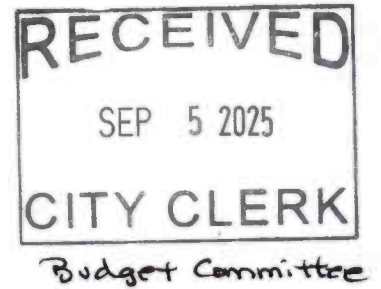


CORR 2025-73



Prince Albert Golf & Curling Club

Prince Albert, SK S6V 7P3

Phone: 306 765-5201

Email: pagcc@sasktel.net

August 26, 2025

Mayor Powalinsky and City Council Members

City of Prince Albert

1084 Central Avenue

Prince Albert, SK

S6V 7P3

Subject: Request for Operation Grant in 2025/26 fiscal Year

Dear Mayor Powalinsky and Members of City Council,

Dear Mayor Powalinsky and Members of City Council,

On behalf of the Prince Albert Golf & Curling Club (PAGCC), I respectfully request an operational grant of \$30,000 from the City of Prince Albert for the 2025/26 fiscal year. This support is critical to help PAGCC recover from unexpected expenses and underwhelming revenue performance from the Video Lottery Terminals (VLTs)—during the 2024/25 fiscal year.

Despite projections of \$12,000 in revenue from the VLTs, actual earnings over the past four months have totaled only \$3,000. Additionally, the VLTs have not contributed to increased patronage in our restaurant, as initially hoped.

Following guidance from Prosperity Credit Union and three other financial institutions, all of whom emphasized the need for restructuring and professional food service management, we took decisive action. Their feedback highlighted concerns about labor costs and operational inefficiencies, with two institutions specifically recommending a partnership with a seasoned food and beverage operator.

To address these challenges and improve our financial sustainability, PAGCC entered into a Food & Beverage Management Agreement with GC Restaurants Inc., an experienced operator, effective August 15, 2025. Discussions began in late May and progressed quickly, as the operator was eager to begin during the golf season—our busiest period. Delaying the transition until spring 2026 would have prolonged our financial strain and jeopardized our ability to secure or renew a mortgage at a reasonable interest rate.

We are pleased to report the following improvements:

- **Financial Turnaround:** PAGCC has eliminated its use of the line of credit and is now operating with positive cash flow. As a result of the disappointing VLT cash flow mentioned above and the unexpected expenses listed below, PAGCC will have to use the Line of Credit again. This will be eliminated when the curling registration cash infusion happens.
- **Strategic Partnership:** Our agreement with GC Restaurants Inc., led by Jennet Kindzerski (owner of Shananigan's Bistro, Coffee & Dessert Bar), is expected to bring operational expertise, reduce costs, and enhance customer experience.

However, the transition has incurred several unforeseen expenses:

- **Kitchen Repairs:** \$8,000 was spent to restore non-functional equipment.
- **Employee Terminations:** Terminating 33 restaurant staff resulted in nearly \$20,000 in severance costs due to labor regulations requiring additional notice.
- **Plumbing Retrofit:** An estimated \$5,000 is needed to address sewer line issues in the kitchen to accommodate increased usage.

While PAGCC is now on a stronger financial footing, these unexpected costs will result in an operational loss for the 2024/25 fiscal year. With the City's support, we can navigate this short-term setback and position PAGCC for long-term stability—continuing to serve as a vital recreational and social hub for the Prince Albert community.

Thank you for your consideration. We welcome the opportunity to meet with Council to further discuss this request and share our vision for PAGCC's future.

Sincerely,

John Toner

President

Prince Albert Golf & Curling Club

jtoner@sasktel.net

306 961-3499

PAGCC 2026 Budget (Draft)

