

KAPUSKASING CURLING CLUB

**REVIEW ENGAGEMENT REPORT AND
FINANCIAL STATEMENTS**

MAY 31, 2016



Collins Barrow

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REVIEW ENGAGEMENT REPORT

To the Members of
Kapuskasing Curling Club

We have reviewed the statement of financial position of Kapuskasing Curling Club as at May 31, 2016 and the statements of operations, changes in net assets and cash flows for the year then ended. Our review was made in accordance with Canadian generally accepted standards for review engagements and accordingly consisted primarily of inquiry, analytical procedures and discussion related to information supplied to us by the club.

A review does not constitute an audit and consequently we do not express an audit opinion on these financial statements.

Based on our review, nothing has come to our attention that causes us to believe that these financial statements are not, in all material respects, in accordance with Canadian accounting standards for not-for-profit organizations.

Collins Barrow Gagné Gagnon Bisson Hébert

Chartered Professional Accountants
Licenced Public Accountants
August 15, 2016

KAPUSKASING CURLING CLUB

FINANCIAL STATEMENTS

(Unaudited)

MAY 31, 2016

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KAPUSKASING CURLING CLUB

STATEMENT OF OPERATIONS

(Unaudited)

YEAR ENDED MAY 31, 2016

	2016	2015
REVENUES		
Membership and lockers rentals	\$ 35,622	\$ 28,877
Interest and other revenue	2,991	1,825
Advertising revenues	6,862	5,009
Rentals	8,395	4,509
Net revenue from bar fund, schedule 1	7,800	4,282
Fundraising and donations, schedule 2	36,466	16,098
	<u>98,136</u>	<u>60,600</u>
EXPENSES		
Advertising and promotion	2,505	561
Bad debts	764	-
Building repairs and maintenance	908	1,723
Capital expenses	-	49
Donations	6,847	-
Ice plant operation	14,598	13,031
Insurance	2,900	3,121
Interest and bank charges	454	364
Licences and dues	1,846	1,978
Miscellaneous expenses	2,328	502
Office supplies and expenses	1,622	634
Professional fees	2,375	1,500
Telephone and cable	1,791	1,798
Utilities	40,571	39,314
	<u>79,509</u>	<u>64,575</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	\$ 18,627	\$ (3,975)

KAPUSKASING CURLING CLUB
STATEMENT OF CHANGES IN NET ASSETS
(Unaudited)
YEAR ENDED MAY 31, 2016

	2016	2015
BALANCE, BEGINNING OF YEAR	\$ 5,619	\$ 9,594
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	<u>18,627</u>	<u>(3,975)</u>
BALANCE, END OF YEAR	<u>\$ 24,246</u>	<u>\$ 5,619</u>

KAPUSKASING CURLING CLUB

STATEMENT OF FINANCIAL POSITION (Unaudited)

MAY 31, 2016

	2016	2015
ASSETS		
CURRENT ASSETS		
Cash	\$ 26,235	\$ 2,362
Accounts receivable	-	4,653
HST receivable	-	3,401
Prepaid expenses	1,669	1,714
	<u>\$ 27,904</u>	<u>\$ 12,130</u>
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 608	\$ 4,652
Deferred revenues	3,050	1,859
	<u>3,658</u>	<u>6,511</u>
NET ASSETS	<u>24,246</u>	<u>5,619</u>
	<u>\$ 27,904</u>	<u>\$ 12,130</u>

KAPUSKASING CURLING CLUB

STATEMENT OF CASH FLOWS

(Unaudited)

YEAR ENDED MAY 31, 2016

	2016	2015
OPERATING ACTIVITIES		
Excess (deficiency) of revenues over expenses	\$ 18,627	\$ (3,975)
Changes in:		
Accounts receivable	4,653	156
HST receivable	3,401	466
Prepaid expenses	45	183
Accounts payable and accrued liabilities	(4,044)	(15,887)
Deferred revenues	1,191	1,859
CHANGE IN CASH POSITION	23,873	(17,198)
CASH POSITION, BEGINNING OF YEAR	2,362	19,560
CASH POSITION, END OF YEAR	\$ 26,235	\$ 2,362

KAPUSKASING CURLING CLUB

NOTES TO FINANCIAL STATEMENTS

(Unaudited)

MAY 31, 2016

1. STATUS AND NATURE OF OPERATIONS

The Kapuskasing Curling Club is a not-for-profit organization, incorporated under the Ontario Corporations Act, for the purpose of providing recreational curling facilities for its members. The organization is exempt from income tax.

