

The Lake of Bays Sailing Club Inc.

Unaudited Financial Statements

September 30, 2025



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Compilation Engagement Report

To the Management of
The Lake of Bays Sailing Club Inc.

On the basis of information provided by management, we have compiled the statement of financial position of The Lake of Bays Sailing Club Inc. as at September 30, 2025 and the statements of revenues and expenses, changes in net assets and cash flows for the year then ended, and Note 1, which describes the basis of accounting applied in the preparation of the compiled financial information ("financial information").

Management is responsible for the accompanying financial information, including the accuracy and completeness of the underlying information used to compile it and the selection of the basis of accounting.

We performed this engagement in accordance with Canadian Standard on Related Services (CSRS) 4200, Compilation Engagements, which requires us to comply with relevant ethical requirements. Our responsibility is to assist management in the preparation of the financial information.

We did not perform an audit engagement or a review engagement, nor were we required to perform procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an audit opinion or a review conclusion, or provide any form of assurance on the financial information.

Readers are cautioned that the financial information may not be appropriate for their purposes.

Chartered Professional Accountants
Licensed Public Accountants

Toronto, Ontario
January 15, 2026

The Lake of Bays Sailing Club Inc.

Unaudited Statement of Financial Position
September 30, 2025

	<u>2025</u>	<u>2024</u>
Assets		
Current		
Cash	\$ 102,295	\$ 155,447
Cash, restricted (note 5)	6,575	6,575
Due from Sail Canada (note 5)	65,738	16,688
Inventory (note 2)	1,000	2,800
Deposits	17,200	23,504
	<u>192,808</u>	<u>205,014</u>
Land, building, dock, boats and equipment (note 4)	<u>510,142</u>	<u>467,351</u>
	<u>\$ 702,950</u>	<u>\$ 672,365</u>

Liabilities and Net Assets

Current		
Accounts payable and accrued liabilities	\$ 4,802	\$ 11,963
	<u>335,979</u>	<u>280,868</u>
Deferred contributions (note 5)		
	<u>340,781</u>	<u>292,831</u>
Total liabilities		
Net assets		
Unrestricted	115,693	169,788
Invested in capital assets	246,476	209,746
	<u>362,169</u>	<u>379,534</u>
	<u>\$ 702,950</u>	<u>\$ 672,365</u>

Approved by the Board:

_____ Director

_____ Director



The Lake of Bays Sailing Club Inc.

Unaudited Statement of Changes in Net Assets
For The Year Ended September 30, 2025

	2025			2024
	Invested in capital assets	Unrestricted	Total	Total
Net assets, beginning of year	\$ 209,746	\$ 169,788	\$ 379,534	\$ 380,543
(Deficiency) excess of revenues over expenses for the year	(32,007)	14,642	(17,365)	(1,009)
Investment in building, boats and equipment less deferred contributions	68,737	(68,737)	-	-
Net assets, end of year	\$ 246,476	\$ 115,693	\$ 362,169	\$ 379,534



The Lake of Bays Sailing Club Inc.

Unaudited Statement of Revenues and Expenses For The Year Ended September 30, 2025

	<u>2025</u>	<u>2024</u>
Revenues		
Instruction and sailing fees	\$ 190,417	\$ 184,694
Functions	25,885	38,497
Clothing sales	6,622	9,715
Membership fees	16,950	19,700
Contributions from restricted donations (note 5)	37,868	31,808
Donations	4,340	5,829
Interest and other	2,540	8,611
	<u>284,622</u>	<u>298,854</u>
Expenses		
Instructors' expense	104,719	98,021
Amortization of building, dock, boats and equipment	69,875	72,437
Fleet maintenance	34,133	12,684
Insurance	29,434	29,644
Functions	13,625	19,580
Bank and service charges	12,134	12,120
Sailing and membership	9,926	13,283
Property expenses and taxes	7,761	5,557
Accounting and legal	6,893	9,297
Cost of sales	5,930	11,625
Utilities	4,099	2,194
General and administration	3,458	8,684
Capital campaign	-	4,737
	<u>301,987</u>	<u>299,863</u>
(Deficiency) excess of revenues over expenses for the year	<u>\$ (17,365)</u>	<u>\$ (1,009)</u>



The Lake of Bays Sailing Club Inc.