EXPENSE		PAGCC 2026 Budget Draft					
		2025 Audited	2026 Budget	F & B	Curling	Building Fundraising	
REVENUE			\$96,000.00				
Total Lease Sales			\$96,000.00		\$96,000.00		
F & B Income		\$1,168,385.00					
Curling Fees Revenue							
Fees- PAGCC Member		\$21,228.27	\$22,290.00		\$22,290.00		
Fees - Curling		\$116,879.00	\$122,723.00		\$122,723.00		
Total Curling Fees Revenue		\$138,107.27	\$145,013.00		\$0.00	\$145,013.00	\$0.00
Other Revenue							
VLTs			\$5,000.00		\$5,000.00		
Darcy's Room Rental		\$20,400.00	\$8,400.00		\$8,400.00		
Locker Rental		\$2,210.08	\$2,321.00		\$2,321.00		
Cart Storage - Gas		\$5,624.62	\$5,906.00		\$5,906.00		
Cart Storage - Electric		\$5,322.11	\$5,588.00		\$5,588.00		
Advertising - Building/Room			\$20,000.00			\$20,000.00	
Advertising - Ice Surface		\$26,687.85	\$28,000.00		\$28,000.00		
Pickleball		\$1,240.73	\$1,303.00			\$1,303.00	
8th Hole		\$10,281.56	\$12,338.00		\$12,338.00		
Total Revenue		\$71,766.95	\$88,856.00		\$5,000.00	\$62,553.00	\$21,303.00
Grants & Fundraisers							
Grants - MAP		\$3,600.00	\$3,600.00		\$3,600.00		
Other Special Events		\$37,111.02					
Other Grants		\$52,752.00	\$22,900.00	\$11,450.00	\$11,450.00		
Raffle Ticket Proceeds		\$21,000.00	\$30,000.00		\$30,000.00		
Rebates - GroupEX		\$0.00	\$0.00				
Total Grants & Fundraisers		\$114,463.02	\$56,500.00		\$11,450.00	\$45,050.00	\$0.00
Other Revenue							
City of Prince Albert - Lease		\$66,300.00	\$76,200.00	\$15,240.00	\$60,960.00		
GW Sponsorship		\$12,564.04					
Commission - ATM		\$367.92	\$0.00				
Donations - User Groups		\$839.27	\$1,000.00		\$1,000.00		
Total Other Revenue		\$80,071.23	\$77,200.00	\$15,240.00	\$61,960.00		\$0.00

PAGCC 2026 Budget (Draft)

Total Revenue	\$1,572,793.47	\$463,569.00	\$127,690.00	\$314,576.00	\$21,303.00
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Payroll Expense

Salaries & Benefits F&B	\$574,229.00				
Wages - Office	\$53,480.41	\$80,000.00		\$80,000.00	
Wages - Rink	\$39,992.96	\$42,000.00		\$42,000.00	
Benefits	\$4,436.11	\$4,658.00		\$4,658.00	
CPP Expense	\$29,994.58	\$4,829.00		\$4,829.00	
EI Expense	\$14,337.44	\$2,415.00		\$2,415.00	
WCB Expense	\$6,035.80	\$985.00		\$985.00	
Wages - Management	\$60,747.47	\$0.00		\$0.00	
Wages - Janitorial	\$13,484.96	\$10,788.00		\$10,788.00	
Total Payroll Expense	\$796,738.73	\$145,675.00	\$0.00	\$145,675.00	\$0.00

EXPENSE

Total COGS - Lounge	\$159,308.78	\$0.00			
Total COGS - Food	\$362,835.66	\$0.00			
Advertising R&I	\$5,500.00	\$0.00			
Promotions - Restaurant	\$10,000.00	\$0.00			
Promotions - Curling	\$2,500.00	\$2,500.00		\$2,500.00	
Fees-Skip the Dishes	\$4,500.00	\$0.00			
Insurance	\$18,692.81	\$18,694.00	\$9,347.00	\$9,347.00	
Interest & Bank Charges	\$2,990.61	\$2,000.00	\$1,000.00	\$1,000.00	
Interst - Mortgage	\$32,913.15	\$34,660.00	\$17,330.00	\$17,330.00	
Amorization Expense					
Janitorial expense	\$26,191.79	\$5,000.00		\$5,000.00	
Laundry	\$15,082.89				
Payment Terminal Charges	\$15,841.36	\$1,664.00		\$1,664.00	
Fees-Management	\$70,000.00				
Licenses	\$1,210.10	\$0.00			
Rental / Lease equipment	\$7,339.15				
Total Expense	\$734,906.30	\$64,518.00	\$27,677.00	\$36,841.00	\$0.00

PAGCC 2026 Budget (Draft)

Repairs & Maintenance

Repair & Maintenance - Building	\$13,630.58	\$14,312.00	\$7,156.00	\$7,156.00	
Repair & Maint - Kitchen / Lounge	\$10,000.00	\$10,000.00	\$10,000.00		
Repair & Maint - Curling Contract	\$830.00	\$830.00		\$830.00	
Repair & Maintenance - Golf Cart	\$591.93	\$590.00		\$590.00	
Repair & Maintenance - Ice Surface	\$948.31	\$1,000.00		\$1,000.00	
Repair & Maintenance - Materials	\$109.86	\$2,000.00		\$2,000.00	
Total Repairs & Maintenance	\$26,110.68	\$28,732.00	\$17,156.00	\$11,576.00	\$0.00

