



AGENDA

**2025 ANNUAL GENERAL MEETING
MONDAY, April 28th, 6:00 P.M.
Sault Golf Club Clubhouse**

- 1. Call to Order**
- 2. Notice of Meeting**
- 3. Confirmation of Properly Constituted Meeting**
- 4. Approval of Agenda**
- 5. Approval of Minutes of 2024 Annual General Meeting**
- 6. Directors' Reports:**
 - (a) Greens (DM)**
 - (b) Restaurant (DD)**
 - (c) Pro Shop & Memberships (EB)**
 - (d) Insurance & Property & Legal (MB)**
 - (e) Marketing (BS)**
 - (f) Ancillary Facilities (MW)**
 - (g) Competitions, Golf Simulators & Health & Safety (RB)**
 - (h) Treasurer's Report (GM)**
- 7. Approval of Accountant's Report**
- 8. Appointment of Accountant**
- 9. Election of Directors (If required)**
- 10. Adjournment**

Director's Reports



Sault Golf Club

April 28, 2025

Annual General Meeting: Greens Chair Report

After a mild winter, the 2024 golf season began slightly earlier compared to prior seasons, with the official opening April 23rd. Overall, we were very pleased with Jason and his team and the course conditions last year, and we look forward to another great season. Below are some of the major highlights.

- **Staffing:** Staffing issues from past several seasons were less of a problem this year. We had a great core team of season staff back to compliment Jason and Curtis. The Board also approved increased compensation measures to help maintain maintenance staff.
- **Irrigation System:** Once again, we had several breaks during the golf season. Repairs were completed as quickly as possible and similar to the update at last year's AGM, we would like to note the risk we continue to operate with regarding the age of our system.
- **Bunker Rebuild Project:** Rebuilds were completed on #3, #11 (greenside), #14, #5 (fairway) and we began work on #5 (left greenside). For 2025, the current plan is to complete #5 (greenside), then #2 and #7.
- **Greens Committee:** The committee met multiple times throughout the year and will do the same in 2025. Thank you to our committee members Bob McMenemy, Nina Coulter, Renee Wysynski, Sandy Glibota, Al Jones and Mike Johnson. It's mandate is to provide guidance and recommendations to the Board regarding ongoing, potential or planned Golf Course improvements. Your input and feedback through this Committee to the Board is important and appreciated.
- **Member Survey:** Last year we provided the areas of concern as identified in the fall 2023 member survey. The main concern were bunkers which we are addressing in our capital budget. In addition to the bunker rebuilds, the survey comments identified three other main areas of concern; bunker maintenance, silver thread moss on the greens, and the entrances and exits to cart paths. Updates on these areas are as follows:
 - Bunker maintenance: this will be a focus in the coming year
 - Silver Thread Moss: an alternative approach has been adopted which seems to be having a very positive effect
 - Entrances and Exits to Cart Paths: This is something that will be addressed
- **Budget:** The Maintenance Department came in under budget in 2024.



Sault Golf Club

April 28, 2025

Annual General Meeting

Restaurant Update

The Staff and Management at Mulligans Pub would like to thank the Members of the Sault Golf Club for your patronage throughout the golf season and beyond. Please find below some highlights from 2024.

- **2024 Operating Margin and Performance Metrics**
 - The restaurant generated a positive operating margin for the 6th straight year.
 - Metrics related to food cost, alcohol margin and staffing costs are reviewed monthly against industry standards.
 - Restaurant sales were \$1.111M in sales representing a 10% increase vs 2023.
 - The restaurant met its goal of being open every day during the golf season.
- **Staffing Challenges:** Recent changes to open work permits for family members of temporary residents has created a risk for several of our kitchen staff. We are working closely with the staff and immigration consultants to help them obtain new work permits. At the time of this update, the restaurant has sufficient front of the house staff as we enter the summer season.
- **Cost Challenges:** Server Minimum wages continue to increase significantly annually. This, along with continued food cost inflation have been a challenge to the entire industry. Menu prices continue to be updated with multiple increases in 2024 and more planned for 2025. We will not sacrifice the quality of products we purchase. Our menu prices are very competitive with our comparative restaurants in the Sault.
- **Chimney Corner:** The Chimney corner had a successful 2024 with over \$125k in sales. We are committed to continue to provide multiple communications to our members regarding hours of operation for the 2025 season as well as improving our reliability of food options.
- **Chit Program:** Note that we gave nearly \$40,000 in 'chit credit' to the Members of the SGC, which works out to approx. \$300,000 in chit loads. Thank you for your patronage!
- **Investing in your Pub!:** In 2024 we invested in new tables, a 3rd fryer & expanded our patio (thank you Team Jacobs). In 2025 we are investing in a new walk in fridge and freezer combo which has several long term benefits.



