

**TURNER VALLEY GOLF
AND COUNTRY CLUB**

FINANCIAL STATEMENTS

December 31, 2018



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December 31, 2018

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MUTH & CO LLP

Chartered Professional Accountants

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INDEPENDENT AUDITOR'S REPORT

To the Members of
Turner Valley Golf and Country Club

Opinion

We have audited the financial statements of Turner Valley Golf and Country Club, which comprise the statement of financial position as at December 31, 2018, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the organization as at December 31, 2018, and its results of its operations and its cash flows for the year then ended in accordance with ASNPO.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

The financial statements of the Club for the year ended December 31, 2017 were reviewed and accordingly did not express an audit opinion on the financial statements.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with ASNPO, 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.

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INDEPENDENT AUDITOR'S REPORT, continued

In preparing the financial statements, management is responsible for assessing the organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the organization's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- ♦ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ♦ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Club's internal control.
- ♦ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



INDEPENDENT AUDITOR'S REPORT, continued

- ♦ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Club's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Club to cease to continue as a going concern.
- ♦ Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

High River, Alberta
April 16, 2019

Muth & Co LLP
Muth & Co LLP
Chartered Professional Accountants



TURNER VALLEY GOLF AND COUNTRY CLUB

STATEMENT OF OPERATIONS

Year ended December 31, 2018

	2018	2017
REVENUES		
Pro shop operations, Schedule 1	\$ 1,087,748	\$ 1,120,857
Administration operations, Schedule 2	538,716	546,862
Food and beverage operations, Schedule 3	532,347	552,871
Course and grounds operations, Schedule 4	2,803	285
	<u>2,161,614</u>	<u>2,220,875</u>
COST OF SALES		
Pro shop operations, Schedule 1	241,536	241,819
Food and beverage operations, Schedule 3	228,672	236,903
	<u>470,208</u>	<u>478,722</u>
GROSS PROFIT	<u>1,691,406</u>	<u>1,742,153</u>
EXPENDITURES		
Pro shop operations, Schedule 1	286,656	366,365
Administration operations, Schedule 2	535,377	506,545
Food and beverage operations, Schedule 3	273,531	269,322
Course and grounds operations, Schedule 4	512,808	520,437
	<u>1,608,372</u>	<u>1,662,669</u>
EXCESS OF REVENUES OVER EXPENDITURES FROM OPERATIONS	<u>83,034</u>	<u>79,484</u>
OTHER INCOME (EXPENSE)		
Amortization	(213,364)	(358,961)
Gift certificate write off after 5 year period	7,552	7,591
	<u>(205,812)</u>	<u>(351,370)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ (122,778)</u>	<u>\$ (271,886)</u>

The accompanying notes form an integral part of the financial statements



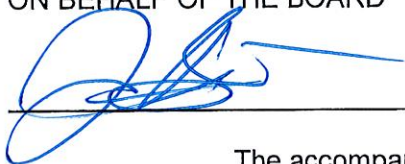
TURNER VALLEY GOLF AND COUNTRY CLUB

STATEMENT OF FINANCIAL POSITION

December 31, 2018

	2018	2017
ASSETS		
CURRENT ASSETS		
Restricted cash (Note 3)	\$ 26,923	\$ 38,910
Accounts receivable	17,026	10,342
Inventory	92,381	75,797
Prepaid expenses	22,184	22,966
	<u>158,514</u>	<u>148,015</u>
PROPERTY, PLANT AND EQUIPMENT (Note 4)	<u>1,847,543</u>	<u>2,032,306</u>
	<u>\$ 2,006,057</u>	<u>\$ 2,180,321</u>

