaries and wages	134,695	97
Supplies	34,414	-
Utilities	22,703	21,879
Wages - administration	9,904	1,509
Wages - general manager	2,500	2,500
	<u>425,741</u>	<u>40,436</u>
Excess (deficiency) of revenues over expenses	<u>\$ 97,037</u>	<u>\$ 27,564</u>

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