

SOVEREIGN LAKE NORDIC CLUB
Compiled Financial Information
Year Ended May 31, 2024

SOVEREIGN LAKE NORDIC CLUB
Index to Compiled Financial Information
Year Ended May 31, 2024

	Page
COMPILATION ENGAGEMENT REPORT	1
COMPILED FINANCIAL INFORMATION	
Statement of Financial Position	2
Statement of Changes in Net Assets	3
Statement of Revenues and Expenditures	4
Notes to Compiled Financial Information	5 - 6



ROMEI PLUMMER LLP

Chartered Professional Accountants

PARTNERS

MARIO E. ROMEI, BBA, CPA, CA*
C. OLAF PLUMMER, CPA, CA, TEP*
BLAIR D. GRONLUND, CPA, CA*
ALEX B. URBANOVITCH, CPA, BBA*

*INCORPORATED PROFESSIONALS

3202C - 32ND AVENUE
VERNON, BC
V1T 2M5
TELEPHONE: (250) 542-1336
FAX: (250) 542-3040
EMAIL: romeiplummer@shaw.ca
WEBSITE: www.rpllp.ca

COMPILATION ENGAGEMENT REPORT

To the Members of Sovereign Lake Nordic Club

On the basis of information provided by management, we have compiled the statement of financial position of Sovereign Lake Nordic Club as at May 31, 2024, and the statements of changes in net assets and revenues and expenditures for the year then ended, and Note 1, which describes the basis of accounting applied in the preparation of the compiled financial information ("financial information").

Management is responsible for the accompanying financial information, including the accuracy and completeness of the underlying information used to compile it and the selection of the basis of accounting.

We performed this engagement in accordance with Canadian Standard on Related Services (CSRS) 4200, *Compilation Engagements*, which requires us to comply with relevant ethical requirements. Our responsibility is to assist management in the preparation of the financial information.

We did not perform an audit engagement or a review engagement, nor were we required to perform procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an audit opinion or a review conclusion, or provide any form of assurance on the financial information.

Readers are cautioned that the financial information may not be appropriate for their purposes.

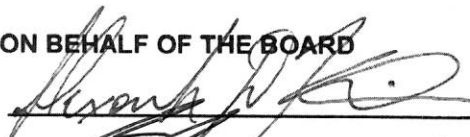

Vernon, British Columbia
October 4, 2024

CHARTERED PROFESSIONAL ACCOUNTANTS

SOVEREIGN LAKE NORDIC CLUB
Statement of Financial Position
May 31, 2024

	2024	2023
ASSETS		
CURRENT		
Cash	\$ 29,290	\$ 279,184
Term deposits	353,029	75,625
Accounts receivable	13,963	7,299
GST receivable	931	2,127
Inventory	14,035	16,733
Prepaid expenses	16,945	13,850
	<u>428,193</u>	394,818
PLANT AND EQUIPMENT (Note 3)	1,040,536	1,135,873
RESTRICTED CASH (Note 4)	167,506	284,495
	<u>\$ 1,636,235</u>	<u>\$ 1,815,186</u>
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities	\$ 3,980	\$ 3,290
Wages payable	19,329	22,427
Deferred income	48,016	49,849
	<u>71,325</u>	75,566
DEFERRED CONTRIBUTIONS (Note 5)	442,937	393,685
LONG TERM DEBT	161,328	235,318
	<u>675,590</u>	704,569
NET ASSETS		
General fund	409,067	369,252
Capital fund	551,561	741,348
Gaming fund	17	17
	<u>960,645</u>	1,110,617
	<u>\$ 1,636,235</u>	<u>\$ 1,815,186</u>

ON BEHALF OF THE BOARD

 Director
 Director

See notes to financial information

SOVEREIGN LAKE NORDIC CLUB
Statement of Changes in Net Assets
Year Ended May 31, 2024

	General Fund	Capital Fund	Gaming Fund	2024	2023
NET ASSETS -					
BEGINNING OF					
YEAR	\$ 369,252	\$ 741,348	\$ 17	\$ 1,110,617	\$ 1,180,867
Deficiency of revenues over expenses	(3,730)	(146,242)	-	(149,972)	(70,250)
Capital additions	(97,863)	97,863	-	-	-
Proceeds of disposition of capital assets	8,085	(8,085)	-	-	-
Interfund transfers	133,323	(133,323)	-	-	-
NET ASSETS - END OF					
YEAR	\$ 409,067	\$ 551,561	\$ 17	\$ 960,645	\$ 1,110,617

SOVEREIGN LAKE NORDIC CLUB
Statement of Revenues and Expenditures
Year Ended May 31, 2024