ON BEHALF OF THE BOARD



Director

The accompanying notes form an integral part of the financial statements



TURNER VALLEY GOLF AND COUNTRY CLUB

STATEMENT OF FINANCIAL POSITION, continued

December 31, 2018

	2018	2017
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Bank indebtedness	\$ 20,888	\$ 14,399
Bank loan (Note 5)	300,000	200,000
Accounts payable and accrued liabilities (Note 6)	115,844	122,097
Salaries payable	780	10,220
Deferred revenue	102,785	102,358
Grant Advance	26,530	38,910
Due to government agencies	2,297	4,473
Current portion of long-term debt (Note 7)	639,057	692,312
Current portion of capital lease obligation	71,326	67,397
	<u>1,279,507</u>	<u>1,252,166</u>
CAPITAL LEASE OBLIGATION (Note 8)	<u>193,663</u>	<u>264,990</u>
	<u>1,473,170</u>	<u>1,517,156</u>
SHARE CAPITAL (Note 9)		
352 common voting shares	98,100	105,600
NET ASSETS	<u>434,787</u>	<u>557,565</u>
	<u>532,887</u>	<u>663,165</u>
	<u>\$ 2,006,057</u>	<u>\$ 2,180,321</u>

The accompanying notes form an integral part of the financial statements



TURNER VALLEY GOLF AND COUNTRY CLUB

STATEMENT OF CHANGES IN NET ASSETS

Year ended December 31, 2018

	2018	2017
NET ASSETS, BEGINNING OF YEAR	\$ 557,565	\$ 829,451
Excess (deficiency) of revenues over expenditures	(122,778)	(271,886)
NET ASSETS, END OF YEAR	\$ 434,787	\$ 557,565

The accompanying notes form an integral part of the financial statements



TURNER VALLEY GOLF AND COUNTRY CLUB

STATEMENT OF CASH FLOWS

Year ended December 31, 2018

	2018	2017
OPERATING ACTIVITIES		
Excess (deficiency) of revenues over expenditures	\$ (122,778)	\$ (271,886)
Adjustment for		
Amortization	213,364	358,961
	90,586	87,075
Change in non-cash working capital items		
Decrease (increase) in accounts receivable	(6,684)	33,658
Decrease (increase) in inventory	(16,584)	6,112
Decrease in prepaid expenses	782	4,957
Increase (decrease) in accounts payable and accrued liabilities	(6,253)	26,811
Increase (decrease) in salaries payable	(9,440)	(598)
Increase in deferred revenue	427	16,514
Increase (decrease) in grant advance	(12,380)	38,910
Increase (decrease) in due to government agencies	(2,176)	(65)
	38,278	213,374
INVESTING ACTIVITY		
Purchase of property, plant and equipment	(28,601)	(69,287)
FINANCING ACTIVITIES		
Bank loan	100,000	(2,801)
Repayment of long-term debt	(53,255)	(53,255)
Repayment of capital lease obligation	(67,398)	(63,951)
Issuance (redemption) of share capital	(7,500)	(3,000)
	(28,153)	(123,007)
INCREASE (DECREASE) IN CASH	(18,476)	21,080
CASH, BEGINNING OF YEAR	24,511	3,431
CASH, END OF YEAR (Note 2)	\$ 6,035	\$ 24,511
CASH CONSISTS OF:		
Restricted cash	\$ 26,923	\$ 38,910
Bank indebtedness	(20,888)	(14,399)
	\$ 6,035	\$ 24,511

The accompanying notes form an integral part of the financial statements



TURNER VALLEY GOLF AND COUNTRY CLUB

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2018

1. DESCRIPTION OF OPERATIONS

Turner Valley Golf and Country Club was registered as a not for profit organization on February 24, 1971. The Club is dedicated to the promotion of leisure sports and community activities through the operating of a golf course.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Club applies the Canadian accounting standards for not-for-profit organizations.

REVENUE RECOGNITION

Revenue is recognized for members' fees when they become due. Other revenue, including Pro Shop and Food & Beverage, is recognized when a sale has been completed or a service has been provided. Payment is due at the time of sale for non-members. Members may charge the sale to their account.

INCOME TAXES

The Club is exempt from income taxes as per paragraph 149(1)(l) of the Income Tax Act of Canada.

