

BANCROFT CURLING CLUB

FINANCIAL STATEMENTS

Year ended August 31, 2022

BANCROFT CURLING CLUB

TABLE OF CONTENTS

August 31, 2022

INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT	1 - 2
STATEMENT OF OPERATIONS	3
STATEMENT OF CHANGES IN NET ASSETS	4
STATEMENT OF FINANCIAL POSITION	5
STATEMENT OF CASH FLOWS	6
NOTES TO THE FINANCIAL STATEMENTS	7 - 12

INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Members of
Bancroft Curling Club

We have reviewed the accompanying financial statements of Bancroft Curling Club (the "Organization") that comprise the statement of financial position as at August 31, 2022, and the statements of operations, 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, 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.

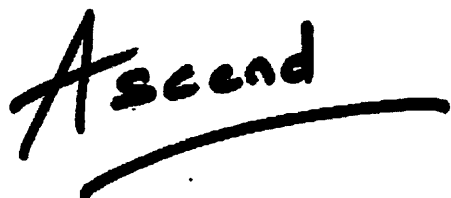
Basis for Qualified Conclusion

In common with many not-for-profit organizations, the Organization derives revenues from fundraising activities and donations and our review of these revenues was limited to the amounts recorded in the records of the Organization. The effects of this departure from Canadian accounting standards for not-for-profit organizations on these financial statements has not been determined.

INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT, continued

Qualified Conclusion

Based on our review, except for the effects of the matter described in the Basis for Qualified Conclusion paragraph, 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 Bancroft Curling Club as at August 31, 2022, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

A handwritten signature in black ink that reads "Ascend". The letter "A" is large and stylized, with a long horizontal stroke underneath the entire word.

Ascend LLP, Chartered Professional Accountants, LPA
Independent Member Firm of
PORTER HÉTU INTERNATIONAL
Bancroft, Ontario
January 6, 2023

BANCROFT CURLING CLUB
STATEMENT OF OPERATIONS
Year ended August 31, 2022

	2022	2021
Revenues		
Fees	\$ 40,365	\$ 12,673
Bar sales	11,444	-
Fundraising and donations	10,038	43,094
Hall rental	9,204	-
Advertising signs	4,600	2,338
Miscellaneous income	3,075	3,024
Interest income	2,823	-
	81,549	61,129
Cost of sales		
Bar purchases	4,374	1,026
Fundraising costs	2,487	2,655
Food	80	-
	6,941	3,681
Gross margin (91.5%, 2021 94.0%)	74,608	57,448
Expenditures		
Utilities	30,766	3,397
Repairs and maintenance	19,980	4,670
Amortization	15,967	15,784
Supplies	5,759	1,182
Property taxes	10,091	11,615
Insurance	6,094	5,727
Salaries and related benefits	3,655	-
Equipment rental and maintenance	3,145	460
Telephone	2,702	1,589
Professional fees	4,800	2,416
Memberships	2,108	200
Office	1,431	2,722
Interest and bank charges	641	699
Security	300	300
Advertising and promotion	277	590
	107,716	51,351
(Deficiency) excess of revenues over expenditures from operations	(33,108)	6,097
Other income		
Grants- note 4	67,248	37,908
Forgiveness on long-term debt - note 8	-	10,000
	67,248	47,908
Excess of revenues over expenditures	\$ 34,140	\$ 54,005

The accompanying notes are an integral part of this financial information

BANCROFT CURLING CLUB
STATEMENT OF CHANGES IN NET ASSETS
Year ended August 31, 2022

	2022	2021
Balance, beginning of year	\$ 482,614	\$ 428,609
Excess of revenues over expenditures	34,140	54,005
Balance, end of year	\$ 516,754	\$ 482,614

The accompanying notes are an integral part of this financial information

BANCROFT CURLING CLUB
STATEMENT OF FINANCIAL POSITION
August 31, 2022

	2022	2021
ASSETS		
Current		
Cash	\$ 117,229	\$ 78,387
Short-term investment - note 5	40,289	40,000
Accounts receivable	1,030	1,502
Inventory	1,135	-
Prepaid expenses	2,726	2,288
Harmonized sales tax receivable	6,384	2,612
	168,793	124,789
Tangible capital assets - note 6	392,776	402,153
	\$ 561,569	\$ 526,942
LIABILITIES AND FUND BALANCES		
Current		
Accounts payable and accrued liability - note 7	\$ 6,149	\$ 3,128
Deposits	1,200	1,200
	7,349	4,328
Long-term debt - note 8	37,466	40,000
	44,815	44,328
Net Assets	516,754	482,614
	\$ 561,569	\$ 526,942