	2024	2023
REVENUES	\$ 1,083,313	\$ 1,217,838
COST OF SALES	<u>117,225</u>	<u>164,687</u>
GROSS PROFIT (89%; 2023 - 86%)	<u>966,088</u>	<u>1,053,151</u>
OTHER INCOME		
Donations/grants/sponsorships	14,971	50,425
Interest	7,557	4,138
Rentals	<u>49,137</u>	<u>53,308</u>
	<u>71,665</u>	<u>107,871</u>
	<u>1,037,753</u>	<u>1,161,022</u>
EXPENSES		
Accounting fees	38,838	38,103
Advertising and promotion	12,967	12,767
Donations	2,233	5,464
Fuel	67,959	83,557
Insurance	17,991	14,730
Interest and bank charges	46,398	48,611
Interest on long term debt	17,675	8,976
Office	43,970	74,162
Professional fees	1,975	10,422
Repairs and maintenance	131,163	125,238
Salaries and wages	616,598	647,425
Security	931	540
Telephone	13,626	12,724
Training development	8,982	7,653
Utilities	21,701	20,849
Vehicle	<u>16,151</u>	<u>8,135</u>
	<u>1,059,158</u>	<u>1,119,356</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES FROM OPERATIONS	<u>(21,405)</u>	<u>41,666</u>
OTHER INCOME		
Loss on disposal of plant and equipment	(9,173)	(9,256)
Deferred contribution income (Note 5)	<u>56,547</u>	<u>55,647</u>
	<u>47,374</u>	<u>46,391</u>
EXCESS OF REVENUES OVER EXPENSES BEFORE AMORTIZATION	<u>25,969</u>	<u>88,057</u>
Amortization	<u>(175,941)</u>	<u>(158,307)</u>
DEFICIENCY OF REVENUES OVER EXPENSES	<u>\$ (149,972)</u>	<u>\$ (70,250)</u>

See notes to financial information

SOVEREIGN LAKE NORDIC CLUB
Notes to Compiled Financial Information
Year Ended May 31, 2024

1. BASIS OF ACCOUNTING

The basis of accounting applied in the preparation of the statement of financial position of Sovereign Lake Nordic Club as at May 31, 2024, and the statements of changes in net assets and revenues and expenditures for the year then ended is the historical cost basis and reflects cash transactions with the addition of:

- accounts receivable
- GST receivable
- inventory valued at cost
- prepaid expenses
- investments recorded at cost
- plant and equipment amortized over their useful lives on a straight-line basis
- accounts payable and accrued liabilities
- wages payable
- grant and fundraising contributions deferred and amortized over the useful life of the related asset

2. PURPOSE OF THE SOCIETY

Sovereign Lake Nordic Club is incorporated under the Society Act in the province of British Columbia. The purpose of the Society is to promote, train, educate, develop and support cross country skiing and related activities. Also, to receive, invest, hold, spend and disburse funds and grants to hold and develop property and interest therein and to operate and maintain facilities for that purpose.

The Society is registered as a not-for-profit organization under the Income Tax Act and, accordingly, is, exempt from income taxes, provided that certain requirements of the Income Tax Act are met.

3. PLANT AND EQUIPMENT

	Cost	Accumulated amortization	2024 Net book value	2023 Net book value
Equipment	\$ 1,527,905	\$ 607,311	\$ 920,594	\$ 1,073,852
Motor vehicles	18,382	18,382	-	312
Computer equipment	45,313	43,576	1,737	3,329
Rental equipment	102,092	63,398	38,694	15,957
Furniture and fixtures	349,890	312,609	37,281	42,423
Leasehold improvements	15,709	1,839	13,870	-
Lodge renewal project	28,360	-	28,360	-
	\$ 2,087,651	\$ 1,047,115	\$ 1,040,536	\$ 1,135,873

SOVEREIGN LAKE NORDIC CLUB
Notes to Compiled Financial Information
Year Ended May 31, 2024

4. RESTRICTED CASH

Restricted cash consists of internally restricted cash that is for use towards capital expenditures (including the new lodge), and the gaming account, which is restricted for use for coaching wages, programs and coaching expenses. Restricted cash also includes a term deposit that matures in January 2025 and is restricted for use as security against payroll overdraft.

	2024	2023
Capital Account - General	\$ 78,304	\$ 194,175
Capital Account - Lodge	36,985	40,303
Gaming Account	17	17
Payroll Overdraft Security Account	52,200	50,000
	\$ 167,506	\$ 284,495

5. DEFERRED CONTRIBUTIONS

	2024	2023
<u>Funding for new equipment, biathlon range, and lodge renewal</u>		
Grant contributions	\$ 255,000	\$ 513,513
Fundraising contributions	310,471	51,958
Lodge renewal contributions	104,070	-
Amortization of deferred contributions	(226,604)	(171,786)
	\$ 442,937	\$ 393,685

Deferred grant, fundraising, and lodge renewal contributions are amortized over the useful life of the equipment and biathlon range which is estimated to be 10 years.

6. COMPARATIVE FIGURES

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