Sault Golf Club

April 28, 2025

Annual General Meeting

Pro Shop Update

Financial: 2024 Pro Shop costs were less than budget, and 2023 actuals, driven mainly by lower golf cart lease costs, offset by higher labour costs due the minimum wage increase. Golf course revenues were also higher than budget and 2023 actuals due to increased member fees (combination of category mix and rates) as well as public play.

Our 2025 budget is higher versus 2024 mainly driven by the addition of the ownership of the Pro Shop merchandise operations, a revised contract with Jeff Hamilton for the 2025 season and costs related to the startup of Loopers. These higher costs are expected to be offset by higher revenues. The Board has established metrics for both new operations that are monitored monthly.

During the budgeting process we conservatively estimated a decline in public green fee play, however with the current situation with respect to the Canada-USA trade relations and a decline in Canadians travelling into the U.S., we could realize higher demand for green fee play.

Tee Times: Demand for tee times, particularly in the mornings, remained high throughout the year. We have listened to our members and have made some changes to the booking process for 2025 which have been detailed to you in our member updates. Hopefully these changes will help ease some of the booking congestion issues.

Driving range revenue declined by about 10% in 2024 and we are expecting a further decline in 2025.

Hack and Slash: We have reached a new agreement with the Hack and Slash League which will keep them with us for years to come.

Membership:	2024
Intermediate	62
Adult	130
Senior	146
Super Senior	32
Student	13
Junior	42

We expect similar numbers for 2025, however the mix will likely change a bit. Our waiting list currently stands at 30.

Other: The major issue that we had to deal with in 2024 was the announced retirement of our Head Pro, Jeff Hamilton, after 25 years of exemplary performance and service. Thank you, Jeff. There will be two changes made because of Jeff's pending retirement, the first for 2025 and the second for 2026 and beyond.

For the 2025 season, Jeff will remain our Head Golf Professional and will be responsible for managing the Pro Shop operations and merchandise, as well as continuing to provide excellent service inside and outside of the Pro Shop.

After much deliberation it was decided to offer a 20% discount from MSRP to members for cash and credit card purchases on most merchandise. There are some exceptions, such as golf balls, which we do not make enough revenue on to offer a reduction. We will also be offering members discounted pricing on larger ticket items such as golf clubs which will be calculated based upon our cost, plus shipping and a nominal margin. Prices will vary based upon what is purchased however we will attempt to keep the pricing formula like what Jeff has offered to members in the past. If you have any questions, please feel free to speak with Jeff, Steve or me.

The second change is to our organization. Last fall, the Board formed a committee to look into our Organizational structure beginning in 2026. The committee was comprised of two Board members, (Ed Bumbacco and Doug Dagostini) 3 volunteer members, (Andre Litalien, Isaac Bressan, and Mary Jean Chartrand) along with Steve Wiacek and Jeff Hamilton. The committee met throughout the fall and developed six options for consideration. We presented our recommendation plus two others to the Board for approval. The Board agreed to our preferred option, which included a Director of Golf (Head Pro and GM) along with an Associate Pro, and a job posting was initiated in March. We have had several applicants and are in the process of reviewing their resumes to determine eligibility and "fit" for our Club. We hope to have a successful candidate in place before the end of the golf season.

We were fortunate in 2024 to once again have an excellent team working the Pro Shop, including Jeff, Steve, Thomas, and our summer students. Thank you for your efforts last year and we look forward to another great season in 2025.



Sault Golf Club

April 28, 2025

Annual General Meeting: Insurance, Property & Legal

Insurance

- The SGC continues with brokerage services with Northern Insurance Brokers and our main insurance policy is with Intact Insurance Company. We have had no claims since the maintenance shop roof collapse in 2019 (claim 2019-2020). Our greens mower that caught fire in 2024 was replaced by our vendor and an insurance claim was not required. Our annual policies total approximately \$60k.

Property

- The **Bell** cell phone tower lease has been renegotiated and the replacement is planned to be completed by April 2025.

Legal

- The updated SGC bylaws approved at last year's AGM have been filed and we are compliant with the revised Ontario Not For Profit Corporations Act (ONCA).
- With the closure of the law firm of O'Neill, Delorenzi & Nanne, the Sault Golf Club will now receive legal services from Wishart Law Firm LLP.