Supplies

Curling	\$5,089.54	\$5,344.00		\$5,344.00	
General	\$4,647.64	\$2,440.00		\$2,440.00	
Kitchen	\$10,201.76	\$0.00			
Office	\$3,696.20	\$1,940.00		\$1,940.00	
Restaurant	\$17,798.40	\$0.00			
Total Supplies	\$41,433.54	\$9,724.00	\$0.00	\$9,724.00	\$0.00

Utilities

Energy	\$43,835.60	\$46,030.00	\$18,412.00	\$27,618.00	
Power	\$82,260.84	\$86,373.00	\$34,550.00	\$51,823.00	
Water	\$8,512.51	\$8,938.00	\$3,575.00	\$5,363.00	
Waste Disposal	\$3,379.05	\$3,548.00	\$1,419.00	\$2,129.00	
Cable	\$3,038.08	\$3,190.00	\$2,735.00	\$455.00	
Total Utilities	\$141,026.08	\$148,079.00	\$60,691.00	\$87,388.00	\$0.00

Misc Expenses

Printing	\$6,502.73	\$1,950.00		\$1,950.00	
Telephone	\$10,951.29	\$11,500.00	\$7,666.00	\$3,834.00	
Internet Charges	\$2,156.75	\$2,265.00	\$1,510.00	\$755.00	
Security	\$1,652.29	\$1,735.00	\$867.00	\$868.00	
Training	\$283.89	\$1,000.00		\$1,000.00	
Total Misc Expense	\$21,546.95	\$18,450.00	\$10,043.00	\$8,407.00	

PAGCC 2026 Budget (Draft)

Total Expense	\$1,620,736.20	\$415,178.00	\$115,567.00	\$299,611.00	\$0.00
Net Income	-\$47,942.73	\$48,391.00	\$12,123.00	\$14,965.00	\$21,303.00

5 year Capital Plan 2025

Definitions	Issue	Effects	Potential Funding	Cost Estimates			Comment
				Best Guess	Class 40	Class 10	
Priority 1	Issues that are currently having a negative impact on the Center and will continue to do so without correction. Safety and Environmental issues are always priority 1						
Priority 2	Issues that have the potential to create a negative effect on the Center if not corrected						
Priority 3	Issues that present an opportunity to improve the business outcomes of the Center.						
Priority C	Projects in this category are City of Prince Albert Responsibility. Use same definition as above						

5 year Capital Plan 2025

Definitions	Issue	Effects	Potential Funding	Cost Estimates			Comment
				Best Guess	Class 40	Class 10	
1	Building lower levels do not have handicapped access. An elevator of chairlift is required. Adhoc Committee in place	Lower levels not accessible to all our patrons.	Government grants, fund raising, club funds, City of PA,	\$1,000,000			
1	* POS System prone to failure, support not always easily available. A new more reliable system will be required. Darcy has done some initial research	Interuptions to customer service and inaccurate tracking of sales	Club Funds		\$10,000		Complete
C1	Repave the parking lot	Present condition has a negative impact on facility users	City of PA				
2	* Kitchen equipment has a life span. - Carberator/Convection Oven/Meat Slicer/ Deep Fryer	Impacts customer service and profitability	Club Funds		\$60,000		
2	* Deck needs to be refurbished, add a pergola and improve the sound system	Increaed use of the deck and increased sales.	Club Funds		\$50,000		Underway

5 year Capital Plan 2025

Definitions	Issue	Effects	Potential Funding	Cost Estimates			Comment
				Best Guess	Class 40	Class 10	
C3	Refresh exterior of the Building	Improve public awareness of the services offered at the center, make a more attractive locale.	City of PA	\$50,000			
2	* Replace end to end sheets - 4 at \$2,500 each	Sheets are discolored and cut into sections	Club Funds		\$10,000		Awaiting NLDC Decision
C3	Repair Parging around clubhouse						
3	* Refurbish/Replace Curling Rocks	Improve play for our members			\$40000-\$80,000		Awaiting NLDC Decision
3	Electronic Draw Board	Improves appearance of the rink	Club Funds	\$1,500			
1	* Modify Tee Room and Install VLTs	Money raising survival issue			\$15,000		VLT Complete
1	* Major Plumbing Repairs - Men's Locker Room	Eliminate Sewer line plugs resulting in leaks			\$10,000		
C3	Rubber Pave front entrance	Tripping and snow cleaning hazards			\$10,000		
2	Water bottle filling fountain	Release work load on serving staff			\$2,500		
3	Paint concrete walls in curling rink	Ice cleanliness issues and appearance	Club funds and volunteers	\$1,000			

