

## Financial Statements

### **Antigonish Golf and Country Club**

October 31, 2020

# Contents

	<b>Page</b>
Review Engagement Report	1
Statement of Operations	2
Operating Fund Balance Sheet	3
Capital Fund Balance Sheet	4
Statement of Investment in Capital Assets	5
Statement of Cash Flows	6
Notes to the Financial Statements	7-11
Schedule A - Statement of Department Income - Golf	12
Schedule B - Statement of Department Income - Canteen	13
Schedule C - Administrative Expenses	14

# Independent Practitioner's Review Engagement Report

To the members of  
Antigonish Golf and Country Club

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We have reviewed the accompanying financial statements of Antigonish Golf and Country Club that comprise the operating and capital fund balance sheets as at October 31, 2020, and the statements of operations, investment in capital 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, 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 these financial statements do not present fairly, in all material respects, the financial position of Antigonish Golf and Country Club as at October 31, 2020, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.



Antigonish, Canada  
January 22, 2021

Chartered Professional Accountants

# Antigonish Golf and Country Club

## Statement of Operations

(Unaudited)

Year ended October 31	Capital Fund	Operating Fund	Total 2020	Total 2019
Revenue - Golf (page 12)	\$ -	\$ 960,393	<b>\$ 960,393</b>	\$ 922,129
- Canteen (page 13)	-	97,531	<b>97,531</b>	140,055
- Wage Subsidies	-	-	-	-
CEWS	-	70,334	<b>70,334</b>	-
TWS	-	7,290	<b>7,290</b>	-
- Other	-	18,543	<b>18,543</b>	24,190
	-	1,154,091	<b>1,154,091</b>	1,086,374
Expenses				
Cost of sales - canteen (page 13)	-	51,967	<b>51,967</b>	68,669
Departmental - golf (page 12)	-	716,334	<b>716,334</b>	709,511
- canteen (page 13)	-	380	<b>380</b>	29,227
Administrative (page 14)	-	62,130	<b>62,310</b>	65,415
Amortization of property and equipment	127,289	-	<b>127,289</b>	105,804
Interest on debt	15,095	-	<b>15,095</b>	20,453
	142,384	830,991	<b>973,375</b>	999,079
Excess of revenue over expenditure (expenditure over revenue)	<b>\$(142,384)</b>	<b>\$ 323,100</b>	<b>\$ 180,716</b>	<b>\$ 87,295</b>
Fund balances, beginning of year	<b>\$ 134,367</b>	<b>\$ 237,095</b>	<b>\$ 371,462</b>	<b>\$ 284,167</b>
Excess of revenue over expenditure (expenditure over revenue)	(142,384)	323,100	<b>180,716</b>	87,295
Inter fund transfers (note 8)	221,517	(221,517)	-	-
	79,133	101,583	<b>180,716</b>	87,295
Fund balances, end of year	<b>\$ 213,500</b>	<b>\$ 338,678</b>	<b>\$ 552,178</b>	<b>\$ 371,462</b>

See accompanying notes to the financial statements.

# Antigonish Golf and Country Club

## Operating Fund Balance Sheet

October 31

2020

2019

### Assets

#### Current

Cash and cash equivalents	\$ 221,353	\$ 203,913
Receivables	38,932	2,092
Inventory	33,840	32,691
Prepays	10,456	8,589
Receivable from capital fund	<u>198,894</u>	<u>88,914</u>
	<u>\$ 503,475</u>	<u>\$ 336,199</u>

### Liabilities

#### Current

Payables and accruals (note 3)	\$ 134,797	\$ 99,104
Loan payable (Note 7)	<u>30,000</u>	<u>-</u>
	164,797	99,104

### Members' deficiency

Unrestricted net assets	<u>338,678</u>	<u>237,095</u>
	<u>\$ 503,475</u>	<u>\$ 336,199</u>

Approved on behalf of the Executive

\_\_\_\_\_ Director \_\_\_\_\_ Director

See accompanying notes to the financial statements.

# Antigonish Golf and Country Club

## Capital Fund Balance Sheet

October 31

2020

2019

### Assets

Property and equipment (note 4)	<u>\$ 607,940</u>	<u>\$ 625,249</u>
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### Liabilities

#### Current

Current portion of long term debt (note 6)	<u>\$ 119,685</u>	<u>\$ 110,560</u>
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Payable to capital fund	<u>198,894</u>	<u>88,914</u>
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	<u>318,579</u>	<u>199,474</u>
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Long term debt (note 6)	<u>75,861</u>	<u>291,408</u>
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	<u>394,440</u>	<u>490,882</u>
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### Members' equity

Investment in capital assets (page 5)	<u>213,500</u>	<u>134,367</u>
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	<u>\$ 607,940</u>	<u>\$ 625,249</u>
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Approved on behalf of the Executive

\_\_\_\_\_ Director \_\_\_\_\_ Director

See accompanying notes to the financial statements.