Sault Golf Club

April 28, 2025

Annual General Meeting: Marketing Report



The 2024 golf season remained busy at the **Sault Golf Club** with nearly 95% booked tee times. Attracting Members and Guests has not been a marketing focus for the past few seasons. As we move into 2025, we will be watching the following risk areas;

- Michigan competition for public play – Are green fee players staying in Canada or crossing the boarder?
- Ontario competition for public play – What are the other courses in the Sault doing to attract more golfers?
- Member Retention – Watching for trends from our membership regarding course conditions, obtaining tee times, value for money, etc



Regarding **Mulligans**, below are some of the strategies from 2024 and early 2025

- **Social Media:** Facebook (1-2x per week), Instagram, YouTube
- **Direct Mail:** % off coupons targeted to 8,000+ households each winter (mainly east end). Over 650 coupons have been used (and counting) this winter.
- **Radio:** 30 second ads ran throughout November and December. Additional 30 sec ad was created for 2025 St Patrick's Day. Extra marketing efforts for 2025 since it was held on a Monday when the Pub would normally be closed.
- **Web:** www.mulligansirishpub.ca, www.saulttourism.com, www.saultgolfclub.ca
- **Road Sign:** Installed a temporary sign along Queen Street. Updated monthly to promote Mulligans and Loopers.
- **Special Events**
 - **Winter Trails:** Encouraged visitors walkers to visit the Pub after their walk.
 - **Pub Gift Certificates** – Gift certificates provided to all golf leagues to thank our loyal customers
 - **Soo Greyhounds:** Ticket giveaways
 - **Masters Watch Party:** Fundraiser with the Donnelly Group
 - **Thirsty Thursdays:** Live entertainment and featured pints.



In late 2024 we began planning for the launch of our new golf simulators. **Looper's** officially opened in January 2025. Looper's was established for the Members and Guests of the Sault Golf Club, providing an affordable and quality indoor golf, practice and fitting facility. Although our food and beverage sales related to Looper's customers is exceeding our expectations, this was never (& never will be) our primary focus. We have spent \$0 on marketing Looper's. Below is our timeline of marketing activities.

- **Fall 2024:** Offered Members season-long booking options
- **January 2025:** Member newsletter and social media post announcing our opening. A 2nd social media post offering non-members season long passes.

Looper's utilization rate exceeding our expectations. Looper's is open for some days in the week 14 hours! Approximately 40% of all times are used by Members (& partial Members such as Hack & Slash, Weekend Twilight and Casual Pass) who have purchased January-April season long tee-times. 45% are times booked by Members (& partial Members) for individual bookings and 15% booked by Non-Members.

Our **Golf Club Partner Program** continued to grow in 2024 and is 100% sold out. All hole partnerships are sold out (with a waiting list), 95% of our carts, and we have additional programs at the chimney corner, warm up facility, hole 18 billboard, scorecard, practice green, newsletter and windows at Mulligans Irish Pub. We are confident that we are providing strong value to our corporate partners through the on course and cart advertising, social media 'shout-outs', website partner links, Mulligans Pub partner board, and cart key identification by Pro Shop staff.

Funded through this program, we are excited to announce that we will have new Custom Tee Markers for the 2025 season. Designed in-house and fabricated 100% in the Sault, our new tee-markers will feature the same tee colors as prior years and feature our amazing hole sponsors. Thank you to 3M Trimline (design), China Steel (aluminum fabrication) and Premier Auto collision/ Greywall Coatings (powder coat)!

The partnership program to support the **Winter Trails** continued to be strong in 2024. The program collected sufficient funds to cover all incremental costs to maintain the trails (groomer payments, fuel, insurance).

New in 2025, we have established partnerships for **Looper's**. We opened the facility with 6 corporate partners, all of whom which reached out to us to be a part of this exciting growth for the Sault Golf Club.

Thank you to all our 2024-2025 partners. Our partner program brings in approximately \$30k per year, not including golf passes purchased by the partners, corporate golf outings, corporate diner functions at Mulligans and corporate outings at Looper's. This revenue is included in the overall results for the Sault Golf Club and are ultimately used to help offset Membership costs, invest in facility improvements, and periodically make specific improvements such as the new tee markers.



Sault Golf Club

April 28, 2025

Annual General Meeting

Ancillary Facilities Update

Please find below some highlights from 2024.

- **Men's locker room.** The locker room project to install 2 golf simulators was completed in early 2025.
- **Gardens:** Funding for planter boxes continues to be included in the budgeting process and we look forward to more improvements in 2025. We plan on removing some trees in the grass area that will improve guests view of the river all year long. Thank you to the volunteers who help maintain the gardens around the restaurant and clubhouse.
- **Restaurant Refresh:** in 2024, the restaurant interior was been repainted, we have procured new tables, the carpets have been shampooed and the wood flooring refinished over the winter months
- **Clubhouse Painting:** The exterior was repainted for the first time in several years.
- **Parking Lot Line Painting:** The parking lot was relined.
- **Terrace Upgrades:** The terrace was expanded in 2024 thanks to the donation from Team Jacobs. Upgrades to the side deck (east of clubhouse) are ongoing. In 2024 we replaced the railings. We are evaluating options for creating more shaded areas.
- **On Course Washrooms:** All on-course washrooms received upgrades in 2024 including new doors, toilets, sinks, painting and non-slip rubber floors.
- **Showcasing the work of Local Artists**
 - The walls and mantles in the clubhouse continue to showcase the work from local artists. If you know of anyone interested in displaying their work, please let us know.
- **Clubhouse Roof:** In 2024 minor repairs were completed on the roof, and more are required in 2025 due to leaks caused by ice damming.



