

GABRIOLA GOLF & COUNTRY CLUB

FINANCIAL STATEMENTS

(Unaudited - See Notice to Reader)

SEPTEMBER 30, 2007

GABRIOLA GOLF & COUNTRY CLUB

SEPTEMBER 30, 2007

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GABRIOLA GOLF & COUNTRY CLUB

NOTICE TO READER

On the basis of information provided by management, I have compiled the statement of financial position of Gabriola Golf & Country Club as at September 30, 2007 and the statements of operations and changes in net assets for the year then ended.

I have not performed an audit or a review engagement in respect of these financial statements and, accordingly, I express no assurance thereon.

Readers are cautioned that these statements may not be appropriate for their purposes.

Gabriola, B C
December 12, 2007

CERTIFIED GENERAL ACCOUNTANT

GABRIOLA GOLF & COUNTRY CLUB

STATEMENT OF FINANCIAL POSITION (Unaudited - See Notice to Reader)

AS AT SEPTEMBER 30, 2007

ASSETS

	2007	2006
CURRENT		
Cash	\$ 25,682	\$ 18,086
Accounts receivable	2,937	1,562
Inventory	16,176	16,114
Prepaid expenses	4,400	5,367
	49,195	41,129
CAPITAL ASSETS (Note 3)	222,891	203,127
	\$ 272,086	\$ 244,256

APPROVED ON BEHALF OF THE MEMBERS:

_____ Chairman

_____ Treasurer

The accompanying notes are an integral part of these financial statements

GABRIOLA GOLF & COUNTRY CLUB

STATEMENT OF FINANCIAL POSITION

(Unaudited - See Notice to Reader)

AS AT SEPTEMBER 30, 2007

LIABILITIES

	2007	2006
CURRENT		
Accounts payable and accrued liabilities	\$ 32,577	\$ 22,924
Sales taxes payable	6,913	402
Payroll liabilities	815	(227)
Prepaid membership dues	59,493	55,028
Current portion long term debt	3,916	3,727
	103,714	81,854
LONG TERM DEBT (Note 4)	6,249	10,165
	6,249	10,165
	109,963	92,019
NET ASSETS		
INVESTMENT IN CAPITAL ASSETS (Note 5)	212,726	189,235
RESTRICTED FUNDS (Note 6)	2,662	12,300
UNRESTRICTED FUNDS (DEFICIT)	(53,265)	(49,298)
	162,123	152,237
	\$ 272,086	\$ 244,256

The accompanying notes are an integral part of these financial statements

GABRIOLA GOLF & COUNTRY CLUB

STATEMENT OF OPERATIONS

(Unaudited - See Notice to Reader)

FOR THE YEAR ENDED SEPTEMBER 30, 2007

		2007	%	2006	%
SALES					
Food and beverages	\$	47,374	37.62	\$ 48,439	37.15
Golf supplies		8,172	6.49	7,513	5.76
Liquor		70,372	55.89	74,428	57.09
		125,918	100.00	130,380	100.00
COST OF SALES					
		71,277	56.61	67,685	51.91
GROSS PROFIT					
		54,641	43.39	62,695	48.09
OTHER REVENUES (Schedule 1)					
		265,126	82.91	253,768	80.19
TOTAL REVENUES					
		319,767	100.00	316,463	100.00
EXPENSES					
Accounting and legal	40.03	7,500	2.35	5,037	1.59
Advertising	40.04	2,209	0.69	2,808	0.89
Amortization	40.05	18,072	5.65	17,184	5.43
Automobile	40.06	-	-	(234)	(0.07)
Clubhouse maintenance	40.07	8,226	2.57	11,101	3.51
Course maintenance	40.08	29,640	9.27	22,658	7.16
Insurance	40.09	5,677	1.78	6,814	2.15
Interest and bank charges	40.21	6,390	2.00	6,636	2.10
Licences & memberships	40.11	5,957	1.86	1,896	0.60
Management fees	40.01	-	-	-	-
Office and miscellaneous	40.12	8,030	2.51	5,249	1.66
Power cart expenses	40.13	3,149	0.98	2,701	0.85
Property lease	40.14	57,682	18.04	58,327	18.43
Property taxes	40.15	6,389	2.00	7,025	2.22
Social events	40.16	809	0.25	1,764	0.56
Telephone	40.17	2,359	0.74	2,859	0.90
Travel	40.18	167	0.05	187	0.06
Utilities	40.19	15,018	4.70	14,980	4.73
Wages and benefits	40.02	132,606	41.47	113,424	35.84
		309,880	96.91	280,416	88.61
SURPLUS					
	\$	9,887		\$ 36,047	

