

**KELOWNA CURLING CLUB**

**Financial Statements**

**Year Ended April 30, 2023**

**KELOWNA CURLING CLUB**

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**Year Ended April 30, 2023**

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## INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

### To the Members of Kelowna Curling Club

We have reviewed the accompanying financial statements of Kelowna Curling Club (the Organization) that comprise the statement of financial position as at April 30, 2023, and the statements of revenues and expenditures, 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 (ASNPO), 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 Kelowna Curling Club as at April 30, 2023, and the results of its operations and its cash flows for the year then ended in accordance with ASNPO.

#### *Report on other legal and regulatory requirements*

As required by the Societies Act of British Columbia, we report that nothing has come to our attention that causes us to believe that these financial statements were not prepared on a basis consistent with that applied in preparing the financial statements for the preceding year.

A handwritten signature in black ink that reads "Heymen Owen". The signature is written in a cursive, flowing style.

Kelowna, British Columbia  
September 25, 2023

CHARTERED PROFESSIONAL ACCOUNTANTS

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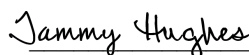


**KELOWNA CURLING CLUB****Statement of Financial Position****April 30, 2023**

	2023	2022
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 59,971	\$ 10,807
Inventory	88,078	105,538
	<b>148,049</b>	116,345
<b>TANGIBLE CAPITAL ASSETS (Note 3)</b>	<b>621,527</b>	670,820
	<b>\$ 769,576</b>	\$ 787,165
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Accounts payable	\$ 47,694	\$ 67,955
Government remittances payable	9,518	3,091
Deferred income	86,039	15,007
CEBA Loan (Note 5)	40,000	40,000
Current portion of long term debt (Note 4)	30,022	64,910
	<b>213,273</b>	190,963
<b>LONG TERM DEBT (Note 4)</b>	<b>164,804</b>	194,828
<b>DEFERRED CAPITAL CONTRIBUTIONS (Note 6)</b>	<b>38,750</b>	41,250
	<b>416,827</b>	427,041
<b>NET ASSETS</b>		
Unrestricted	(56,410)	(101,129)
Invested in tangible capital assets	409,159	461,253
	<b>352,749</b>	360,124
	<b>\$ 769,576</b>	\$ 787,165

**ON BEHALF OF THE BOARD**

 \_\_\_\_\_ Director

 \_\_\_\_\_ Director

See accompanying notes to the financial statements.

**KELOWNA CURLING CLUB****Statement of Revenues and Expenditures****Year Ended April 30, 2023**

	2023	2022
<b>REVENUES</b>		
Food and beverage - net	\$ 545,705	\$ 355,042
Membership fees and dues	401,101	380,874
Facility rentals	74,571	19,737
Ice rentals	56,484	34,170
Other operations	49,213	55,298
Community Gaming Grant	40,200	40,200
Bonspiels	31,885	29,050
Capital fund	31,872	25,799
Pro shop	17,637	29,435
Donations	4,820	7,423
Amortization of deferred capital contributions	2,500	2,500
Government assistance	-	98,855
2020 World Seniors and Mixed Curling	-	19,110
Fundraising	-	127
	<b>1,255,988</b>	<b>1,097,620</b>
<b>EXPENSES</b>		
Advertising and promotion	59,091	83,654
Amortization	86,252	84,120
Bonspiels	20,340	16,400
Contract services	51,627	46,742
Equipment rentals	2,289	2,012
Event entertainment	500	1,981
Executive meetings	581	8,005
Insurance	15,460	10,674
Interest and bank charges	30,882	30,052
Interest on long term debt	9,101	2,908
Junior curling	10,774	973
Licenses and fees	6,993	11,413
Office	26,318	29,859
Professional fees	5,200	4,995
Property taxes	1,632	1,985
Repairs and maintenance	54,716	57,783
Salaries and wages	687,387	606,340
Security	2,913	1,945
Supplies	49,276	38,850
Telephone	5,099	4,230
Training	7,870	4,076
Trophies and awards	20	67
Utilities	129,042	117,000
	<b>1,263,363</b>	<b>1,166,064</b>
<b>DEFICIENCY OF REVENUES OVER EXPENSES</b>	<b>\$ (7,375)</b>	<b>\$ (68,444)</b>

See accompanying notes to the financial statements.