Sault Golf Club

April 28, 2025

Annual General Meeting

Health & Safety Update

Below are some highlights regarding Health & Safety at the Sault Golf Club.

- **Health & Safety Committee:** The committee meets regularly and meeting minutes are available upon request. Golf course trips and falls are the most common injury reported. Please report any hazards to the Pro Shop. Thank you.
- **Health & Safety Program (& Policies):** The SGC H&S Program documentation is available by request to any member.

Competitions

Below are some highlights regarding club competitions

- **Club Scramble Events:** The opening and closing events were once again sold out in 2024.
- **Club Championships:** Congratulations to the Senior, Junior and Open Men's and Ladies Club Champions of 2024.
- **Ladies Invitational, Men's Labour Day Classic & Junior Invitational:** Thank you to our new title sponsors in 2024; The Aesthetics Studio, Paladino Auto Group & Northern Sports Excellence.
- **Ryder Cup:** In 2024 we partnered with Crimson Ridge to host a 2 day Ryder Cup. Members were able to qualify to represent the Sault Golf Club through the Club Championship.

Looper's Golf Simulators

The construction of Two Golf Simulators (Looper's) in the former men's locker room has provided the Members of the Sault Golf Club an affordable space to practice or play golf this winter. The Board is very pleased with the utilization percentage and incremental food and beverage sales at Mulligans since opening. Below are some highlights of this new and exciting project.

- **Construction:** The construction was completed on schedule and within budget. Further changes to the men's and lady's locker rooms and washrooms will be evaluated for next offseason. New furniture is planned to be procured for November.
- **Events and Leagues:** The team hosted 2 member scrambles and 1 stroke play event this season. We will evaluate adding a league for next winter.
- **Club Fitting and Lessons:** Feedback has been positive from Jeff and his customers regarding their experiences using the Foresight technology.
- **Private Parties:** We have hosted several private parties at Looper's and the feedback has been positive.
- **Branding:** Thank you to Bob Smithers @ 3M Trimline for the naming and logo for Looper's.





Sault Golf Club

April 28, 2025

Annual General Meeting: Treasurer Report

Attached you will find the Sault Ste. Marie Golf Club (SGC) review engagement report from Diana Stoker Professional Corporation (DKSPC) for the year 2024. Significant points of interest, as outlined in the report, include:

- **Net Income:** Net income for the year 2024 was \$227k (\$165k 2023).
- **Increased Golf Related Revenues:** Memberships, cart rentals and green fees all increased compared to 2023. Although we predicted a slight slowdown of public green fee play, the demand for off-peak tee-times continued to be strong in 2024.
- **Restaurant Operating Margin:** The Restaurant generated an operating margin of \$86k in 2024. This is the 6th straight year with a positive operating margin, and represents an improvement compared to 2023.

Debt: The Sault Golf Club currently has no short- or long-term debt, with the exception of several operating leases for machines, equipment and carts. We have maintained access to a \$300k line of credit through TD Bank. This line of credit has not been utilized in over 5 years.

Land Sale Proceeds: \$150k from the sale of land adjacent to the parking lot has been generating moderate returns through short term internal investments.

Major Capital Projects Reserve Fund: We are seeking your approval of the following motion:

To create a reserve fund for major capital projects at the Sault Golf Club, such as replacing our irrigation systems, that align with our strategic plan and priorities. Initial deposits to the fund will include proceeds from the 2019 land sale west of the parking lot (\$150k) and (\$50k) of free cash flow from our retained earnings. Funds will be kept separate from day-to-day cash flows and will be invested in medium term low risk investments.

Please note: Any capital expenditures greater than \$250,000 must be approved by the members

The Board of Directors are committed to investigate additional opportunities to fund this reserve.

Capital and Strategic Planning: The Board of Directors maintain a Strategic Plan which is refreshed at least once every 2 years. The capital planning portion of the plan is reviewed and approved annually. Included in the plan is the replacement of our irrigation system. Over the