Completed Items

Priority	Completed Issues	Effects	Potential Funding	Cost Estimates		
				Best Guess	Class 40	Class 10
1	Garage door int the rink area is not energy efficient and leaks. The door needs to be replaced and possibly some landscapingdone.	Energy loss and building leakage	Canadian Mixed			\$7,500
1	Dumb waiter not reaching all levels, Repairs in progress	Servers having to move dishes by hand to service Thompson room.	Club Funds \$5000 Senior Men's Golf			\$15,000.00
1	Repair hole in the parkinglot	Potential Safety Issue	City of PA			
2	Phone systems and building internet access are in need of replacement. Suggestion to move to a fiber system, add access points and upgrade to VOIP phones	Increased contact with customers and offer better internet access to our customers	Canadian Mixed			\$15,000
3	Replace rock handles.	We have a shortage of spares and we could generate some revenue by selling engraved handles	Canadian Mixed			\$55 per handle

5 year Capital Projects/Purchases 2025 Kitchen

A plan should be developed to replace each piece of equipment on a routine basis prior to its failure

- New 4 range/burner on hot line – pilot lights don't work and not enough BTU's/heat – every time you turn on the burner you need a lighter to light the burner
- Get ovens fixed on hotline
- More cooler and freezer space on hot line in place on the hot wells – every order you have to run to the walk in freezer or walk in cooler due to lack of space on the hot line
- Move the hot wells to back of the kitchen needs water and a drain for banquets
- 4-6 range/burner on back line in place of the stainless steel table and move the table for a prep station
- Replace large wok with steamer – needs water and a drain
- Deli meat slicer - in place of the old one
- 2 electric hot boxes for banquets – 1 down stairs & 1 in main kitchen
- New chafers x 6 – old ones are dated and old
- New heat lamps to keep food hot on the hotline
- Water proof the dish pit
- Back up fryers
- Laptop for kitchen manager
- Office space

repairs complete
repairs complete

Prince Albert Golf & Curling Club Inc.
Financial Statements
September 30, 2024

Prince Albert Golf & Curling Club Inc.

Contents

For the year ended September 30, 2024

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To the Members of Prince Albert Golf & Curling Club Inc.:

We have reviewed the accompanying financial statements of Prince Albert Golf & Curling Club Inc. (the "Club") which comprise the statement of financial position as at September 30, 2024, and the statements of operations, changes in 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 Club, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

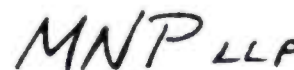
The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

Conclusion

Based on our review, 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 Prince Albert Golf & Curling Club Inc. as at September 30, 2024, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Prince Albert, Saskatchewan

November 17, 2024



Chartered Professional Accountants

Prince Albert Golf & Curling Club Inc.
Statement of Financial Position

As at September 30, 2024

	2024	2023
Assets		
Current		
Cash	16,272	40,686
Accounts receivable	45,500	116,687
Prepaid expenses and deposits	6,335	5,918
Inventory	29,685	21,146
	97,792	184,437
Capital assets (Note 3)	1,109,607	1,193,004
	1,207,399	1,377,441
Liabilities		
Current		
Bank indebtedness (Note 4)	24,117	-
Accounts payable and accruals (Note 5)	119,549	107,622
Deferred revenue	41,231	55,703
Current portion of long-term debt (Note 7)	25,860	24,263
	210,757	187,588
Term loans due on demand (Note 6)	-	30,000
	210,757	217,588
Long-term debt (Note 7)	451,050	476,885
Deferred contributions related to capital assets	41,206	22,545
	492,256	499,430
	703,013	717,018
Contingencies (Note 12)	504,386	660,423
Net Assets	1,207,399	1,377,441

