

**KELOWNA CURLING CLUB**

**Financial Statements**

**Year Ended April 30, 2024**

*Draft for discussion purposes only*

**KELOWNA CURLING CLUB**

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**Year Ended April 30, 2024**

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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, 2024, 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, 2024, 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 26, 2024

CHARTERED PROFESSIONAL ACCOUNTANTS

**KELOWNA CURLING CLUB**  
**Statement of Financial Position**  
**April 30, 2024**

	2024	2023
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 156,277	\$ 58,784
Inventory	73,466	88,078
Prepaid expenses and deposits	12,926	-
	<b>242,669</b>	146,862
<b>TANGIBLE CAPITAL ASSETS (Note 3)</b>	<b>610,384</b>	621,527
	<b>\$ 853,053</b>	<b>\$ 768,389</b>
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Accounts payable	\$ 60,274	\$ 47,457
Government remittances payable	11,981	9,518
Bonuses payable	9,000	-
Deferred income	106,883	85,089
CEBA loan	-	40,000
Current portion of long term debt (Note 4)	20,328	30,022
	<b>208,466</b>	212,086
<b>LONG TERM DEBT (Note 4)</b>	<b>144,554</b>	164,804
<b>DEFERRED CAPITAL CONTRIBUTIONS (Note 5)</b>	<b>36,250</b>	38,750
	<b>389,270</b>	415,640
<b>NET ASSETS</b>		
Unrestricted	(148,496)	(219,550)
Invested in tangible capital assets	574,134	572,299
Internally restricted (Note 6)	38,145	-
	<b>463,783</b>	352,749
	<b>\$ 853,053</b>	<b>\$ 768,389</b>

**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, 2024**

	2024	2023
<b>REVENUES</b>		
Food and beverage - net	\$ 600,510	\$ 545,705
Membership fees and dues	438,558	401,101
Pan Continental	261,449	-
Bonspiels	123,647	31,885
Other operations	84,647	49,213
Facility rentals	82,605	74,571
Ice rentals	48,958	56,484
Community gaming grant	40,200	40,200
Capital fund	30,921	31,872
Pro shop	30,643	17,637
Youth bursary	7,224	-
Amortization of deferred capital contributions	2,500	2,500
Donations	1,372	4,820
Interest	17	-
	<b>1,753,251</b>	<b>1,255,988</b>
<b>EXPENSES</b>		
Advertising and promotion	48,124	59,091
Amortization	81,891	86,252
Bonspiels	104,838	20,340
Contract services	38,614	51,627
Equipment rentals	6,772	2,289
Event entertainment	1,050	500
Executive meetings	740	581
Insurance	14,123	15,460
Interest and bank charges	27,326	30,882
Interest on long term debt	7,261	9,101
Junior curling	2,604	10,774
Licenses and fees	6,119	6,993
Meals and entertainment	500	-
Office	41,707	26,318
Pan Continental 2023 expenses	235,176	-
Professional fees	5,776	5,200
Property taxes	1,153	1,632
Repairs and maintenance	68,289	54,716
Salaries and wages	780,780	687,387
Security	6,746	2,913
Supplies	70,346	49,276
Telephone	4,511	5,099
Training	6,508	7,870
Trophies and awards	4,507	20
Utilities	136,850	129,042
	<b>1,702,311</b>	<b>1,263,363</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES FROM OPERATIONS</b>	<b>50,940</b>	<b>(7,375)</b>
<b>OTHER INCOME</b>		
Insurance proceeds	60,094	-
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>	<b>\$ 111,034</b>	<b>\$ (7,375)</b>

See accompanying notes to the financial statements.

**KELOWNA CURLING CLUB**  
**Statement of Changes in Net Assets**  
**Year Ended April 30, 2024**

	Unrestricted	Invested in tangible capital assets	Internally Restricted	2024	2023
<b>NET ASSETS - BEGINNING OF YEAR</b>	\$ (219,550)	\$ 572,299	\$ -	\$ <b>352,749</b>	\$ 360,124
EXCESS OF REVENUES OVER EXPENSES	111,034	-	-	<b>111,034</b>	(7,375)
Purchase of tangible capital assets	(70,746)	70,746	-	-	-
Amortization of tangible capital assets	81,891	(81,891)	-	-	-
Repayment of long term debt	(10,480)	10,480	-	-	-
Amortization of deferred capital contributions	(2,500)	2,500	-	-	-
Interfund transfer	(38,145)	-	38,145	-	-
<b>NET ASSETS - END OF YEAR</b>	\$ (148,496)	\$ 574,134	\$ 38,145	\$ <b>463,783</b>	\$ 352,749

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See accompanying notes to the financial statements.