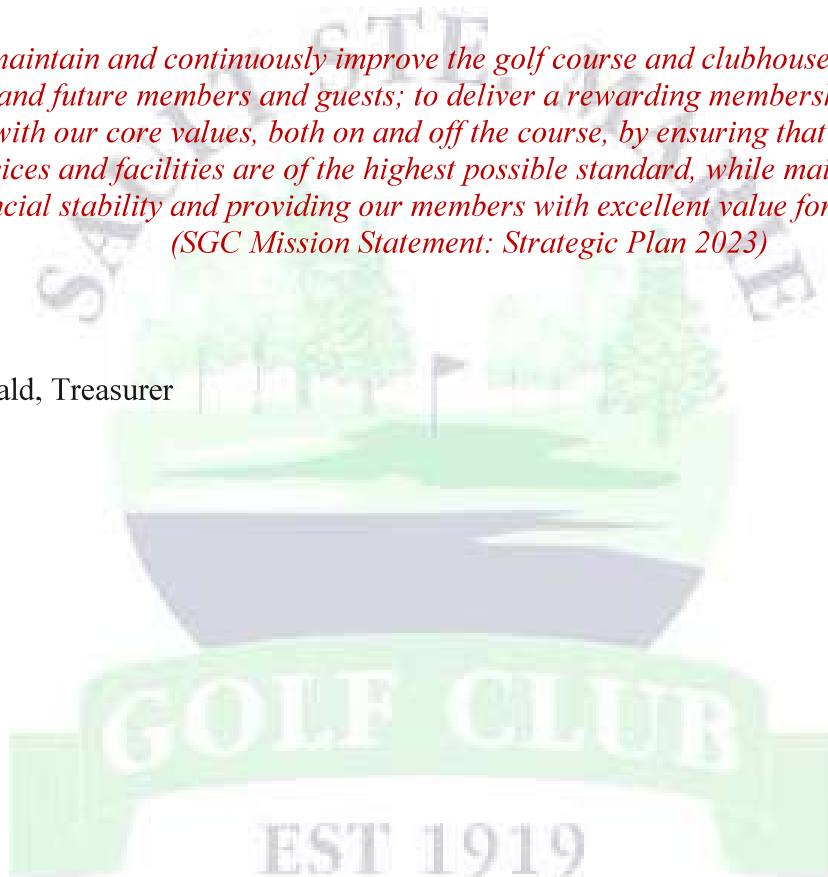
past few months an **Irrigation Replacement Committee** was formed to develop a business case for this project. We will provide a verbal update with more information at the meeting.

We successfully executed several initiatives in 2024 including; sand trap rebuilds, on-course washroom refurbishment, new tables for the clubhouse, patio expansion, a new accessible entrance at the clubhouse and the new golf simulators. In 2025, major projects approved in the capital plan include the new walk-in fridge/ freezer and more sand trap rebuilds.

2025 Financial Review Engagement: The Board of Directors recommends the review to be conducted DKSPC again for 2025. New for 2025 will be the reporting of our newest business segments; ProShop clubs and merchandise, and Looper's Golf Simulators.

To maintain and continuously improve the golf course and clubhouse facilities for present and future members and guests; to deliver a rewarding membership experience in line with our core values, both on and off the course, by ensuring that our customer services and facilities are of the highest possible standard, while maintaining our financial stability and providing our members with excellent value for their money.
(SGC Mission Statement: Strategic Plan 2023)

Regards,
Glenn MacDonald, Treasurer



Accountant's Report

SAULT STE MARIE GOLF CLUB
Financial Statements
Year Ended December 31, 2024

SAULT STE MARIE GOLF CLUB
Index to Financial Statements
Year Ended December 31, 2024

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INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Members of Sault Ste Marie Golf Club

I have reviewed the accompanying financial statements of Sault Ste Marie Golf Club (the organization) that comprise the statement of financial position as at December 31, 2024, and the statements of revenues and expenditures, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Practitioner's Responsibility

My responsibility is to express a conclusion on the accompanying financial statements based on my review. I conducted my review in accordance with Canadian generally accepted standards for review engagements, which require me to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, I do not express an audit opinion on these financial statements.

Conclusion

Based on my review, nothing has come to my attention that causes me to believe that the financial statements do not present fairly, in all material respects, the financial position of Sault Ste Marie Golf Club as at December 31, 2024, and the results of its operations and its cash flows for the year then ended in accordance with ASNPO.

Sault Ste. Marie, Ontario
March 4, 2025

Diana K. Stoker Professional Corporation

Diana K. Stoker Professional Corporation
Chartered professional accountant
Authorized to practise public accounting by the
Chartered Professional Accountants of Ontario

SAULT STE MARIE GOLF CLUB
Statement of Financial Position
December 31, 2024

	2024	2023
Assets		
Current		
Cash	\$ 122,775	\$ 139,198
Term deposits (Note 3)	741,300	731,743
Accounts receivable	1,300	1,300
Harmonized sales tax recoverable	18,560	781
Inventory	25,575	21,432
Prepaid expenses	75,470	90,435
	<u>984,980</u>	<u>984,889</u>
Property, plant and equipment (Note 4)	<u>949,505</u>	<u>764,338</u>
	<u>\$ 1,934,485</u>	<u>\$ 1,749,227</u>
Liabilities and Net Assets		
Current		
Accounts payable and accrued liabilities	\$ 90,833	\$ 132,133
Employee deductions payable	12,386	15,826
Deferred revenue	728,381	689,360
Current portion of long term debt (Note 6)	-	9,910
Current portion of obligations under capital lease (Note 7)	21,520	24,634
	<u>853,120</u>	<u>871,863</u>
Obligations under capital lease (Note 7)	<u>10,505</u>	<u>33,712</u>
	<u>863,625</u>	<u>905,575</u>
Net Assets		
Members' surplus	<u>1,070,860</u>	<u>843,652</u>
	<u>\$ 1,934,485</u>	<u>\$ 1,749,227</u>

