KAPUSKASING GOLF CLUB

INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT AND FINANCIAL STATEMENTS

DECEMBER 31, 2024

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INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the board of directors of
Kapuskasing Golf Club

We have reviewed the accompanying financial statements of Kapuskasing Golf Club that comprise the statement of financial position as at December 31, 2024, and the statements of operations, 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
Under Canadian accounting standards for not-for-profit organizations, the organization is required to capitalize its property and equipment and amortize it over its useful life. As described in note 2, property and equipment is charged to current operations in the year they are purchased. We have not determined the extent of adjustments which might be necessary to revenues and expenses, surplus for the year ended December 31, 2024 and December 31, 2023 or net assets as at December 31, 2024 and December 31, 2023 as a result of this departure from Canadian accounting standards for not-for-profit organizations.

Our conclusion on the financial statements for the year ended December 31, 2023 was also modified for this qualification.

INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT, (CONT'D)

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 Kapuskasing Golf Club as at December 31, 2024, 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.

Baker Tilly HKC

Chartered Professional Accountants
Licenced Public Accountants
April 29, 2025

KAPUSKASING GOLF CLUB

FINANCIAL STATEMENTS

DECEMBER 31, 2024

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KAPUSKASING GOLF CLUB

STATEMENT OF OPERATIONS

YEAR ENDED DECEMBER 31, 2024

	Budget (Unaudited)	2024 Actual	2023 Actual
REVENUES			
Operating revenues, schedule 1	$ 446,145	$ 499,244	$ 443,556
Other revenues, schedule 2	351,100	235,894	347,225
Kitchen operations, schedule 3	90,000	121,392	102,783
Bar operations, schedule 4	217,900	235,855	237,773
Tournaments and games, schedule 5	58,750	68,480	58,948
Pro shop operations, schedule 6	177,000	256,040	224,293
Simulator operations, schedule 7	72,000	76,563	72,403
	1,412,895	1,493,468	1,486,981
EXPENSES			
Kitchen operations, schedule 3	63,300	72,683	69,437
Bar operations, schedule 4	101,537	105,866	105,952
Tournaments and games, schedule 5	42,500	58,122	43,709
Pro shop operations, schedule 6	133,621	172,214	161,871
Simulator operations, schedule 7	5,000	6,231	9,757
Building expenses, schedule 8	15,250	10,951	11,023
Course and equipment maintenance, schedule 9	87,349	89,328	64,136
Lease expense, schedule 10	28,950	31,980	64,740
Other expenses, schedule 11	23,750	23,777	23,181
Premiums, schedule 12	42,400	40,629	34,181
Salaries and benefits, schedule 13	434,038	409,336	397,400
Services, schedule 14	29,200	26,952	26,523
Supplies, schedule 15	8,950	7,316	11,090
	1,015,845	1,055,385	1,023,000
EXCESS OF REVENUES OVER EXPENSES FROM OPERATIONS	397,050	438,083	463,981
CAPITAL EXPENDITURES, schedule 16	397,050	216,071	399,013
SURPLUS FOR THE YEAR	$ -	$ 222,012	$ 64,968

KAPUSKASING GOLF CLUB

STATEMENT OF NET ASSETS

YEAR ENDED DECEMBER 31, 2024

	2024	2023
BALANCE, BEGINNING OF YEAR	$ 334,669	$ 269,701
SURPLUS FOR THE YEAR	222,012	64,968
BALANCE, END OF YEAR	$ 556,681	$ 334,669

KAPUSKASING GOLF CLUB

STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2024

	2024	2023
ASSETS		
CURRENT ASSETS		
Cash	$ 275,117	$ 99,436
Term deposits (note 3)	239,949	85,348
Accounts receivable (note 4)	17,720	156,480
Inventory (note 5)	52,461	46,959
Prepaid expenses	24,362	11,172
	$ 609,609	$ 399,395
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	$ 49,415	$ 46,638
Government remittances payable	3,513	18,088
	52,928	64,726
NET ASSETS	556,681	334,669
	$ 609,609	$ 399,395

Lease commitments (note 6)

KAPUSKASING GOLF CLUB

STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2024

	2024	2023
OPERATING ACTIVITIES		
Surplus for the year	$ 222,012	$ 64,968
Changes in:		
Accounts receivable	138,760	(113,326)
Inventory	(5,502)	1,343
Prepaid expenses	(13,190)	(2,590)
Accounts payable and accrued liabilities	2,777	6,311
Government remittances payable	(14,575)	(1,420)
	330,282	(44,714)
INVESTING ACTIVITY		
Purchase of investments	(154,601)	(3,086)
CHANGE IN CASH POSITION	175,681	(47,800)
CASH POSITION, BEGINNING OF YEAR	99,436	147,236
CASH POSITION, END OF YEAR	$ 275,117	$ 99,436