Approved on behalf of the Board


 Director


 Director

The accompanying notes are an integral part of these financial statements

Prince Albert Golf & Curling Club Inc.
Statement of Operations

For the year ended September 30, 2024

	2024	2023
Revenue		
Curling and building revenue (Schedule 1)	410,862	395,751
Expenses		
Amortization	108,397	114,705
Utilities	93,468	94,803
Salaries and benefits	72,273	64,942
Interest on long-term debt	31,346	30,243
Management fee	21,000	21,150
Repairs and maintenance	20,271	21,906
Licences, insurance, and fees	17,587	15,967
Professional fees	14,037	14,755
Supplies	8,822	9,492
Telephone, internet and security	6,235	3,708
Advertising	5,881	10,517
Bank and credit card charges	1,794	2,068
Office expenses	284	1,192
Bonspeils expense	-	4,121
National event	-	32
	401,395	409,601
Excess (deficiency) of curling & building revenues over expenses	9,467	(13,850)
Food and beverage operations (Schedule 2)	(165,504)	(6,704)
Deficiency of revenue over expenses before other items	(156,037)	(20,554)
Other items		
Gain on disposal of capital asset	-	533
Deficiency of revenue over expenses	(156,037)	(20,021)

The accompanying notes are an integral part of these financial statements

Prince Albert Golf & Curling Club Inc.
Statement of Changes in Net Assets

For the year ended September 30, 2024

	2024	2023
Net assets, beginning of year	660,423	680,444
Deficiency of revenue over expenses	(156,037)	(20,021)
Net assets, end of year	504,386	660,423

The accompanying notes are an integral part of these financial statements

Prince Albert Golf & Curling Club Inc.

Statement of Cash Flows

For the year ended September 30, 2024

	2024	2023
Cash provided by (used for) the following activities		
Operating		
Deficiency of revenue over expenses	(156,037)	(20,021)
Amortization	108,397	114,705
Gain (loss) on disposal of capital assets	-	(533)
Capital grant recognized	(1,340)	(1,340)
Capital donation	(5,000)	-
	(53,980)	92,811
Changes in working capital accounts		
Accounts receivable	71,187	(65,256)
Inventory	(8,539)	(119)
Prepaid expenses and deposits	(416)	(3,073)
Accounts payable and accruals	11,927	919
Deferred revenue	(14,472)	(39,953)
	5,707	(14,671)
Financing		
Repayments short term debt	(30,000)	-
Repayment of long-term debt	(24,238)	(23,579)
	(54,238)	(23,579)
Investing		
Purchase of capital assets	-	(10,758)
Proceeds on disposal of capital assets	-	2,000
	-	(8,758)
Decrease in cash resources (deficiency)	(48,531)	(47,008)
Cash resources, beginning of year	40,686	87,694
Cash resources (deficiency), end of year	(7,845)	40,686
Cash resources (deficiency) are composed of:		
Cash	16,272	40,686
Bank indebtedness	(24,117)	-
	(7,845)	40,686

The accompanying notes are an integral part of these financial statements

Prince Albert Golf & Curling Club Inc.
Notes to the Financial Statements
For the year ended September 30, 2024

1. Incorporation and nature of the organization

Prince Albert Golf & Curling Club Inc. (the "Club") is a member organization and is registered as a not-for-profit organization and thus is exempt from income taxes under section 149(1)(l) of the Income Tax Act ("the Act").

The Club advances and promotes the games of golf and curling as competitive and recreational sports. The Club also operates the clubhouse restaurant and lounge.

2. Significant accounting policies

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations set out in Part III of the CPA Canada Handbook - Accounting, as issued by the Accounting Standards Board in Canada and include the following significant accounting policies:

Revenue recognition

The Club follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Endowment contributions are recognized as direct increases in net assets.

Restricted investment income is recognized as revenue in the year in which the related expenses are incurred. Unrestricted investment income is recognized as revenue when earned.

League fees are recorded as revenue when received or receivable in connection with the current year's curling season. Tournament fees are recognized as revenue in the year the tournament is held. Fundraising revenues are recognized when the related expense is incurred. Food and beverage revenues are recorded in the period during which the services are rendered. Other revenues are recognized when the services are provided.

Deferred contributions related to capital assets

Deferred contributions related to capital assets represent the unamortized portion of contributed capital assets and restricted contributions that were used to fund the Club's building improvements and equipment. Recognition of these amounts as revenue is deferred to periods when the related capital assets are amortized.

Contributed materials and services

Contributions of materials and services are recognized both as contributions and expenses in the statement of operations when a fair value can be reasonably estimated and when the materials and services are used in the normal course of the Club's operations and would otherwise have been purchased.

