

**Carman Golf and Curling Club Ltd.**

**Financial Statements**

**October 31, 2022**

# Carman Golf and Curling Club Ltd.

October 31, 2022

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**George & Associates Chartered Professional Accountants Inc.**  
**Box 567, 113 2nd Street SW**  
**Carman, Manitoba**  
**R0G 0J0**  
**Independent Practitioner's 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, 2022, 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, 2022, 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  
March 24, 2023

# Carman Golf and Curling Club Ltd.

## Statement of Financial Position

October 31, 2022

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	<u>2022</u>	<u>2021</u>
<b>Assets</b>		
<b>Current Assets</b>		
Cash and short term investments		
Unrestricted	\$ 311,156	\$ 330,034
Restricted (note 6)	26,788	20,896
Accounts receivable	25,966	8,409
CEBA loan forgiveness receivable	20,000	20,000
Inventory	25,667	23,486
Prepaid expenses	3,827	3,588
	<u>413,404</u>	<u>406,413</u>
<b>Property, Plant and Equipment (notes 2 and 3)</b>		
Cost	4,009,177	3,969,545
Accumulated amortization	<u>(2,952,758)</u>	<u>(2,829,057)</u>
	<u>1,056,419</u>	<u>1,140,488</u>
<b>Total Assets</b>	<u>\$ 1,469,823</u>	<u>\$ 1,546,901</u>

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

# Carman Golf and Curling Club Ltd.

## Statement of Financial Position

October 31, 2022

	2022	2021
<b>Liabilities and Net Assets</b>		
<b>Current Liabilities</b>		
Accounts payable and accrued liabilities	\$ 28,321	\$ 80,620
Due to government agencies	25,830	22,545
Current portion of callable term debt (note 7)	12,542	76,157
Deferred income	11,770	19,876
	<u>78,463</u>	<u>199,198</u>
<b>Long-term Liabilities</b>		
Callable term debt (note 7)	255,814	363,224
Deferred contributions (note 5)	48,814	53,933
	<u>304,628</u>	<u>417,157</u>
<b>Total Liabilities</b>	<u>383,091</u>	<u>616,355</u>
<b>Net Assets</b>		
Share capital (note 9)	9,500	9,575
Internally restricted - Maintenance reserve fund	26,788	20,896
Unrestricted	1,050,444	900,075
	<u>1,086,732</u>	<u>930,546</u>
<b>Total Liabilities and Net Assets</b>	<u>\$ 1,469,823</u>	<u>\$ 1,546,901</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, 2022

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	<b>Internally Restricted Maintenance Reserve</b>	<b>Unrestricted</b>	<b>2022</b>	<b>2021</b>
Balance, beginning of year	\$ 20,896	\$ 900,075	\$ 920,971	\$ 688,330
Excess (deficiency) of revenues over expenses	5,892	150,369	156,261	232,641
<b>Balance, end of year</b>	<b>\$ 26,788</b>	<b>\$ 1,050,444</b>	<b>\$ 1,077,232</b>	<b>\$ 920,971</b>

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, 2022

	2022	2021
<b>Revenue</b>		
Golf	\$ 827,424	\$ 914,655
Curling	102,995	53,243
Restaurant	769,146	522,778
	<u>1,699,565</u>	<u>1,490,676</u>
<b>Expenses</b>		
Golf	637,107	667,363
Curling	121,136	58,949
Restaurant	666,479	425,741
	<u>1,424,722</u>	<u>1,152,053</u>
<b>Excess of revenue over expenses before other items</b>	<u>274,843</u>	<u>338,623</u>
<b>Other items</b>		
Amortization of tangible assets	(128,701)	(121,101)
Amortization of deferred contributions	5,119	5,119
CEBA income	-	10,000
Gains on disposal of assets	5,000	-
	<u>(118,582)</u>	<u>(105,982)</u>
<b>Excess (Deficiency) of revenue over expenses for the year</b>	<u>\$ 156,261</u>	<u>\$ 232,641</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, 2022

