

**Portage la Prairie Golf Club**  
**Financial Statements**  
*December 31, 2019*  
*(Unaudited - see Notice to Reader)*

## Notice To Reader

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On the basis of information provided by management, we have compiled the statement of financial position of Portage la Prairie Golf Club as at December 31, 2019 and the statements of operations, changes in net assets, cash flows and the related schedules for the year then ended. We have not performed an audit or a review engagement in respect of these financial statements and, accordingly, we express no assurance thereon. Readers are cautioned that these statements may not be appropriate for their purposes.

Portage la Prairie, Manitoba

March 5, 2020

*MNP LLP*

Chartered Professional Accountants

# Portage la Prairie Golf Club

## Statement of Financial Position

As at December 31, 2019  
(Unaudited - see Notice to Reader)

	2019	2018
<b>Assets</b>		
<b>Current</b>		
Cash and cash equivalents	83,779	53,215
Accounts receivable (Note 2)	3,780	7,644
Prepaid expenses and deposits	10,734	16,481
Income taxes recoverable	168	-
Inventory	10,025	8,443
Goods and services tax receivable	3,205	2,679
	111,691	88,462
<b>Capital assets (Note 3)</b>	<b>1,221,319</b>	<b>1,286,541</b>
	<b>1,333,010</b>	<b>1,375,003</b>
<b>Liabilities</b>		
<b>Current</b>		
Accounts payable and accruals	5,392	3,687
Source deductions payable	-	941
Deferred contributions related to capital assets (Note 5)	69,626	75,139
Deferred revenue	30,462	23,950
Current portion of capital lease obligations (Note 6)	40,000	39,000
	145,480	142,717
<b>Capital lease obligations (Note 6)</b>	<b>129,019</b>	<b>169,415</b>
	<b>274,499</b>	<b>312,132</b>
<b>Net Assets</b>		
Net assets invested in capital assets	982,674	1,002,989
Unrestricted net assets	36,037	20,582
Share capital (Note 7)	39,800	39,300
	1,058,511	1,062,871
	<b>1,333,010</b>	<b>1,375,003</b>

Approved on behalf of the Board

\_\_\_\_\_  
Director

\_\_\_\_\_  
Director

# Portage la Prairie Golf Club

## Statement of Operations

*For the year ended December 31, 2019  
(Unaudited - see Notice to Reader)*

	<b>2019</b>	<b>2018</b>
<b>Revenue</b>		
Memberships	233,310	229,993
Green fees	225,968	213,003
Power cart rentals (Gross - \$112,179; 2018 - \$97,333)	101,587	52,708
Trail fees	18,844	18,436
Storage (Gross - \$29,996; 2018 - \$29,259)	13,685	13,269
Advertising and fundraising	14,088	11,306
Club tournaments (Gross - \$11,429; 2018 - \$13,572)	9,244	9,143
Amortization of deferred contributions	5,513	5,613
Transfer fee income	2,500	4,000
Other income	2,473	16,201
Club and cart rentals	2,127	1,358
Interest	741	1,354
	<b>630,080</b>	<b>576,384</b>
<b>Expenses</b>		
Fuel	14,515	18,934
Ground maintenance and supplies	78,093	76,438
Interest on capital lease obligation	4,644	415
Repairs and maintenance	28,225	36,399
Salaries and benefits	312,566	295,750
Training and education	4,723	3,967
	<b>442,766</b>	<b>431,903</b>
<b>Amortization</b>	<b>116,185</b>	<b>74,302</b>
<b>Clubhouse expenses</b> (Schedule 1)	<b>49,870</b>	<b>44,273</b>
<b>General and administrative expenses</b> (Schedule 1)	<b>99,807</b>	<b>92,647</b>
	<b>708,628</b>	<b>643,125</b>
<b>Deficiency of revenue over expenses before other items</b>	<b>(78,548)</b>	<b>(66,741)</b>
<b>Other items</b>		
Loss on disposal of capital assets	(423)	-
Food and beverage operations (Schedule 2)	75,445	67,111
Proshop operations (Schedule 2)	(1,502)	(1,440)
Provision for income taxes recovery	168	-
	<b>73,688</b>	<b>65,671</b>
<b>Deficiency of revenue over expenses</b>	<b>(4,860)</b>	<b>(1,070)</b>