KAPUSKASING GOLF CLUB

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

1. STATUS AND NATURE OF OPERATIONS

Kapuskasing Golf Club is a non-profit organization incorporated under the Ontario Corporations Act for the purpose of providing recreational golfing facilities for its members. As a non-profit organization, the Kapuskasing Golf Club is exempt from income tax under the Income Tax Act.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations. The significant accounting policies are detailed as follows:

ACCRUAL BASIS OF ACCOUNTING

Revenue and expenses are recorded on the accrual basis of accounting under which they are recorded in the financial statements in the period they are earned or incurred respectively, whether or not such transactions have been settled by the receipt or payment of money.

REVENUE RECOGNITION

Membership revenues, cart tracking fees and locker rentals are recorded at the time a member requests a membership and signs a membership agreement.

Green fees, cart rentals and tournament revenues are recorded when an individual utilizes the facilities or when the services are provided.

Pro shop sales, bar sales and restaurant sales are recorded as the product is provided to customers and recorded in the point-of-sale system.

Government assistance is recognized as revenue in the year in which the related expenses are incurred if the amount to be received can be reasonably estimated and collection is reasonably assured.

Other revenues are recorded when received.

INVENTORY

Inventories consists of bar and restaurant inventory, course fertilizers and pro shop supplies. Bar, restaurant and pro shop supplies are measured at the lower of cost and net realizable value. Course fertilizers are measured at cost and represent a pre-purchase of fertilizer for the next season.

PROPERTY AND EQUIPMENT

Property and equipment are charged to current operations in the year they are purchased and reported as capital expenditures on the statement of operations.

KAPUSKASING GOLF CLUB

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

2. SIGNIFICANT ACCOUNTING POLICIES, (CONT'D)

LEASES

Leases are classified as either capital or operating leases. A lease that transfers substantially all the benefits and risks incidental to ownership of property is classified as a capital lease. All other leases are classified as operating leases.

FINANCIAL INSTRUMENTS

Measurement of financial instruments
The organization initially measures its financial assets and financial 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 transaction costs directly attributable to the instrument.

The organization subsequently measures its financial assets and financial liabilities at 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 the statement of operations.

Related party financial instruments that do not have repayment terms are recorded at cost, determined using the consideration transferred or received. If the consideration transferred or received has repayment terms, then the cost is determined using the undiscounted cash flows, excluding interest and dividend payments, of the financial instrument transferred as consideration. If, however, the consideration transferred is an asset or liability that does not have repayment terms, the cost is initially recognized at the carrying or exchange amount of the consideration transferred or received, depending on the circumstances. The exchange amount is used when the transaction is in the normal course of operations or the transaction is not in the normal course of operations but has commercial substance, the change in ownership interest is substantive and the amount of consideration transferred or received is supported by independent evidence. Otherwise, the consideration transferred or received is recorded at the carrying amount.

Financial instruments measured at amortized cost include cash, term deposits, accounts receivable and accounts payable and accrued liabilities. There are no financial instruments measured at fair value.

Impairment
Financial assets measured at amortized cost are tested for impairment at the end of each year to determine whether there are indicators that the assets may be impaired. The amount of identified impairment, if any, is recorded as a write-down and recognized in the statement of operations. Any previously recognized impairment loss may be reversed to the extent of the improvement, provided it is no greater than the amount that had been previously reported as a reduction in the asset and it does not exceed original cost.

KAPUSKASING GOLF CLUB

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

2. SIGNIFICANT ACCOUNTING POLICIES, (CONT'D)

MEASUREMENT UNCERTAINTY

The preparation of financial statements in accordance 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 at the date of the financial statements, and the reported amounts of revenues and expenses during the period. Significant areas requiring the use of estimates include: inventory obsolescence and accrued liabilities. Actual results may differ from management's best estimates as additional information becomes available in the future.

3. TERM DEPOSITS

	2024	2023
Term deposit. interest at 5%, maturing in April 2025	$ 150,000	$ -
Term deposit, interest at 5%, maturing in November 2025	89,949	85,348
	$ 239,949	$ 85,348

4. ACCOUNTS RECEIVABLE

	2024	2023
Accounts receivable	$ 2,864	$ 3,701
HST receivable	9,667	26,154
Government assistance receivable	5,189	126,625
	$ 17,720	$ 156,480

5. INVENTORY

	2024	2023
Bar and restaurant supplies	$ 9,423	$ 8,811
Course supplies	1,200	3,358
Pro shop supplies	41,838	34,790
	$ 52,461	$ 46,959

KAPUSKASING GOLF CLUB

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

6. LEASE COMMITMENTS

In November 2023, the organization entered into a lease agreement with Turf Care Financial that demands for six monthly payments of $3,505 from May to October each year for the next 5 years. In October 2028, the organization has the option to purchase the equipment for $26,125.