	2022	2021
<b>CASH FLOWS FROM (TO) OPERATING ACTIVITIES:</b>		
Excess (Deficiency) of revenues over expenses for the year	\$ 156,261	\$ 232,641
<b>Items not affecting cash</b>		
Amortization of property, plant and equipment	128,700	121,101
Amortization of deferred contributions	(5,119)	(5,119)
(Gain) loss on disposal of assets	(5,000)	-
<b>Changes in non-cash working capital</b>		
Accounts receivable	(17,557)	1,927
CEBA loan forgiveness receivable	-	(10,000)
Prepaid expenses	(239)	214
Accounts payable and accrued liabilities	(52,299)	30,575
Deferred revenue	(8,106)	(15,875)
Due to/from government agencies	3,285	13,794
Inventory	(2,181)	(21,486)
<b>TOTAL CASH FLOWS FROM (TO) OPERATING ACTIVITIES</b>	<b>197,745</b>	<b>347,772</b>
<b>CASH FLOWS FROM (TO) INVESTING ACTIVITIES:</b>		
Maintenance reserve fund	(5,892)	(9,233)
Additions to tangible capital assets	(44,632)	(100,981)
Proceeds from sale of tangible capital assets	5,000	-
<b>TOTAL CASH FLOW FROM (TO) INVESTING ACTIVITIES</b>	<b>(45,524)</b>	<b>(110,214)</b>
<b>CASH FLOWS FROM (TO) FINANCING ACTIVITIES:</b>		
Common shares issued (redemptions)	(75)	50
Repayments of callable term debt	(171,024)	(54,322)
<b>TOTAL CASH FLOW FROM (TO) FINANCING ACTIVITIES</b>	<b>(171,099)</b>	<b>(54,272)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(18,878)</b>	<b>183,286</b>
Cash and cash equivalents at beginning of year	330,034	146,748
<b>Cash and cash equivalents at end of year</b>	<b>\$ 311,156</b>	<b>\$ 330,034</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, 2022

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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, a curling club, and the operation 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, 2022

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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:

	<b>Rate</b>	<b>Method</b>
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

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, 2022

### 3 Property, Plant and Equipment

	2022	2022	2022	2021
	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	(203,433)	23,213	28,472
Clubhouse	1,471,940	(1,094,849)	377,091	413,889
Paving	347,700	(347,700)	-	-
Equipment	1,264,562	(941,231)	323,331	357,223
Signage	41,643	(21,254)	20,389	24,553
Irrigation	324,730	(324,730)	-	-
Vehicles	27,000	(13,963)	13,037	15,338
Computer equipment	8,895	(5,598)	3,297	4,952
	<u>\$ 4,009,177</u>	<u>\$ (2,952,758)</u>	<u>\$ 1,056,419</u>	<u>\$ 1,140,488</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, 2023 the Access base rate was 5.95%.

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, 2022

### 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:

	<u>2022</u>	<u>2021</u>
Deferred contributions, beginning of period	\$ 53,933	\$ 59,052
Recognized as revenue in the year	(5,119)	(5,119)
<b>Deferred contributions, end of period</b>	<b>\$ 48,814</b>	<b>\$ 53,933</b>

The deferred contributions are from the following:

	<u>2022</u>	<u>2021</u>
Manitoba Community Services Council Inc.	\$ 3,850	\$ 4,950
Manitoba Community Places Program	5,829	6,889
Canadian Council of Provincial & Territorial Sport Federations Inc.	7,049	8,330
Access Credit Union Grant	1,950	2,250
Manitoba Sports Trust Fund	4,436	5,119
Manitoba Hydro Grant	11,264	11,573
Member Capital Contributions	2,300	2,362
Member Capital Contributions	12,136	12,460
	<b>\$ 48,814</b>	<b>\$ 53,933</b>

# Carman Golf and Curling Club Ltd.

## Notes to the Financial Statements

For the Year Ended October 31, 2022

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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>2022</u>	<u>2021</u>
Balance, beginning of year	\$ 20,896	\$ 11,663
Net Contributions	5,795	9,205
Interest income earned	97	28
	<u>\$ 26,788</u>	<u>\$ 20,896</u>
<b>The restricted cash consists of:</b>		
ACU - Investment savings (repairs & maintenance)	\$ 12,379	\$ 12,282
ACU - Texas holdem	14,409	8,614
	<u>\$ 26,788</u>	<u>\$ 20,896</u>

# Carman Golf and Curling Club Ltd.

## Notes to the Financial Statements

For the Year Ended October 31, 2022

### 7 Long-term Debt

Long-term debt consists of the following:

	2022	2021
Access Credit Union	\$ 208,356	\$ 225,939
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
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	60,000
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>268,356</b>	439,380
Current portion of long-term debt	<b>(12,542)</b>	(76,157)
<b>Long-term portion of debt</b>	<b>\$ 255,814</b>	<b>\$ 363,223</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
2023	\$ 12,542
2024	13,309
2025	14,123
2026	74,987
2027	15,903
Subsequent	137,492
<b>Total</b>	<b>\$ 268,356</b>

# Carman Golf and Curling Club Ltd.

## Notes to the Financial Statements

For the Year Ended October 31, 2022

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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

	2022	2021
15 Class A common shares (15 - 2021)	\$ 375	\$ 375
365 Class B common shares (368 - 2022)	9,125	9,200
<b>Total</b>	<b>\$ 9,500</b>	<b>\$ 9,575</b>

### 10 Related party transactions

Directors and management are members of the golf course and pay for memberships and other services. These transactions are in the normal course of business and at normal trade rates and terms. These sales and any related receivables are included in the statement of operations and statement of financial position respectively.

