

KELOWNA CURLING CLUB

Financial Statements

Year Ended April 30, 2022

KELOWNA CURLING CLUB

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Year Ended April 30, 2022

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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, 2022, 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.

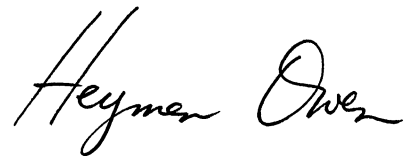
The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

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, 2022, 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.



Kelowna, British Columbia
September 12, 2022

CHARTERED PROFESSIONAL ACCOUNTANTS

KELOWNA CURLING CLUB
Statement of Financial Position
April 30, 2022

	2022	2021
ASSETS		
CURRENT		
Cash	\$ 10,807	\$ 13,516
Accounts receivable	-	2,930
Government assistance receivable	-	15,407
Inventory	105,538	106,210
	116,345	138,063
TANGIBLE CAPITAL ASSETS (Note 3)	670,820	661,313
	\$ 787,165	\$ 799,376
LIABILITIES		
CURRENT		
Accounts payable	\$ 67,955	\$ 177,345
Government remittances payable	3,091	-
Deferred income	15,007	1,505
Current portion of long term debt (Note 4)	64,910	48,125
	150,963	226,975
LONG TERM DEBT (Note 4)	234,828	100,083
DEFERRED CAPITAL CONTRIBUTIONS (Note 6)	41,250	43,750
	427,041	370,808
NET ASSETS		
Unrestricted	(101,128)	(73,614)
Invested in tangible capital assets	461,252	449,247
Internally restricted	-	52,935
	360,124	428,568
	\$ 787,165	\$ 799,376

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, 2022

	2022	2021
REVENUES		
Membership fees and dues	\$ 380,874	\$ 264,856
Food and beverage - net	355,042	133,170
Government assistance	98,855	220,497
Other operations	55,298	30,617
Community Gaming Grant	40,200	35,200
Ice rentals	34,170	8,628
Pro shop	29,435	22,027
Bonspiels	29,050	16,020
Capital Fund	25,799	20,072
Facility rentals	19,737	5,775
2020 World Seniors and Mixed Curling	19,110	-
Donations	7,423	48,619
Amortization of deferred capital contributions	2,500	2,500
Fundraising	127	29,347
2019 World Mixed Curling Championship	-	1,750
Interest	-	105
	1,097,620	839,183
EXPENSES		
Salaries and wages	606,340	383,191
Utilities	117,000	80,789
Amortization	84,120	83,171
Advertising and promotion	83,654	47,032
Repairs and maintenance	57,783	36,095
Contract services	46,742	38,505
Supplies	38,850	42,765
Interest and bank charges	30,052	20,793
Office	29,859	29,130
Bonspiels	16,400	17,744
Licenses and fees	11,413	11,485
Insurance	10,674	7,083
Executive meetings	8,005	195
Professional fees	4,995	6,100
Telephone	4,230	4,664
Training	4,076	391
Interest on long term debt	2,908	4,901
Equipment rentals	2,012	5,813
Property taxes	1,985	1,473
Event entertainment	1,981	-
Security	1,945	1,101
Junior curling	973	1,002
Trophies and awards	67	-
Fundraising	-	19,126
	1,166,064	842,549
DEFICIENCY OF REVENUES OVER EXPENSES	\$ (68,444)	\$ (3,366)

See accompanying notes to the financial statements.

KELOWNA CURLING CLUB
Statement of Changes in Net Assets
Year Ended April 30, 2022

	Unrestricted	Invested in tangible capital assets	Internally Restricted	2022	2021
NET ASSETS - BEGINNING OF YEAR	\$ (73,614)	\$ 449,247	\$ 52,935	\$ 428,568	\$ 431,934
DEFICIENCY OF REVENUES OVER EXPENSES	(68,444)	-	-	(68,444)	(3,366)
Purchase of tangible capital assets	(93,625)	93,625	-	-	-
Amortization of tangible capital assets	84,120	(84,120)	-	-	-
Amortization of deferred capital contributions	(2,500)	2,500	-	-	-
Interfund transfer	52,935	-	(52,935)	-	-
NET ASSETS - END OF YEAR	\$ (101,128)	\$ 461,252	\$ -	\$ 360,124	\$ 428,568

See accompanying notes to the financial statements.

