

PRINCE ALBERT GOLF AND CURLING CLUB INC

Financial Statements

Year Ended September 30, 2016

(Unaudited - See Notice To Reader)

PRINCE ALBERT GOLF AND CURLING CLUB INC

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Year Ended September 30, 2016

(Unaudited - See Notice To Reader)

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CHARTERED PROFESSIONAL ACCOUNTANTS

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NOTICE TO READER

On the basis of information provided by management, we have compiled the balance sheet of PRINCE ALBERT GOLF AND CURLING CLUB INC as at September 30, 2016 and the statements of income and members' equity and cash flow for the year then ended.

We have not performed an audit or a review engagement in respect of these financial statements and, accordingly, we express no assurance thereon.

Readers are cautioned that these statements may not be appropriate for their purposes.

Kemp Thompson McLeod

Prince Albert, Saskatchewan
November 18, 2016

CHARTERED PROFESSIONAL ACCOUNTANTS

PRINCE ALBERT GOLF AND CURLING CLUB INC

Balance Sheet

September 30, 2016

(Unaudited - See Notice To Reader)

	2016	2015
ASSETS		
CURRENT		
Cash	\$ 7,884	\$ 104,035
Accounts receivable	24,926	32,524
Inventory	22,105	26,998
Prepaid expenses	2,659	4,156
	<u>57,574</u>	167,713
FIXED ASSETS <i>(Note 3)</i>	1,939,841	1,931,591
EQUITY INVESTMENTS	4,120	5,791
TRUST AND RESERVE INVESTMENTS, AT COST	26,495	26,495
	<u>\$ 2,028,030</u>	<u>\$ 2,131,590</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT		
Bank indebtedness <i>(Note 6)</i>	\$ 69,768	\$ 94,889
Accounts payable	14,373	101,243
Current portion of long term debt <i>(Note 8)</i>	30,397	28,781
Deferred income <i>(Note 7)</i>	65,002	51,529
	<u>179,540</u>	276,442
LONG TERM DEBT <i>(Note 8)</i>	390,747	421,735
TRUST AND RESERVES	26,495	26,495
LONG TERM PAYABLE	13,200	12,000
	<u>609,982</u>	736,672
MEMBERS' EQUITY	1,418,048	1,394,918
	<u>\$ 2,028,030</u>	<u>\$ 2,131,590</u>

ON BEHALF OF THE BOARD

Director

Director

See notes to financial statements

KEMP THOMPSON MCLEOD

PRINCE ALBERT GOLF AND CURLING CLUB INC

Statement of Income and Members' Equity

Year Ended September 30, 2016

(Unaudited - See Notice To Reader)

	<u>2016</u>	<u>2015</u>
SUMMARY:		
Statement of Curling and Building Operations <i>(Schedule 1)</i>	\$ 37,167	\$ 38,226
Statement of Food and Beverage Operations <i>(Schedule 2)</i>	<u>(19,769)</u>	<u>(15,332)</u>
	17,398	22,894
Statement of Fundraising Revenues <i>(Schedule 3)</i>	<u>5,732</u>	20,306
NET INCOME	23,130	43,200
MEMBERS' EQUITY - BEGINNING OF YEAR	<u>1,394,918</u>	<u>1,351,718</u>
MEMBERS' EQUITY - END OF YEAR	<u>\$ 1,418,048</u>	<u>\$ 1,394,918</u>

PRINCE ALBERT GOLF AND CURLING CLUB INC**Statement of Cash Flow****Year Ended September 30, 2016***(Unaudited - See Notice To Reader)*

	2016	2015
OPERATING ACTIVITIES		
Net income	\$ 23,130	\$ 43,200
Changes in non-cash working capital <i>(Note 11)</i>	(59,408)	35,957
Cash flow from (used by) operating activities	(36,278)	79,157
INVESTING ACTIVITIES		
Purchase of fixed assets	(8,250)	(79,107)
Purchase of equity investments	1,671	-
Usage (purchase) of trust assets	-	4,337
Cash flow used by investing activities	(6,579)	(74,770)
FINANCING ACTIVITIES		
Proceeds from funded reserves	-	(4,337)
Long term payable - curling sheets	1,200	12,000
Repayment of long term debt	(29,373)	(27,913)
Cash flow used by financing activities	(28,173)	(20,250)
DECREASE IN CASH FLOW	(71,030)	(15,863)
Cash - beginning of year	9,146	25,009
CASH (DEFICIENCY) - END OF YEAR	\$ (61,884)	\$ 9,146
CASH (DEFICIENCY) CONSISTS OF:		
Cash	\$ 7,884	\$ 104,035
Bank indebtedness	(69,768)	(94,889)
	\$ (61,884)	\$ 9,146

PRINCE ALBERT GOLF AND CURLING CLUB INC

Notes to Financial Statements

Year Ended September 30, 2016

(Unaudited - See Notice To Reader)

1. DESCRIPTION OF BUSINESS

The Prince Albert Golf and Curling Club Inc. is a non-profit corporation located in the City of Prince Albert, Saskatchewan. The corporation advances and promotes the game of golf and curling as competitive and recreational sports.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Inventory

Inventory is valued at cost, with cost being determined as most recent invoice cost or net realizable value.

