

CLARE GOLF & COUNTRY CLUB LTD.

Financial Statements

Year Ended December 31, 2019

CLARE GOLF & COUNTRY CLUB LTD.

Index to Financial Statements

Year Ended December 31, 2019

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CLARE GOLF & COUNTRY CLUB LTD.
Statement of Income and Retained Earnings
Year Ended December 31, 2019

| | 2019 | 2018 |
|--|-------------------|-------------------|
| TRADE SALES | | |
| Pro shop | \$ 27,477 | \$ 36,069 |
| Canteen - dry | 165,111 | 124,641 |
| Canteen - wet | 53,375 | 38,296 |
| | <u>245,963</u> | <u>199,006</u> |
| COST OF GOODS SOLD | | |
| Opening Inventory | 22,333 | 22,802 |
| Purchases | 138,555 | 115,504 |
| | <u>160,888</u> | <u>138,306</u> |
| Closing Inventory | (25,729) | (22,343) |
| | <u>135,159</u> | <u>115,963</u> |
| GROSS PROFIT | 110,804 | 83,043 |
| EXPENSES (Schedule 1) | 455,594 | 442,057 |
| OTHER INCOME | | |
| Memberships | 140,480 | 135,534 |
| Green fees | 63,024 | 68,312 |
| Golf car rentals | 46,637 | 50,120 |
| Tournament income | 10,923 | 22,899 |
| Driving range | 9,132 | 10,712 |
| Golf car fees and storage fees | 23,633 | 24,438 |
| Golf car advertising | 1,250 | 1,645 |
| Club and cart rental | 1,274 | 1,100 |
| Club care | 4,954 | 4,450 |
| Ladies club donation | 2,000 | 2,284 |
| Miscellaneous | 9,556 | 8,538 |
| Corporate donations | 6,710 | 7,902 |
| Tee sign revenue | 5,900 | 6,000 |
| Grant Revenue | 16,882 | - |
| Chase the Ace | 76,246 | - |
| | <u>418,601</u> | <u>343,934</u> |
| NET INCOME (LOSS) | 73,811 | (15,080) |
| RETAINED EARNINGS - BEGINNING OF YEAR | <u>324,032</u> | <u>339,112</u> |
| RETAINED EARNINGS - END OF YEAR | \$ 397,843 | \$ 324,032 |

CLARE GOLF & COUNTRY CLUB LTD.**Balance Sheet****December 31, 2019**

| | 2019 | 2018 |
|--|---------------------|---------------------|
| ASSETS | | |
| CURRENT | | |
| Cash - externally restricted <i>(Note 1)</i> | \$ 103,952 | \$ - |
| Accounts receivable | 5,578 | 5,808 |
| Inventory | 25,683 | 22,320 |
| Prepaid expenses | 10,125 | 9,369 |
| | 145,338 | 37,497 |
| PROPERTY, PLANT AND EQUIPMENT <i>(Note 2)</i> | 1,149,368 | 1,139,095 |
| | \$ 1,294,706 | \$ 1,176,592 |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | |
| CURRENT | | |
| Bank indebtedness | \$ 28,048 | \$ 85,207 |
| Accounts payable | 14,745 | 15,179 |
| Callable debt due in one year <i>(Note 4)</i> | 14,000 | 14,000 |
| | 56,793 | 114,386 |
| Callable debt due thereafter <i>(Note 4)</i> | 90,750 | 83,483 |
| | 147,543 | 197,869 |
| DEFERRED REVENUE | 56,729 | 66,052 |
| DEFERRED REVENUE - CHASE THE ACE <i>(Note 1)</i> | 103,952 | - |
| | 308,224 | 263,921 |
| SHAREHOLDERS' EQUITY | | |
| Share capital | 187,900 | 187,900 |
| Contributed surplus | 400,739 | 400,739 |
| Retained earnings | 397,843 | 324,032 |
| | 986,482 | 912,671 |
| | \$ 1,294,706 | \$ 1,176,592 |

ON BEHALF OF THE BOARD_____
*Director*_____
Director

CLARE GOLF & COUNTRY CLUB LTD.**Statement of Cash Flow****Year Ended December 31, 2019**

| | 2019 | 2018 |
|---|---------------------------|---------------------------|
| OPERATING ACTIVITIES | | |
| Net income (loss) | \$ 73,811 | \$ (15,080) |
| Item not affecting cash: | | |
| Amortization of property, plant and equipment | <u>24,244</u> | <u>23,278</u> |
| | 98,055 | 8,198 |
| Changes in non-cash working capital: | | |
| Accounts receivable | 230 | 6,640 |
| Inventory | (3,363) | 68 |
| Accounts payable | (434) | (30) |
| Prepaid expenses | (756) | (473) |
| Increase in cash - Restricted | <u>(103,952)</u> | <u>-</u> |
| | (108,275) | 6,205 |
| Cash flow from (used by) operating activities | <u>(10,220)</u> | <u>14,403</u> |
| INVESTING ACTIVITY | | |
| Purchase of property, plant and equipment | <u>(34,517)</u> | <u>(8,602)</u> |
| FINANCING ACTIVITIES | | |
| Deferred revenue | (9,323) | (3,208) |
| Deferred revenue - Chase the ace | 103,952 | - |
| Proceeds from callable debt financing | 21,267 | - |
| Repayment of callable debt | <u>(14,000)</u> | <u>(14,000)</u> |
| Cash flow from (used by) financing activities | <u>101,896</u> | <u>(17,208)</u> |
| INCREASE (DECREASE) IN CASH FLOW | 57,159 | (11,407) |
| Deficiency - beginning of year | <u>(85,207)</u> | <u>(73,800)</u> |
| DEFICIENCY - END OF YEAR (Note 3) | <u>\$ (28,048)</u> | <u>\$ (85,207)</u> |