KELOWNA CURLING CLUB**Statement of Cash Flows****Year Ended April 30, 2022**

	2022	2021
OPERATING ACTIVITIES		
Deficiency of revenues over expenses	\$ (68,444)	\$ (3,366)
Items not affecting cash:		
Amortization of tangible capital assets	84,120	83,171
Amortization of deferred capital contributions	(2,500)	(2,500)
	13,176	77,305
Changes in non-cash working capital:		
Accounts receivable	2,930	10,329
Government assistance receivable	15,407	(15,407)
Inventory	672	(13,979)
Accounts payable	(109,393)	65,918
Deferred income	13,502	(5,453)
Government remittances payable	3,091	778
	(73,791)	42,186
Cash flow from (used by) operating activities	(60,615)	119,491
INVESTING ACTIVITY		
Purchase of tangible capital assets	(93,625)	(64,134)
FINANCING ACTIVITIES		
Proceeds from long term financing	200,000	20,000
Repayment of long term debt	(48,469)	(66,828)
Cash flow from (used by) financing activities	151,531	(46,828)
INCREASE (DECREASE) IN CASH FLOW	(2,709)	8,529
Cash - beginning of year	13,516	4,987
CASH - END OF YEAR	\$ 10,807	\$ 13,516

See accompanying notes to the financial statements.

KELOWNA CURLING CLUB

Notes to Financial Statements

Year Ended April 30, 2022

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, 2022

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) Internally restricted net assets are funds which have been designated for a specific purpose by the organization's Board of Directors.
- c) 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	2022 Net book value	2021 Net book value
Curling rocks	\$ 76,085	\$ 54,325	\$ 21,760	\$ 24,803
Furniture and fixtures	459,911	390,124	69,787	96,169
Signs	8,790	8,790	-	-
Computer equipment	1,141	1,124	17	37
Computer software	4,430	3,780	650	1,445
Leasehold improvements	1,093,645	515,039	578,606	538,859
	\$ 1,644,002	\$ 973,182	\$ 670,820	\$ 661,313

KELOWNA CURLING CLUB

Notes to Financial Statements

Year Ended April 30, 2022

4. LONG TERM DEBT

	2022	2021
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.	\$ 31,300	\$ 51,706
City of Kelowna loan bearing interest at 2.75% per annum, repayable in semi-annual blended payments of \$14,614. The loan matures on April 1, 2023 and is unsecured.	28,438	56,502
Canada Emergency Business Account loan bearing no interest until December 22, 2023. See Note 5 for terms.	40,000	40,000
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.	200,000	-
	299,738	148,208
Amounts payable within one year	(64,910)	(48,125)
	\$ 234,828	\$ 100,083

Principal repayment terms are approximately:

2023	\$ 64,910
2024	69,963
2025	20,277
2026	21,103
2027	21,963
Thereafter	101,522
	<u>\$ 299,738</u>

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 December 22, 2023. If the loan is not repaid by December 31, 2023, 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 December 31, 2023. As such, the Organization plans to repay the loan in full by December 31, 2023. If the loan is not repaid by December 31, 2023, to meet the forgiveness condition, then the income inclusion will be reversed (i.e. expensed) and the loan balance increased at that time.

KELOWNA CURLING CLUB

Notes to Financial Statements

Year Ended April 30, 2022

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.

	2022	2021
Balance, beginning of the year	\$ 43,750	\$ 46,250
Amortization	(2,500)	(2,500)
Balance, end of the year	\$ 41,250	\$ 43,750

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, 2022.

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, 2022, the Kelowna Curling Club paid remuneration to one employee of \$75,000 or greater. Remuneration includes all wages and taxable benefits.

KELOWNA CURLING CLUB

Notes to Financial Statements

Year Ended April 30, 2022

9. FINANCIAL IMPACT OF THE NOVEL CORONAVIRUS (COVID 19)

In March 2020, the World Health Organization declared a global pandemic due to the outbreak of a novel coronavirus (COVID 19) which continues to spread in Canada and around the world. This has resulted in governments around the world enacting emergency measures to combat the spread of the virus. These measures have included travel bans, self imposed quarantine periods, economic shutdown, and social distancing. Governments at all levels and central banks have responded to these measures with significant monetary and fiscal interventions designed to stabilize economic conditions.

COVID 19 still an ongoing concern, but the nature of the virus appears to be stabilizing in the sense that is no longer causing such a high level of disruption. The virus is still affecting the general population and new strains of the virus could materialize, of which the effects on the current economic conditions cannot be known.