The accompanying notes are an integral part of these financial statements

GABRIOLA GOLF & COUNTRY CLUB

STATEMENT OF CHANGES IN NET ASSETS (Unaudited - See Notice to Reader)

FOR THE YEAR ENDED SEPTEMBER 30, 2007

	2007	2006
UNRESTRICTED FUNDS , beginning of year	\$ (49,299)	\$ (93,186)
EXCESS OF REVENUE OVER EXPENDITURES	9,887	36,047
	(39,412)	(57,139)
INTERFUND TRANSFER	(13,853)	7,841
UNRESTRICTED FUNDS , end of year	(53,265)	(49,298)
CAPITAL ASSETS (Note 5)	212,726	189,235
RESTRICTED FUNDS (Note 6)	2,662	12,300
NET ASSETS	\$ 162,123	\$ 152,237

The accompanying notes are an integral part of these financial statements

GABRIOLA GOLF & COUNTRY CLUB

NOTES TO THE FINANCIAL STATEMENTS (Unaudited - See Notice to Reader)

SEPTEMBER 30, 2007

1. NATURE OF BUSINESS

The Gabriola Golf and Country Club is a Society incorporated under the laws of British Columbia. It was established to maintain and conduct a golf course, clubhouse and other recreational conveniences for the pleasure, accomodation and enjoyment of members and their guests. The Society is exempt from income tax as a non profit organization.

2. SUMMARY OF ACCOUNTING POLICIES

(a) The association reports its activities on the fund accounting basis and follows the deferred method of recognition of externally designated contributions which matches the revenue to the related expenditure.

(b) **Inventory**

Inventory is recorded at the lower of cost and net realizable value.

(c) **Other Accounting Policies**

Contributed capital assets are recorded at fair value and the donated portion shown as a deferred contribution. The latter is taken into revenue at the same rate as the asset is amortized.

Contributed material and services are not recorded in the financial statements.

Pledges receivable are recorded when received.

(d) **Capital Assets**

Capital assets are recorded at cost. Amortization is provided annually at rates calculated to write-off the assets over their estimated useful lives as follows:

Driving range	- 20% straight line
Furniture & office equipment	- 10% straight line
Fairways & greens	- 0.5% straight line
Maintenance equipment	- 10% straight line
Buildings	- 5.0% straight line
Rental equipment	- 20% straight line

Additions during the year are amortized at one-half their normal rate and no amortization is taken in the year of disposition.

(e) **Other Revenue Recognition Points**

The cut-off date for donations is the same as the cut-off date for receipts issued in a year, and is based on the postage date on the envelope for mail, or the date the donation is received.

Legacies, or bequests are recorded when received.

The accompanying notes are an integral part of these financial statements

GABRIOLA GOLF & COUNTRY CLUB

NOTES TO THE FINANCIAL STATEMENTS

(Unaudited - See Notice to Reader)

SEPTEMBER 30, 2007

3. CAPITAL ASSETS

	Cost	Accumulated Amortization	Net 2007	Net 2006
Fairways and greens	\$ 311,803	\$ 167,585	\$ 144,218	\$ 132,963
Driving range	6,719	6,719	-	-
Furniture and office equipment	57,648	40,324	17,324	10,631
Rental equipment	30,899	30,179	720	-
Maintenance equipment	167,548	128,096	39,452	35,791
Buildings	139,719	118,542	21,177	23,742
	\$ 714,336	\$ 491,445	\$ 222,891	\$ 203,127

4. LONG TERM DEBT

	2007	2006
Operating loan for the purchase of a Kubota tractor, amortized over 5 years at a rate of 5% compounded semi-annually. Semi-annual payments of \$ 2,187.97 are required in March and September of each year.	\$ 10,165	\$ 13,892
	10,165	13,892
Less portion included in current liabilities	(3,916)	(3,727)
	\$ 6,249	\$ 10,165

The accompanying notes are an integral part of these financial statements

GABRIOLA GOLF & COUNTRY CLUB

NOTES TO THE FINANCIAL STATEMENTS

(Unaudited - See Notice to Reader)

SEPTEMBER 30, 2007

5. NET ASSETS INVESTED IN CAPITAL ASSETS

	2007	2006
Net capital assets, beginning of the year	\$ 203,127	\$ 204,966
Transfer amortization from operating fund	(18,072)	(17,184)
Transfer capital assets purchased from operating fund	37,836	15,345
Less debt related to purchase of capital assets	(10,165)	(13,892)
	\$ 212,726	\$ 189,235

