

OTTAWA ROWING CLUB
FINANCIAL STATEMENTS
NOVEMBER 30, 2018

DRAFT

Independent Auditor's Report
Statement of Financial Position
Statement of Operations and Changes in Net Assets
Statement of Cash Flows
Notes to the Financial Statements

INDEPENDENT AUDITOR'S REPORT

To the Directors of Ottawa Rowing Club

We have audited the accompanying financial statements of Ottawa Rowing Club, which comprise the statement of financial position as at November 30, 2018, and the statements of operations and 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 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the Auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the Auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, these financial statements present fairly, in all material respects, the financial position of Ottawa Rowing Club as at November 30, 2018, 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.

Stittsville, Ontario
February 18, 2019

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

DRAFT

OTTAWA ROWING CLUB
STATEMENT OF FINANCIAL POSITION

As at November 30, 2018

	2018	2017
ASSETS		
CURRENT ASSETS		
Cash	\$ 222,985	\$ 217,276
Accounts receivable	<u>5,545</u>	<u>5,311</u>
	228,530	222,587
LONG-TERM INVESTMENT (note 3)	10,316	10,238
CAPITAL ASSETS (note 4)	225,560	204,655
	\$ 464,406	\$ 437,480
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 23,743	\$ 26,210
Deferred revenue (note 5)	23,527	29,186
Government remittances payable	<u>11,474</u>	<u>5,371</u>
	58,744	60,767
DEFERRED CONTRIBUTIONS	<u>27,390</u>	<u>34,130</u>
	86,134	94,897
NET ASSETS	378,272	342,583
	\$ 464,406	\$ 437,480

APPROVED ON BEHALF OF THE BOARD

 Director

 Date

 Director

 Date

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

OTTAWA ROWING CLUB

STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS

For the year ended November 30, 2018

	2018	2017
REVENUE		
Membership revenue		
Fees	\$ 487,283	\$ 426,219
Government grants	15,745	39,058
Amortization of deferred contributions	6,740	6,741
Sponsorships and contributions	3,500	1,500
Other	5,095	9,755
Banquet	4,823	4,253
Canteen	<u>2,143</u>	<u>2,112</u>
	<u>525,329</u>	<u>489,638</u>
EXPENDITURES		
Amortization	47,243	40,889
Banquet	5,879	4,960
Board meetings	456	449
Canteen	1,048	1,222
Insurance	22,717	24,705
Interest and bank charges	18,772	19,624
Membership fees	30,530	35,180
Miscellaneous	625	290
Office	2,639	4,770
Professional fees	11,902	13,861
Program costs	22,873	36,164
Regatta	50,680	38,892
Repairs and maintenance	30,207	31,092
Salaries and benefits	183,066	157,926
Travel	47,549	58,866
Utilities	12,954	10,631
Wes Curan Award	<u>500</u>	<u>500</u>
	<u>489,640</u>	<u>480,021</u>
NET REVENUE	35,689	9,617
NET ASSETS - BEGINNING OF YEAR	342,583	332,966
NET ASSETS - END OF YEAR	\$ 378,272	\$ 342,583

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

OTTAWA ROWING CLUB
STATEMENT OF CASH FLOWS
For the year ended November 30, 2018

	2018	2017
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Net revenue	\$ 35,689	\$ 9,617
Items not affecting cash:		
Amortization	47,243	40,889
Amortization of deferred contributions	(6,740)	(6,741)
Net change in non-cash working capital items:		
Accounts receivable	(234)	(93)
Accounts payable and accrued liabilities	(2,467)	11,670
Government remittances payable	6,103	(4,598)
Deferred revenues	<u>(5,659)</u>	<u>10,843</u>
	<u>73,935</u>	<u>61,587</u>
INVESTING ACTIVITIES		
Purchase of short-term investment	(78)	(177)
Addition to deferred contributions	-	40,871
Purchase of capital assets	<u>(68,148)</u>	<u>(83,090)</u>
	<u>(68,226)</u>	<u>(42,396)</u>
NET CHANGE IN CASH	5,709	19,191
CASH - BEGINNING OF YEAR	217,276	198,085
CASH - END OF YEAR	\$ 222,985	\$ 217,276

