

GABRIOLA GOLF & COUNTRY CLUB

FINANCIAL STATEMENTS

(Unaudited - See Notice to Reader)

SEPTEMBER 30, 2008

GABRIOLA GOLF & COUNTRY CLUB

SEPTEMBER 30, 2008

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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, 2008 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
November 14, 2008

CERTIFIED GENERAL ACCOUNTANT

GABRIOLA GOLF & COUNTRY CLUB

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

AS AT SEPTEMBER 30, 2008

ASSETS

	2008	2007
CURRENT		
Cash	\$ 22,839	\$ 25,682
Accounts receivable	11,996	2,937
Inventory	17,929	16,176
Prepaid expenses	4,742	4,400
	57,506	49,195
CAPITAL ASSETS (Note 3)	205,650	222,891
	\$ 263,156	\$ 272,086

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, 2008

LIABILITIES

	2008	2007
CURRENT		
Accounts payable and accrued liabilities	\$ 38,560	\$ 32,577
Sales taxes payable	2,853	6,913
Payroll liabilities	3,795	815
Prepaid membership dues	63,670	59,493
Current portion long term debt	4,114	3,916
	112,992	103,714
LONG TERM DEBT (Note 4)	2,135	6,249
	2,135	6,249
	115,127	109,963
NET ASSETS		
INVESTMENT IN CAPITAL ASSETS (Note 5)	199,401	212,726
RESTRICTED FUNDS (Note 6)	10,999	2,662
UNRESTRICTED FUNDS (DEFICIT)	(62,371)	(53,265)
	148,029	162,123
	\$ 263,156	\$ 272,086

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, 2008

	2008	%	2007	%
SALES				
Food and beverages	\$ 46,854	37.21	\$ 47,374	37.62
Golf supplies	7,508	5.96	8,172	6.49
Liquor	71,549	56.83	70,372	55.89
	125,911	100.00	125,918	100.00
COST OF SALES				
	64,384	51.13	71,277	56.61
GROSS PROFIT				
	61,527	48.87	54,641	43.39
OTHER REVENUES (Schedule 1)				
	262,083	80.99	265,126	82.91
TOTAL REVENUES				
	323,610	100.00	319,767	100.00
EXPENSES				
Accounting and legal	40.03 6,787	2.10	7,500	2.35
Advertising	40.04 4,961	1.53	2,209	0.69
Amortization	40.05 18,881	5.83	18,072	5.65
Clubhouse maintenance	40.07 13,463	4.16	8,226	2.57
Course maintenance	40.08 24,658	7.62	29,640	9.27
Insurance	40.09 5,574	1.72	5,677	1.78
Interest and bank charges	40.21 7,287	2.25	6,390	2.00
Licences & memberships	40.11 7,850	2.43	5,957	1.86
Office and miscellaneous	40.12 5,059	1.56	8,030	2.51
Power cart expenses	40.13 1,096	0.34	3,149	0.98
Property lease	40.14 58,686	18.13	57,682	18.04
Property taxes	40.15 5,885	1.82	6,389	2.00
Social events	40.16 292	0.09	809	0.25
Telephone	40.17 2,238	0.69	2,359	0.74
Travel	40.18 664	0.21	167	0.05
Utilities	40.19 17,714	5.47	15,018	4.70
Wages and benefits	40.02 156,607	48.39	132,606	41.47
	337,702	104.35	309,880	96.91
SURPLUS (DEFICIT)				
	\$ (14,092)		\$ 9,887	

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, 2008

	2008	2007
UNRESTRICTED FUNDS (DEFICIT), beginning of year	\$ (53,267)	\$ (49,299)
EXCESS (DEFICIT) OF REVENUE OVER EXPENDITURES	(14,092)	9,887
	(67,359)	(39,412)
INTERFUND TRANSFER	4,988	(13,853)
UNRESTRICTED FUNDS (DEFICIT), end of year	(62,371)	(53,265)
CAPITAL ASSETS (Note 5)	199,401	212,726
RESTRICTED FUNDS (Note 6)	10,999	2,662
NET ASSETS	\$ 148,029	\$ 162,123

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, 2008

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.

