

Financial Statements of

**SEARCHMONT SKI
ASSOCIATION INC.**

Year ended April 30, 2015
(Unaudited - see Notice to Reader)



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NOTICE TO READER

On the basis of information provided by the Association, we have compiled the statement of financial position of Searchmont Ski Association Inc. as at April 30, 2015 and the statement of operations and changes in net assets 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 financial statements may not be appropriate for their purposes.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

February 18, 2016

Sault Ste. Marie, Canada

SEARCHMONT SKI ASSOCIATION INC.

Statement of Financial Position

April 30, 2015, with comparative information for 2014
(Unaudited - see Notice to Reader)

	2015	2014
Assets		
Current assets:		
Cash	\$ 113,307	\$ -
Accounts receivable	61,844	39,589
Other receivable	21,348	-
Inventories	31,932	31,932
	<u>228,431</u>	<u>71,521</u>
Capital assets:		
Cost	-	3,425,311
Less accumulated amortization	-	2,186,940
	<u>-</u>	<u>1,238,371</u>
	<u>\$ 228,431</u>	<u>\$ 1,309,892</u>
Liabilities and Net Assets		
Current liabilities:		
Bank indebtedness	\$ -	\$ 97,525
Accounts payable and accrued liabilities	455,735	763,271
Advances from related parties, without interest or repayment terms	135,320	113,972
Deferred revenue	210,330	79,364
Current portion of long-term debt (note 2)	-	2,852,006
	<u>801,385</u>	<u>3,906,138</u>
Long-term debt and accrued interest (note 2)	973,760	-
	<u>1,775,145</u>	<u>3,906,138</u>
Net assets	(1,546,714)	(2,596,246)
	<u>\$ 228,431</u>	<u>\$ 1,309,892</u>

See accompanying notes to financial statements.

SEARCHMONT SKI ASSOCIATION INC.

Statement of Operations and Changes in Net Assets

Year ended April 30, 2015, with comparative information for 2014
(Unaudited - see Notice to Reader)

	2015	2014
Revenue:		
Ski lift revenue	\$ 604,203	\$ 678,952
Supporting ski revenue	399,086	499,813
Food and beverage	393,529	432,067
Grant income	366,656	25,122
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	1,763,474	1,635,954
Cost of goods sold	319,637	398,848
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Gross profit	1,443,837	1,237,106
Expenditures:		
Salaries and benefits	688,185	867,482
Repairs and maintenance	633,168	67,104
Utilities	175,042	157,466
Management fees	99,216	-
Interest on debt	81,272	196,311
Amortization of capital assets	79,797	143,575
Interest and bank charges	41,464	40,487
Advertising	37,879	52,481
Rent	36,011	-
Insurance	32,721	68,592
Realty taxes	29,503	35,755
Professional fees	22,110	646
Entertainment and special events	14,973	9,214
Office and administration	13,678	15,896
Travel	13,131	977
Telephone	7,869	10,734
Vehicles	4,378	4,331
Recovery of prior year costs	(66,017)	-
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	1,944,380	1,671,051
Deficiency of revenue over expenditures before the undernoted items	(500,543)	(433,945)
Other income:		
Forgiveness of 8% mortgage payable	1,208,648	-
Gain on sale of capital assets	341,427	-
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	1,550,075	-
Excess (deficiency) of revenue over expenses	1,049,532	(433,945)
Net assets, beginning of year	(2,596,243)	(2,162,298)
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Net assets, end of year	\$ (1,546,714)	\$ (2,596,246)

See accompanying notes to financial statements.

SEARCHMONT SKI ASSOCIATION INC.

Notes to Financial Statements

Year ended April 30, 2015
(Unaudited - see Notice to Reader)

1. Basis of presentation:

The recognition, measurement, presentation and disclosure principles in these financial statements may not be in accordance with the requirements of any of the financial reporting frameworks in the CPA Canada Handbook – Accounting.

2. Long-term debt:

	2015	2014
9% Promissory note, including unpaid interest of \$473,760 (2014 - \$393,358), secured by general security agreement with no fixed terms of repayment	\$ 973,760	\$ 893,358
8% Mortgage payable	-	1,958,648
	973,760	2,852,006
Less current portion of long-term debt	-	2,852,006
	\$ 973,760	\$ -

The promissory note has been postponed and will not be called within twelve months subsequent to the year end.