# Carman Golf and Curling Club Ltd.

## Statement of Operations - Golf

For the Year Ended October 31, 2022

	<u>2022</u>	<u>2021</u>
<b>Revenue</b>		
Memberships	\$ 279,796	\$ 272,073
Green fees	291,652	359,756
Golf cart rentals	174,709	199,397
Compound storage	18,689	18,267
Other golf income	33,755	28,619
Trail fees	12,481	12,263
Share initiation	3,650	5,175
Club storage	2,272	2,604
Donations	1,133	175
Share assessment	725	750
Tickets - Club 100	224	-
Tips - House portion	80	-
Grants	8,258	15,576
	<u>827,424</u>	<u>914,655</u>
<b>Expenses</b>		
Accounting fees	3,849	7,348
Administration and general expenses	7,009	5,240
Advertising and promotion	19,862	15,604
Caretaker	6,720	7,200
Clubhouse	21,115	10,918
Competitions and tournaments	4,365	6,291
Employee benefits	15,357	19,565
Equipment rental	15,649	21,784
Food, beverages and alcohol	147	9,876
Insurance - general	19,454	13,361
Interest and bank charges	9,599	14,544
Interest on mortgages	11,109	11,004
Membership expense	16,748	12,163
Penalties and interest	16	22
Professional contract	83,818	108,967
Property taxes	13,194	12,664
Repairs and maintenance - grounds	90,869	88,008
Salaries and wages	233,514	218,352

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, 2022

	<u>2022</u>	<u>2021</u>
Sponsorship / member / guest night	1,430	335
Supplies	229	540
Utilities	14,858	27,209
Wages - administration	9,423	15,483
Wages - back shop	13,083	10,515
Wages - general manager	15,833	15,000
Wages - Green team	9,857	15,370
	<u>637,107</u>	<u>667,363</u>
Excess (deficiency) of revenues over expenses	<u>\$ 190,317</u>	<u>\$ 247,292</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, 2022

	<u>2022</u>	<u>2021</u>
<b>Revenue</b>		
Curling league fees	\$ 47,074	\$ 1,208
Fundraising	38,877	13,288
Wall and ice sign	12,475	14,800
Curling non league	3,469	228
Ice rental	1,095	-
Grant	-	23,719
Tips - House portion	5	-
	<u>102,995</u>	<u>53,243</u>
<b>Expenses</b>		
Accounting fees	2,458	667
Administration and general expenses	1,763	1,745
Advertising and promotion	285	-
Clubhouse	14,625	1,990
Competitions and tournaments	434	-
Delivery, freight and postage	12,328	1,534
Food, beverages and alcohol	1,912	-
Insurance	10,434	6,911
Interest and bank charges	2,602	110
Membership expense	2,439	225
Property taxes	5,915	5,677
Repairs and maintenance - equipment	9,243	5,142
Salaries and wages	395	-
Utilities	23,827	10,791
Wages - administration	3,102	1,240
Wages - general manager	6,875	7,500
Wages - Ice maker	22,499	15,417
	<u>121,136</u>	<u>58,949</u>
Excess (deficiency) of revenues over expenses	<u>\$ (18,141)</u>	<u>\$ (5,706)</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, 2022

	<u>2022</u>	<u>2021</u>
<b>Revenue</b>		
Kitchen - Food	\$ 425,294	\$ 241,814
Kitchen - Beverage	41,015	21,827
Kitchen - Liquor	293,640	232,912
Rental	-	14,250
CECRA	72	3,394
Grant	7,511	7,132
Tips - House portion	428	544
Other	1,186	905
	<u>769,146</u>	<u>522,778</u>
<b>Expenses</b>		
Accounting fees	3,377	1,383
Administration and general expenses	2,131	1,302
Advertising and promotion	1,028	513
Clubhouse	19,658	11,912
Competitions and tournaments	-	71
Equipment rental	1,397	883
Food, beverages and alcohol	280,469	166,719
Insurance	3,686	4,286
Interest and bank charges	6,888	5,073
Membership expense	20	-
Wall and ice sign	1	-
Professional contract	21,315	21,766
Property taxes	3,640	3,493
Repairs and maintenance - equipment	15,455	4,124
Repairs and maintenance - grounds	177	-
Salaries and wages	232,282	134,695
Supplies	29,025	34,414
Utilities	30,474	22,703
Wages - administration	13,164	9,904
Wages - general manager	2,292	2,500
	<u>666,479</u>	<u>425,741</u>
Excess (deficiency) of revenues over expenses	<u>\$ 102,667</u>	<u>\$ 97,037</u>

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