**KELOWNA CURLING CLUB****Statement of Cash Flows****Year Ended April 30, 2024**

	2024	2023
<b>OPERATING ACTIVITIES</b>		
Excess (deficiency) of revenues over expenses	\$ 111,034	\$ (7,375)
Items not affecting cash:		
Amortization of tangible capital assets	81,891	86,252
Amortization of deferred capital contributions	(2,500)	(2,500)
	190,425	76,377
Changes in non-cash working capital:		
Inventory	14,612	17,460
Accounts payable	12,814	(18,643)
Deferred income	21,794	69,508
Prepaid expenses and deposits	(12,926)	-
Bonuses payable	9,000	-
Government remittances payable	2,463	6,427
	47,757	74,752
Cash flow from operating activities	238,182	151,129
<b>INVESTING ACTIVITY</b>		
Purchase of tangible capital assets	(70,746)	(36,960)
<b>FINANCING ACTIVITIES</b>		
Repayment of Canada Emergency Business Account loan	(40,000)	-
Repayment of long term debt	(29,943)	(64,914)
Cash flow used by financing activities	(69,943)	(64,914)
<b>INCREASE IN CASH FLOW</b>	<b>97,493</b>	<b>49,255</b>
Cash - beginning of year	58,784	9,529
<b>CASH - END OF YEAR</b>	<b>\$ 156,277</b>	<b>\$ 58,784</b>

See accompanying notes to the financial statements.

# KELOWNA CURLING CLUB

## Notes to Financial Statements

Year Ended April 30, 2024

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### 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 at the following rates and methods:

Curling rocks	4%	straight-line method
Furniture and fixtures	20%	straight-line method
Signs	20%	straight-line method
Computer equipment	55%	declining balance method
Computer software	55%	declining balance 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, 2024

### 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.
- c) Restricted net assets are funds which have been designated for a specific purpose by the organization's Board of Directors.

#### 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	2024 Net book value	2023 Net book value
Curling rocks	\$ 76,085	\$ 60,412	\$ 15,673	\$ 18,716
Furniture and fixtures	502,709	433,871	68,838	17,496
Signs	8,790	8,790	-	-
Computer equipment	1,141	1,138	3	7
Computer software	7,430	7,298	132	1,793
Leasehold improvements	1,155,553	629,815	525,738	583,515
	<b>\$ 1,751,708</b>	<b>\$ 1,141,324</b>	<b>\$ 610,384</b>	<b>\$ 621,527</b>

**KELOWNA CURLING CLUB****Notes to Financial Statements****Year Ended April 30, 2024****4. LONG TERM DEBT**

	<b>2024</b>	<b>2023</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.	\$ 164,882	\$ 184,346
City of Kelowna - repaid during the year	-	10,480
	<b>164,882</b>	194,826
Amounts payable within one year	<b>(20,328)</b>	(30,022)
	<b>\$ 144,554</b>	\$ 164,804

**5. 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>2024</b>	<b>2023</b>
Balance, beginning of the year	\$ 38,750	\$ 41,250
Amortization	<b>(2,500)</b>	(2,500)
Balance, end of the year	<b>\$ 36,250</b>	\$ 38,750

**6. INTERNALLY RESTRICTED NET ASSETS**

Internally restricted assets are funds that have been set up by the board of directors for specific future purposes. As at the year end the following amounts have been internally restricted for the following purposes.

	<b>2024</b>	<b>2023</b>
Capital improvement reserve	\$ 30,921	\$ -
Youth legacy reserve	7,224	-
	<b>\$ 38,145</b>	\$ -

# KELOWNA CURLING CLUB

## Notes to Financial Statements

Year Ended April 30, 2024

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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, 2024.

#### 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, 2024, the Kelowna Curling Club paid remuneration to one employee of \$75,000 or greater. Remuneration includes all wages and taxable benefits.

### 9. COMPARATIVE FIGURES

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