

The Georgian Yacht Club
Financial Statements
For the year ended October 31, 2019
(Unaudited)

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(Unaudited)

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Independent Practitioner's Review Engagement Report

To the Members of
The Georgian Yacht Club

We have reviewed the accompanying financial statements of The Georgian Yacht Club that comprise the balance sheet as at October 31, 2019 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.

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 The Georgian Yacht Club as at October 31, 2019 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.

Chartered Professional Accountants, Licensed Public Accountants

Owen Sound, Ontario
January 6, 2020

The Georgian Yacht Club
Balance Sheet
(Unaudited)

October 31	2019	2018
Assets		
Current		
Cash	\$ 70,656	\$ 72,393
Short-term investments (Note 2)	367,494	302,289
Accounts receivable (Note 3)	5,169	2,687
Inventories	8,143	8,765
Prepaid expenses	3,602	4,245
	<u>\$ 455,064</u>	<u>\$ 390,379</u>
Liabilities and Members' Equity		
Current		
Accounts payable and accrued liabilities (Note 4)	\$ 4,779	\$ 4,941
Deferred revenue	30,402	-
	<u>35,181</u>	<u>4,941</u>
Non-interest bearing debentures (Note 6)	13,405	13,405
	<u>48,586</u>	<u>18,346</u>
Net assets		
Reserve for future infrastructure (Page 4)	240,354	228,196
Reserve for property improvement (Page 4)	166,124	125,309
Reserve for operating contingencies (Page 4)	-	11,800
Unrestricted net assets (Page 4)	-	6,728
	<u>406,478</u>	<u>372,033</u>
	<u>\$ 455,064</u>	<u>\$ 390,379</u>

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

The Georgian Yacht Club
Statement of Changes in Net Assets
(Unaudited)

For the year ended October 31	Reserve for Operating Contingencies	Reserve for Future Infrastructure	Reserve for Property Improvement	Unrestricted	2019	2018
Balance, beginning of the year	\$ 11,800	\$ 228,196	\$ 125,309	\$ 6,728	\$ 372,033	\$ 308,862
Excess of revenue over expenses for the year (Page 5)	-	5,430	2,067	26,948	34,445	63,171
Transfers to (from) funds (Note 7)	(11,800)	6,728	38,748	(33,676)	-	-
Balance, end of the year	\$ -	\$ 240,354	\$ 166,124	\$ -	\$ 406,478	\$ 372,033

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

The Georgian Yacht Club
Statement of Operations
(Unaudited)

For the year ended October 31	2019	2018
Revenue		
Dues	\$ 51,125	\$ 50,805
Members' utilities and maintenance	38,390	37,668
Initiation	25,680	25,440
Interest	9,066	5,506
Lift in and lift out	12,383	12,540
Miscellaneous	1,932	1,376
Mooring	26,887	25,059
Storage	4,480	3,940
Social committee and activities	5,813	5,791
Gasoline (Net - See Page 11)	(33)	(730)
	<u>175,723</u>	<u>167,395</u>
Expenses		
Bad debt expense	1,745	368
Bank charges and interest	53	532
Committee expense	802	512
Improvements - fuel dock and docking	22,874	9,157
Improvements - fencing	775	-
Improvements - clubhouse	-	3,448
Improvements - revetting	9,005	-
Improvements - roadway	5,521	-
Improvements - pump out	-	478
Improvements - south washroom	280	-
Insurance	7,620	7,236
Lift in and lift out	14,020	12,037
Maintenance	11,223	5,746
Miscellaneous	3,992	2,256
Municipal taxes	19,691	17,078
Office, postage and telephone	1,722	1,211
Professional and bookkeeping services	4,240	4,080
Property contractors	6,365	9,623
Racing program	218	180
Social committee and activities	8,627	8,125
Utilities	16,211	15,680
Wages	6,294	6,477
	<u>141,278</u>	<u>104,224</u>
Excess of revenue over expenses for the year	\$ 34,445	\$ 63,171

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

The Georgian Yacht Club
Statement of Cash Flows
(Unaudited)

For the year ended October 31	2019	2018
Cash provided by (used in)		
Operating activities		
Excess of revenue over expenses for the year	\$ 34,445	\$ 63,171
Changes in non-cash working capital balances		
Accounts receivable	(2,482)	4,836
Inventories	622	(3,559)
Prepaid expenses	643	408
Accounts payable and accrued liabilities	(162)	(8,428)
Deferred revenue	30,402	-
	29,023	(6,743)
	63,468	56,428
Investing activities		
Increase in short-term investments	(65,205)	(57,557)
Decrease in cash, during the year	(1,737)	(1,129)
Cash, beginning of the year	72,393	73,522
Cash, end of the year	\$ 70,656	\$ 72,393

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

The Georgian Yacht Club
Notes to Financial Statements
(Unaudited)

October 31, 2019

1. Summary of Significant Accounting Policies

Nature of the Organization	The Georgian Yacht Club is incorporated under the laws of Ontario as a corporation without share capital to provide recreational yachting facilities to its members.
Basis of Accounting	The financial statements have been prepared using Canadian accounting standards for not-for-profit organizations.
Revenue Recognition	The association follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.
Inventories	Inventories are stated at the lower of cost and net realizable value. Cost is determined on a first-in, first-out basis.
Capital Assets	Capital assets are not recorded on the balance sheet. Expenditures for capital assets in the year are recorded as expenses and disclosed in the statement of operations.
Income Taxes	The Club is not taxable under paragraph 149(1)(l) of the Income Tax Act.
Financial Instruments	Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial instruments are reported at cost or amortized cost less impairment. Financial assets are tested for impairment when changes in circumstances indicate the asset could be impaired. Transaction costs on the acquisition, sale or issue of financial instruments are charged to the financial instrument for those measured at amortized cost.