Fixed assets

Fixed assets are stated at cost. No provision for amortization or depreciation has been recorded in the accounts.

Trust and Reserves

The trust and reserve investments are recorded at cost.

Measurement uncertainty

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

Financial instruments policy

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. This includes receivables, prepaid expenses, and payables and accruals. The carrying amount of long-term debt approximates fair value due to interest rates reflecting market rates. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

3. FIXED ASSETS

	<u>2016</u>	<u>2015</u>
Land	\$ 2,000	\$ 2,000
Buildings	1,061,049	1,061,049
Equipment	615,186	606,936
Motor vehicles	2,879	2,879
Parking lot	36,783	36,783
Pro Shop	221,944	221,944
	<u>\$ 1,939,841</u>	<u>\$ 1,931,591</u>

PRINCE ALBERT GOLF AND CURLING CLUB INC

Notes to Financial Statements

Year Ended September 30, 2016

(Unaudited - See Notice To Reader)

4. EQUITY INVESTMENTS

	<u>2016</u>	<u>2015</u>
Non-redeemable equity - Conexus Credit Union	\$ 4,095	\$ 4,550
Redeemable equity - Conexus Credit Union	-	1,215
Redeemable equity - Conexus Credit Union	<u>26</u>	<u>26</u>
	<u>\$ 4,121</u>	<u>\$ 5,791</u>

5. TRUST AND RESERVE INVESTMENTS

The trust and reserve investments are funds set aside for future capital expenditures, ongoing improvements and for the purchase of annual awards for curling supremacy.

	<u>2016</u>	<u>2015</u>
Capital Improvement Trust Fund (Schedule 4)	\$ 23,545	\$ 23,544
Whitter Trust Fund (Senior Men)	1,200	1,200
Denis Charbonneau Trust Fund (Grand Aggregate)	1,200	1,200
Bernice Petruk Trust Fund (Lassie Region)	<u>550</u>	<u>550</u>
	<u>\$ 26,495</u>	<u>\$ 26,494</u>

6. BANK INDEBTEDNESS

	<u>2016</u>	<u>2015</u>
Bank indebtedness	\$ 69,768	\$ 94,889

The bank indebtedness is secured by a general security agreement and a second mortgage on a portion of the land.

7. DEFERRED INCOME

	<u>2016</u>	<u>2015</u>
Curling and other fees	\$ 54,090	\$ 47,722
Gift certificates	8,419	2,631
Deposits	<u>2,493</u>	<u>1,175</u>
	<u>\$ 65,002</u>	<u>\$ 51,528</u>

PRINCE ALBERT GOLF AND CURLING CLUB INC

Notes to Financial Statements

Year Ended September 30, 2016

(Unaudited - See Notice To Reader)

8. LONG TERM DEBT

	<u>2016</u>	<u>2015</u>
Conexus Credit Union loan bearing interest at 5.12% per annum, repayable in bi-weekly blended payments of \$1,987. Secured by a mortgage on all buildings and equipment, and by an assignment of the partnership agreement with the City of Prince Albert..	\$ 421,144	\$ 450,516
Amounts payable within one year	<u>(30,397)</u>	<u>(28,781)</u>
	<u>\$ 390,747</u>	<u>\$ 421,735</u>

Principal repayment terms are approximately:

2017	\$ 30,397
2018	31,242
2019	32,105
2020	33,908
Thereafter	<u>293,492</u>
	<u>\$ 421,144</u>

9. TRUST AND RESERVES

	<u>2016</u>	<u>2015</u>
Capital Improvement Trust Fund	\$ 23,545	\$ 23,545
Curling Supremacy - Funded Reserve	<u>2,950</u>	<u>2,950</u>
	<u>\$ 26,495</u>	<u>\$ 26,495</u>

10. MEMBERS' EQUITY

	<u>2016</u>	<u>2015</u>
Balance beginning of year	\$ 1,394,918	\$ 1,351,717
Net income (loss) from operations	<u>23,130</u>	<u>43,201</u>
Balance end of year	<u>\$ 1,418,048</u>	<u>\$ 1,394,918</u>

PRINCE ALBERT GOLF AND CURLING CLUB INC

Notes to Financial Statements

Year Ended September 30, 2016

(Unaudited - See Notice To Reader)

11. CHANGES IN NON-CASH WORKING CAPITAL

	<u>2016</u>	<u>2015</u>
Accounts receivable	\$ 7,598	\$ (444)
Inventory	4,893	31,003
Prepaid expenses	1,497	7,906
Accounts payable	(86,869)	(12,109)
Deferred income	13,473	9,601
	<u>\$ (59,408)</u>	<u>\$ 35,957</u>

12. COMPARATIVE FIGURES

Some of the comparative figures have been reclassified to conform to the current year's presentation.