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

OTTAWA ROWING CLUB

NOTES TO THE FINANCIAL STATEMENTS

November 30, 2018

1. PURPOSE OF THE ORGANIZATION

The Ottawa Rowing Club ("the Club") was founded in 1867 and was incorporated under the Ontario Corporations Act, without share capital on December 16, 2003. The Club is exempt from income taxes. The Club serves the community by providing all the advantages of recreation and sportsmanship to Ottawa's youth and athletes. The Club is committed to promoting the sport of rowing in Ottawa by providing the facilities, opportunities and encouragement athletes need to succeed.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

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:

Capital Assets

Capital assets are recorded at cost. Amortization is provided on a straight-line basis over the asset's estimated useful lives using the following annual rates:

Blades, coach boats, docks, racing shells, trailer	10 years
Electronics and other equipment	5 years

Revenue Recognition

The Club follows the deferral method of accounting for restricted contributions or donations. Restricted contributions are recognized as revenue in the year in which the related expenditures are incurred. Unrestricted contributions, membership fees and grant revenues are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

OTTAWA ROWING CLUB

NOTES TO THE FINANCIAL STATEMENTS

November 30, 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Deferred Contributions

Government grants received for capital assets are amortized on the same basis as the capital assets for which the funding was received and recognized as revenue in that year.

Investments

The Club has fixed income investments that are accounted for at market value and the unrealized gains and losses are recorded in the statement of operations.

Volunteer Services

The Club receives the services of many volunteers, the cost of which cannot be reasonably estimated. Therefore, no presentation of this expenditure has been included in these financial statements.

Donated Material and Services

Donated capital and investments are recorded in the financial statements at fair value on the date of the donation. Donated materials and services are not recorded because the fair market value is not readily determinable. With the exception of volunteer time, such material and services are not significant.

Accounting Estimates

The preparation of the financial statements in conformity with accounting standards for not-for-profit organizations requires Management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of revenues and expenditures during the reporting period. These estimates are reviewed periodically and, as adjustments become necessary, they are reported in earnings in the period in which they became known. The significant areas requiring the use of estimates include evaluation of accounts receivable and completeness of accrued liabilities.

3. LONG-TERM INVESTMENT

Investment consists of a GIC at adjusted annual interest rates of .65%, .7% and .75% maturing June 21, 2021. This GIC secures the Club's credit card.

OTTAWA ROWING CLUB

NOTES TO THE FINANCIAL STATEMENTS

November 30, 2018

4. CAPITAL ASSETS

	Cost	Accumulated Amortization	2018 Net Book Value	2017 Net Book Value
Blades	\$ 40,446	\$ 17,433	\$ 23,013	\$ 19,975
Coach boats	23,461	16,484	6,977	9,323
Docks	102,870	60,722	42,148	52,435
Electronics	20,655	14,644	6,011	6,870
Racing shells	214,130	85,944	128,186	93,599
Trailer	9,152	1,830	7,322	8,237
Other equipment	47,860	35,957	11,903	14,216
	\$ 458,574	\$ 233,014	\$ 225,560	\$ 204,655

5. DEFERRED REVENUES

	2018	2017
Program fees	\$ 12,845	\$ 19,721
Athletes fund	3,675	2,675
Brian Adams fund	7,007	6,790
	\$ 23,527	\$ 29,186

6. FINANCIAL INSTRUMENTS

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

7. COMMITMENTS

The Club has entered into a service agreement with the City of Ottawa for the use of its current facilities expiring December 31, 2026. The City of Ottawa owes Ottawa Rowing Club \$1 annually.