**Portage la Prairie Golf Club**  
**Statement of Changes in Net Assets**

*For the year ended December 31, 2019*  
*(Unaudited - see Notice to Reader)*

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	<i>Net assets invested in capital assets</i>	<i>Unrestricted net assets</i>	<b>2019</b>	<i>2018</i>
<b>Net assets, beginning of year</b>	<b>1,002,989</b>	<b>20,582</b>	<b>1,023,571</b>	1,024,641
<b>Excess (deficiency) of revenue over expenses</b>	<b>(71,704)</b>	<b>66,844</b>	<b>(4,860)</b>	(1,070)
<b>Interfund transfers</b>	<b>51,389</b>	<b>(51,389)</b>	-	-
<b>Net assets, end of year</b>	<b>982,674</b>	<b>36,037</b>	<b>1,018,711</b>	1,023,571

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## Portage la Prairie Golf Club Statement of Cash Flows

*For the year ended December 31, 2019  
(Unaudited - see Notice to Reader)*

	<b>2019</b>	<b>2018</b>
<b>Cash provided by (used for) the following activities</b>		
<b>Operating</b>		
Deficiency of revenue over expenses	(4,860)	(1,070)
Amortization	116,185	74,302
Amortization of deferred contributions	(5,513)	(5,613)
Loss on disposal of capital assets	423	-
	<b>106,235</b>	<b>67,619</b>
Changes in working capital accounts		
Accounts receivable	3,865	(1,521)
Goods and services tax receivable	(526)	(2,274)
Inventory	(1,582)	29,241
Prepaid expenses and deposits	5,747	(6,214)
Accounts payable and accruals	1,705	(2,741)
Deferred revenue	6,512	2,165
Source deductions payable	-	883
	<b>121,788</b>	<b>87,158</b>
<b>Financing</b>		
Issuance of share capital	500	750
Repayments of capital lease obligations	(39,396)	-
Decrease in source deductions payable	(941)	-
	<b>(39,837)</b>	<b>750</b>
<b>Investing</b>		
Purchase of capital assets	(51,387)	(57,791)
<b>Increase in cash resources</b>	<b>30,564</b>	<b>30,117</b>
<b>Cash resources, beginning of year</b>	<b>53,215</b>	<b>23,098</b>
<b>Cash resources, end of year</b>	<b>83,779</b>	<b>53,215</b>

# Portage la Prairie Golf Club

## Notes to the Financial Statements

*For the year ended December 31, 2019  
(Unaudited - see Notice to Reader)*

### 1. Incorporation and nature of the organization

Portage la Prairie Golf Club Ltd. was incorporated in 1922 as a not-for-profit corporation under the laws of Manitoba. As a not-for-profit corporation, the Organization is a tax-exempt corporation under the provisions of the Income Tax Act. The Organization's purpose is to carry on and maintain a public golf club for the benefit of residents of Portage la Prairie and surrounding area.

### 2. Accounts receivable

	2019	2018
Accounts receivable	4,081	7,945
Allowance for doubtful accounts	(301)	(301)
	<b>3,780</b>	<b>7,644</b>

### 3. Capital assets

	Cost	Accumulated amortization	2019 Net book value	2018 Net book value
Automotive	143,392	124,221	19,171	10,811
Buildings - Clubhouse	325,118	232,922	92,196	99,648
Buildings - Golf Course	206,703	84,307	122,396	130,320
Buildings - Pro Shop	41,148	32,621	8,527	8,353
Equipment	988,487	838,879	149,608	154,568
Golf Course Development	25,500	25,500	-	-
Irrigation System	297,984	264,454	33,530	33,804
Land	422,641	-	422,641	422,641
Landscaping	461,840	254,990	206,850	218,396
	<b>2,912,813</b>	<b>1,857,894</b>	<b>1,054,919</b>	<b>1,078,541</b>
Assets under capital lease				
Equipment under capital lease	208,000	41,600	166,400	208,000
	<b>3,120,813</b>	<b>1,899,494</b>	<b>1,221,319</b>	<b>1,286,541</b>