Unaudited Statement of Cash Flows
For The Year Ended September 30, 2025

	<u>2025</u>	<u>2024</u>
Cash provided by (used for):		
Operating activities		
(Deficiency) excess of revenues over expenses for the year	\$ (17,365)	\$ (1,009)
Item not affecting cash:		
Amortization of building, dock, boats and equipment	69,875	72,437
Net change in non-cash working capital (note 6)	<u>7,004</u>	<u>100,879</u>
	<u>59,514</u>	<u>172,307</u>
Investing activity		
Acquisition of building improvements, boats and equipment	<u>(112,666)</u>	<u>(266,111)</u>
Change in cash during the year	(53,152)	(93,804)
Cash, beginning of year	<u>162,022</u>	<u>255,826</u>
Cash, end of year	<u>\$ 108,870</u>	<u>\$ 162,022</u>
Consisting of:		
Cash	\$ 102,295	\$ 155,447
Cash, restricted	<u>6,575</u>	<u>6,575</u>
	<u>\$ 108,870</u>	<u>\$ 162,022</u>



The Lake of Bays Sailing Club Inc.

Notes to Unaudited Financial Statements
September 30, 2025

General

The Lake of Bays Sailing Club Inc. ("Club") is incorporated without share capital under the laws of the Province of Ontario. The Club is a non-profit organization and is exempt from income taxes under Sec. 149(1)(1) of the *Income Tax Act* (Canada). The purpose of the Club is to provide a program of junior sailing instruction, to encourage sailing and sailing races, to promote an annual Regatta of competitive water sports and to promote fellowship.

1. Significant accounting policies

These financial statements are prepared in accordance with Part III of the CPA Canada Handbook – Accounting, accounting standards for not-for-profit organizations, which sets out generally accepted accounting principles for not-for-profit organizations in Canada. The significant accounting policies are as follows:

a) Cash, cash equivalents and short-term investments

Cash and cash equivalents include cash in the bank and certificates of term deposits with maturities of less than three months from inception, which are readily convertible to known amounts of cash and which are subject to an insignificant risk of loss in value. Short-term investments include certificates of term deposits and guaranteed investment certificates with maturities greater than three months from inception.

b) Land, building, dock, boats and equipment

Land, building, dock, boats and equipment are recorded at cost. Amortization is provided on the straight-line basis at the following rates:

Building (old)	Straight line basis over 10 years
Building improvements	Straight line basis over 15 years
Boats and equipment	Straight line basis over 5 years
Boats - C420s	Straight line basis over 10 years
Computer equipment	Straight line basis over 3 years
Dock	Straight line basis over 20 years

c) Inventories

Inventories are valued at lower of cost and net realizable value.

d) Revenue recognition

The Club 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 and other revenue are recognized when received or receivable if the amount can be reasonably estimated and collection is reasonably assured.

The Lake of Bays Sailing Club Inc.

Notes to Unaudited Financial Statements
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e) Financial instruments

The measurement of financial instruments

The Club initially measures its financial assets and liabilities at fair value. The Club subsequently measures all its financial assets and financial liabilities at cost or amortized cost, as it does not have investments in equity instruments quoted in an active market.

Financial assets measured at cost or amortized cost include cash, restricted cash and due from Sail Canada. Financial liabilities measured at cost or amortized cost include accounts payable and accrued liabilities.

Impairment

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in the statement of revenue and expenses. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in excess (deficiency) of revenues over expenses.

Transaction costs

The Club recognizes its transaction costs in the statement of revenue and expenses in the period incurred. However, financial instruments that will not be subsequently measured at fair value are adjusted by the transaction costs that are directly attributable to their origination, issuance or assumption.

f) Measurement uncertainty

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires the Club to make estimates and assumptions which affect the recognition, measurement and disclosure of amounts reported in the financial statements and accompanying notes. The reported amounts and note disclosures are determined using the Club's best estimates based on assumptions that reflect the most probable set of economic conditions and planned courses of action. Actual results will differ from such estimates.

2. Inventory

Inventory consists of apparel and gear for resale.

The Lake of Bays Sailing Club Inc.

