

MISSISSIPPI GOLF CLUB
FINANCIAL STATEMENTS
(Prepared without Audit)
DECEMBER 31, 2025

Independent Practitioner's Review Engagement Report

Statement of Financial Position

Statement of Operations

Statement of Changes in Net Assets

Statement of Cash Flows

Notes to the Financial Statements



CHARTERED
PROFESSIONAL
ACCOUNTANTS

KELLY HUIBERS McNEELY

PROFESSIONAL CORPORATION

INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Members of Mississippi Golf Club

We have reviewed the accompanying financial statements of Mississippi Golf Club that comprise the statement of financial position as at December 31, 2025 and the statements of operations, 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, 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

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us 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, we do not express an audit opinion on these financial statements.

106B McGonigal St. W.
Arnprior, Ontario K75 1M4

9 Emily Street
Carleton Place, Ontario K7C 1R9

16 Gore Street West
Perth, Ontario K7H 2L6

5992 Hazeldean Rd.
Stittsville, Ontario K2S 1B9

Phone: 613-963-1430 (1-866-999-1339)

Fax: 613-686-3960 (Perth local 613-267-3949)

acctg@khmpc.ca

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of Mississippi Golf Club as at December 31, 2025, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Kelly Huibers McNeely
Professional Corporation

Carleton Place, Ontario
May 12, 2026

Authorized to practise public accounting by
The Chartered Professional Accountants of Ontario

MISSISSIPPI GOLF CLUB

STATEMENT OF FINANCIAL POSITION
(Prepared without Audit)

As at December 31, 2025


	2025	2024
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 814,520	\$ 260,978
Non-cashable GICs	207,200	570,200
Accounts receivable	4,343	396
HST receivable	15,711	14,696
Inventory	8,964	7,726
Prepaid expenses	<u>10,627</u>	<u>37,015</u>
	1,061,365	891,011
CAPITAL ASSETS (note 2)	2,166,532	2,153,553
	\$ 3,227,897	\$ 3,044,564

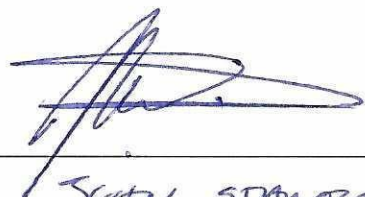
LIABILITIES

CURRENT LIABILITIES

Accounts payable and accrued liabilities	\$ 65,448	\$ 40,840
Government payables	10,772	-
Deferred revenue (note 4)	245,991	130,842
Scheduled repayments or renewals of long-term debt (note 5)	<u>54,000</u>	<u>51,000</u>
Current liabilities before callable debt	376,211	222,682
Callable debt (note 5)	<u>17,329</u>	<u>17,329</u>
	393,540	240,011
LONG-TERM DEBT (note 5)	<u>779,903</u>	<u>833,965</u>
	1,173,443	1,073,976
NET ASSETS	2,054,454	1,970,588
	\$ 3,227,897	\$ 3,044,564

APPROVED ON BEHALF OF THE BOARD:


R.S. SCOTT


SCOTT STANSEN

The accompanying notes are an integral part of these financial statements.

MISSISSIPPI GOLF CLUB**STATEMENT OF OPERATIONS
(Prepared without Audit)****For the year ended December 31, 2025**

	2025	2024
REVENUE		
Memberships	\$ 867,582	\$ 851,686
Green fees	593,655	488,423
Bar sales	334,492	327,108
Golf cart rental	234,404	216,548
Advertising, donation and miscellaneous	<u>15,868</u>	<u>123,505</u>
	<u>2,046,001</u>	<u>2,007,270</u>
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES		
Wages and employee benefits	800,907	682,279
Greens	477,863	397,419
House	126,884	110,552
Bar purchases	130,390	136,858
Property taxes	20,659	19,960
Insurance	30,629	34,808
Membership fee reductions (note 7)	11,846	11,525
Accounting	27,033	25,313
Match committee	10,910	14,876
Printing, postage and supplies	19,972	23,595
Advertising	8,702	5,937
Mortgage interest - long-term	48,807	52,253
Golf carts	16,341	21,752
Interest and bank charges	32,562	30,486
Professional fees	<u>5,000</u>	<u>9,098</u>
	<u>1,768,505</u>	<u>1,576,711</u>
REVENUE FROM OPERATIONS	277,496	430,559
Amortization	(242,359)	(208,926)
Investment income	35,315	41,147
Carbon Canada rebate	4,312	13,951
Gain on disposal of capital assets	9,102	12,774
Forgiven portion of CEBA loan	-	10,000
NET REVENUE	\$ 83,866	\$ 299,505

The accompanying notes are an integral part of these financial statements.