# Antigonish Golf and Country Club

## Statement of Investment in Capital Assets

October 31

2020

2019

Balance, beginning of year	<u>\$ 134,367</u>	<u>\$ 90,672</u>
Repayment of long term loan	<u>206,422</u>	149,499
Amortization of property and equipment	<u>(127,289)</u>	<u>(105,804)</u>
	<u>79,133</u>	<u>43,695</u>
Balance, end of year	<u>\$ 213,500</u>	<u>\$ 134,367</u>

Investment in capital assets is represented by:

Property and equipment	<u>\$ 607,940</u>	<u>\$ 625,249</u>
Amounts financed by operating fund	<u>(198,894)</u>	(88,914)
Amounts financed by debt	<u>(195,546)</u>	<u>(401,968)</u>
	<u>\$ 213,500</u>	<u>\$ 134,367</u>

See accompanying notes to the financial statements.

# Antigonish Golf and Country Club

## Statement of Cash Flows

Year ended October 31

2020

2019

Increase (decrease) in cash and cash equivalents

### Operating

Excess of revenue over expenditure	\$ 180,716	\$ 87,295
Amortization of capital assets	<u>127,289</u>	<u>105,804</u>
	<b>308,005</b>	193,099
Change in non-cash operating working capital		
Receivables	(36,840)	(1,797)
Inventory	(1,149)	1,698
Prepays	(1,867)	(349)
Payables and accruals	35,693	25,013
Unearned revenue	<u>-</u>	<u>(2,054)</u>
	<b><u>303,842</u></b>	<u>215,610</u>

### Financing

Repayment of long term debt and capital lease obligation	(206,422)	(149,499)
Forgivable portion of loan payable	(10,000)	-
Receipt of loan payable	<u>40,000</u>	<u>-</u>
	<b><u>(176,422)</u></b>	<u>(149,499)</u>

### Investing

Purchase of property and equipment	<u>(109,980)</u>	<u>(4,000)</u>
Net increase in cash and cash equivalents	<b>17,440</b>	62,111
Cash and cash equivalents		
Beginning of year	<u>203,913</u>	<u>141,802</u>
End of year	<b><u>\$ 221,353</u></b>	<b><u>\$ 203,913</u></b>

See accompanying notes to the financial statements.



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# Antigonish Golf and Country Club

## Notes to the Financial Statements

October 31, 2020

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### 1. Nature of operations

Antigonish Golf and Country Club (the "Club") is a not-for-profit organization incorporated under the Companies Act of Nova Scotia. The Club's purpose is to establish, maintain, conduct, and operate a golf, country, recreational and social club for the use and accommodation of members, their families and their guests, and to promote the welfare of the members thereof. The Club's not-for-profit status makes it exempt for income tax purposes.

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### 2. Summary of significant accounting policies

#### Basis of presentation

The Club has prepared these financial statements in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

#### Revenue recognition

The Club follows the deferral method of accounting for contributions.

#### Cash

Cash and cash equivalents are defined as cash on hand and balances with banks.

#### Property and equipment

Purchased property and equipment are recorded in the capital fund at cost.

Rates and bases of amortization applied to write-off the cost of property and equipment over their estimated lives are recorded in the capital fund and are as follows:

Land improvements	30 years, straight line
Buildings	20 years, straight line
Water and irrigation system	20 years, straight line
Equipment and furnishings	5-20 years, straight line

#### Inventory

The cost of inventories is comprised of directly attributable costs and includes the purchase price plus other costs incurred in bringing the inventories to their present location and condition.

The cost is reduced by the value of rebates and allowances received from vendors. The Club estimates net realizable value as the amount that inventories are expected to be sold. Inventories are written down to net realizable value when the cost of inventories is not estimated to be recoverable due to obsolescence, damage or declining selling prices. The cost of inventories recognized as an expense in fiscal 2020 was \$189,074 (2019 - \$170,942).

#### Fund accounting

Funds within the financial statements consist of the operating and capital funds. Transfers between funds are recorded as adjustments to the appropriate fund balance.

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# Antigonish Golf and Country Club

## Notes to the Financial Statements

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October 31, 2020

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### 2. Summary of significant accounting policies (continued)

#### Use of estimates

Management reviews the carrying amounts of items in the financial statements at each balance sheet date to assess the need for revision or any possibility of impairment. Many items in the preparation of these financial statements require management's best estimate. Management determines these estimates based on assumptions that reflect the most probable set of economic conditions and planned courses of action.

These estimates are reviewed periodically and adjustments are made to the statement of operations as appropriate in the year they become known.