2. SIGNIFICANT ACCOUNTING POLICIES

The organization applies the Canadian accounting standards for not-for-profit organizations.

REVENUE RECOGNITION

Revenue from membership fees are earned over the course of the fiscal year and are recognized upon payment by members. Rental income, fundraising and advertising revenues are recognized once the related service has been provided or event has taken place. Food and beverage sales are recognized at the time of sale.

PROPERTY AND EQUIPMENT

Canadian accounting standards for not-for-profit organizations recommend that a capital asset should be recorded on the statement of financial position at cost and be amortized over its estimated useful life in a rational and systematic manner as an expense in the organization's statement of operations. Not-for-profit organizations may expense capital asset purchases if the average annual revenues recognized in the statement of operations for the current and preceding period of the organization are less than \$500,000. The Kapuskasing Curling Club's average annual revenues for the current and preceding period are less than \$500,000, and has elected to expense capital asset purchases. Capital assets are expensed on acquisition.

KAPUSKASING CURLING CLUB

NOTES TO FINANCIAL STATEMENTS (Unaudited)

MAY 31, 2016

2. SIGNIFICANT ACCOUNTING POLICIES, (CONT'D)

FINANCIAL INSTRUMENTS

Measurement

The organization initially measures its financial assets and financial liabilities at fair value adjusted by, in the case of a financial instrument that will not be measured subsequently at fair value, the amount of transaction costs directly attributable to the instrument. Amounts due to and from related parties are measured at the exchange amount, being the amount agreed upon by the related parties.

The organization subsequently measures its financial assets and financial liabilities at amortized cost, except for derivatives and equity securities quoted in an active market, which are subsequently measured at fair value. Forward exchange contracts and interest rate swaps that are not hedging items are measured at fair value. Changes in fair value are recognized on the statement of operations.

Financial assets measured at amortized cost include cash.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

There are no financial assets measured at fair value.

Impairment

Financial assets measured at cost or amortized cost are tested for impairment, at the end of each year, to determine whether there are indicators that the asset may be impaired. The amount of the write-down, if any, is recognized in the statement of operations. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account. The reversal may be recorded provided it is no greater than the amount that had been previously reported as a reduction in the asset and it does not exceed original cost. The amount of the reversal is recognized on the statement of operations.

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 amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

KAPUSKASING CURLING CLUB

NOTES TO FINANCIAL STATEMENTS (Unaudited)

MAY 31, 2016

3. FINANCIAL INSTRUMENTS RISK

The risk which the organization is exposed to in respect of its financial instruments is liquidity risk which is discussed below.

LIQUIDITY RISK

The organization does have a liquidity risk in the accounts payable and accrued liabilities of \$608 (2015 - \$4,652). Liquidity risk is the risk that the organization cannot repay its obligations when they become due to its creditors. The organization reduces its exposure to liquidity risk by ensuring that it documents when authorized payments become due. In the opinion of management the liquidity risk exposure to the organization is low and is not material.

KAPUSKASING CURLING CLUB
SCHEDULES TO FINANCIAL STATEMENTS
(Unaudited)

YEAR ENDED MAY 31, 2016

SCHEDULE OF NET REVENUE FROM BAR FUND

Schedule 1

	2016	2015
Sales	\$ 13,588	\$ 8,205
Cost of sales and supplies	(5,788)	(3,923)
	\$ 7,800	\$ 4,282

SCHEDULE OF FUNDRAISING AND DONATIONS

Schedule 2

	2016	2015
Bar tips donations	\$ 943	\$ -
Bonspiels and award night (net)	2,176	5,196
Breakfast (net)	704	-
Coffee donations	978	-
Community 50/50 (net)	3,922	-
Donations	9,914	11,514
Fundraising-other (net)	9,119	(612)
Other 50/50	3,466	-
School curling donations	4,125	-
Spaghetti supper (net)	1,119	-
	\$ 36,466	\$ 16,098