

Financial Statements of

**SEARCHMONT SKI
ASSOCIATION INC.**

Year ended April 30, 2014
(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, 2014 and the statements 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

November 13, 2015

Sault Ste. Marie, Canada

SEARCHMONT SKI ASSOCIATION INC.

Statement of Financial Position

April 30, 2014, with comparative information for 2013
(Unaudited - see Notice to Reader)

	2014	2013
Assets		
Current assets:		
Accounts receivable	\$ 39,589	\$ 50,604
Inventories	31,932	31,932
	<u>71,521</u>	<u>82,536</u>
Capital assets: (note 2)		
Cost	3,425,311	3,396,652
Less accumulated amortization	<u>2,186,940</u>	<u>2,043,364</u>
	<u>1,238,371</u>	<u>1,353,288</u>
	<u>\$ 1,309,892</u>	<u>\$ 1,435,824</u>

Liabilities and Net Assets

Current liabilities:		
Bank indebtedness	\$ 97,525	\$ 6,594
Accounts payable and accrued liabilities	763,271	718,641
Advances from related parties, without interest or repayment terms	113,972	113,972
Demand loan, payable interest only at prime plus 2.15%	-	6,197
Deferred revenue	79,364	93,339
Debt and accrued interest (note 3)	<u>2,852,006</u>	<u>2,659,382</u>
	<u>3,906,138</u>	<u>3,598,125</u>
Net assets:		
Invested in capital assets	(775,988)	(632,413)
Unrestricted	<u>(1,820,258)</u>	<u>(1,529,888)</u>
	<u>(2,596,246)</u>	<u>(2,162,301)</u>
	<u>\$ 1,309,892</u>	<u>\$ 1,435,824</u>

See accompanying notes to financial statements.

SEARCHMONT SKI ASSOCIATION INC.

Statement of Operations

Year ended April 30, 2014, with comparative information for 2013
(Unaudited - see Notice to Reader)

	2014	2013
Revenue:		
Ski lift revenue	\$ 678,952	\$ 622,846
Supporting ski revenue	498,822	397,646
Food and beverage	423,952	382,051
Miscellaneous	34,228	32,183
	<u>1,635,954</u>	<u>1,434,726</u>
Cost of goods sold:		
Food and beverage	238,966	177,834
Materials and supplies	129,237	105,622
Programs and events	30,645	26,282
	<u>398,848</u>	<u>309,738</u>
Gross profit	1,237,106	1,124,988
Expenditures:		
Salaries and benefits	867,482	647,244
Interest on debt	196,311	190,279
Utilities	157,466	162,889
Amortization of capital assets	143,575	169,869
Insurance	68,592	74,455
Repairs and maintenance	67,104	71,922
Advertising	52,481	61,826
Interest and bank charges	40,487	38,360
Realty taxes	35,755	40,534
Office and administration	14,838	4,777
Telephone	10,734	7,650
Entertainment and special events	9,214	8,370
Vehicles	4,331	1,171
Licenses, dues and fees	2,035	3,351
Professional fees	646	13,818
Bad debts	-	142
	<u>1,671,051</u>	<u>1,496,657</u>
Deficiency of expenses over revenue	\$ (433,945)	\$ (371,669)

See accompanying notes to financial statements.

SEARCHMONT SKI ASSOCIATION INC.

Statement of Changes in Net Assets

Year ended April 30, 2014, with comparative information for 2013
(Unaudited - see Notice to Reader)

	Invested in capital assets	Unrestricted	Total 2014	Total 2013
Balance, beginning of year	\$ (632,413)	\$ (1,529,888)	\$ (2,162,301)	\$ (1,790,632)
Deficiency of expenses over revenue	(143,575)	(290,370)	(433,945)	(371,669)
Balance, end of year	\$ (775,988)	\$ (1,820,258)	\$ (2,596,246)	\$ (2,162,301)

See accompanying notes to financial statements.

SEARCHMONT SKI ASSOCIATION INC.

Notes to Financial Statements

Year ended April 30, 2014
(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. Capital assets:

	2014		
	Cost	Accumulated amortization	Net book value
Land	\$ 248,015	\$ -	\$ 248,015
Building	657,645	165,758	491,887
Machinery and equipment	2,447,409	1,960,020	487,389
Furniture and fixtures	56,145	45,065	11,080
Vehicles	12,147	12,147	-
Computer	3,950	3,950	-
	\$ 3,425,311	\$ 2,186,940	\$ 1,238,371

	2013		
	Cost	Accumulated amortization	Net book value
Land	\$ 248,015	\$ -	\$ 248,015
Building	657,645	145,262	512,383
Machinery and equipment	2,419,329	1,841,683	577,646
Furniture and fixtures	55,566	42,367	13,199
Vehicles	12,147	11,034	1,113
Computer	3,950	3,018	932
	\$ 3,396,652	\$ 2,043,364	\$ 1,353,288

SEARCHMONT SKI ASSOCIATION INC.

Notes to Financial Statements (continued)

Year ended April 30, 2014

(Unaudited - see Notice to Reader)

3. Long-term debt:

	2014	2013
9% Promissory note, payable in the principal amount together with the interest due February 16, 2009 including unpaid interest of \$393,358 (2013 - \$319,594)	\$ 893,358	\$ 819,594
8% Mortgage payable due February 16, 2009 including unpaid interest of \$472,948 (2013 - \$354,091)	1,958,648	1,839,788
	<u>2,852,006</u>	<u>2,659,382</u>
Less current portion of long-term debt	2,852,006	2,659,382
	<u>\$ -</u>	<u>\$ -</u>

The promissory note and mortgage have matured and were settled after year end.

The mortgage is secured by a first charge on all property held for the the ski hill operations and the promissory note is secured by a general security agreement.