The Georgian Yacht Club
Notes to Financial Statements
(Unaudited)

October 31, 2019

2. Short-Term Investments

	2019	2018
Redeemable CIBC Guaranteed Investment Certificate, 2.25%, matures November 15, 2019	\$ 25,000	\$ -
Non-Redeemable CIBC Guaranteed Investment Certificate, 1.45%, matures February 22, 2019	-	28,050
Non-Redeemable CIBC Guaranteed Investment Certificate, 1.65%, matures February 24, 2020	28,050	28,050
Non-Redeemable CIBC Guaranteed Investment Certificate, 2.2%, matures August 24, 2020	36,581	36,581
Non-Redeemable CIBC Guaranteed Investment Certificate, 2.2%, matures August 24, 2020	36,408	36,408
Non-Redeemable CIBC Guaranteed Investment Certificate, 2.2%, matures August 24, 2020	75,675	75,675
Non-Redeemable CIBC Guaranteed Investment Certificate, 2.2%, matures August 24, 2020	28,358	28,358
Non-Redeemable CIBC Guaranteed Investment Certificate, 2.2%, matures August 24, 2020	28,000	28,000
Non-Redeemable CIBC Guaranteed Investment Certificate, 2.45%, matured February 22, 2023	36,338	36,338
Non-Redeemable CIBC Guaranteed Investment Certificate, 2.5%, matures August 23, 2021	25,440	-
Non-Redeemable CIBC Guaranteed Investment Certificate, 2.5%, matured August 23, 2021	35,598	-
Accrued interest	12,046	4,829
	<u>\$ 367,494</u>	<u>\$ 302,289</u>

Interest earned on investments during the year totalled \$9,066.

The Georgian Yacht Club
Notes to Financial Statements
(Unaudited)

October 31, 2019

3. Accounts Receivable

There are no impairment allowances relating to accounts receivable.

4. Accounts Payable

There are no government remittances included in accounts payable.

5. Capital Assets

	2019	2018
Buildings	\$ 169,936	\$ 169,656
Diesel tank	15,650	15,650
Fence	94,741	93,966
Equipment, furniture and fixtures	14,243	14,243
Gas tank	16,300	15,900
Gatehouse	21,158	21,158
Land	4,848	4,848
Land improvements	5,521	-
Laptop computer	1,666	1,666
Mast crane	10,985	10,985
Moorings	307,053	280,075
Power and light services	128,717	128,717
Pump out system	5,678	5,678
Retaining wall	36,367	36,367
Water lot	162,466	162,466
Water system	33,411	33,411
Picnic shelter	20,151	20,151
	<u>\$ 1,048,891</u>	<u>\$ 1,014,937</u>

Capital assets are not recorded on the balance sheet. Expenditures for capital assets in the year are recorded as expenses and disclosed in the statement of operations. During the year, \$5,521 was spent on roadway improvements, \$22,474 was spent on the docking improvements, \$775 was spent on a gate receiver and remotes, \$280 was spent on a building permit for the south washroom, \$9,005 was spent on revetting and \$400 was spent on a digital fuel pump. As well 6 docks were disposed of for a total of \$1,500. The above capital assets are the assets accumulated by the Club at cost with no amortization.

The Georgian Yacht Club
Notes to Financial Statements
(Unaudited)

October 31, 2019

6. Debentures

The debentures are unsecured, non-interest bearing and redeemable at their principal amount upon the death of the registered holder, or at such earlier date as directed by the members of the Club. Debentures of this nature have not been issued since 1976.

The debentures have been recorded at the redemption amount. The fair value of these debentures is not readily determinable because there is no fixed terms of repayment.

7. Interfund Transfers

The Club transferred \$6,728 to the future infrastructure reserve fund as per the standing member resolution representing the accumulated unrestricted net assets as of October 31, 2019.

As per the 2019 operating budget, the Club transferred \$775 from the property improvement reserve for the gate box and \$280 for the south washroom. The Club also transferred \$25,680 in initiation fees to the property improvement reserve as per the budget. In addition, The Board passed resolutions to transfer \$4,000 to the property improvement reserve for kitchen renovations as well as to move \$10,123 from unrestricted net income to the property improvement reserve for 2020 improvements.

The Club transferred \$11,800 from the operating contingency reserve fund for revetting and roadway improvements.

8. Financial Risks

The organization is exposed to risks that arise from its use of financial instruments. The organization's financial instruments consist of cash, accounts receivable, short-term investments, accounts payable and accrued liabilities and non-interest bearing debentures. It is management's opinion that the organization is not exposed to significant currency risk arising from these financial instruments. The organization is exposed to credit risk arising from its accounts receivable and liquidity risk arising from its account payable and accrued liabilities and non-interest bearing debentures. Changes in interest rates expose the organization to interest rate risk which affects the value of fixed income investments.

9. Comparative Amounts

Comparative amounts have been reclassified to conform to the current year financial statement presentation.

The Georgian Yacht Club
Schedule 1 - Gasoline Operations
(Unaudited)

For the year ended October 31	2019	2018
Gasoline sales	\$ 31,343	\$ 40,523
Cost of sales		
Inventory, beginning of the year	8,765	5,206
Purchases	30,754	44,812
	39,519	50,018
Inventory, end of the year	8,143	8,765
	31,376	41,253
Contribution margin	\$ (33)	\$ (730)
