

CLARE GOLF & COUNTRY CLUB LTD.

Financial Information

Year Ended December 31, 2022

Draft for discussion purposes only

Prepared by	Reviewed by

CLARE GOLF & COUNTRY CLUB LTD.

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COMPILATION ENGAGEMENT REPORT

To the Shareholders of Clare Golf & Country Club Ltd.

On the basis of information provided by management, I have compiled the balance sheet of Clare Golf & Country Club Ltd. as at December 31, 2022, and the statements of income and retained earnings and cash flows for the year then ended, and Note 1, which describes the basis of accounting applied in the preparation of the compiled financial information ("financial information").

Management is responsible for the accompanying financial information, including the accuracy and completeness of the underlying information used to compile it and the selection of the basis of accounting.

I performed this engagement in accordance with Canadian Standard on Related Services (CSRS) 4200, *Compilation Engagements*, which requires me to comply with relevant ethical requirements. My responsibility is to assist management in the preparation of the financial information.

I did not perform an audit engagement or a review engagement, nor was I required to perform procedures to verify the accuracy or completeness of the information provided by management. Accordingly, I do not express an audit opinion or a review conclusion, or provide any form of assurance on the financial information.

Readers are cautioned that the financial information may not be appropriate for their purposes.

Church Point, Nova Scotia
April 10, 2023

PHIL GAUDET CPA INC.
CHARTERED PROFESSIONAL ACCOUNTANT

CLARE GOLF & COUNTRY CLUB LTD.
Statement of Income and Retained Earnings
Year Ended December 31, 2022

	2022	2021
REVENUES		
Golf (Note 5)	\$ 480,399	\$ 409,567
Kitchen	198,882	134,658
Pro shop	30,100	24,575
Sponsorship and donations	12,913	13,624
Government assistance	29,442	136,882
Other	4,520	3,499
	<u>756,256</u>	<u>722,805</u>
EXPENSES		
Advertising and promotion	3,298	1,590
Bad debts	-	319
Depreciation	54,300	27,558
Dues and fees	13,412	10,686
Insurance	20,266	12,807
Interest and bank charges	12,423	8,466
Lease	5,513	14,835
Office	8,256	2,980
Property taxes	15,738	17,551
Purchases - kitchen	128,350	86,051
Repairs and maintenance	89,000	79,911
Salaries and wages	331,812	288,423
Supplies	17,844	8,776
Telephone	2,715	2,466
Travel	133	350
Utilities	13,933	12,575
	<u>716,993</u>	<u>575,344</u>
INCOME FROM OPERATIONS	<u>39,263</u>	<u>147,461</u>
OTHER INCOME (EXPENSES)		
Impairment of property and equipment (Note 6)	-	(3,000)
Insurance proceeds (Note 6)	207,007	-
	<u>207,007</u>	<u>(3,000)</u>
NET INCOME	<u>246,270</u>	<u>144,461</u>
RETAINED EARNINGS - BEGINNING OF YEAR	<u>713,556</u>	<u>569,095</u>
	959,826	713,556
PRIOR PERIOD ADJUSTMENT (Note 7)	<u>3,238</u>	<u>-</u>
RETAINED EARNINGS - END OF YEAR	<u>\$ 963,064</u>	<u>\$ 713,556</u>

CLARE GOLF & COUNTRY CLUB LTD.**Balance Sheet****December 31, 2022**

	2022	2021
ASSETS		
CURRENT		
Cash - unrestricted	\$ 77,213	\$ 149,056
Cash - externally restricted (Note 2)	-	16,029
Accounts receivable	3,629	4,781
Inventory	17,909	18,099
Prepaid expenses	14,085	10,281
Government assistance receivable	-	3,478
	<u>112,836</u>	201,724
PROPERTY AND EQUIPMENT (Note 3)	<u>1,523,436</u>	1,206,190
	<u>\$ 1,636,272</u>	<u>\$ 1,407,914</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT		
Accounts payable	\$ 4,912	\$ 2,419
Deferred income	34,207	43,721
Current portion of long term debt (Note 4)	40,000	-
	<u>79,119</u>	46,140
LONG TERM DEBT (Note 4)	-	40,000
DEFERRED REVENUE - CHASE THE ACE (Note 2)	-	16,029
	<u>79,119</u>	102,169
SHAREHOLDERS' EQUITY		
Share capital	193,350	191,450
Contributed surplus	400,739	400,739
Retained earnings	963,064	713,556
	<u>1,557,153</u>	1,305,745
	<u>\$ 1,636,272</u>	<u>\$ 1,407,914</u>

ON BEHALF OF THE BOARD

_____ Director

_____ Director

Printed: April 10, 2023 8:55 PM

Prep _____ Added _____ Approved _____

Phil Gaudet CPA Inc.

Member of the Chartered Professional Accountants of Nova Scotia.