**KELOWNA CURLING CLUB****Statement of Changes in Net Assets****Year Ended April 30, 2023**

	Unrestricted	Invested in tangible capital assets	2023	2022
<b>NET ASSETS - BEGINNING OF YEAR</b>	\$ (101,129)	\$ 461,253	\$ <b>360,124</b>	\$ 428,568
DEFICIENCY OF REVENUES OVER EXPENSES	(7,375)	-	<b>(7,375)</b>	(68,444)
Purchase of tangible capital assets	(31,658)	31,658	-	-
Amortization of tangible capital assets	86,252	(86,252)	-	-
Amortization of deferred capital contributions	(2,500)	2,500	-	-
<b>NET ASSETS - END OF YEAR</b>	\$ (56,410)	\$ 409,159	\$ <b>352,749</b>	\$ 360,124

See accompanying notes to the financial statements.

**KELOWNA CURLING CLUB****Statement of Cash Flows****Year Ended April 30, 2023**

	2023	2022
<b>OPERATING ACTIVITIES</b>		
Deficiency of revenues over expenses	\$ (7,375)	\$ (68,444)
Items not affecting cash:		
Amortization of tangible capital assets	86,252	84,120
Amortization of deferred capital contributions	(2,500)	(2,500)
	<b>76,377</b>	13,176
Changes in non-cash working capital:		
Accounts receivable	-	2,930
Government assistance receivable	-	15,407
Inventory	17,460	672
Accounts payable	(20,258)	(109,393)
Deferred income	71,032	13,502
Government remittances payable	6,427	3,091
	<b>74,661</b>	(73,791)
Cash flow from (used by) operating activities	<b>151,038</b>	(60,615)
<b>INVESTING ACTIVITY</b>		
Purchase of tangible capital assets	(36,960)	(93,625)
<b>FINANCING ACTIVITIES</b>		
Proceeds from long term financing	-	200,000
Repayment of long term debt	(64,914)	(48,469)
Cash flow from (used by) financing activities	(64,914)	151,531
<b>INCREASE (DECREASE) IN CASH FLOW</b>	<b>49,164</b>	(2,709)
Cash - beginning of year	10,807	13,516
<b>CASH - END OF YEAR</b>	<b>\$ 59,971</b>	\$ 10,807

See accompanying notes to the financial statements.

**KELOWNA CURLING CLUB****Notes to Financial Statements****Year Ended April 30, 2023****1. PURPOSE OF THE ORGANIZATION**

The Kelowna Curling Club is a not-for-profit organization incorporated provincially under the Society Act of British Columbia. The organization operates a curling club facility in Kelowna, British Columbia.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO).

Revenue recognition

Kelowna Curling Club 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 received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Revenue derived from retail sales is recognized at the point of sale, when the customer receives and pays for the goods.

Revenue derived from memberships is recognized over a 12 month period. Any advance payments received at the end of the year are classified as deferred revenue on the balance sheet.

Sponsorship revenue received in advance of the sponsorship event is recorded as deferred revenue.

Revenue derived from facility rentals is recognized in income at the time the rental occurs and measurement and collectability is reasonable assured.

Contributed services

The operations of the organization depend on both the contribution of time by volunteers and donated materials from various sources. The fair value of donated materials and services cannot be reasonably determined and are therefore not reflected in these financial statements.

Tangible capital assets

Tangible capital assets are stated at cost or deemed cost less accumulated amortization and are amortized over their estimated useful lives on a declining balance basis at the following rates and methods:

Curling rocks	20%	straight-line method
Furniture and fixtures	20%	straight-line method
Signs	20%	declining balance method
Computer equipment	55%	declining balance method
Computer software	55%	straight-line method
Leasehold improvements	5%	straight-line method

The organization regularly reviews its tangible capital assets to eliminate obsolete items.

Tangible capital assets acquired during the year but not placed into use are not amortized until they are placed into use.

*(continues)*



**KELOWNA CURLING CLUB****Notes to Financial Statements****Year Ended April 30, 2023****2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**Impairment of property and equipment

The organization tests for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. Recoverability is assessed by comparing the carrying amount to the projected future net cash flows the long-lived assets are expected to generate through their direct use and eventual disposition. When a test for impairment indicates that the carrying amount of an asset is not recoverable, an impairment loss is recognized to the extent the carrying value exceeds its fair value.