Items subject to significant management estimates include the estimated useful life of property and equipment, inventory valuation and allowance for doubtful accounts.

#### Financial instruments

##### *Initial measurement*

The Club's financial instruments are measured at fair value when issued or acquired. For financial instruments subsequently measured at cost or amortized cost, fair value is adjusted by the amount of the related financing fees and transaction costs. Transaction costs and financing fees relating to the financial instruments that are measured subsequently at fair value are recognized in operations in the year in which they are incurred.

##### *Subsequent measurement*

At each reporting date, the Club measures its financial assets and liabilities at cost or amortized cost (less impairment in the case of financial assets). The financial instruments measured at amortized cost are cash and cash equivalents, receivables, and payables and accruals.

For financial assets measured at cost or amortized cost, the Club regularly assess whether there are any indications of impairment. If there is an indication of impairment, and the Club determines that there is a significant adverse change in the expected timing or amount of future cash flows from the financial asset, it recognizes an impairment loss in the statement of operations. Any reversals of previously recognized impairment losses are recognized in operations in the year the reversal occurs.

#### Government assistance

Grants that related to the Canadian Emergency Wage Subsidy (CEWS) and the Temporary Wage Subsidy (TWS) programs received were recognized as revenue.

The forgivable portion of the Canada Emergency Business Account (CEBA) is also recognized as revenue.

#### Adoption of new accounting standards

On October 1, 2019 the Club adopted new accounting standards Section 4433 Tangible capital assets held by not-for-profit organizations and Section 4434 Intangible assets held by not-for-profit organizations (the "standards"). The most significant requirements include:

- tangible capital assets must be separated into their component parts, when practicable, and when estimates can be made of the lives of the separate components;

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# Antigonish Golf and Country Club

## Notes to the Financial Statements

October 31, 2020

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### Adoption of new accounting standards (continued)

- tangible capital assets and intangible assets are written down to fair value or replacement cost to reflect partial impairments when conditions indicate that the assets no longer contribute to an organization's ability to provide goods and services, or that the value of future economic benefits or service potential associated with the tangible capital assets are less than their net carrying amounts; and
- additional disclosures when an impairment has occurred.

The adoption of the new accounting standards was applied prospectively, except the Club was permitted to recognize an adjustment to opening net assets at October 1, 2019 to reflect partial impairments of tangible and intangible assets existing at that date. The adoption of these standards did not have any impact on the statement of financial position as at October 1, 2019 and the changes in financial position for the current period.

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### 3. Payables and accruals

Government remittances payable as of October 31, 2020 total \$31,758 (October 31, 2019 - \$50,365) and are included in payables and accruals.

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### 4. Property and equipment

			<u>2020</u>	<u>2019</u>
	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
Land	\$ 14,082	\$ -	\$ 14,082	\$ 14,082
Land improvements	1,325,316	1,212,102	113,214	161,737
Buildings	567,135	489,977	77,158	96,447
Water and irrigation system	653,699	496,811	156,888	196,109
Equipment and furnishings				
Pull carts	4,700	2,460	2,240	2,800
Turf management	518,299	388,896	129,403	40,358
General	387,576	364,589	22,987	24,196
Power carts	123,900	31,932	91,968	89,520
	<u>\$3,594,707</u>	<u>\$2,986,767</u>	<u>\$ 607,940</u>	<u>\$ 625,249</u>

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# Antigonish Golf and Country Club

## Notes to the Financial Statements

October 31, 2020

### 5. Bank indebtedness

The Club has a \$50,000 operating line of credit, bearing interest at prime plus 2%, all of which was unused as at October 31, 2020.

As security for the operating line and long term debt, the Club has provided a mortgage on specific real property, a general security agreement with a charge on specific assets, and an assignment of insurance over real estate and equipment.

<b>6. Long term debt</b>	<b><u>2020</u></b>	<b><u>2019</u></b>
4.390% mortgage, Bergengren Credit Union Limited, repayable in monthly instalments of \$10,490 including interest to March 2022.	<b>\$ 195,546</b>	\$ 401,968
Current portion of long term debt	<b><u>119,685</u></b>	<u>110,560</u>
	<b><u>\$ 75,861</u></b>	<u>\$ 291,408</u>

Principal repayments in the next two years in accordance with the expected repayment terms is due as follows:

2021	\$ 119,685
2022	\$ 75,861

<b>7. Loan payable</b>	<b><u>2020</u></b>	<b><u>2019</u></b>
Canadian Emergency Business Account Loan, bearing interest at 0%. 25% loan forgiveness if amount is paid in full by December 31, 2022; outstanding balances at this time will bear interest at 5%.	<b><u>\$ 30,000</u></b>	<u>\$ -</u>

<b>8. Inter fund transfers</b>	<b><u>2020</u></b>	<b><u>2019</u></b>
Debt charges- principal	<b>\$ 206,422</b>	\$ 149,499
- interest	<b><u>15,095</u></b>	<u>20,453</u>
	<b><u>\$ 221,517</u></b>	<u>\$ 169,952</u>

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# Antigonish Golf and Country Club

## Notes to the Financial Statements

October 31, 2020

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### 9. Financial instruments

The Club's policy for managing significant risk includes a comprehensive infrastructure of policies, procedures and oversight designed to reduce the risks identified to an appropriate threshold. The Board of Directors is provided with timely and relevant reports on the management of significant risks. Significant risks managed by the Club include liquidity, market and credit risks.