MISSISSIPPI GOLF CLUB

**STATEMENT OF CHANGES IN NET ASSETS
(Prepared without Audit)**

For the year ended December 31, 2025

	Unrestricted General	Internally Restricted Capital Reserve	Invested in Capital Assets (note 6)	Total 2025	Total 2024
Balance, beginning of year	\$ 362,697	\$ 356,632	\$ 1,251,259	\$ 1,970,588	\$ 1,671,083
Net revenue (expenditures)	173,091	153,134	(242,359)	83,866	299,505
Investment in capital assets (note 6b)	(255,338)	(51,062)	306,400	-	-
Balance, end of year	\$ 280,450	\$ 458,704	\$ 1,315,300	\$ 2,054,454	\$ 1,970,588

The accompanying notes are an integral part of these financial statements.

MISSISSIPPI GOLF CLUB

STATEMENT OF CASH FLOWS
(Prepared without Audit)

For the year ended December 31, 2025

	2025	2024
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Net revenue	\$ 83,866	\$ 299,505
Items not affecting cash:		
Amortization	242,359	208,926
Gain on disposal of capital assets	(9,102)	(12,774)
Forgiven portion of CEBA loan	-	(10,000)
Net change in non-cash working capital items:		
Accounts receivable	(3,947)	1,158
HST receivable	(1,015)	1,879
Inventory	(1,238)	(184)
Prepaid expenses	26,388	8,564
Accounts payable and accrued liabilities	24,608	(10,080)
Government payables	10,772	(5,245)
Deferred revenue	<u>115,149</u>	<u>(52,994)</u>
	<u>487,840</u>	<u>428,755</u>
INVESTING ACTIVITIES		
Non-cashable GICs matured (purchased), net	363,000	(153,800)
Purchase of capital assets	(255,338)	(367,818)
Proceeds on disposal of capital assets	<u>9,102</u>	<u>21,000</u>
	<u>116,764</u>	<u>(500,618)</u>
FINANCING ACTIVITIES		
Repayment of long-term debt	<u>(51,062)</u>	<u>(81,926)</u>
NET CHANGE IN CASH	553,542	(153,789)
CASH - BEGINNING OF YEAR	260,978	414,767
CASH - END OF YEAR	\$ 814,520	\$ 260,978
CASH CONSISTS OF:		
Cash	\$ 814,520	\$ 210,778
Cashable GIC	-	50,200

The accompanying notes are an integral part of these financial statements.

MISSISSIPPI GOLF CLUB

NOTES TO THE FINANCIAL STATEMENTS (Prepared without Audit)

DECEMBER 31, 2025

NATURE OF OPERATIONS

The Club was incorporated under the laws of Ontario in 1919 and filed a *Certificate of Continuance* in 2023 to continue operating as a not-for-profit golf and country club in accordance with the *Ontario Not-for-Profit Corporations Act, 2010*. The Club is a recreational organization that is exempt from income taxes under S.149(1)(l) of the Income Tax Act.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. The principal accounting policies of the Club are summarized as follows:

Revenue Recognition

Revenue is recognized on the date goods or services are provided and collectibility can be reasonably assured.

Membership fees are recognized as revenue in the year that membership to the Club is provided.

Capital equipment assessments included in membership fees are allocated to the capital reserve fund. This fund is internally restricted by the Club for future capital purposes.

Interest income is recognized when earned.

Cash and Cash Equivalents

The Club considers cash and cash equivalents to be highly liquid investments with original maturities of three months or less.

Guaranteed Investment Certificates

The GICs are carried at cost plus accrued interest, which approximates fair market value.

MISSISSIPPI GOLF CLUB

NOTES TO THE FINANCIAL STATEMENTS (Prepared without Audit)

DECEMBER 31, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Inventory

The Club values its bar inventory at the lesser of cost and net realizable value. Cost is determined on a first-in, first-out basis.

Leases

Leases entered into, that transfer substantially all the benefits and risks associated with ownership, are recorded as the acquisition of capital assets and the incurrence of an obligation. The asset is amortized in a manner consistent with assets owned by the Club, and the obligation, including interest thereon, is liquidated over the term of the lease. All other leases are accounted for as operating leases, and the rental costs are expensed as incurred.

Accounting Estimates

In preparing the Club's financial statements, Management is required 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 reported amounts of revenue and expense during the year. Actual amounts could differ from these estimates.