Net assets

- a) Net assets invested in tangible capital assets represents the organization's net investment in tangible capital assets which is comprised of the unamortized amount of tangible capital assets purchased with restricted funds.
- b) Unrestricted net assets comprise the excess of revenue over expenses accumulated by the organization each year, net of transfers, and are available for general purposes.

Measurement uncertainty

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations 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 unrealised gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs are added to the carrying amount unless the financial instruments are subsequently measured at fair value.

**3. TANGIBLE CAPITAL ASSETS**

	Cost	Accumulated amortization	2023 Net book value	2022 Net book value
Curling rocks	\$ 76,085	\$ 57,369	\$ 18,716	\$ 21,760
Furniture and fixtures	431,963	414,467	17,496	69,787
Signs	8,790	8,790	-	-
Computer equipment	1,141	1,134	7	17
Computer software	7,430	5,637	1,793	650
Leasehold improvements	1,155,553	572,038	583,515	578,606
	\$ 1,680,962	\$ 1,059,435	\$ 621,527	\$ 670,820

**KELOWNA CURLING CLUB****Notes to Financial Statements****Year Ended April 30, 2023****4. LONG TERM DEBT**

	<b>2023</b>	<b>2022</b>
Valley First Credit Union loan bearing interest at 4% per annum, repayable in monthly blended payments of \$2,209. The loan matures on June 18, 2031 and is unsecured.	<b>\$ 184,346</b>	\$ 200,000
City of Kelowna loan bearing interest at 2.75% per annum, repayable in semi-annual blended payments of \$10,772. The loan matures on August 1, 2023 and is unsecured.	<b>10,480</b>	31,300
City of Kelowna, repaid during the year.	-	28,438
	<b>194,826</b>	259,738
Amounts payable within one year	<b>(30,022)</b>	(64,910)
	<b>\$ 164,804</b>	\$ 194,828

**5. CANADA EMERGENCY BUSINESS ACCOUNT**

A Canada Emergency Business Account (CEBA) loan in the amount of \$60,000 was issued under the government's response to the pandemic. The loan is interest free until January 18, 2024. If the loan is not repaid by January 18, 2024, it will be converted into a three year term loan with interest being charged at 5% per annum payable monthly. Principal payment is not required until December 31, 2025, but must be paid in full by that date. A forgivable amount of \$20,000 has been recognized as income in the previous year. The balance of the loan is reduced to \$40,000 if the loan is repaid by January 18, 2024. As such, the Organization plans to repay the loan in full by January 18, 2024. If the loan is not repaid by January 18, 2024, to meet the forgiveness condition, then the income inclusion will be reversed (i.e. expensed) and the loan balance increased at that time.

**6. DEFERRED CAPITAL CONTRIBUTIONS**

Deferred capital contributions consist of funds received from the City of Kelowna for facility leasehold improvements. These contributions will be deferred and amortized into income using the same amortization policy as the related assets.

	<b>2023</b>	<b>2022</b>
Balance, beginning of the year	<b>\$ 41,250</b>	\$ 43,750
Amortization	<b>(2,500)</b>	(2,500)
Balance, end of the year	<b>\$ 38,750</b>	\$ 41,250

**KELOWNA CURLING CLUB**

**Notes to Financial Statements**

**Year Ended April 30, 2023**

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7. FINANCIAL INSTRUMENTS

The organization is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the organization's risk exposure and concentration as of April 30, 2023.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The organization is exposed to this risk mainly in respect of its receipt of funds from its members and major contributors, and in its need to repay long-term debt and accounts payable.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the organization manages exposure through its normal operating and financing activities. The organization is exposed to interest rate risk primarily through its floating interest rate bank indebtedness and credit facilities.

Unless otherwise noted, it is management's opinion that the organization is not exposed to significant other price risks arising from these financial instruments.

8. REMUNERATION PAID TO DIRECTORS AND EMPLOYEES

In accordance with the Societies Act (British Columbia) Section 36.1 and Societies Regulation 9.2(b):

The Directors of the Kelowna Curling Club receive no remuneration for the performance of their responsibilities as Directors.

For the fiscal year ending April 30, 2023, the Kelowna Curling Club paid remuneration to one employee of \$75,000 or greater. Remuneration includes all wages and taxable benefits.