Cash and cash equivalents

Cash and cash equivalents include balances with banks and short-term investments with maturities of three months or less. Cash subject to restrictions that prevent its use for current purposes is included in restricted cash.

Inventory

Inventory is valued at the lower of cost and net realizable value. Cost is determined by the first in, first out method. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and selling costs.

2. **Significant accounting policies** *(Continued from previous page)*

Capital assets

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution plus all costs directly attributable to the acquisition.

Amortization is provided using the straight-line method at rates intended to amortize the cost of assets over their estimated useful lives.

	Method	Rate
Buildings	straight-line	20 years
Automotive	straight-line	5 years
Equipment	straight-line	5 years
Paved surfaces	straight-line	10 years

Long-lived assets and discontinued operations

Long-lived assets consist of capital assets. Long-lived assets held for use are measured and amortized as described in the applicable accounting policies.

When the Club determines that a long-lived asset no longer has any long-term service potential to the organization, the excess of its net carrying amount over any residual value is recognized as an expense in the statement of operations. Write-downs are not reversed.

Non-monetary transactions

The Club enters into agreements with certain customers from whom the Club acquires goods and services. Transactions involving the exchange of monetary consideration representing 10% or greater of the fair value of the arrangement are considered to be monetary transactions. Non-monetary transactions, for which the Club's future cash flows have been significantly affected ("commercial substance"), are recorded at the fair value of the assets given up or received, whichever is more reliably measurable. Non-monetary transactions are measured at carrying value when the transaction:

- lacks commercial substance;
- is an exchange of a product or property held for sale in the ordinary course of business to be sold in same line of business to facilitate sales to customers other than the parties of the exchange;
- for which neither the fair value of assets received or given up can be reliably measured; or
- non-monetary non-reciprocal transfers to owners in restructurings or liquidations.

Measurement uncertainty (use of estimates)

The preparation of financial statements in conformity 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 and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of capital assets.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in excess of revenues over expenses in the periods in which they become known.

2. Significant accounting policies *(Continued from previous page)*

Financial instruments

The Club recognizes financial instruments when the Club becomes party to the contractual provisions of the financial instrument.

Arm's length financial instruments

Financial instruments originated/acquired or issued/assumed in an arm's length transaction ("arm's length financial instruments") are initially recorded at their fair value.

At initial recognition, the Club may irrevocably elect to subsequently measure any arm's length financial instrument at fair value. The Club has not made such an election during the year.

The Club subsequently measures investments in equity instruments quoted in an active market and all derivative instruments, except those designated in a qualifying hedging relationship or that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, at fair value. Fair value is determined by published price quotations. Investments in equity instruments not quoted in an active market and derivatives that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, are subsequently measured at cost less impairment. With the exception of financial liabilities indexed to a measure of the Club's performance or value of its equity and those instruments designated at fair value, all other financial assets and liabilities are subsequently measured at amortized cost.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in deficiency of revenues over expenses. Conversely, transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

Related party financial instruments

The Club initially measures the following financial instruments originated/acquired or issued/assumed in a related party transaction ("related party financial instruments") at fair value:

- Investments in equity instruments quoted in an active market
- Debt instruments quoted in an active market
- Debt instruments when the inputs significant to the determination of its fair value are observable (directly or indirectly)
- Derivative contracts.

All other related party financial instruments are measured at cost on initial recognition. When the financial instrument has repayment terms, cost is determined using the undiscounted cash flows, excluding interest, dividend, variable and contingent payments, less any impairment losses previously recognized by the transferor. When the financial instrument does not have repayment terms, but the consideration transferred has repayment terms, cost is determined based on the repayment terms of the consideration transferred. When the financial instrument and the consideration transferred both do not have repayment terms, the cost is equal to the carrying or exchange amount of the consideration transferred or received.

At initial recognition, the Club may elect to subsequently measure related party debt instruments that are quoted in active market, or that have observable inputs significant to the determination of fair value, at fair value.

The Club has not made such an election during the year, thus all such related party debt instruments are subsequently measured at amortized cost.

The Club subsequently measures investments in equity instruments quoted in an active market and all derivative instruments, except those designated in a qualifying hedging relationship or that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, at fair value. Fair value is determined by published price quotations. Financial instruments that were initially measured at cost and derivatives that are linked to, and must be settled by, delivery of unquoted equity instruments of another entity, are subsequently measured using the cost method less any reduction for impairment.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of related party financial instruments are immediately recognized in deficiency of revenues over expenses.