See notes to financial statements

SAULT STE MARIE GOLF CLUB
Statement of Revenues and Expenditures
Year Ended December 31, 2024

	2024	2023
Revenues		
Membership fees	\$ 746,232	\$ 693,614
Green fees	411,222	388,182
Golf cart fees	141,819	133,963
Other revenues	128,899	74,440
	<u>1,428,172</u>	<u>1,290,199</u>
Expenses (Schedule 1)		
Expenses - Grounds	707,175	631,248
Expenses - Pro shop	220,204	223,896
Expenses - Administrative and general	251,824	248,447
	<u>1,179,203</u>	<u>1,103,591</u>
Excess of revenues over expenses from operations	<u>248,969</u>	<u>186,608</u>
Other income		
Gain on sale of assets	-	13,485
Restaurant (<i>Schedule 2</i>)	86,600	72,119
	<u>86,600</u>	<u>85,604</u>
Excess of revenues over expenses before amortization	335,569	272,212
Amortization	<u>(108,361)</u>	<u>(107,046)</u>
Excess of revenues over expenses	<u>\$ 227,208</u>	<u>\$ 165,166</u>

See notes to financial statements

SAULT STE MARIE GOLF CLUB
Statement of Changes in Net Assets
Year Ended December 31, 2024

	2024	2023
Net assets - beginning of year	\$ 843,652	\$ 678,486
Excess of revenues over expenses (schedule 1)	<u>227,208</u>	<u>165,166</u>
Net assets - end of year	\$ 1,070,860	\$ 843,652

See notes to financial statements

SAULT STE MARIE GOLF CLUB**Statement of Cash Flows****Year Ended December 31, 2024**

	2024	2023
Operating activities		
Excess of revenues over expenses (schedule 1)	\$ 227,208	\$ 165,166
Item not affecting cash:		
Amortization	108,361	107,046
	<u>335,569</u>	<u>272,212</u>
Changes in non-cash working capital:		
Accounts receivable	-	500
Harmonized sales tax payable	(17,779)	201
Inventory	(4,143)	(3,123)
Prepaid expenses	14,965	(19,664)
Accounts payable and accrued liabilities	(41,300)	35,657
Employee deductions payable	(3,440)	4,389
Deferred revenue	39,021	24,302
	<u>(12,676)</u>	<u>42,262</u>
Cash flow from operating activities	<u>322,893</u>	<u>314,474</u>
Investing activity		
Purchase of property, plant and equipment	<u>(293,528)</u>	<u>(90,546)</u>
Financing activities		
Proceeds from long term financing	-	49,442
Repayment of long term debt	(9,910)	(175,858)
Repayment of obligations under capital lease	<u>(26,321)</u>	<u>(42,185)</u>
Cash flow used by financing activities	<u>(36,231)</u>	<u>(168,601)</u>
Increase (decrease) in cash flow	(6,866)	55,327
Cash and cash equivalents - beginning of year	<u>870,941</u>	<u>815,614</u>
Cash - end of year	\$ 864,075	\$ 870,941
Cash consists of:		
Cash	\$ 122,775	\$ 139,198
Term deposits	<u>741,300</u>	<u>731,743</u>
	<u>\$ 864,075</u>	<u>\$ 870,941</u>

See notes to financial statements

SAULT STE MARIE GOLF CLUB

Notes to Financial Statements

Year Ended December 31, 2024

1. Purpose of the organization

Sault Ste Marie Golf Club (the "organization") is a not-for-profit organization of Ontario. It is incorporated under the laws of Ontario without share capital and is engaged in the operation and maintenance of a golf course for the benefit of its members. As a not-for-profit entity the organization is exempt from the payment of income tax, except for interest income, under Subsection 149 of the Income Tax Act.

2. Summary of significant accounting policies

(a) Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO).

(b) Cash and cash equivalents

Cash and cash equivalents is defined as cash on hand, cash on deposit and highly liquid financial instruments, net of cheques issued and outstanding at the reporting date. Due to the short-term nature of these assets, the fair value of these instruments is not significantly different from their carrying value.

(c) Inventory

Inventory is valued at the lower of cost and net realizable value with the cost being determined on a first-in, first-out basis.