CASH AND CASH EQUIVALENTS

Cash is defined as cash on hand and cash on deposit, net of cheques issued and outstanding at the reporting date. The Club's position through the year will fluctuate from having cash on deposit to an overdraft position.

INVENTORY

Inventory is valued at the lower of cost and net realizable value, with cost being determined using the weighted average method. Net realizable value is the estimated selling price in the ordinary course of business, less any applicable variable selling costs.

DEFERRED REVENUE

Deferred revenue represents fees received in advance. Membership and admission fees for new members are recognized as revenue when the member is admitted into membership.



TURNER VALLEY GOLF AND COUNTRY CLUB

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are recorded at cost. The Club provides for amortization using the straight-line method at rates designed to amortize the cost of the property, plant and equipment over their estimated useful lives. One half of the year's amortization is recorded in the year of acquisition. No amortization is recorded in the year of disposal. The annual amortization rates are as follows:

Buildings	5%
Roads & parking	7%
Clubhouse furniture & equipment	15%
Computer equipment	20%
Computer software	20%
Course machinery & equipment	15%
Irrigation equipment	5%
Asset under capital lease	15%
Course improvements	4%

Grants received for the purpose of purchasing assets are recognized in the year that the asset is available for use. Grants are recorded net of the cost of the asset purchased in the year.

The estimated useful lives of assets are reviewed by management and its directors and adjusted if necessary.

LEASES

Leases are classified as either capital or operating leases. Leases that transfer substantially all of the benefits and inherent risks of ownership of property to the Club are accounted for as capital leases. At the time a capital lease is entered into, an asset is recorded together with its related long-term obligation to reflect the acquisition and financing. Equipment recorded under capital leases is amortized on the same basis as described above. Payments under operating leases are expensed as incurred.

FUND ACCOUNTING DEFERRED

The Club follows the deferral method of accounting for contributions which could include grants or donations.

Restricted contributions, if received, are recognized as revenue in the year in which the related expenses are made. Unrestricted contributions, if received, are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.



TURNER VALLEY GOLF AND COUNTRY CLUB

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

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, amortization and valuation of long lived assets. Inventory is evaluated for slow moving or obsolete items and is written down when necessary. Amortization is reviewed to ensure property and equipment are being amortized on a consistent and reasonable basis. Actual results may differ from management's best estimates as additional information becomes available in the future.

FINANCIAL INSTRUMENTS

(i) Measurement of financial instruments

The Club 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. Amounts due to and from related parties are measured at the exchange amount, being the amount agreed upon by the related parties.

The Club 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. Forward exchange contracts and interest rate swaps that are not hedging items are 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, capital lease obligations and long-term debt.

(ii) Impairment

Financial assets measured at amortized cost are tested for impairment when there are indicators of possible impairment. When a significant adverse change has occurred during the period in the expected timing or amount of future cash flows from the financial asset or group of assets, a write-down is recognized in net income.



TURNER VALLEY GOLF AND COUNTRY CLUB

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2018

3. RESTRICTED CASH

During the 2017 year the club applied, and was approved, for two grants, one under the Community Facility Enhancement Program and one under the Community Initiatives Program totaling \$47,385. These grants came with specific terms stating that the grant funds will be used for the stated purpose(s) within the application and any part of the grant not spent as set out in the guidelines must be repaid. Grant monies received represent 50% of various estimated project costs with the club committing to provide money or labour in an amount equal to their 50% of the project costs. As at the year end \$26,530 had not yet been spent on the intended purpose(s). Weather permitting it is planned to have the projects completed by no later than May 31, 2019.