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3. Change in estimate

During the year, the Club changed the amortization period for its C420 sailboats from straight line over 5 years to straight line over 10 years to better reflect the useful life of these sailboats. The change in estimate has been accounted for prospectively and resulted in reduction of amortization in the current period of \$15,027.

4. Land, building, dock, boats and equipment

Land, building, dock, boats and equipment consist of the following:

	2025		2024	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Boats and equipment	\$ 540,473	\$ 460,684	\$ 79,789	\$ 92,389
Building	278,637	243,507	35,130	40,148
Building improvements	52,682	4,177	48,505	-
Dock	258,534	24,680	233,854	230,493
Land	22,986	-	22,986	22,986
Boats - C420s	138,398	48,520	89,878	81,335
	<u>\$ 1,291,710</u>	<u>\$ 781,568</u>	<u>\$ 510,142</u>	<u>\$ 467,351</u>

5. Deferred contributions

Deferred contributions consist of the following:

	2025	2024
Heritage Fund	\$ 9,510	\$ 10,699
The Memorial Fund	21,403	23,257
Deferred contribution balance on the purchase of boats, dock and building improvements	<u>305,066</u>	<u>246,912</u>
	<u>\$ 335,979</u>	<u>\$ 280,868</u>

Restricted cash and short-term investment consists of unspent contributions as follows:

	2025	2024
The Memorial Fund	<u>\$ 6,575</u>	<u>\$ 6,575</u>



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The Heritage Fund consists of restricted donations received by the Club for the restoration and preservation of the LBSC Clubhouse, a heritage building. These contributions are initially recorded as deferred contributions. Contributions are recognized as revenue in the same period as the related restoration and preservation expenditures for the Clubhouse are expensed. Contributions revenue of \$1,189 (2024: \$1,189) has been recognized in the current year.

The Memorial Fund was established in 1999 in memory of Brian Schaal, a very well liked sailing instructor whose refreshing sense of humour made an important contribution to the special spirit and character of the Club. The establishment of the Fund is a tribute to Brian's impact on other lives. Contributions to the Memorial Fund are for the restoration and preservation of the LBSC Clubhouse. Donations received are initially recorded as deferred contributions. Contributions are recognized as revenue in the same period as the related restoration and preservation expenditures for the Clubhouse are expensed. Contributions revenue in the amount of \$1,854 (2024: \$1,854) has been recognized in the current year. Contributions received for the year ended September 30, 2025 was \$0 (2024: \$0) and the total unspent contributions of \$6,575 is recorded on the statement of financial position as cash, restricted.

Donations restricted for the purchase of boats, dock and building are initially recorded as deferred contributions. Contributions are recognized as revenue in the same period as the amortization of the assets purchased are expensed. During the year, the Club received restricted donations of \$92,979. Contributions revenue of \$34,825 (2024: \$28,765) has been recognized in the current year, unspent contributions of \$65,738 (2024: \$16,688) is recorded on the statement of financial position as Due from Sail Canada.

6. Net change in non-cash working capital

The net change in non-cash working capital is as follows:

	<u>2025</u>	<u>2024</u>
(Increase) decrease in:		
Due from Sail Canada	\$ (49,050)	\$ (16,688)
Inventory	1,800	836
Deposits	6,304	63,467
Increase (decrease) in:		
Accounts payable and accrued liabilities	(7,161)	8,363
Deferred contributions	55,111	44,901
	<u>\$ 7,004</u>	<u>\$ 100,879</u>



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7. Financial instruments

The Club is exposed to various risks through its financial instruments, without being exposed to concentrations of risk. The following analysis provided a measure of the Club's risk exposure at year-end.

a) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Club's main credit risk relate to its accounts receivable. The Club provides credit to its members in the normal course of its operations.

b) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Club is exposed to the risk mainly in respect to its accounts payable and accrued liabilities.

c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Club is not subject to significant interest rate risk.

d) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Club may realize some of its expenditures in U.S. Dollars for the purchase of boats, parts and accessories. Consequently, some liabilities and expenses are exposed to foreign exchange fluctuations. At September 30, 2025, the Club did not have any assets or liabilities denominated in U.S. Dollars.