(d) Property, plant and equipment

Property, plant and equipment is stated at cost or deemed cost less accumulated amortization and is amortized over its estimated useful life on a straight-line basis at the following rates:

Buildings - club house and pro shop	4%
Water system	4%
Bridges	4%
Practice facilities	4%
Fences	10%
Paving	10%
Furniture and fixtures	20%
Irrigation equipment	20%
Grounds and equipment	30%
Automotive equipment	30%
Grounds and maintenance buildings	10%
Computers	33%

Property, plant and equipment acquired during the year but not placed into use are not amortized until they are placed into use.

(continues)

SAULT STE MARIE GOLF CLUB
Notes to Financial Statements
Year Ended December 31, 2024

2. Summary of significant accounting policies (continued)

(e) Revenue recognition

The Club follows the deferral method of accounting for revenue. Revenue is recognized in the year in which the related expenses are incurred. There are three revenue streams: annual memberships and related fees are recognized over a five month operating period; new membership assessments are recorded as earned over a four year period; green fees and other miscellaneous revenue are recognized when paid.

(f) Financial instruments policy

The Club initially measures its financial assets and liabilities at fair value. The Club subsequently measures all its financial assets and financial liabilities at amortized cost.

Financial assets measured at amortized cost include cash and accounts receivable. Financial liabilities measured at amortized cost include accounts payable, accrued liabilities, and bank line of credit.

(g) Use of Estimates

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profits organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the year. There are no significant items subject to such estimates and assumptions. Actual results could differ from those estimates.

(h) Other Expenses

The cost of golf course improvements including the rebuilding and replacement of existing greens and tees is written off to operations in the year incurred.

3. Term deposits

	Purchase date	Maturity date	Interest rate %	2024	2023
Term Deposit 8712607-32	October 16, 2024	April 16, 2025	3.5	\$ 140,000	\$ -
Term Deposit 8712607-35	December 27, 2024	January 27, 2025	3.24	600,000	-
Term Deposit 8712607-05	October 16, 2023	April 15, 2024	5.25	-	600,000
Term Deposit 8712607-07	December 27, 2023	January 26, 2024	4.9	-	130,000
				<u>\$ 740,000</u>	<u>\$ 730,000</u>

Interest of \$1,300 in 2024, and \$1,743 in 2023 has been accrued to term deposits.

SAULT STE MARIE GOLF CLUB**Notes to Financial Statements****Year Ended December 31, 2024****4. Property, plant and equipment**

	Cost	Accumulated amortization	2024 Net book value	2023 Net book value
Automotive equipment	\$ 15,315	\$ 15,315	\$ -	\$ -
Bridges	74,967	56,975	17,992	20,990
Buildings - club house and pro shop	1,323,288	679,468	643,820	471,126
China Silverware	14,045	14,045	-	-
Fences	12,659	12,659	-	-
Furniture and fixtures	213,984	177,018	36,966	41,218
Grounds and equipment	591,977	519,441	72,536	109,122
Irrigation equipment	52,781	52,781	-	-
Land	1	-	1	1
Paving	118,348	82,038	36,310	2,006
Practice facilities	91,377	91,377	-	-
Reservation system	25,639	25,639	-	-
Restaurant equipment	90,614	88,362	2,252	8,762
Sand Trap	103,818	25,723	78,095	46,047
Water system	278,053	216,520	61,533	65,066
	\$ 3,006,866	\$ 2,057,361	\$ 949,505	\$ 764,338

5. Bank Line of Credit

Under the terms of the Club's credit agreement, the Club has an operating line of credit and bank overdraft available to a maximum of \$300,000 bearing interest at prime plus 3.00% and secured by a general security agreement representing a first charge on all the Club's assets and undertaking and assignment of fire insurance having a net carrying amount of \$984,889. At year end, the Club had \$300,000 (2023 - \$300,000) remained unused at year end.

6. Long term debt

	2024	2023
Private loans bearing interest at 5% per annum, repayable in blended payments of \$10,412. The loans mature on March 1, 2024.	\$ -	\$ 9,910
Current portion of long term debt	-	(9,910)
	\$ -	\$ -

SAULT STE MARIE GOLF CLUB

Notes to Financial Statements

Year Ended December 31, 2024

7. Obligations under capital lease

	<u>2024</u>	<u>2023</u>
Meridian Onecap Credit Corp - Kitchen Equipment Lease bearing interest at 6.95% per annum, repayable in monthly blended payments of \$225. The lease matured on January 16, 2024 and was secured by Equipment which had a carrying value of \$0	\$ -	\$ 233
Turf Care Financial - Debris Blower Lease bearing interest at 6.625% per annum, repayable in monthly blended payments of \$423. The lease matures on October 1, 2025 and is secured by Equipment which has a carrying value of \$2,135.	2,410	4,618
Turf Care Financial - Pump Station lease bearing interest at 6.451% per annum, repayable in monthly blended payments of \$1,840. The lease matures on November 1, 2025 and is secured by Equipment which has a carrying value of \$11,730.	9,739	19,683
Kubota Loan - 3.7T Excavator Lease bearing interest at 0% per annum, repayable in monthly blended payments of \$1,248. The lease matures on February 11, 2026 and is secured by Equipment which has a carrying value of \$43,935.	13,962	25,930
Turf Care Financial - Ventrac Turbine Blower Lease bearing interest at 0% per annum, repayable in monthly blended payments of \$328. The lease matures on October 31, 2027 and is secured by Equipment which has a carrying value of \$6,895.	5,914	7,882
	32,025	58,346
Amounts payable within one year	(21,520)	(24,634)
	\$ 10,505	\$ 33,712