CLARE GOLF & COUNTRY CLUB LTD.**Notes to Financial Statements****Year Ended December 31, 2019**

1. CASH EXTERNALLY RESTRICTED

| | <u>2019</u> | <u>2018</u> |
|---|-------------------|-------------|
| Caisse populaire de Clare - Chase the Ace | \$ 103,952 | \$ - |

The Caisse populaire de Clare - Chase the Ace account is externally restricted by Nova Scotia Alcohol and Gaming for the use of Junior related programs and activities.

2. PROPERTY, PLANT AND EQUIPMENT

| | Cost | Accumulated amortization | 2019 Net book value | 2018 Net book value |
|----------------|---------------------|-----------------------------|------------------------------------|---------------------------|
| Land | \$ 807,963 | \$ - | \$ 807,963 | \$ 797,388 |
| Buildings | 795,376 | 499,576 | 295,800 | 311,369 |
| Equipment | 537,520 | 503,847 | 33,673 | 15,156 |
| Motor vehicles | 24,198 | 22,702 | 1,496 | 2,137 |
| Golf cars | 186,308 | 175,872 | 10,436 | 13,045 |
| | \$ 2,351,365 | \$ 1,201,997 | \$ 1,149,368 | \$ 1,139,095 |

3. BANK INDEBTEDNESS

| | <u>2019</u> | <u>2018</u> |
|-------------------|--------------------|--------------------|
| Bank indebtedness | \$ (28,048) | \$ (85,207) |

The Company has a Caisse Populaire de Clare Demand Operating Line of Credit bearing interest at Credit Union's prime interest rate plus .50% with an authorized limited of \$140,000 of which \$111,952 is unused at year end.

CLARE GOLF & COUNTRY CLUB LTD.**Notes to Financial Statements****Year Ended December 31, 2019**

4. CALLABLE DEBT

| | <u>2019</u> | <u>2018</u> |
|---|-------------------------|-------------------------|
| Caisse Populaire de Clare demand loan bearing interest at Prime plus 1.50% per month, repayable in annual principal payments of \$14,000. The loan matures on May 31, 2025. | \$ 104,750 | \$ 97,483 |
| Principal due in one year | (14,000) | (14,000) |
| | <u>\$ 90,750</u> | <u>\$ 83,483</u> |

Principal repayment terms are approximately:

| | |
|------------|--------------------------|
| 2020 | \$ 14,000 |
| 2021 | 14,000 |
| 2022 | 14,000 |
| 2023 | 14,000 |
| 2024 | 14,000 |
| Thereafter | <u>34,750</u> |
| | <u>\$ 104,750</u> |

5. LEASE COMMITMENTS

The company leases four (4) Yamaha Golf Cars under a long term lease that expires on May 01, 2021. Under the lease, the company is required to pay 6 monthly payments of \$506 from May to October each year. The golf cars have a purchase option of \$1,500 per car (\$6,000 total).

CLARE GOLF & COUNTRY CLUB LTD.**Expenses
(Schedule 1)****Year Ended December 31, 2019**

| | 2019 | 2018 |
|-----------------------------------|-------------------|-------------------|
| Advertising and promotion | \$ 2,445 | \$ 3,154 |
| Amortization | 24,244 | 23,278 |
| Consulting fees | 6,000 | - |
| Dues & fees | 8,956 | 8,360 |
| Employee benefits | 20,070 | 19,559 |
| Insurance | 12,271 | 10,864 |
| Interest and bank charges | 9,957 | 7,559 |
| Interest on long term debt | 5,751 | 5,268 |
| Office | 3,475 | 3,427 |
| Pro shop expenses | 2,348 | 339 |
| Professional fees | 16,137 | - |
| Property taxes | 16,040 | 15,538 |
| Rental | 3,036 | 3,036 |
| Repairs & maintenance - buildings | 13,809 | 17,321 |
| Repairs & maintenance - course | 42,091 | 48,389 |
| Repairs & maintenance - equipment | 12,550 | 11,635 |
| Repairs & maintenance - golf cars | 2,713 | 3,690 |
| Salaries and wages | 237,240 | 244,705 |
| Telephone | 2,190 | 3,459 |
| Travel | 998 | 234 |
| Trophies | 346 | 386 |
| Utilities | 12,927 | 11,856 |
| | \$ 455,594 | \$ 442,057 |