4. PROPERTY, PLANT AND EQUIPMENT

	Cost	Accumulated amortization	2018 Net book value	2017 Net book value
Land	\$ 230,323	\$ -	\$ 230,323	\$ 230,323
Buildings	2,233,428	1,787,106	446,322	389,237
Roads & parking	205,774	194,779	10,995	12,118
Clubhouse furniture & equipment	517,948	482,002	35,946	53,943
Course improvements	2,777,457	2,083,954	693,503	804,602
Computer equipment	32,043	30,185	1,858	5,799
Computer software	28,919	26,881	2,038	3,747
Course machinery & equipment	666,060	590,055	76,005	103,453
Irrigation equipment	465,180	434,071	31,109	32,974
	7,157,132	5,629,033	1,528,099	1,636,196
Asset under capital lease	768,712	449,268	319,444	396,110
	<u>\$ 7,925,844</u>	<u>\$ 6,078,301</u>	<u>\$ 1,847,543</u>	<u>\$ 2,032,306</u>

5. BANK LOAN

A bank loan has been authorized by the bank to a maximum of \$300,000 (2017 - \$200,000) and bears interest at the bank's prime lending rate plus 1% (2017 - 0.4%). The effective interest rate at year end was 4.95%. This facility is secured by the same general security agreement mentioned in Note 7. The overdraft is payable on demand.



TURNER VALLEY GOLF AND COUNTRY CLUB

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2018

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Included in accounts payable and accrued liabilities is an amount of \$25,620 (2017 - \$34,494) representing outstanding gift certificates. Based on a board approved policy unused gift certificates included in the the gift certificate liability account are to be written off after a 5 year period. A net write off of \$7,552 was recorded in the current year (2017 - \$7,360). The current year write off represents 1/3 of the amount carried from the Club's prior Carma software as these can no longer be clearly identified as to the date they originated due to the software change in 2014. Although gift certificates of this nature do not expire the likelihood of these gift certificates all showing up to be negotiated is negligible. The total amount written off to date is \$23,307.

7. LONG-TERM DEBT

	2018	2017
Demand Mortgage - annual principal payments of \$53,255 plus interest at a fixed interest rate of 3.55%. Matures January 1, 2020. Secured by a first charge mortgage authorized up to \$2,000,000 over buildings, land and improvements plus a general security agreement providing a first charge on all present and after-acquired assets. The net book value of the secured assets is \$1,208,656 (2017 - \$1,240,086).	\$ 639,057	\$ 692,312
Less current portion	639,057	692,312
Due beyond one year	\$ -	\$ -

The Club is required to maintain a debt to equity ratio of no greater than 3:1, a current ratio of no less than 1.25:1, and annual debt service coverage ratio of no less than 1.00:1(2017 1.25:1). The Club is not in compliance with the debt service coverage ratio covenant as of the balance sheet date thus the mortgage has been reclassified as current.

Estimated principal repayments per the agreement are as follows:

2019	\$ 639,057
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TURNER VALLEY GOLF AND COUNTRY CLUB

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2018

8. CAPITAL LEASE OBLIGATION

	<u>2018</u>	<u>2017</u>
Capital lease contract. Secured by a first charge over certain golf cars and other equipment. Payable in monthly payments of \$1,950 including interest at 5.29% May 1 - October 1 of each year with the final payment of \$1,950 due October 1, 2020. There is a buy out option \$21,392 plus interest due November 1, 2020. The net book value of the assets under capital lease is \$45,169 (2017 - \$56,009). The capital lease amount outstanding at year end includes the interest portion of the payments.	\$ 41,390	\$ 50,583
Capital lease contract. Secured by a first charge over certain golf cars. Annual payments of \$71,157 including interest at 5.25% with final payment due May 1, 2020. There is a buy out option \$97,200 plus interest at 5.25% due November 1, 2020. The net book value of the assets under capital lease is \$274,275 (2017 - \$340,101). The capital lease amount outstanding at year end includes the interest portion of the payments.	<u>223,599</u>	<u>281,804</u>
	264,989	332,387
Less current portion	<u>71,326</u>	<u>67,397</u>
Due beyond one year	<u>\$ 193,663</u>	<u>\$ 264,990</u>



TURNER VALLEY GOLF AND COUNTRY CLUB

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2018

9. SHARE CAPITAL

	2018	2017
Issued		
327 common voting shares	\$ 98,100	\$ 105,600
Changes in share capital		
	Number	Amount
Balance December 31, 2017	352	\$ 105,600
Redeemed	(36)	(10,800)
Issued	11	3,300
Balance December 31, 2018	327	\$ 98,100

