BANCROFT CURLING CLUB

FINANCIAL STATEMENTS

Year ended August 31, 2023

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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, 2023, 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 revenue from fundraising activities and donations, the completeness of which is not susceptible to us obtaining evidence we considered necessary for the purpose of the review. Accordingly, the evidence obtained of these revenues was limited to the amounts recorded in the records of the Organization. Therefore, we were unable to determine whether any adjustments might have been found necessary with respect to fundraising activities and donations, excess of revenues over expenses, and cash flows from operations for the years ended August 31, 2023 and August 31, 2022, current assets as at August 31, 2023 and August 31, 2022, and net assets as at September 1 and August 31 for both the 2023 and 2022 year ends. Our conclusion on the financial statements as at and for the year ended August 31, 2022 was qualified accordingly because of the possible effects of this limitation in scope.

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, 2023, 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.

Ascend

Ascend LLP, Chartered Professional Accountants, LPA
Bancroft, Ontario
January 12, 2024

BANCROFT CURLING CLUB
STATEMENT OF OPERATIONS
Year ended August 31, 2023

	2023	2022
Revenues		
Fees	$ 44,104	$ 40,365
Bar sales	43,648	11,444
Miscellaneous income	27,869	3,075
Hall rental	15,342	9,204
Fundraising and donations	7,162	10,038
Advertising signs	4,468	4,600
Interest income	204	2,823
	142,797	81,549
Cost of sales		
Bar purchases	18,724	4,374
Bonspiels	6,052	-
Fundraising costs	2,293	2,487
Food	1,301	80
	28,370	6,941
Gross margin (80.1%, 2022 91.5%)	114,427	74,608
Expenditures		
Utilities	41,992	30,766
Amortization	17,163	15,967
Repairs and maintenance	14,616	19,980
Property taxes	10,759	10,091
Insurance	6,609	6,094
Salaries and related benefits	6,460	3,655
Professional fees	6,000	4,800
Supplies	2,054	5,759
Memberships	1,862	2,108
Telephone	1,834	2,702
Office	1,703	1,431
Interest and bank charges	1,278	641
Advertising and promotion	597	277
Equipment rental and maintenance	350	3,145
Security	300	300
	113,577	107,716
Excess (deficiency) of revenues over expenditures from operations	850	(33,108)
Other income		
Grants - note 5	5,000	67,248
Excess of revenues over expenditures	**$ 5,850**	**$ 34,140**

BANCROFT CURLING CLUB
STATEMENT OF CHANGES IN NET ASSETS
Year ended August 31, 2023

	2023	2022
Balance, beginning of year	$ 516,754	$ 482,614
Excess of revenues over expenditures	5,850	34,140
Balance, end of year	**$ 522,604**	**$ 516,754**

BANCROFT CURLING CLUB
STATEMENT OF FINANCIAL POSITION
August 31, 2023

	2023	2022
ASSETS		
Current		
Cash	$ 71,868	$ 117,229
Short-term investments - note 6	92,366	40,289
Accounts receivable	958	1,030
Inventory	7,977	1,135
Prepaid expenses	2,776	2,726
Harmonized sales tax receivable	4,818	6,384
	180,763	168,793
Tangible capital assets - note 7	389,781	392,776
	$ 570,544	**$ 561,569**
LIABILITIES AND NET ASSETS		
Current		
Accounts payable and accrued liabilities - note 8	$ 6,311	$ 6,149
Deposits	2,290	1,200
Current portion of long-term debt - note 9	39,339	-
	47,940	7,349
Long-term debt - note 9	-	37,466
	47,940	44,815
Net Assets	522,604	516,754
	$ 570,544	**$ 561,569**

CONTINGENT LIABILITY (note 10)
SUBSEQUENT EVENTS (note11)

On behalf of the board

______________________ Member ______________________ Member

The accompanying notes are an integral part of these financial statements

BANCROFT CURLING CLUB
STATEMENT OF CASH FLOWS
Year ended August 31, 2023

	2023	2022
Operating activities		
Excess of revenues over expenditures	$ 5,850	$ 34,140
Adjustments for items which do not affect cash		
Amortization	17,163	15,967
Interest expense (income) on long-term debt	1,873	(2,534)
Interest income on short-term investment	(2,077)	(289)
	22,809	47,284
Change in non-cash working capital items		
Accounts receivable	72	472
Inventory	(6,842)	(1,135)
Prepaid expenses	(50)	(438)
Harmonized sales tax	1,566	(3,772)
Accounts payable and accrued liabilities	162	3,021
Deposits	1,090	-
	18,807	45,432
Investing activities		
Purchase of short-term investments	(50,000)	-
Purchase of tangible capital assets	(15,168)	(6,590)
Proceeds on disposal of tangible capital assets	1,000	-
	(64,168)	(6,590)
(Decrease) increase in cash	(45,361)	38,842
Cash, beginning of year	117,229	78,387
Cash, end of year	**$ 71,868**	**$ 117,229**

BANCROFT CURLING CLUB

NOTES TO THE FINANCIAL STATEMENTS
August 31, 2023

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 short-term 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

The Organization follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenditures are incurred. Unrestricted contributions are recognized as revenue when received or receivable when the amount to be received can be reasonably estimated, and collection is reasonably assured.