Capital Assets

Capital assets are stated at cost. Amortization is provided on current purchases at half-rate. When capital assets are disposed of, the related profit or loss is included in current operations. Amortization is calculated using the declining balance method at the following annual rates:

Buildings	-	5%
Course construction and water system	-	5%
Computers	-	30%
Furniture and fixtures	-	20%
Machinery and equipment	-	20% - 30%
Parking lot	-	8%
Patio expansion	-	30%
Powered golf carts	-	20%
Computer software	-	100%
Satellite tower	-	20%

MISSISSIPPI GOLF CLUB

NOTES TO THE FINANCIAL STATEMENTS (Prepared without Audit)

DECEMBER 31, 2025

2. CAPITAL ASSETS

	Cost	Accumulated Amortization	2025 Net Book Value	2024 Net Book Value
Land	\$ 65,169	\$ -	\$ 65,169	\$ 65,169
Buildings	1,245,438	881,349	364,089	383,253
Course construction and water system	1,641,954	658,028	983,926	1,085,770
Computers	44,662	42,444	2,218	3,169
Furniture and fixtures	129,094	73,028	56,066	56,512
Machinery and equipment	1,722,439	1,204,778	517,661	425,111
Parking lot	73,703	64,404	9,299	10,108
Patio expansion	29,011	28,637	374	559
Powered golf carts	434,660	266,966	167,694	123,856
Computer software	28,705	28,705	-	-
Satellite tower	4,280	4,244	36	46
	\$ 5,419,115	\$ 3,252,583	\$ 2,166,532	\$ 2,153,553

3. BANK INDEBTEDNESS

The Club has available a revolving credit facility at BMO with a limit of \$100,000 at prime plus 0.5%, secured by the property of the Club. As at year end, this credit facility was not used.

4. DEFERRED REVENUE

Deferred revenue represents amounts received from Members and prospective Members as a deposit against future membership fees.

MISSISSIPPI GOLF CLUB

NOTES TO THE FINANCIAL STATEMENTS
(Prepared without Audit)

DECEMBER 31, 2025

5. LONG-TERM DEBT

	2025	2024
Bank of Montreal (BMO) mortgage repayable \$8,322 per month including interest at 5.74%, secured by property held by the Club, due for renewal in May 2027.	\$ 833,903	\$ 884,965
Members' loans, non-interest bearing in lieu of membership fees, payable on demand.	<u>17,329</u>	<u>17,329</u>
	851,232	902,294
Less:		
- BMO principal due within 12 months	54,000	51,000
- Callable debt	17,329	17,329
	<u>\$ 779,903</u>	<u>\$ 833,965</u>

The Members' loans are due on demand, however there are no scheduled repayments that are due in the next five years. Therefore, Management expects that the principal portion of long-term debt that will come due is approximately as follows:

2026	-	\$ 54,000
2027	-	779,903

Bank Covenants

The Club is fully compliant with all non-financial borrowing covenants contained in the Bank of Montreal loan agreement; and there are no financial covenants.

MISSISSIPPI GOLF CLUB

NOTES TO THE FINANCIAL STATEMENTS (Prepared without Audit)

DECEMBER 31, 2025

6. INVESTED IN CAPITAL ASSETS

(a) Net assets invested in capital assets at December 31

	2025	2024
Capital assets	\$ 2,166,532	\$ 2,153,553
Less: Long-term debt	(851,232)	(902,294)
	\$ 1,315,300	\$ 1,251,259

(b) Investment in capital assets during the year

	2025	2024
Total capital assets acquired	\$ 255,338	\$ 367,818
Less: donated capital asset	-	(114,412)
NBV of assets sold	-	(8,226)
Repayment of long-term debt (excluding CEBA loan)	51,062	51,926
	\$ 306,400	\$ 297,106

7. MEMBERSHIP FEE REDUCTIONS

Members who have made loans to the Club have received reduced membership fees and will continue to pay reduced membership fees until they leave the Club. The loans from Members resulted in membership fee reductions of \$11,846 (2024 - \$11,525). The fee reductions are reflected on the accompanying financial statements by an increase in membership fee income and a corresponding expense of the same amount.

8. FINANCIAL INSTRUMENTS

The Club's financial instruments consist of cash, non-cashable GICs, accounts receivable, accounts payable and accrued liabilities, and long-term debt. It is Management's opinion that the fair value of these instruments is not materially different than their cost and that the Club is not exposed to significant interest rate, currency or credit risk.

The Club holds non-cashable GICs that bear interest between 2.75% and 4.40% and mature in 2026.