PRINCE ALBERT GOLF AND CURLING CLUB INC**Statement of Curling and Building Operations****(Schedule 1)****Year Ended September 30, 2016***(Unaudited - See Notice To Reader)*

	2016	2015
REVENUE		
Senior men's fees	\$ 16,996	\$ 19,286
Econo and men's league fees	35,228	15,786
BTR business ladies fees	6,319	8,452
Afternoon ladies fees	1,429	1,441
Conexus league fees	30,067	37,865
Mixed league fees	4,938	3,539
Discover curling fees	95	346
Junior fees	4,745	2,114
Stick league	1,333	1,333
Dart league fees	200	-
	<u>101,350</u>	<u>90,162</u>
Bonspiel and other income		
Advertising - Ice Surface	43,801	23,201
Bonspiel's, ice and broom rentals	3,194	12,205
City of Prince Albert	55,200	55,200
Curling equipment sales - net	(4,246)	1,054
Grants and User Group contributions	4,738	25,593
Interest and miscellaneous	62	11,932
Locker rentals	3,356	6,147
Membership assessment	-	500
National and Provincial events - net	86,259	11,074
Facility fee	577	20,357
Golf cart storage	10,323	14,433
	<u>203,264</u>	<u>181,696</u>
	<u>304,614</u>	<u>271,858</u>
EXPENSES		
Wages and benefits	67,611	70,054
Insurance, taxes and licenses	11,766	7,595
Utilities - natural gas and electricity	71,175	77,800
Water	7,121	4,900
Telephone and cable	5,328	4,464
Bank and credit card charges	3,301	2,092
Equipment rentals	-	2,531
Interest on long term debt	22,289	23,749
Janitorial	4,434	3,196
Fees	-	1,661
Professional fees	22,016	325
Advertising and promotion	21,090	4,481
Repairs, maintenance and supplies	26,367	25,908
Office	2,326	2,737
Miscellaneous	2,623	2,139
	<u>267,447</u>	<u>233,632</u>
INCOME FROM OPERATIONS	<u>\$ 37,167</u>	<u>\$ 38,226</u>

See notes to financial statements

KEMP THOMPSON MCLEOD

PRINCE ALBERT GOLF AND CURLING CLUB INC**Statement of Food and Beverage Operations****(Schedule 2)****Year Ended September 30, 2016***(Unaudited - See Notice To Reader)*

	2016	2015
REVENUE	\$ 1,095,429	\$ 1,348,392
COST OF SALES	441,243	598,831
GROSS PROFIT (60%; 2015 - 56%)	654,186	749,561
Commission and other revenue	1,833	13,606
	656,019	763,167
EXPENSES		
Wages and benefits	541,403	617,906
Advertising and promotions	8,493	9,945
Bank and credit card charges	14,108	12,131
Janitorial and laundry	37,354	31,993
Licenses, insurance and fees	6,980	10,247
Office expense	2,419	3,237
Supplies and maintenance	21,484	38,348
Equipment lease and rentals	6,717	4,132
Van expense	550	3,550
Miscellaneous	738	9,114
Utilities and telephone	35,542	37,896
	675,788	778,499
LOSS FROM OPERATIONS	\$ (19,769)	\$ (15,332)

PRINCE ALBERT GOLF AND CURLING CLUB INC

Statement of Fundraising Revenues

(Schedule 3)

Year Ended September 30, 2016

(Unaudited - See Notice To Reader)

	2016	2015
REVENUE		
Lottery	\$ -	\$ 12,181
Charitable gaming program	-	3,465
Special events	50	(165)
Other fundraisers	2,182	4,825
Ice sheets	2,000	-
Outdoor patio	1,500	-
	\$ 5,732	\$ 20,306

PRINCE ALBERT GOLF AND CURLING CLUB INC

Statement of Trust Fund Transactions

(Schedule 4)

Year Ended September 30, 2016

(Unaudited - See Notice To Reader)

	<u>2016</u>	<u>2015</u>
Capital Improvement Trust Fund		
Fund balance beginning of period	\$ 23,545	\$ 27,882
Deposits - per City of Prince Albert agreement	-	7,500
	<u>23,545</u>	<u>35,382</u>
Withdrawal from the capital reserve	-	(11,837)
	<u>23,545</u>	<u>23,545</u>
Fund balance end of period	\$ 23,545	\$ 23,545