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, when the amount to be received can be reasonably estimated, and collection is reasonably assured.

BANCROFT CURLING CLUB
NOTES TO THE FINANCIAL STATEMENTS
August 31, 2023

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 financial liabilities at amortized cost, except for investments in equity instruments that are 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 liabilities and long-term debt.

Financial assets measured at fair value includes 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 net income. A previously recognized impairment loss may be reversed to the extent of the improvement. 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 net 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 $18,724 (2022 - $4,374).

BANCROFT CURLING CLUB

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%
Office equipment	55%
Furniture and fixtures	20%

The Organization regularly reviews its tangible capital assets to eliminate obsolete items.

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

Amortization is recognized beginning in the month the tangible capital asset is available for use until the asset is disposed of or use is discontinued.

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 liabilites at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Such estimates are periodically reviewed and any adjustments necessary are reported in income 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. While these services benefit the Organization considerably, 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, 2023

3. FINANCIAL INSTRUMENTS 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, 2023:

(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 liabilities. The Organization is exposed to this risk mainly in respect of its receipt of funds from its customers and other related sources, accounts payable and accrued liabilities and long-term debt.

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

4. CHANGE IN ACCOUNTING ESTIMATE

Effective September 1, 2022, the Company changed its accounting estimate in relation to its recognition of amortization of its tangible capital assets in the year of acquisition from one-half of the noted rates disclosed in its significant accounting policy to the recognition of amortization starting in the month the tangible capital assets is available for use. In addition, amortization will be recognized to the final month of use. This change in accounting estimate is applied prospectively with no impact on prior year income or stated tangible capital assets net book values.

BANCROFT CURLING CLUB
NOTES TO THE FINANCIAL STATEMENTS
August 31, 2023

5. GRANTS

	2023	2022
Ontario Trillium- operational grant	$ 5,000	$ 45,000
Covid-19 grants	-	19,929
Grants	-	2,319
	$ 5,000	$ 67,248

6. SHORT-TERM INVESTMENTS

	2023	2022
Guaranteed investment certificate, maturing July 2024, 2.25% interest	$ 40,936	$ 40,289
Guaranteed investment certificate, maturing January 2024, 4.5% interest	51,430	-
	$ 92,366	$ 40,289

7. TANGIBLE CAPITAL ASSETS

			2023	2022
	Cost	Accumulated amortization	Net Book Value	Net Book Value
Land	$ 100,000	$ -	$ 100,000	$ 100,000
Buildings	487,197	222,865	264,332	275,346
Office equipment	4,392	2,959	1,433	3,184
Furniture and fixtures	188,936	164,920	24,016	14,246
	$ 780,525	$ 390,744	$ 389,781	$ 392,776

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2023	2022
Accrued liabilities	$ 6,225	$ 6,126
Payroll remittances	86	23
	$ 6,311	$ 6,149

BANCROFT CURLING CLUB
NOTES TO THE FINANCIAL STATEMENTS
August 31, 2023

9. LONG-TERM DEBT

		2023		2022
Canada Emergency Business Account (CEBA) loan, non-interest bearing, 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 three-year term loan, bearing interest at 5% per annum, paid monthly, effective January 2024 (note 10).	$	39,339	$	37,466
Less current portion		39,339		-
Due beyond one year	$	-	$	37,466

Included in interest expense is $1,873 amortized cost of the CEBA loan. The CEBA loan balance includes the remaining unamortized balance of $661.

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 9) 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.

On September 14, 2023, the Government of Canada announced that it is amending its repayment terms for the CEBA loan program and has extended its repayment deadline of the full loan balance to January 18, 2024, to be eligible for loan forgiveness up to 33.33% of the $60,000 loan. In addition, if the Company makes a refinancing application no later than January 18, 2024 with the financial institution that provided the CEBA loan, the repayment deadline to remain eligible for loan forgiveness is extended to March 28, 2024. Any outstanding loans, including those captured by the refinancing extension will become three-year term loans, bearing interest at 5%. The changes to the repayment terms have not been recognized in these financial statements.

On October 28, 2023, the Organization entered into a contractual agreement with the Ontario Trillium Foundation for a capital grant totaling $116,000. The capital grant, intended for a specific project with a 12-month duration starting October 28, 2023, will be recognized as revenue in the financial statements for the fiscal years ending 2024 and 2025. Revenue recognition will be based on the incurrence of related expenditures associated with the project. The capital grant has not been recognized in these financial statements.