

Financial Statements of

**SEARCHMONT SKI  
ASSOCIATION INC.**

Year ended April 30, 2013  
(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, 2013 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

June 18, 2015

Sault Ste. Marie, Canada

# SEARCHMONT SKI ASSOCIATION INC.

## Statement of Financial Position

April 30, 2013, with comparative information for 2012  
(Unaudited - see Notice to Reader)

	2013	2012
<b>Assets</b>		
Current assets:		
Accounts receivable	\$ 50,604	\$ 25,748
Inventories	31,932	31,932
	<u>82,536</u>	<u>57,680</u>
Capital assets: (note 2)		
Cost	3,396,652	3,396,652
Less accumulated amortization	<u>2,043,364</u>	<u>1,873,496</u>
	<u>1,353,288</u>	<u>1,523,156</u>
	<u>\$ 1,435,824</u>	<u>\$ 1,580,836</u>

## Liabilities and Fund Balances

Current liabilities:		
Bank indebtedness	\$ 6,594	\$ 97,543
Accounts payable and accrued liabilities	718,641	555,585
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	13,697
Deferred revenue	93,339	117,816
Debt and accrued interest (note 3)	<u>2,659,382</u>	<u>2,472,855</u>
	3,598,125	3,371,468
Fund balances:		
Invested in capital assets	(632,413)	(462,544)
Unrestricted	<u>(1,529,888)</u>	<u>(1,328,088)</u>
	<u>(2,162,301)</u>	<u>(1,790,632)</u>
	<u>\$ 1,435,824</u>	<u>\$ 1,580,836</u>

See accompanying notes to financial statements.

# SEARCHMONT SKI ASSOCIATION INC.

## Statement of Operations

Year ended April 30, 2013, with comparative information for 2012

(Unaudited - see Notice to Reader)

	2013	2012
Revenue:		
Ski lift revenue	\$ 622,846	\$ 511,640
Supporting ski revenue	397,646	394,930
Food and beverage	382,051	317,308
Miscellaneous	32,183	26,768
	<u>1,434,726</u>	<u>1,250,646</u>
Cost of goods sold:		
Food and beverage	177,834	189,817
Materials and supplies	105,622	64,571
Programs and events	26,282	18,797
	<u>309,738</u>	<u>273,185</u>
Gross profit	1,124,988	977,461
Expenditures:		
Salaries and benefits	647,244	556,577
Interest on debt	190,279	188,297
Amortization of capital assets	169,869	207,687
Utilities	162,889	118,128
Insurance	74,455	71,305
Repairs and maintenance	70,052	39,941
Advertising	61,826	33,635
Realty taxes	40,534	35,623
Interest and bank charges	38,360	49,415
Professional fees	13,818	7,766
Entertainment and special events	8,370	14,386
Telephone	7,650	16,916
Office and administration	4,777	8,842
Licenses, dues and fees	3,351	2,425
Vehicles	3,041	15,635
Bad debts	142	799
Training	-	735
	<u>1,496,657</u>	<u>1,368,112</u>
Deficiency of expenses over revenue	\$ (371,669)	\$ (390,651)

See accompanying notes to financial statements.

# SEARCHMONT SKI ASSOCIATION INC.

## Statement of Changes in Net Assets

Year ended April 30, 2013, with comparative information for 2012  
(Unaudited - see Notice to Reader)

	Invested in capital assets	Unrestricted	Total 2013	Total 2012
Balance, beginning of year	\$ (462,544)	\$ (1,328,088)	\$ (1,790,632)	\$ (1,399,981)
Deficiency of expenses over revenue	(169,869)	(201,800)	(371,669)	(390,651)
Balance, end of year	\$ (632,413)	\$ (1,529,888)	\$ (2,162,301)	\$ (1,790,632)

See accompanying notes to financial statements.

# SEARCHMONT SKI ASSOCIATION INC.

Notes to Financial Statements

Year ended April 30, 2013  
(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:

	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
	<u>\$ 3,396,652</u>	<u>\$ 2,043,364</u>	<u>\$ 1,353,288</u>

  

	2012		
	Cost	Accumulated amortization	Net book value
Land	\$ 248,015	\$ -	\$ 248,015
Building	657,645	123,814	533,831
Machinery and equipment	2,419,329	1,697,272	722,057
Furniture and fixtures	55,566	39,068	16,498
Vehicles	12,147	10,557	1,590
Computer	3,950	2,785	1,165
	<u>\$ 3,396,652</u>	<u>\$ 1,873,496</u>	<u>\$ 1,523,156</u>

# SEARCHMONT SKI ASSOCIATION INC.

Notes to Financial Statements (continued)

Year ended April 30, 2013

(Unaudited - see Notice to Reader)

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### 3. Long-term debt:

Bank indebtedness includes a \$100,000 line of credit of which \$55,000 is drawn at April 30, 2013. The line of credit bears interest at the bank's prime lending rate and is secured by a guarantee by the Corporation of the City of Sault Ste. Marie, which was obtained on March 21, 2011 and expires on December 31, 2013. The guarantee is secured by a third charge on the assets of the Association.

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	2013	2012
9% Promissory note, payable in the principal amount together with the interest due February 16, 2009 including unpaid interest of \$319,594 (2012; \$251,821)	\$ 819,594	\$ 751,921
8% Mortgage payable due February 16, 2009 including unpaid interest of \$354,091 (2010; \$235,235)	1,839,788	1,720,934
	<hr/> 2,659,382	<hr/> 2,472,855
Less current portion of long-term debt	2,659,382	2,472,855
	<hr/> \$ -	<hr/> \$ -

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The promissory note and mortgage have matured and are currently in the process of being renegotiated.

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.