Additionally, in March 2024, the organization entered into a lease agreement with CWB National Leasing that demands for six monthly payments of $1,825 from May to October each year for the next 5 years. In October 2028, the organization has the option to purchase the equipment for $13,875.

The total commitment for lease payments for the next five years is as follows:

	Turf Care Financial	CWB National Leasing	Total
2025	$ 21,030	$ 10,950	$ 31,980
2026	21,030	10,950	31,980
2027	21,030	10,950	31,980
2028	21,030	10,950	31,980
	$ 84,120	$ 43,800	$ 127,920

7. RELATED PARTY TRANSACTIONS

The board of directors and management staff are considered related parties as they control and direct the activities of the organization.

During the year, the organization incurred the following expenses with a business owned by one of its management staff:

	2024	2023
Consulting (included in capital renovations project expenses)	$ 22,405	$ 25,934

These transactions are in the normal course of operations and have been valued in these financial statements at the exchange amount which is the amount of consideration established and agreed to by the related parties.

KAPUSKASING GOLF CLUB

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

8. FINANCIAL INSTRUMENTS RISKS AND UNCERTAINTIES

The organization is exposed to various financial risks through transactions in financial instruments. The following provides information in assessing the extent of the organization's exposure to these risks.

CREDIT RISK

The organization is exposed credit risk in its accounts receivable of $17,720 (2023 - $156,480). Credit risk is the risk that one party to a transaction will fail to discharge an obligation and cause the other party to incur a financial loss. Accounts receivable consists mainly of HST and government assistance receivable from different levels of government and therefore the credit risk exposure to the organization is considered low and not material. There has been no significant change to the risk exposures from 2023.

LIQUIDITY RISK

The organization is exposed to liquidity risk in its accounts payable and accrued liabilities of $49,415 (2023 - $46,638). Liquidity risk relates to the risk the organization will encounter difficulty in meeting obligations associated with financial liabilities. Management closely monitors cash flow requirements to ensure that it has sufficient cash to meet operational and financial requirements. There has been no significant change to the risk exposures from 2023.

FAIR VALUE

The carrying value of term deposit approximates their fair value due to their short-term maturity dates. In the opinion of management the fair value risk exposure to the organization is low and is not material. There has been no significant change to the risk exposures from 2023.

KAPUSKASING GOLF CLUB

SCHEDULES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2024

SCHEDULE OF OPERATING REVENUES — Schedule 1

	Budget (Unaudited)	2024 Actual	2023 Actual
Memberships	$ 279,645	$ 304,238	$ 272,056
Green fees	72,000	84,638	78,528
Cart tracking and storage	28,000	30,028	27,104
Cart rental	43,500	56,668	43,639
Locker rental	3,500	3,510	2,963
Club storage	19,500	20,162	19,266
	$ 446,145	$ 499,244	$ 443,556

SCHEDULE OF OTHER REVENUES — Schedule 2

	Budget (Unaudited)	2024 Actual	2023 Actual
Government assistance	$ 339,000	$ 216,913	$ 310,033
Other revenues	5,100	7,410	7,015
Sale of equipment	-	-	22,500
Hall rental	3,500	6,849	4,542
Interest income	3,500	4,722	3,135
	$ 351,100	$ 235,894	$ 347,225

SCHEDULE OF KITCHEN OPERATIONS — Schedule 3

	Budget (Unaudited)	2024 Actual	2023 Actual
SALES	$ 90,000	$ 121,392	$ 102,783
COST OF SALES	63,300	72,683	69,437
GROSS MARGIN	$ 26,700	$ 48,709	$ 33,346

KAPUSKASING GOLF CLUB

SCHEDULES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2024

SCHEDULE OF BAR OPERATIONS — Schedule 4

	Budget (Unaudited)	2024 Actual	2023 Actual
SALES	$ 217,900	$ 235,855	$ 237,773
COST OF SALES	101,537	105,866	105,952
GROSS MARGIN	$ 116,363	$ 129,989	$ 131,821