### 4. Bank indebtedness

The Organization has a line of credit in the amount of nil (2018 - nil), allowable to a maximum amount of \$150,000 (2018 - \$150,000), in place with Stride Credit Union Limited. This line of credit is due on demand and bears interest at the institution's prime rate, calculated and payable monthly. It is secured by:

- General security agreement covering all business assets with a specific charge against some equipment;
- First charge Multi-Purpose Mortgage for \$400,000 on property described as Parcel A Plan 28273 PL TO in RL 72 to 79 Parish of Portage la Prairie and adjoining closed government road allowance;

## Portage la Prairie Golf Club Notes to the Financial Statements

*For the year ended December 31, 2019  
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- Fire Insurance Policy with first loss payable to Stride Credit Union Limited.

### 5. Deferred contributions related to capital assets

Deferred contributions related to capital assets represent the unamortized portion of contributed capital assets. Recognition of these amounts as revenue is deferred to periods when the related capital assets are amortized.

	2019	2018
Balance, beginning of year	75,139	80,752
Less: Amounts recognized as revenue during the year	(5,513)	(5,613)
Balance, end of year	69,626	75,139

### 6. Capital lease obligations

	2019	2018
Capital lease obligation payable in monthly instalments of \$7,340, including interest at 2.39% for the months of May through October, due 2023. Secured by automotive equipment with net book value of \$166,400 (\$208,000 - 2018).	169,019	208,415
	169,019	208,415
Less: Current portion	40,000	39,000
	129,019	169,415

Future minimum lease payments related to the obligation under capital lease are as follows:

2020	40,000
2021	42,000
2022	43,000
2023	44,000
	169,000
Less: imputed interest	(8,761)
	160,239
Less: current portion	(40,000)
	120,239

### 7. Share capital

The Organization is authorized to issue an unlimited number of common shares. During the year, no shares were redeemed (2018 - nil) and 10 shares were issued (2018 - 15). The issued share capital of the Organization is as follows:

	2019	2018
Issued		



**Portage la Prairie Golf Club**  
**Notes to the Financial Statements**

*For the year ended December 31, 2019*  
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796 Common Shares (2018-786)

**39,800**

39,300

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**8. Inter-fund transactions**

During the year, funds totalling \$51,387 (2018 - \$58,205) were transferred from unrestricted net assets to net assets invested in capital assets, for the purpose of purchasing capital assets.

**Portage la Prairie Golf Club**

**Schedule 1 - Schedule of Clubhouse and General and Administrative Expenses**

*For the year ended December 31, 2019  
(Unaudited - see Notice to Reader)*

	<b>2019</b>	<b>2018</b>
<b>Expenses</b>		
<b>Clubhouse expenses</b>		
Member - golf supplies	3,170	1,949
Repairs and maintenance - clubhouse	18,916	16,468
Repairs and maintenance - proshop	1,300	1,605
Security and alarm rental	324	270
Utilities	26,160	23,981
	<b>49,870</b>	<b>44,273</b>
<b>General and administrative expenses</b>		
Advertising and promotion	9,430	9,654
Computer expenses	10,703	6,719
Insurance	21,473	20,465
Licenses and dues	10,443	11,451
Merchant fees	13,601	12,347
Miscellaneous	5,336	1,959
Office, stationary and printing	6,279	6,699
Professional fees	8,418	9,222
Property and business taxes	8,283	8,200
Telephone	5,841	5,931
	<b>99,807</b>	<b>92,647</b>