Future minimum capital lease payments are approximately:

2025	\$ 26,085
2026	3,962
2027	1,978
	<hr/>
Total minimum payments	32,025
Less interest amount at various rates	<u>(561)</u>
	\$ 31,464

SAULT STE MARIE GOLF CLUB
Notes to Financial Statements
Year Ended December 31, 2024

8. Commitments

The Club has entered into various contracts and lease agreements for the club professional, golf carts, golf superintendent, and grounds equipment for the next five years. Total commitment per year is as follows:

2025	\$	365,359
2026		318,819
2027		307,713
2028		175,008
2029		151,494

9. Government assistance

Salaries, wages and benefits have been reduced by government funding as follows:

	<u>2024</u>	<u>2023</u>
<u>Wage grants</u>		
Grounds	\$ 4,000	\$ -
Pro shop	4,947	-
Restaurant	4,000	-
	<u>\$ 12,947</u>	<u>\$ -</u>

10. Financial instruments

The organization is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the organization's risk exposure and concentration as of December 31, 2024.

(a) Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The organization is exposed to credit risk from customers. In order to reduce its credit risk, the organization reviews a new customer's credit history before extending credit and conducts regular reviews of its existing customers' credit performance. An allowance for doubtful accounts is established based upon factors surrounding the credit risk of specific accounts, historical trends and other information. The organization has a significant number of customers which minimizes concentration of credit risk.

(b) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The organization is exposed to this risk mainly in respect of its receipt of funds from its customers and other related sources, long-term debt, obligations under capital leases, contributions to the pension plan, and accounts payable.

(continues)

SAULT STE MARIE GOLF CLUB
Notes to Financial Statements
Year Ended December 31, 2024

10. Financial instruments *(continued)*

(c) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the organization manages exposure through its normal operating and financing activities. The organization is exposed to interest rate risk primarily through its floating interest rate bank indebtedness and credit facilities.

Unless otherwise noted, it is management's opinion that the organization is not exposed to significant other price risks arising from these financial instruments.

11. Comparative figures

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

SAULT STE MARIE GOLF CLUB

Expenses

(Schedule 1)

Year Ended December 31, 2024

	2024	2023
Grounds		
Equipment, leases and expenses	\$ 190,828	\$ 164,401
Fertilizer, chemicals and green supplies	114,046	119,491
Gas, oil and propane	45,787	45,952
Miscellaneous	6,487	5,372
Repairs, maintenance and supplies	28,623	38,242
Salaries, wages and benefits	307,909	243,973
Seminars and dues	1,455	1,492
Utilities and telephone	12,040	12,325
Grounds total	\$ 707,175	\$ 631,248
Pro shop		
Golf cart leases and expenses	\$ 40,946	\$ 58,532
Professional services	49,500	47,750
Salaries, wages and benefits	98,762	88,708
Supplies and maintenance	23,684	21,774
Utilities and telephone	7,312	7,132
Pro shop total	\$ 220,204	\$ 223,896
Administrative and general		
Bookkeeping	\$ 9,038	\$ 14,944
Insurance	53,948	51,259
Interest and bank charges	26,182	24,302
Interest on long term debt	1,696	25,647
Ancillary facilities maintenance and meetings	11,510	165
Memberships - other associations	16,982	14,573
Miscellaneous supplies	12,308	6,331
Municipal taxes	32,697	31,685
Professional fees	4,700	5,200
Salaries, wages and benefits	82,763	74,341
Administrative and general total	\$ 251,824	\$ 248,447

SAULT STE MARIE GOLF CLUB**Restaurant****(Schedule 2)****Year Ended December 31, 2024**

	2024	2023
Restaurant revenue	\$ 1,106,182	\$ 1,009,631
Cost of sales		
Purchases	428,547	399,790
Salaries, wages and benefits	439,146	381,915
	867,693	781,705
Gross profit	238,489	227,926
Expenses		
Advertising and promotion	41,699	46,136
Bank charges	14,517	13,923
Repairs and maintenance	27,335	13,029
Supplies	41,747	51,565
Utilities and telephone	26,591	31,154
	151,889	155,807
Excess of revenue over expenses	\$ 86,600	\$ 72,119