#### Liquidity risk

Liquidity risk is the risk that the Club will be unable to meet its contractual obligations and financial liabilities. The Club manages liquidity risk by monitoring its cash flows and ensuring that it has sufficient cash and credit facilities available to meet its obligations and liabilities.

#### Market risk

Market risk is the risk of loss that may arise from changes in market factors, such as interest rates and foreign exchange.

Interest rate risk is the risk that the value of a debt instrument will fluctuate due to changes in market interest rates. The Club is exposed to interest rate risk through its bank indebtedness, capital leases and long term debt but there is limited exposure to its long term debt and capital lease.

#### Credit risk

Credit risk is the risk of loss associated with a counterpart's inability to fulfil its payment obligations. The Club's credit risk is attributable to receivables. Management believes that the credit risk concentration with respect to financial instruments included in receivables is remote.

#### Capital management

The Club manages its capital structure and makes adjustments to it based on funds available to the Club. The Board of Directors does not establish quantitative returns on capital criteria for management, but rather relies on the expertise of the Club's management to sustain future development of the Club.

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### 10. Impact of COVID-19

Since March 2020, the spread of COVID-19 has severely impacted many local economies around the globe. In many countries, including Canada, organizations are being forced to cease or limit operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. Global stock markets have also experienced great volatility and a significant weakening. Governments and central banks have responded with monetary and fiscal interventions to stabilize economic conditions.

The Club has experienced changes in its operations as a result of public health restrictions in response to Covid-19. During the 2020 season, while membership revenue grew, canteen operations were suspended. The Club participated in the Canada Emergency Wage Subsidy and the Temporary Wage Subsidy programs as well as obtaining a loan under the Canada Emergency Business Account Program.

The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government and central bank responses, remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of the Company for future periods

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**Antigonish Golf and Country Club****Schedule A – Statement of Department Income - Golf**

Year ended October 31

**2020****2019**

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		<b>% of <u>Revenue</u></b>		<b>% of <u>Revenue</u></b>
Revenue				
Driving range	\$ 16,117	1.7	\$ 19,222	2.1
Green fees and private tournaments	187,738	19.5	234,146	25.4
Memberships	398,861	41.5	351,568	38.1
Power car rentals	151,828	15.8	158,717	17.2
Pro shop sales	155,351	16.2	109,707	11.9
Socials, tournaments and other	47,607	5.0	37,762	4.1
Storage, cart and club rentals	<u>2,891</u>	<u>0.3</u>	<u>11,007</u>	<u>1.2</u>
	<u>960,393</u>	<u>100.0</u>	<u>922,129</u>	<u>100.0</u>
Departmental expenses				
Course supplies	79,182	8.2	80,696	8.8
Driving range expense	12,533	1.3	1,575	0.2
Insurance	17,931	1.9	16,573	1.8
Irrigation and system	11,200	1.2	9,969	1.1
Pro shop supplies	137,107	14.3	102,273	11.1
Repairs, maintenance and operation of machinery	39,978	4.2	61,888	6.7
Repairs and supplies other	17,332	1.8	19,670	2.1
Socials and tournaments	39,520	4.1	41,123	4.5
Utilities	17,028	1.8	20,345	2.2
Wages and benefits	<u>344,523</u>	<u>35.8</u>	<u>355,399</u>	<u>38.5</u>
	<u>716,334</u>	<u>74.6</u>	<u>709,511</u>	<u>76.9</u>
Department income	<u>\$ 244,059</u>	<u>25.4</u>	<u>\$ 212,618</u>	<u>23.1</u>

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# **Antigonish Golf and Country Club** **Schedule C – Administrative expenses**

Year ended October 31	2020	2019
Accounting	\$ 5,112	\$ 4,997
Advertising	660	1,320
Dues and memberships	13,349	15,438
Fundraising expenses	242	935
Interest, bank and credit card charges	12,825	15,533
Junior golf	-	2,219
Miscellaneous and office	22,264	16,800
Professional fees	2,500	2,387
Telephone	<u>5,358</u>	<u>5,786</u>
	<b><u>\$ 62,310</u></b>	<b><u>\$ 65,415</u></b>