

GUELPH ROWING CLUB

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2019

(with comparative figures
for the year ended December 31, 2018)

Prepared Without Audit

B.D. Hawkins, CPA, CA

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BDH
CPA
CA

B. D. HAWKINS, CPA, CA
219 Silvercreek Parkway N., Unit 17
Guelph, Ontario
N1H 7K4

Tel (519) 767-2002

NOTICE TO READER

On the basis of information provided by management, I have compiled the statement of financial position of Guelph Rowing Club as at December 31, 2019, 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 financial statements may not be appropriate for their purposes.



Guelph, Ontario,
March 31, 2020

B. D. Hawkins, CPA, CA
Licenced Public Accountant

GUELPH ROWING CLUB
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2019

		Assets	
		2019	2018
Current			
	Cash (note 3)	\$ 37,939	\$ 39,517
	Accounts Receivable	1,248	2,647
	Prepaid Expenses	3,210	3,210
		42,397	45,374
Capital assets (notes 1 and 4)		283,600	292,907
		\$ 325,997	\$ 338,281
		Liabilities	
Current			
	Accounts payable and accrued liabilities	\$ 7,345	\$ 5,984
	HST payable	-	1,451
	Deferred revenue (Note 6)	29,957	31,954
	Current portion of long-term debt (Note 5)	11,841	11,493
		49,143	50,882
Long term Debt (Note 5)		16,410	28,251
		65,553	79,133
		Net Assets	
Net assets			
	Unrestricted	35,052	37,939
	Invested in capital assets	225,392	221,209
		260,444	259,148
		\$ 325,997	\$ 338,281

(See accompanying notes to financial statements)

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GUELPH ROWING CLUB
STATEMENT OF CHANGES IN NET ASSETS
AS AT DECEMBER 31, 2019

	Invested in			
	Capital Assets	Unrestricted	2019	2018
Net assets, beginning of year	\$ 221,209	\$ 37,939	\$ 259,148	\$ 216,168
Excess of revenue over expenditures	-	1,296	1,296	42,980
Amortization	(24,699)	24,699	-	-
Net investment in capital assets	11,918	(11,918)	-	-
Adjustment to agree to capital assets	16,964	(16,964)	-	-
Balance end of year	<u>\$ 225,392</u>	<u>\$ 35,052</u>	<u>\$ 260,444</u>	<u>\$ 259,148</u>

Made up of:

Capital assets	\$ 283,600
Less: Deferred revenues	- 29,957
Current portion of LTD	- 11,841
Long term debt	- 16,410
	<u>\$ 225,392</u>

(see accompanying notes to financial statements)
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GUELPH ROWING CLUB
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2019

	2019	2018
Revenue		
Program revenue	\$ 65,143	\$ 74,812
In kind contributions and fundraising (note 7)	3,007	32,297
Storage	6,378	6,150
Regatta and other events	780	1,081
Grants	8,403	9,413
Sales	-	-
	83,711	123,753
Expenses		
Site and operating	20,090	17,397
Amortization	24,699	23,549
Registration	8,655	11,163
General and administrative	9,264	6,845
Coaching wages	11,859	14,792
Professional fees	3,637	3,459
Truck and trailer	1,835	2,124
Interest on long-term debt	1,106	1,444
Bad debt	1,270	-
	82,415	80,773
Excess of revenue over expenses	1,296	42,980
Net assets, beginning of year	259,148	216,168
Net assets, end of year	\$ 260,444	\$ 259,148

(see accompanying notes to financial statements)
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GUELPH ROWING CLUB
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2019

1 Purpose of the organization

Guelph Rowing Club (the "Club") is a rowing club incorporated on December 1, 1999 without share capital under the laws of Ontario and is exempt from income taxes as a not-for-profit entity.

2 Significant accounting policies

The financial statements reflect the following policies:

a. Capital assets and amortization

Capital assets are stated at cost less accumulated amortization. Amortization based on the estimated useful life of the asset as calculated as follows:

	Method	Years
Building	straight line	30
Equipment	straight line	10
Oars	straight line	20
Boats	straight line	20
Motors	straight line	5

b. Contributed services and materials

The Club relies on volunteer hours which are not recognized in the financial statements due to the difficulty in determining the fair value of these contributed services

e. Revenue recognition

The organization follows the deferral method of recording contributions. Program revenue is recognized as membership dues are received. Fund revenue is recognized as donations are received. Revenue received from government grants is recognized over the term of the contract in the year in which the related expenses are incurred. Revenues received from government grants for expenses not yet incurred are recorded as deferred revenue.

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GUELPH ROWING CLUB
 NOTES TO THE FINANCIAL STATEMENTS
 AS AT DECEMBER 31, 2019

3 Cash

The Club's bank accounts are held at one chartered bank and are non-interest bearing.

4 Capital Assets

	Cost	2019 Accumulated Amortization	Net Book Value	2018 Net Book Value
Building	\$ 235,803	\$ 89,385	\$ 146,418	\$ 150,803
Equipment	-	-	-	-
Oars	32,435	19,586	12,849	14,472
Boats	231,173	114,820	116,353	118,911
Motors	18,294	10,314	7,980	8,721
	<u>\$ 517,705</u>	<u>\$ 234,105</u>	<u>\$ 283,600</u>	<u>\$ 292,907</u>

5 Long-term debt

Loan payable at 3%, due April 2022, repayable in semi-annual installments of \$6,300 principal and interest, secured by a general security agreement on all assets, inventory and receivables of the Club to a maximum of \$150,000 and personal guarantees of board members.

\$ 28,251 \$ 39,744

Less: current portion

(11,841) (11,493)
\$ 16,410 \$ 28,251

The agreement with respect to the loan payable contains certain covenants regarding restrictions on new borrowing, the selling of assets outside the normal course of operations and cash withdrawals from the Club apart from wages and subcontract fees.

During the year the Club was not in violation of any of the above restrictive covenants.

Principle repayments on long-term debt over the next five years and thereafter are as follows:

\$ 11,841
 12,199
 4,211
\$ 28,251

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GUELPH ROWING CLUB
 NOTES TO THE FINANCIAL STATEMENTS
 AS AT DECEMBER 31, 2019

6 Deferred Revenue

The deferred revenue balance relates to an amount received in a prior year from the City of Guelph to be applied against the cost of constructing the boathouse. In 2019, the Club incurred \$0 (2018 \$0) in relation to this project. The deferred revenue balance will be taken into income at the same rate as the capital asset addition.

	2019	2018
Opening balance	\$ 31,954	\$ 33,951
Amortization of addition	(1,997)	(1,997)
	\$ 29,957	\$ 31,954

7 Gifts In Kind

During 2018 year the organization received assets as gifts in kind. The fair market value of boats (shells) and motors were valued at \$22,996 and \$7,261 respectively and are included in the capital asset of the club.

No gifts in kind were received in 2019.