CONTINGENT LIABILITY (note 10)

On behalf of the board

_____ Member

_____ Member

BANCROFT CURLING CLUB
STATEMENT OF CASH FLOWS
Year ended August 31, 2022

	2022	2021
Operating activities		
Excess of revenues over expenditures	\$ 34,140	\$ 54,005
Adjustments for items which do not affect cash		
Amortization	15,967	15,784
Forgiveness of long-term debt	-	(10,000)
Interest income on long-term debt	(2,534)	-
Interest income on short-term investment	(289)	-
	47,284	59,789
Change in non-cash working capital items		
Accounts receivable	472	709
Inventory	(1,135)	388
Prepaid expenses	(438)	4,383
Harmonized sales tax	(3,772)	(2,276)
Accounts payable and accrued liability	3,021	(2,292)
Deposits	-	(1,000)
	45,432	59,701
Financing activity		
Proceeds of long-term debt	-	20,000
Investing activities		
Purchase of short-term investment	-	(40,000)
Purchase of tangible capital assets	(6,590)	-
	(6,590)	(40,000)
Increase in cash	38,842	39,701
Cash, beginning of year	78,387	38,686
Cash, end of year	\$ 117,229	\$ 78,387

The accompanying notes are an integral part of this financial information

BANCROFT CURLING CLUB
NOTES TO THE FINANCIAL STATEMENTS
August 31, 2022

1. NATURE OF OPERATIONS

Bancroft Curling Club (the "Organization") was incorporated under the Ontario Business Corporations Act in 1957 and operates the local curling club in Bancroft, Ontario. The Organization is a not-for-profit organization exempt from payment of income tax under section 149(1) of the Income Tax Act.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Cash and cash equivalents

Cash and cash equivalents include cash and investments with maturities of three months or less from their date of acquisition, which are readily convertible into a known amount of cash, and are subject to an insignificant risk to changes in their fair value.

Revenue recognition

Membership fees are recognized as revenue when due.

Sale of food and beverages is recognized when the services are delivered.

Rental revenue is recognized when the rental occurs.

Fundraising and donation revenue is recognized when the funds are collected.

Other revenue such as grants are recognized on an accrual basis. Revenue in these cases are recognized when the expenditure related to it has occurred.

Grants received to assist with operations are recorded when received.

BANCROFT CURLING CLUB
NOTES TO THE FINANCIAL STATEMENTS
August 31, 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Financial instruments

Measurement of financial instruments

The Organization initially measures its financial assets and 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 the 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 liabilities at cost or amortized cost, except for derivatives and equity securities quoted in an active market, which are subsequently measured at fair value. Changes in fair value are recognized in net income.

Financial assets measured at amortized cost include cash and accounts receivable.

Financial liabilities measured at amortized cost include accounts payable and accrued liability deposits and long-term debt.

Financial assets measured at fair value is the short-term investment.

Impairment

For financial assets measured at cost or amortized cost, the Organization determines whether there are indications of possible impairment. Where there is an indication of impairment, and the Organization determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows, a write-down is recognized in income. A previously recognized impairment loss may be reversed. The carrying amount of the financial asset may not be greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in income.

Inventory

The inventory is valued at the lower of cost and net realizable value as at the end of the fiscal year as determined by the management using first in, first out.

The amount of inventory included in cost of sales is \$4,374 (2021 - \$1,026)

BANCROFT CURLING CLUB
NOTES TO THE FINANCIAL STATEMENTS
August 31, 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Tangible capital assets

Tangible capital assets are recorded at cost. The Organization provides for amortization using the declining balance method at rates designed to amortize the cost of the tangible capital assets over their estimated useful lives. The annual amortization rates are as follows:

Buildings	4%
Furniture and fixtures	20%

The Organization regularly reviews its tangible capital assets to eliminate obsolete items. Government grants are treated as a reduction of tangible capital asset cost.

Tangible capital assets acquired during the year but not available for use are not amortized until they are placed into use.

Amortization is recorded at one-half of the above-noted rates in the year of acquisition. No amortization is recorded in the year of disposal.

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 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.

Significant items subject to estimates and assumptions include:

- (i) Amortization of tangible capital assets; and
- (i) Estimated useful lives of tangible capital assets.

Contributed services

Directors and owners volunteer their time to assist in the Organization's activities. These services materially benefit the Organization; however, a reasonable estimate of the time spent and its fair market value cannot be made and accordingly, these contributed services are not recognized in the financial statements.

