

KAPUSKASING CURLING CLUB

**REVIEW ENGAGEMENT REPORT AND
FINANCIAL STATEMENTS**

MAY 31, 2017



Eric G. Gagnon Professional Corporation
Noël G. Cantin Professional Corporation
Julie A. Lemieux CPA, CA
Martine Lemaire-Mignault CPA, CA
Daniel D. Gagné CPA, CA
Chad Lauzon CPA, CA

Collins Barrow
Gagné Gagnon Bisson Hébert
Chartered Professional Accountants
2 Ash Street, Suite 2
Kapuskasing, Ontario P5N 3H4
T: 705.337.6411
F: 705.335.6563
www.collinsbarrow.com

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, 2017 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 23, 2017

This office is independently owned and operated by Collins Barrow – Gagné Gagnon Bisson Hébert
The Collins Barrow trademarks are used under License.



KAPUSKASING CURLING CLUB

FINANCIAL STATEMENTS (Unaudited)

MAY 31, 2017

Statement of Operations	1
Statement of Changes in Net Assets	2
Statement of Financial Position	3
Statement of Cash Flows	4
Notes to Financial Statements	5 - 6
Schedule of Net Revenue From Bar Fund	7
Schedule of Fundraising and Donations	7

KAPUSKASING CURLING CLUB

STATEMENT OF OPERATIONS

(Unaudited)

YEAR ENDED MAY 31, 2017

	2017	2016
REVENUES		
Membership and lockers rentals	\$ 27,083	\$ 35,622
Interest and other revenue	406	2,991
Advertising revenues	8,359	6,862
Rentals	10,301	8,395
Net revenue from bar fund, schedule 1	7,020	7,800
Fundraising and donations, schedule 2	21,914	36,466
	<u>75,083</u>	<u>98,136</u>
EXPENSES		
Advertising and promotion	469	1,767
Bad debts	-	764
Building repairs and maintenance	1,529	908
Donations	-	6,847
Ice plant operation	15,217	14,598
Insurance	2,967	2,900
Interest and bank charges	257	454
Licences and dues	1,751	1,846
Miscellaneous expenses	2,581	2,328
Office supplies and expenses	1,224	1,622
Professional fees	2,205	2,375
School curling expense	3,824	738
Telephone and cable	1,736	1,791
Utilities	34,630	40,571
	<u>68,390</u>	<u>79,509</u>
EXCESS OF REVENUES OVER EXPENSES	\$ 6,693	\$ 18,627

KAPUSKASING CURLING CLUB**STATEMENT OF CHANGES IN NET ASSETS
(Unaudited)****YEAR ENDED MAY 31, 2017**

	2017	2016
BALANCE, BEGINNING OF YEAR	\$ 24,246	\$ 5,619
EXCESS OF REVENUES OVER EXPENSES	<u>6,693</u>	<u>18,627</u>
BALANCE, END OF YEAR	<u>\$ 30,939</u>	<u>\$ 24,246</u>

KAPUSKASING CURLING CLUB

STATEMENT OF FINANCIAL POSITION (Unaudited)

MAY 31, 2017

	2017	2016
ASSETS		
CURRENT ASSETS		
Cash	\$ 32,304	\$ 26,235
HST receivable	892	334
Prepaid expenses	1,817	1,669
	<u>\$ 35,013</u>	<u>\$ 28,238</u>
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 3,684	\$ 942
Deferred revenues	390	3,050
	<u>4,074</u>	<u>3,992</u>
NET ASSETS	<u>30,939</u>	<u>24,246</u>
	<u>\$ 35,013</u>	<u>\$ 28,238</u>

KAPUSKASING CURLING CLUB

STATEMENT OF CASH FLOWS

(Unaudited)

YEAR ENDED MAY 31, 2017

	2017	2016
OPERATING ACTIVITIES		
Excess of revenues over expenses	\$ 6,693	\$ 18,627
Changes in:		
Accounts receivable	-	4,653
HST receivable	(558)	3,067
Prepaid expenses	(148)	45
Accounts payable and accrued liabilities	2,742	(3,710)
Deferred revenues	(2,660)	1,191
CHANGE IN CASH POSITION	6,069	23,873
CASH POSITION, BEGINNING OF YEAR	26,235	2,362
CASH POSITION, END OF YEAR	\$ 32,304	\$ 26,235

KAPUSKASING CURLING CLUB

NOTES TO FINANCIAL STATEMENTS

(Unaudited)

MAY 31, 2017

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.

FINANCIAL INSTRUMENTS

Measurement

Financial instruments are financial assets or liabilities of the organization where, in general, the organization has the right to receive cash or another financial asset from another party or the centre has the obligation to pay another party cash or other financial assets.

The organization initially measures its financial instruments 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.

The organization subsequently measures all its financial instruments at amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in the statement of operations.

KAPUSKASING CURLING CLUB

NOTES TO FINANCIAL STATEMENTS

(Unaudited)

MAY 31, 2017

2. SIGNIFICANT ACCOUNTING POLICIES, (CONT'D)

FINANCIAL INSTRUMENTS, (CONT'D)

Financial instruments measured at amortized cost include cash, HST receivable and accounts payable and accrued liabilities.

The organization has 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. Any previously recognized impairment loss may be reversed to the extent of the improvement, 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 disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Estimates are used when accounting for items and matters such as determining the accrued liabilities. Actual results could differ from those estimates.

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 \$3,684 (2016 - \$942). 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, 2017

SCHEDULE OF NET REVENUE FROM BAR FUND

Schedule 1

	2017	2016
Sales	\$ 11,761	\$ 13,588
Cost of sales and supplies	<u>(4,741)</u>	<u>(5,788)</u>
	\$ 7,020	\$ 7,800

SCHEDULE OF FUNDRAISING AND DONATIONS

Schedule 2

	2017	2016
Bar tips donations	\$ 631	\$ 943
Bonspiels and award night (net)	879	2,176
Breakfast (net)	582	704
Coffee donations	853	978
Community 50/50 (net)	4,521	3,922
Donations	2,190	9,914
Fundraising-other (net)	1,277	9,119
Other 50/50	3,197	3,466
School curling donations	6,550	4,125
Spaghetti supper (net)	<u>1,234</u>	<u>1,119</u>
	\$ 21,914	\$ 36,466