10. LEASE COMMITMENT

Operating lease commencing in 2015 for certain operational equipment for a 72 month term. The Club's remaining total commitment is \$71,712 US (\$97,277 CDN), exclusive of GST and incidental costs, and is payable monthly over the operating season May - September each year in as follows:

2019	\$ 48,638
2020	48,639



TURNER VALLEY GOLF AND COUNTRY CLUB

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2018

11. FINANCIAL INSTRUMENTS

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

(a) FAIR VALUE

The fair value of current financial assets and current financial liabilities approximates their carrying value due to their short-term maturity dates. The fair value of long-term financial liabilities approximates their carrying value based on the presumption that the Club is a going concern and thus expects to fully repay the outstanding amounts. There has been no change from the risk exposure in 2017.

(b) FOREIGN EXCHANGE RISK

The Club is exposed to foreign exchange risk in United States dollars on the lease outlined in Note 10. Foreign exchange risk is the risk that the exchange rate that was in effect on the date that an obligation in a foreign currency was made to the Club by a customer, or that an obligation in a foreign currency was made to the Club to a supplier, is different at the time of settlement than it was at time that the obligation was determined. The Club reduces its exposure to foreign exchange risk by carefully monitoring exchange rates on obligations that are made. In the opinion of management the foreign exchange risk exposure to the Club is low and is not material.

(c) CREDIT RISK

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Club's main credit risk relates to its accounts receivable \$17,026 (2017 - \$10,342). The Club reduces this risk by performing credit evaluations on its customers on a continuous basis; granting credit upon a review of the credit history of the applicant and creating an allowance for bad debts when applicable. The Club maintains strict credit policies and limits in respect to counterparties. In the opinion of management the credit risk exposure to the Club is low and is not material. There has been no change from the risk exposure in 2017.



TURNER VALLEY GOLF AND COUNTRY CLUB

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2018

11. FINANCIAL INSTRUMENTS, continued

(d) LIQUIDITY RISK

Liquidity risk is the risk that the Club will encounter difficulty in meeting obligations associated with financial liabilities. The Club is exposed to this risk mainly in respect of its bank indebtedness, accounts payable and accrued liabilities, various long-term debt agreements, obligations under capital leases and operating lease commitments. The club reduces its exposure to liquidity risk by ensuring that it documents when authorized payments become due; maintains an adequate line of credit to repay trade creditors and repays long term debt interest and principal as they become due. In the opinion of management the liquidity risk exposure to the Club is low and is not material. There has been no change from the risk exposure in 2017.

(e) INTEREST RATE RISK

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Club is exposed to interest rate risk on its fixed and floating interest rate financial instruments. Fixed-rate financial instruments subject the Club to a fair value risk, while the floating-rate financial instruments subject the Club to a cash flow risk. The Club has interest rate exposure on its bank indebtedness, which is variable based on the bank's prime rates. This exposure may have an effect on its earnings in future periods. The Club reduces its exposure to interest rate risk by regularly monitoring published bank prime interest rates which have been relatively stable over the period presented. The Club does not use derivative instruments to reduce its exposure to interest rate risk. In the opinion of management the interest rate risk exposure to the Club is low and is not material. There has been no change from the risk exposure in 2017.

12. SUBSEQUENT EVENTS

It is planned subsequent to year end to complete the repair the roof of the clubhouse and out buildings. The original total estimated cost was \$70,770 of which \$35,385 of grant funds have been received with the remaining cost the responsibility of the Club by either cash or labour. At year end \$11,988 of grant funds had been used thus \$23,397 grant funds available. In addition it is planned to replace pipelines for moving water from the Sheep River to the club's holding ponds at an estimated cost of \$6,264 of which \$3,132 of grant funds have been received with the remaining cost the responsibility of the Club by either cash or labour. Weather permitting these two projects will be completed by April 30, 2019 but by no later than May 31, 2019 per the extension to the reporting terms of the grant. Total grant advances deferred for the year is \$26,530.