Prince Albert Golf & Curling Club Inc.
Notes to the Financial Statements
For the year ended September 30, 2024

2. **Significant accounting policies** (Continued from previous page)

Financial instruments (Continued from previous page)

Financial asset impairment

The Club assesses impairment of all its financial assets measured at cost or amortized cost. The Club groups assets for impairment testing when available information is not sufficient to permit identification of each individually impaired financial asset in the group. Management considers whether the issuer is having significant financial difficulty in determining whether objective evidence of impairment exists. When there is an indication of impairment, the Club determines whether it has resulted in a significant adverse change in the expected timing or amount of future cash flows during the year.

With the exception of related party debt instruments and related party equity instruments initially measured at cost, the Club reduces the carrying amount of any impaired financial assets to the highest of: the present value of cash flows expected to be generated by holding the assets; the amount that could be realized by selling the assets at the statement of financial position date; and the amount expected to be realized by exercising any rights to collateral held against those assets.

For related party debt instruments initially measured at cost, the Club reduces the carrying amount of the asset (or group of assets), to the highest of: the undiscounted cash flows expected to be generated by holding the asset, or group of similar assets, excluding the interest and dividend payments of the instrument; the present value of cash flows expected to be generated by holding the assets; the amount that could be realized by selling the assets at the statement of financial position date; and the amount expected to be realized by exercising any rights to collateral held against those assets.

For related party equity instruments initially measured at cost, the Club reduces the carrying amount of the asset (or group of assets), to the amount that could be realized by selling the asset(s) at the statement of financial position date.

Any impairment, which is not considered temporary, is included in current year deficiency of revenues over expenses.

The Club reverses impairment losses on financial assets when there is a decrease in impairment and the decrease can be objectively related to an event occurring after the impairment loss was recognized. The amount of the reversal is recognized in deficiency of revenues over expenses in the year the reversal occurs.

3. **Capital assets**

	Cost	Accumulated amortization	2024 Net book value	2023 Net book value
Land	2,000	-	2,000	2,000
Buildings	1,714,251	634,190	1,080,061	1,165,774
Automotive	26,497	26,497	-	-
Equipment	777,390	749,844	27,546	25,230
Paved surfaces	36,783	36,783	-	-
	2,556,921	1,447,314	1,109,607	1,193,004

During the year, the Club received a donation of a Pickleball court.

This contributed capital asset has been recorded at its fair value of \$25,000.

4. **Bank indebtedness**

At September 30, 2024, the Club had a line of credit totaling \$100,000 (2023 - \$100,000), bearing interest at prime plus 0.5%, of which \$52,795 was drawn. The line of credit is secured by a general security agreement.

Prince Albert Golf & Curling Club Inc.
Notes to the Financial Statements
For the year ended September 30, 2024

5. Accounts payable and accruals

	2024	2023
Trade payable	58,916	48,826
GST payable	15,918	14,323
Wages payable	15,730	11,572
Source deductions payable	10,322	9,285
Staff fund	5,406	4,465
PST payable	5,021	6,326
Liquor Consumption Tax payable	3,170	4,839
Security deposit	2,000	-
Vacation payable	1,702	3,884
Curling fees payable	1,364	4,102
	119,549	107,622

6. Term loans due on demand

	2024	2023
Diamond North Credit Union Canada Emergency Benefit Account term loan.	-	40,000
Forgivable portion of Canada Emergency Benefit Account term loan.	-	(10,000)
	-	30,000

7. Long-term debt

	2024	2023
Diamond North Credit Union mortgage bearing interest at 6.39%, repayable in monthly blended payments of \$4,632, amortized over 20 years. Secured by buildings and equipment with a net book value of \$1,109,607.	476,910	501,148
Less: Current portion	25,860	24,263
	451,050	476,885

Principal repayments on long-term debt in each of the next five years, assuming long-term debt subject to refinancing is renewed are estimated as follows:

	<i>Principal</i>
2025	25,860
2026	27,561
2027	29,375
2028	31,308
2029	33,368
Thereafter	329,438

Prince Albert Golf & Curling Club Inc.
Notes to the Financial Statements
For the year ended September 30, 2024

8. Deferred contributions related to capital assets

Deferred capital contributions consist of the unamortized amount of contributions received for the purchase of capital assets. Recognition of these amounts as revenue is deferred to periods when the related capital assets are amortized. Changes in deferred capital contributions are as follows:

	2024	2023
Balance, beginning of year	22,545	23,884
Amount received during the year	25,000	-
Less: Amounts recognized as revenue during the year	(6,339)	(1,339)
Balance, end of year	41,206	22,545

9. Financial instruments

The Club, as part of its operations, carries a number of financial instruments. It is management's opinion that the Club is not exposed to significant interest, currency, credit, liquidity or other price risks arising from these financial instruments except as otherwise disclosed.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. Changes in market interest rates may have an effect on the cash flow associated with some financial assets and liabilities, known as cash flow risk, and on the fair value of other financial assets or liabilities, known as price risk.