CLARE GOLF & COUNTRY CLUB LTD.**Statement of Cash Flows****Year Ended December 31, 2022**

	2022	2021
OPERATING ACTIVITIES		
Net income	\$ 246,270	\$ 144,461
Items not affecting cash:		
Depreciation of property and equipment	54,300	27,558
Impairment of property and equipment	-	3,000
	<u>300,570</u>	<u>175,019</u>
Changes in non-cash working capital:		
Accounts receivable	1,152	(3,977)
Inventory	190	(4,190)
Accounts payable	2,494	2,418
Deferred income	(9,514)	(8,077)
Prepaid expenses	(3,804)	(134)
Restricted Cash	16,029	26,540
Government assistance	3,478	25,234
Deferred revenue - Chase the Ace	(16,029)	(26,541)
	<u>(6,004)</u>	<u>11,273</u>
Cash flow from operating activities	<u>294,566</u>	<u>186,292</u>
INVESTING ACTIVITY		
Purchase of property and equipment	<u>(371,547)</u>	<u>(85,084)</u>
FINANCING ACTIVITIES		
Proceeds from long term debt	-	20,000
Repayment of callable debt	-	(20,000)
Issuance of capital stock	1,900	3,050
	<u>1,900</u>	<u>3,050</u>
Cash flow from financing activities	<u>1,900</u>	<u>3,050</u>
OTHER CASH FLOW ITEMS		
Prior period adjustment	<u>3,238</u>	<u>-</u>
INCREASE (DECREASE) IN CASH FLOW	(71,843)	104,258
Cash - beginning of year	<u>149,056</u>	<u>44,798</u>
CASH - END OF YEAR	<u>\$ 77,213</u>	<u>\$ 149,056</u>

CLARE GOLF & COUNTRY CLUB LTD.

Notes to Financial Information

Year Ended December 31, 2022

1. BASIS OF ACCOUNTING

The basis of accounting applied in the preparation of the balance sheet of Clare Golf & Country Club Ltd. as at December 31, 2022, and the statements of income and retained earnings and cash flows for the year then ended is the historical cost basis and reflects cash transactions with the addition of:

- accounts receivable less an allowance for doubtful accounts
- inventory valued at cost
- property, plant and equipment amortized over their useful lives
- accounts payable and accrued liabilities

2. CASH EXTERNALLY RESTRICTED

	2022	2021
Caisse populaire de Clare - Chase the Ace	\$ -	\$ 16,029

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.

3. PROPERTY AND EQUIPMENT

	Cost	Accumulated depreciation	2022 Net book value	2021 Net book value
Land	\$ 807,963	\$ -	\$ 807,963	\$ 807,963
Buildings	1,013,458	551,990	461,468	352,005
Equipment	660,471	538,673	121,798	36,110
Motor vehicles	24,198	23,685	513	733
Golf cars	327,298	195,604	131,694	9,379
	\$ 2,833,388	\$ 1,309,952	\$ 1,523,436	\$ 1,206,190

4. LONG TERM DEBT

The Organization applied for and received the \$20,000 CEBA loan in the 2021 fiscal year (\$40,000 in 2020). The loan was provided by the Government of Canada to provide capital to organizations to see them through the current challenges and better position them to return to providing services and creating employment. The loan is unsecured.

The loan is interest free to December 31, 2023. If the loan is paid back by December 31, 2023, \$20,000 of the loan will be forgiven. If the loan is not paid back by December 31, 2023 the full \$60,000 loan will be converted to loan repayable over three years with a 5% interest rate. The forgivable portion of loan of \$20,000 has been recognized in income in 2021.

CLARE GOLF & COUNTRY CLUB LTD.

Notes to Financial Information

Year Ended December 31, 2022

5. GOLF REVENUE

	<u>2022</u>	<u>2021</u>
Memberships	\$ 212,949	\$ 190,940
Green Fees	105,734	106,560
Golf Car Rentals	79,453	64,426
Tournament Income	39,320	1,065
Driving Range	15,965	17,259
Golf Car Storage & User Fees	21,432	24,823
Other	5,546	4,494
	<u>\$ 480,399</u>	<u>\$ 409,567</u>

6. INSURANCE PROCEEDS AND IMPAIRMENT OF PROPERTY PLANT AND EQUIPMENT

In December 2021, the golf course had a significant fire which completely destroyed a golf cart shed and its contents. The golf course owned golf cart shed and equipment was insured and a final payout of \$207,007 was received during the year. During the December 31, 2021 fiscal year, those assets which were destroyed in the fire are required to be written off, management performed a detailed analysis of the assets and determined most of the assets have been fully depreciated with the exception of two golf carts which have been written off in the amount of \$3,000.

7. PRIOR PERIOD ADJUSTMENT

In 2022 a prior period adjustment in the amount of \$3,237 was recorded to account for the ladies division being incorporated into these financial statements.