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GABRIOLA GOLF & COUNTRY CLUB

NOTES TO THE FINANCIAL STATEMENTS

(Unaudited - See Notice to Reader)

SEPTEMBER 30, 2008

3. CAPITAL ASSETS

	Cost	Accumulated Amortization	Net 2008	Net 2007
Fairways and greens	\$ 311,803	\$ 175,380	\$ 136,423	\$ 144,218
Driving range	6,719	6,719	-	-
Furniture and office equipment	58,298	43,456	14,842	17,324
Rental equipment	30,899	30,340	559	720
Maintenance equipment	168,538	133,399	35,139	39,452
Buildings	139,719	121,032	18,687	21,177
	\$ 715,976	\$ 510,326	\$ 205,650	\$ 222,891

4. LONG TERM DEBT

	2008	2007
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.	\$ 6,249	\$ 10,165
	6,249	10,165
Less portion included in current liabilities	(4,114)	(3,916)
	\$ 2,135	\$ 6,249

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, 2008

5. NET ASSETS INVESTED IN CAPITAL ASSETS

	2008	2007
Net capital assets, beginning of the year	\$ 222,891	\$ 203,127
Transfer amortization from operating fund	(18,881)	(18,072)
Transfer capital assets purchased from operating fund	1,640	37,836
Less debt related to purchase of capital assets	(6,249)	(10,165)
	\$ 199,401	\$ 212,726

6. RESTRICTED FUNDS

	2008	2007
<p>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.</p>		
Capital improvement fund - initiation fees, opening balance	\$ (4,402)	\$ 2,645
Transfer current year fees received from operating fund	10,600	6,125
Transfer capital expenditures to operating fund	(4,376)	(13,172)
	1,822	(4,402)
<p>The Society's lessor donated \$12,792 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 2009.</p>		
Capital improvement fund - Lessor, opening balance	\$ 7,064	\$ 9,655
Transfer current year donation from operating fund	12,792	25,000
Transfer current year expenditures to operating fund	(10,679)	(22,710)
	9,177	7,064
Restricted funds, ending balance	\$ 10,999	\$ 2,662

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GABRIOLA GOLF & COUNTRY CLUB

NOTES TO THE FINANCIAL STATEMENTS

(Unaudited - See Notice to Reader)

SEPTEMBER 30, 2008

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

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SEPTEMBER 30, 2008

SCHEDULE 1

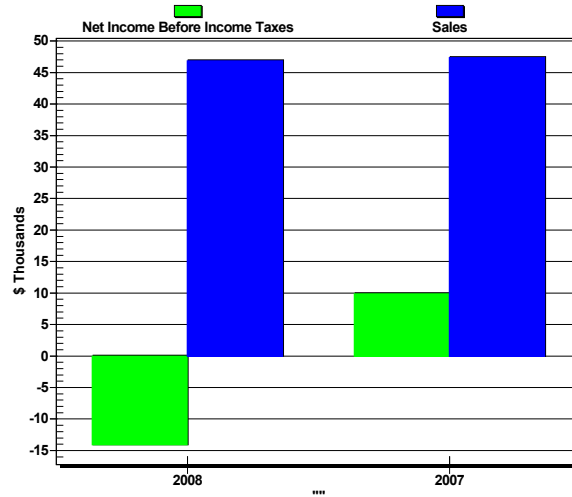
OTHER REVENUES

	2008	2007
Commissions and Miscellaneous	\$ 5,018	\$ 6,564
Donations and Grants	16,256	25,668
Green Fees	81,672	73,130
Hall, Equipment Rentals and Driving Range	35,795	37,006
Initiation Fees	10,600	6,125
Membership Fees	112,269	112,133
Special Levy	473	4,500
	\$ 262,083	\$ 265,126

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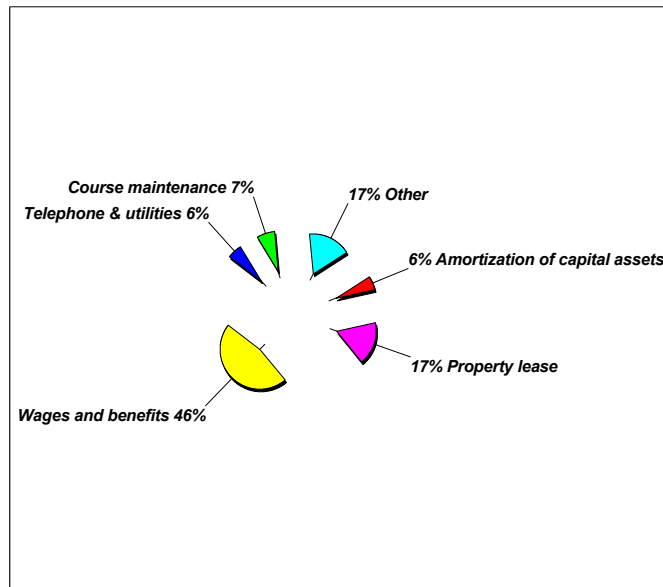
GABRIOLA GOLF & COUNTRY CLUB

Financial Highlights



Expenses

Current Year



The accompanying notes are an integral part of these financial statements