The Club is exposed to interest rate price risk on its long-term debt as it is a fixed rate. The Club's long-term debt is subject to a rate of 6.39% (2023 - 6.39%)

The Club is also exposed to interest rate cash flow risk on its line of credit. The Club's line of credit is subject to interest at prime plus 0.5%.

Liquidity risk

Liquidity risk is the risk that the Club will encounter difficulty in meeting obligations associated with financial liabilities. The Club enters into transactions to purchase goods and services on credit for which repayment is required at various maturity dates. Liquidity risk is measured by reviewing the Club's future net cash flows for the possibility of negative net cash flow.

The Club manages the liquidity risk resulting from its accounts payable by paying suppliers as cash is available.

10. Commitments

The Club has entered into a Food Beverage Cart Service Agreement with the City of Prince Albert to April 30, 2027.

11. Allocation of expenses

An allocation of management wages, office wages, employee benefits, telephone expenses, utilities and bank and credit card charges was made based on management's estimate of usage and time spent between curling and building operation and food and beverage operations.

12. Contingencies

The Club has been named as defendant in certain legal actions in which damages have been sought. The outcome of these actions is not determinable as at the date of the reporting and accordingly, no provision has been made in these statements for any liability that may result. The Club's settlement amount, if any, will be charged to expenses in the year in which the amount is determinable.

Prince Albert Golf & Curling Club Inc.
Schedule 1 - Schedule of Curling and building revenue

For the year ended September 30, 2024

	2024	2023
Curling and building revenue		
Bonspiel and other income		
Grants and user group contributions	93,130	31,609
City of Prince Albert grant	66,339	66,339
Advertising - ice surface	25,417	18,372
Golf cart storage	11,557	9,635
Bonspiel's, ice and broom rentals	9,581	7,445
Locker rentals	2,009	3,177
Advertising - rock handles	1,776	-
Special events	1,505	-
Interest and miscellaneous	239	-
Sponsorships	50	500
Nationals Event	-	80,697
League fees		
Beer league fees	25,908	16,653
Thursday Rec Open Fees	24,219	20,417
Membership fees	20,217	17,645
Senior men's fees	20,166	20,917
Econo and men's league fees	10,440	11,031
Mixed league fees	6,139	3,653
Afternoon ladies fees	4,745	5,328
Tuesday afternoon stick league fees	3,203	2,274
Junior fees	2,304	1,515
Discover curling fees	1,073	2,082
Doubles league fees	117	(73)
BTR business ladies fees	-	1,600
Rental income	51,479	38,939
Fundraising	28,896	35,391
Other commissions	353	605
	410,862	395,751

Prince Albert Golf & Curling Club Inc.
Schedule 2 - Schedule of Food & Beverage Revenues and Expenses

For the year ended September 30, 2024

	2024	2023
Revenue		
Food and beverage revenue		
Food sales	682,428	691,244
Lounge sales	302,142	350,510
Food service sales	132,501	194,322
Special events	35,111	13,390
Great Western sponsorship	16,068	13,982
Commissions and other revenue	135	57,246
	1,168,385	1,320,694
Cost of sales		
Purchases	538,541	551,647
	629,844	769,047
Expenses		
Salaries and benefits	574,229	509,273
Management fee	49,000	49,350
Utilities	40,843	39,741
Janitorial and laundry	39,309	30,784
Supplies	31,093	35,145
Bank and credit card charges	16,142	18,615
Advertising	11,889	5,004
Telephone, internet and security	7,822	8,586
Equipment lease	6,990	6,011
Office expenses	6,193	3,978
Repairs and maintenance	6,044	5,630
Licences, insurance and fees	5,794	8,967
Legal fees	-	54,667
	795,348	775,751
Deficiency of revenue over expenses	(165,504)	(6,704)