6. RESTRICTED FUNDS

	2007	2006
The Society's lease requires that all initiation fees received by the Society be placed into a capital account to be used only for capital expenditures subject to the approval of the lessor.		
Capital improvement fund - initiation fees, opening balance	\$ 2,645	\$ 18,704
Interfund transfer (to) from operating fund	(7,047)	(16,059)
	(4,402)	2,645
The Society's lessor donated \$25,000 in the current year to be placed into a capital account to be used only for capital expenditures subject to the approval of the lessor. The donation will be \$12,500 for each of 2008 and 2009.		
Capital improvement fund - Lessor, opening balance	\$ 9,655	\$ -
Interfund transfer (to) from operating fund	(2,591)	9,655
	7,064	9,655
Restricted funds, ending balance	\$ 2,662	\$ 12,300

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GABRIOLA GOLF & COUNTRY CLUB

NOTES TO THE FINANCIAL STATEMENTS

(Unaudited - See Notice to Reader)

SEPTEMBER 30, 2007

7. COMMITMENTS

In 1998 the Society entered into a lease of lands on which the golf course is situated. The lease covers a term of twenty-one years with an option to renew for a further twenty-one years at the end of the term. The major terms and conditions are eligible for review every seven years at the option of either the lessor or the lessee. The lease requires that annual rental be paid in the amount of 18% of certain gross revenue. The land reverts to the lessor upon expiration of the lease.

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NOTES TO THE FINANCIAL STATEMENTS (Unaudited - See Notice to Reader)

SEPTEMBER 30, 2007

SCHEDULE 1

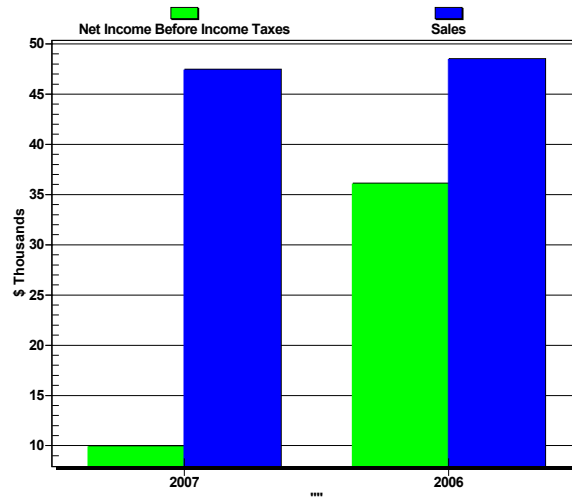
OTHER REVENUES

	2007	2006
Commissions and Miscellaneous	\$ 6,564	\$ 6,631
Donations and Grants	25,668	29,294
Green Fees	73,130	80,638
Hall, Equipment Rentals and Driving Range	37,006	23,524
Initiation Fees	6,125	2,001
Membership Fees	112,133	111,680
Special Levy	4,500	-
	\$ 265,126	\$ 253,768

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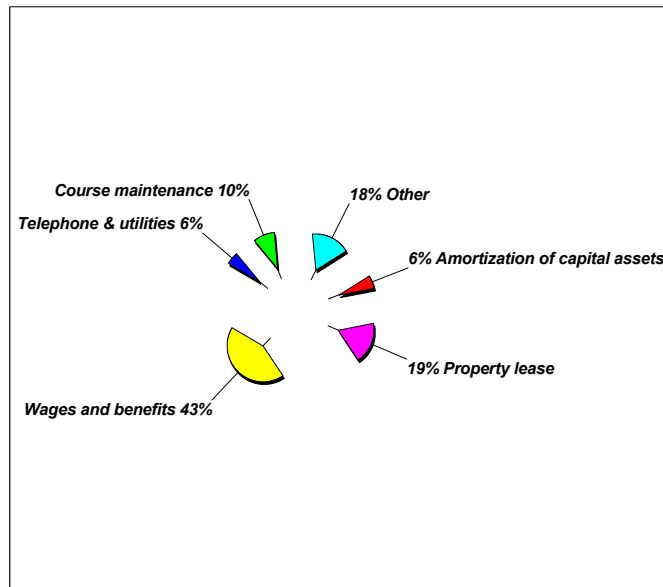
GABRIOLA GOLF & COUNTRY CLUB

Financial Highlights



Expenses

Current Year



The accompanying notes are an integral part of these financial statements