

**HILLCREST SPORTS CENTRE INC.**

**Financial Statements**

**Year Ended December 31, 2018**

**HILLCREST SPORTS CENTRE INC.**

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**Year Ended December 31, 2018**

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# S.N.ROY & ASSOCIATES

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## INDEPENDENT AUDITOR'S REPORT

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To the Members of Hillcrest Sports Centre Inc.

We have audited the accompanying financial statements of Hillcrest Sports Centre Inc., which comprise the statement of financial position as at December 31, 2018 and the statements of revenues and expenditures, changes in net assets and cash flow 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.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

### Basis for Qualified Opinion

In common with many non-profit organizations, the organization derives revenue from operations concession revenues, fundraising and donations, the completeness of which is not susceptible of satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the organization and we were not able to determine whether any adjustments might be necessary to contributions, excess of revenues over expenses, current assets and net assets.

### Qualified Opinion

In our opinion, except for the effect of adjustments, if any, which we might have determined to be necessary had we been able to satisfy ourselves concerning the completeness of the contributions referred to in the preceding paragraph, the financial statements present fairly, in all material respects, the financial position of Hillcrest Sports Centre Inc. as at December 31, 2018 and the results of its operations and its cash flow for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Moose Jaw, Saskatchewan  
March 26, 2019

S.N.Roy & Associates

**HILLCREST SPORTS CENTRE INC.****Statement of Financial Position****December 31, 2018**

	2018	2017
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash and short term deposits	\$ 69,876	\$ 9,200
Accounts receivable	1,470	-
GST payable (receivable)	646	2,263
Provincial sales tax recoverable	1,590	-
Prepaid expenses	37,301	-
	<b>110,883</b>	<b>11,463</b>
<b>CO-OP EQUITY</b>	<b>5</b>	<b>5,317</b>
	<b>\$ 110,888</b>	<b>\$ 16,780</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT</b>		
Accounts payable	\$ 2,804	\$ 1,014
Deferred income	24,081	5,075
Hole-in-one insurance trust	1,750	1,750
	<b>28,635</b>	<b>7,839</b>
<b>NET ASSETS</b>	<b>82,253</b>	<b>8,941</b>
	<b>\$ 110,888</b>	<b>\$ 16,780</b>

**ON BEHALF OF THE BOARD**\_\_\_\_\_  
*Director*\_\_\_\_\_  
*Director*

See notes to financial statements

**HILLCREST SPORTS CENTRE INC.****Statement of Changes in Net Assets****Year Ended December 31, 2018**

	General Fund	2018	2017
<b>NET ASSETS - BEGINNING OF YEAR</b>	\$ 8,941	\$ <b>8,941</b>	\$ 16,314
Excess of revenue over expenses	73,312	<b>73,312</b>	(7,373)
<b>NET ASSETS - END OF YEAR</b>	\$ 82,253	\$ <b>82,253</b>	\$ 8,941

See notes to financial statements

**HILLCREST SPORTS CENTRE INC.****Statement of Revenues and Expenditures****For the Year Ended December 31, 2018**

	2018	2017
<b>REVENUE</b>		
Green Fees	\$ 261,522	\$ 302,688
Memberships	278,698	284,999
Cart Privileges	100,287	83,997
Advertising Revenue	137,022	63,500
Pro Shop - net	14,839	56,420
Driving range revenue	3,643	4,286
Other Revenue	19,294	7,115
Tournament Revenue	57,639	-
	<b>872,944</b>	<b>803,005</b>
<b>EXPENSES</b>	<b>835,703</b>	<b>849,766</b>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES FROM OPERATIONS</b>	<b>37,241</b>	<b>(46,761)</b>
<b>OTHER INCOME (EXPENSES)</b>		
Miscellaneous revenue	-	930
Insurance proceeds	-	22,456
Statement of Concession Revenues and Expenditures	51,822	26,280
	<b>51,822</b>	<b>49,666</b>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES BEFORE INVESTMENT IN CAPITAL ASSETS</b>	<b>89,063</b>	<b>2,905</b>
<b>INVESTMENT IN CAPITAL ASSETS</b>	<b>15,751</b>	<b>10,278</b>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES</b>	<b>\$ 73,312</b>	<b>\$ (7,373)</b>

**HILLCREST SPORTS CENTRE INC.****Expenses****For the Year Ended December 31, 2018**

	<b>2018</b>	<b>2017</b>
Administration	\$ <b>56,624</b>	\$ 43,443
Advertising and promotion	<b>11,392</b>	24,711
Bank Charges	<b>343</b>	-
Building Maintenance	<b>10,640</b>	44,355
Operating costs	<b>326,645</b>	308,966
Wages and benefits	<b>430,059</b>	428,291
	<b>\$ 835,703</b>	<b>\$ 849,766</b>

See notes to financial statements

**HILLCREST SPORTS CENTRE INC.****Statement of Concession Revenues and Expenditures****Year Ended December 31, 2018**

	<b>2018</b>	<b>2017</b>
<b>SALES</b>		
Concession Revenue	<u>\$ 183,577</u>	<u>\$ 176,107</u>
<b>DIRECT COSTS</b>		
Purchases	<u>92,112</u>	<u>93,628</u>
Direct wages	<u>39,643</u>	<u>56,199</u>
	<u>131,755</u>	<u>149,827</u>
<b>GROSS PROFIT</b>	<u>\$ 51,822</u>	<u>\$ 26,280</u>

See notes to financial statements



**HILLCREST SPORTS CENTRE INC.****Statement of Cash Flow****Year Ended December 31, 2018**

	2018	2017
<b>OPERATING ACTIVITIES</b>		
Excess (deficiency) of revenue over expenses	\$ 73,312	\$ (7,373)
Changes in non-cash working capital:		
Accounts receivable	(1,470)	2,141
Accounts payable	1,790	(796)
Deferred income	19,006	5,075
Prepaid expenses	(37,301)	655
Goods and services tax payable	1,617	2,421
PST payable (receivable)	(1,590)	-
Payroll Deductions Payable	-	(8,002)
	(17,948)	1,494
Cash flow from (used by) operating activities	55,364	(5,879)
<b>FINANCING ACTIVITY</b>		
CO-OP equity	5,312	-
<b>INCREASE (DECREASE) IN CASH FLOW</b>	60,676	(5,879)
Cash - beginning of year	9,200	15,079
<b>CASH - END OF YEAR</b>	\$ 69,876	\$ 9,200

# HILLCREST SPORTS CENTRE INC.

## Notes to Financial Statements

Year Ended December 31, 2018

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### 1. DESCRIPTION OF BUSINESS

The Hillcrest Sports Centre Inc. is incorporated under the Non-Profit Corporations Act of the Province of Saskatchewan.

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### 2. COMPARATIVE FIGURES

Some of the comparative figures have been reclassified to conform to the current year's presentation.

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### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Contributed services

The operations of the organization depend on both the contribution of time by volunteers and donated materials from various sources. The fair value of donated materials and services cannot be reasonably determined and are therefore not reflected in these financial statements.

#### Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO).

#### Fixed assets

Purchases of capital assets from operating funds are charges to operations in the year of purchase.

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### 4. FINANCIAL INSTRUMENTS

The organization is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the organization's risk exposure and concentration as of December 31, 2018.

#### Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The organization is exposed to credit risk from customers. The organization has a significant number of customers which minimizes concentration of credit risk.

#### Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The organization is exposed to this risk mainly in respect of its receipt of funds from its customers and other related sources, long-term debt, obligations under capital leases and accounts payable.

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