BANCROFT CURLING CLUB
NOTES TO THE FINANCIAL STATEMENTS
August 31, 2022

3. FINANCIAL INSTRUMENT RISKS

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 August 31, 2022:

(a) Credit risk

The Organization is exposed to credit risk in the event of non-performance by counterparties in connection with its accounts receivable. The Organization does not obtain collateral or other security to support the accounts receivable subject to credit risk but mitigates this risk by dealing only with what management believes to be financially sound counterparties and, accordingly, does not anticipate significant loss for non-performance. An allowance for doubtful accounts is established, when necessary, based upon factors surrounding the credit risk of specific accounts, historical trends and other information. The Organization has a significant number of customers which minimizes concentration of credit risk.

(b) Liquidity risk

Liquidity risk is the risk that the Organization may not have cash available to satisfy financial liabilities as they come due. Management oversees liquidity risk to ensure the Organization has access to enough readily available funds to cover its financial obligations as they become due. The Organization manages liquidity risk by continuously monitoring actual daily cash flows and longer term forecasted cash flows and monitoring the maturity profiles of financial assets and liabilities. The Organization is exposed to this risk mainly in respect of its receipt of funds from its customers and other related sources and accounts payable and accrued liability, deposits and long-term debt.

Unless otherwise noted, it is management's opinion that the Organization is not exposed to significant other price risks arising from these financial instruments.

4. GRANTS

	2022	2021
Ontario Trillium- operational grant	\$ 45,000	\$ -
Covid-19 grants - note 9	19,929	35,578
Grants	2,319	15,810
Grant expense	-	(13,480)
	\$ 67,248	\$ 37,908

5. SHORT-TERM INVESTMENT

Short-term investments consist of a guaranteed investment certificate, earning interest at 1.50% maturing July 2023.

BANCROFT CURLING CLUB
NOTES TO THE FINANCIAL STATEMENTS
August 31, 2022

6. TANGIBLE CAPITAL ASSETS

			2022	2021
	Cost	Accumulated amortization	Net Book Value	Net Book Value
Land	\$ 100,000	\$ -	\$ 100,000	\$ 100,000
Buildings	487,197	211,851	275,346	286,819
Office equipment	4,392	1,208	3,184	-
Furniture and fixtures	174,768	160,522	14,246	15,334
	\$ 766,357	\$ 373,581	\$ 392,776	\$ 402,153

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITY

			2022	2021
Accrued liability			\$ 5,000	\$ 2,700
Trade payables			1,126	428
Payroll remittances			23	-
			\$ 6,149	\$ 3,128

8. LONG-TERM DEBT

	2022	2021
Canada Emergency Business Account (CEBA) loan, non-interest bearing (effective rate of 5.00%) with no repayments until the loan matures in December 2023. Repayment of the loan balance on or before December 2023 will result in loan forgiveness of 33.33% up to \$20,000. If the balance is not paid by December 2023, the loan will be converted into a 3-year term loan bearing interest at 5% per annum, paid monthly, effective January 2024 (note 10).	\$ 37,466	\$ 40,000

Included in interest income is \$2,534 (2021 - \$0) amortized cost of the CEBA loan.

On January 12, 2022 the Government of Canada announced that it is extending the repayment deadline for the CEBA loan program to December 31, 2023. The Organization is eligible for the extension and the changes to repayment terms have been recognized in these financial statements.

BANCROFT CURLING CLUB
NOTES TO THE FINANCIAL STATEMENTS
August 31, 2022

9. SIGNIFICANT EVENT

In March 2020, a world-wide pandemic was announced and both the federal and provincial governments have implemented emergency measures that will negatively impact the national and global economy for an undetermined period. The effect of the pandemic and emergency measures cannot be quantified. No additional allowances or accruals have been recognized in these financial statements other than the government assistance disclosed.

The Organization applied for and received the Canada Emergency Business Account loan and Covid- 19 assistance.

10. CONTINGENT LIABILITY

For the purpose of the accompanying financial statements, contingent liabilities have been evaluated by management.

The Organization obtained a Canada Emergency Business Account (CEBA) loan (note 8) from the federal government in the amount of \$60,000. The government loan has a forgivable amount of up to 33.33% of the loan balance. As a result, \$20,000 was recognized as income in the prior years. If the Organization defaults on the requirements to repay the loan by December 2023, the amount of \$20,000 will be added to the loan balance and will become part of the three-year term loan bearing interest at 5%.

11. SUBSEQUENT EVENTS

For the purpose of the accompanying financial statements, subsequent events have been evaluated by management.

There were no subsequent events that would have a material impact on these financial statements.

12. CORRESPONDING FIGURES

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year. The changes do not affect prior year earnings.