TURNER VALLEY GOLF AND COUNTRY CLUB

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2018

13. COMPARATIVE FIGURES

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year. The changes do not affect prior year earnings.



TURNER VALLEY GOLF AND COUNTRY CLUB**SCHEDULE OF PRO SHOP OPERATIONS**

Year ended December 31, 2018

	2018	2017
SALES		
Green fees and tournaments	\$ 512,032	\$ 536,253
Pro shop sales	311,464	308,599
Rental	230,893	245,253
Driving range	33,359	30,752
	<u>1,087,748</u>	<u>1,120,857</u>
COST OF SALES		
Cost of goods	<u>241,536</u>	<u>241,819</u>
GROSS PROFIT	<u>846,212</u>	<u>879,038</u>
EXPENDITURES		
Labour	199,857	280,078
Lease and rental	48,085	48,971
Supplies	16,839	16,657
Repairs and maintenance	5,502	60
Office	5,117	4,419
Advertising and promotion	3,781	10,875
Professional development and memberships	3,344	4,054
Lesson expense	3,168	1,082
Rental	650	-
Insurance	313	(515)
Miscellaneous expense	-	684
	<u>286,656</u>	<u>366,365</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>\$ 559,556</u>	<u>\$ 512,673</u>

TURNER VALLEY GOLF AND COUNTRY CLUB**SCHEDULE OF ADMINISTRATION OPERATIONS**

Year ended December 31, 2018

	2018	2017
REVENUE		
Member dues	\$ 497,457	\$ 490,840
Advertising	14,500	33,833
Other	13,432	1,536
Share fee	7,667	14,978
Rental	5,650	5,675
Government grant	10	-
	<u>538,716</u>	<u>546,862</u>
EXPENDITURES		
Labour	158,553	145,899
Property taxes	79,588	77,061
Interest and bank charges	43,297	41,929
Insurance	41,056	41,825
Utilities	37,691	37,391
Professional fees	23,935	14,073
Interest on LTD	22,997	22,690
Repairs and maintenance	22,413	10,896
Advertising and promotion	20,148	19,236
IT network expenses	18,228	21,786
Telephone	15,184	11,627
Professional development and memberships	12,351	14,890
Interest on capital leases	11,831	15,460
Supplies	11,120	13,575
Office	9,026	10,197
Rental	4,400	5,687
Carbon levy	3,126	1,696
Permits and licenses	433	627
	<u>535,377</u>	<u>506,545</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>\$ 3,339</u>	<u>\$ 40,317</u>



TURNER VALLEY GOLF AND COUNTRY CLUB**SCHEDULE OF FOOD AND BEVERAGE OPERATIONS**

Year ended December 31, 2018

	2018	2017
SALES		
Sales	\$ 532,347	\$ 552,871
COST OF SALES		
Cost of goods	228,672	236,903
GROSS PROFIT	303,675	315,968
EXPENDITURES		
Labour	239,721	232,793
Supplies	19,114	22,597
Repairs and maintenance	6,977	7,280
Rental	3,917	3,604
Office	3,802	3,048
	273,531	269,322
EXCESS OF REVENUES OVER EXPENDITURES	\$ 30,144	\$ 46,646



TURNER VALLEY GOLF AND COUNTRY CLUB**SCHEDULE OF COURSE AND GROUNDS OPERATIONS**

Year ended December 31, 2018

	2018	2017
REVENUE		
Revenue	\$ 2,803	\$ 285
EXPENDITURES		
Labour	342,924	342,320
Utilities	42,311	48,763
Repairs and maintenance	42,229	41,692
Fertilizer	34,084	46,542
Supplies	23,417	18,948
Fuel	20,117	14,571
Lease and rental	3,888	3,140
Professional development and memberships	2,392	3,158
Office	1,446	1,303
	<u>512,808</u>	<u>520,437</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ (510,005)</u>	<u>\$ (520,152)</u>