SCHEDULE OF TOURNAMENTS AND GAMES — Schedule 5

	Budget (Unaudited)	2024 Actual	2023 Actual
REVENUE	$ 58,750	$ 68,480	$ 58,948
EXPENSES	42,500	58,122	43,709
SURPLUS FOR THE YEAR	$ 16,250	$ 10,358	$ 15,239

SCHEDULE OF PRO SHOP OPERATIONS — Schedule 6

	Budget (Unaudited)	2024 Actual	2023 Actual
SALES	$ 177,000	$ 256,040	$ 224,293
COST OF SALES	133,621	172,214	161,871
GROSS MARGIN	$ 43,379	$ 83,826	$ 62,422

SCHEDULE OF SIMULATOR OPERATIONS — Schedule 7

	Budget (Unaudited)	2024 Actual	2023 Actual
SALES	$ 72,000	$ 76,563	$ 72,403
EXPENSES	5,000	6,231	9,757
SURPLUS FOR THE YEAR	$ 67,000	$ 70,332	$ 62,646

KAPUSKASING GOLF CLUB

SCHEDULES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2024

SCHEDULE OF BUILDING EXPENSES — Schedule 8

	Budget (Unaudited)	2024 Actual	2023 Actual
Building maintenance	$ 13,250	$ 10,508	$ 10,343
Club storage maintenance	250	203	-
Furnishings	1,750	240	680
	$ 15,250	$ 10,951	$ 11,023

SCHEDULE OF COURSE AND EQUIPMENT MAINTENANCE — Schedule 9

	Budget (Unaudited)	2024 Actual	2023 Actual
Fertilizer and seed	$ 16,749	$ 17,332	$ 20,273
Fuel and oil	12,000	14,081	10,756
Irrigation system	3,000	2,046	2,742
Equipment maintenance	11,000	13,907	19,735
Course maintenance	44,600	41,962	10,630
	$ 87,349	$ 89,328	$ 64,136

SCHEDULE OF LEASE EXPENSE — Schedule 10

	Budget (Unaudited)	2024 Actual	2023 Actual
Lease expense	$ 28,950	$ 31,980	$ 64,740

SCHEDULE OF OTHER EXPENSES — Schedule 11

	Budget (Unaudited)	2024 Actual	2023 Actual
Interest and bank charges	$ 14,050	$ 15,941	$ 13,598
Advertising and promotion	2,400	2,505	1,997
Freight	2,400	1,913	2,130
Other expenses	4,900	3,418	5,456
	$ 23,750	$ 23,777	$ 23,181

KAPUSKASING GOLF CLUB

SCHEDULES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2024

SCHEDULE OF PREMIUMS — Schedule 12

	Budget (Unaudited)	2024 Actual	2023 Actual
Insurance	$ 23,000	$ 22,483	$ 21,244
Accounting	7,000	6,000	4,750
Leasing, dues and licenses	6,600	5,276	6,361
Software and website	5,800	6,870	1,826
	$ 42,400	$ 40,629	$ 34,181

SCHEDULE OF SALARIES AND BENEFITS — Schedule 13

	Budget (Unaudited)	2024 Actual	2023 Actual
Office and administration	$ 160,411	$ 138,977	$ 140,740
Pro shop	48,094	39,016	31,971
Course crew and mechanic	90,748	91,323	90,708
Restaurant	35,922	29,934	37,356
Bar	28,548	36,428	32,030
Club storage	29,544	30,220	26,658
Simulator	40,771	43,438	37,937
	$ 434,038	$ 409,336	$ 397,400

SCHEDULE OF SERVICES — Schedule 14

	Budget (Unaudited)	2024 Actual	2023 Actual
Heat	$ 7,500	$ 5,729	$ 6,886
Electricity	12,500	12,366	12,091
Telephone and cable	3,700	3,742	2,627
Water	1,900	1,650	1,684
Snow removal	3,600	3,465	3,235
	$ 29,200	$ 26,952	$ 26,523

KAPUSKASING GOLF CLUB

SCHEDULES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2024

SCHEDULE OF SUPPLIES — Schedule 15

	Budget (Unaudited)	2024 Actual	2023 Actual
Housekeeping supplies	$ 3,200	$ 2,120	$ 2,876
Office supplies	4,750	2,929	5,924
Scorecards	1,000	50	961
Safety supplies	-	2,217	1,329
	$ 8,950	$ 7,316	$ 11,090

SCHEDULE OF CAPITAL EXPENDITURES — Schedule 16

	Budget (Unaudited)	2024 Actual	2023 Actual
Golf carts and other equipment	$ 22,550	$ -	$ 47,400
Capital renovations and equipment project	374,500	216,071	351,613
	$ 397,050	$ 216,071	$ 399,013