

WINDSOR YACHT CLUB

FINANCIAL STATEMENTS

(Prepared Without Audit)

OCTOBER 31, 2025

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INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Members of the Windsor Yacht Club

We have reviewed the accompanying financial statements of the Windsor Yacht Club, which comprise the statement of financial position as at October 31, 2025 and the statements of revenue, expenditures and accumulated 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 Windsor Yacht Club as at October 31, 2025, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Windsor, Ontario
November 27, 2025

Popp Leno Jones LLP

Chartered Professional Accountants
Licensed Public Accountants

WINDSOR YACHT CLUB

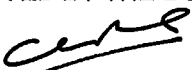
STATEMENT OF FINANCIAL POSITION


(Prepared Without Audit)

	October 31	
	<u>2025</u>	<u>2024</u>
ASSETS--NOTES E AND F		
CURRENT ASSETS - OPERATING FUND		
Accounts receivable--Note C	227,439	234,240
Inventory	76,720	85,664
Prepaid expenses	<u>25,707</u>	<u>26,787</u>
	329,866	346,691
CURRENT ASSETS - CAPITAL FUND		
Term deposit, 3.1%, matures October 28, 2026	714,523	565,589
Accounts receivable	<u>22,635</u>	<u>20,434</u>
	737,158	586,023
PROPERTY, BUILDING AND EQUIPMENT--NOTE D		
Land	244,054	244,054
Club building, grounds, and docks	3,580,771	3,550,065
Pool	42,200	42,200
Furniture and equipment	1,301,073	1,260,008
Computer equipment	94,886	84,805
Fence	<u>21,262</u>	<u>21,262</u>
	5,284,246	5,202,394
Less accumulated amortization	<u>2,836,605</u>	<u>2,681,964</u>
	2,447,641	2,520,430
	<u>\$ 3,514,665</u>	<u>\$ 3,453,144</u>
LIABILITIES AND ACCUMULATED NET ASSETS		
CURRENT LIABILITIES		
Cheques issued in excess of bank balance	\$ 127,127	\$ 33,025
Accounts payable and accrued liabilities	181,728	143,044
Government remittances payable	66,471	86,262
Unearned revenue	66,780	62,135
Current portion of long-term debt--Note F	<u>1,261,708</u>	<u>43,978</u>
	1,703,814	368,444
LONG-TERM DEBT--NOTE F		
	-	1,472,971
ACCUMULATED NET ASSETS		
Invested in property, building and equipment	1,185,933	1,003,481
Internally restricted for capital fund purposes	737,158	586,023
Unrestricted	<u>(112,240)</u>	<u>22,225</u>
	1,810,851	1,611,729
	<u>\$ 3,514,665</u>	<u>\$ 3,453,144</u>

COMMITMENTS--NOTE I

APPROVED BY THE BOARD


Commodore


Treasurer

See notes to financial statements

WINDSOR YACHT CLUB

STATEMENT OF REVENUE AND EXPENDITURES

(Prepared Without Audit)

	Year Ended October 31	
	<u>2025</u>	<u>2024</u>
Revenue		
Membership dues	\$ 671,274	\$ 669,793
Boat well rentals and daily docking fees--Schedule 1	328,466	320,999
Bar and galley--Schedule 2	1,445,974	1,455,785
Other revenue (expense)	(9,845)	20,906
Discretionary contributions from members--Note G	-	10,100
	<u>2,435,869</u>	<u>2,477,583</u>
Cost of sales--Schedules 1 and 2		
Wages and benefits	747,125	826,321
Food and beverage	447,562	558,821
Supplies	94,083	96,395
Repairs, maintenance and rental	49,154	20,253
Laundry, linens and sanitation	71,852	68,507
Property taxes	30,000	30,000
Rent--Note I	30,000	30,000
Insurance	14,472	12,924
	<u>1,484,248</u>	<u>1,643,221</u>
GROSS MARGIN	951,621	834,362
General and administrative expenses		
Office salaries	282,636	300,784
Utilities	109,036	104,185
Property taxes	45,053	42,171
Computer system costs	61,930	51,051
Insurance	46,344	45,024
Janitorial services, laundry and linen	85,825	69,042
Office expenses and telephone--Note I	43,293	49,713
Repairs and maintenance	35,125	17,857
Log and roster	25,546	23,437
Bank charges and merchant fees	23,780	21,842
Dues and licenses	14,377	9,749
Miscellaneous	9,870	7,831
Professional fees	6,500	6,000
Bad debt expense	3,040	3,468
Membership drives and initiatives	2,800	-
	<u>795,155</u>	<u>752,154</u>
EXCESS OF REVENUE OVER EXPENDITURES FROM OPERATIONS	156,466	82,208
Other items		
Net capital fund contributions--Schedule 3	172,499	155,401
Canada Carbon Rebate	24,798	-
Amortization	(154,641)	(163,693)
	<u>42,656</u>	<u>(8,292)</u>
EXCESS OF REVENUE OVER EXPENDITURES	\$ 199,122	\$ 73,916

See notes to financial statements

WINDSOR YACHT CLUB**STATEMENT OF ACCUMULATED NET ASSETS****YEAR ENDED OCTOBER 31, 2025**

	Invested In Property Building and Equipment	Internally Restricted For Capital Fund Proposes	Unrestricted	Total 2025	Total 2024
Balance at beginning of year	\$ 1,003,481	\$ 586,023	\$ 22,225	\$ 1,611,729	\$ 1,537,813
Excess of revenue over expenditures	(154,641)	172,499	181,264	199,122	73,916
Net additions to property, building and equipment	81,852	-	(81,852)	-	-
Decrease in long-term debt	255,241	-	(255,241)	-	-
Net cash transfers	-	(103,530)	103,530	-	-
Interest on long-term debt	<u>-</u>	<u>82,166</u>	<u>(82,166)</u>	<u>-</u>	<u>-</u>
Balance at end of year	<u>\$ 1,185,933</u>	<u>\$ 737,158</u>	<u>\$ (112,240)</u>	<u>\$ 1,810,851</u>	<u>\$ 1,611,729</u>

See notes to financial statements

WINDSOR YACHT CLUB**STATEMENT OF CASH FLOWS**

(Prepared Without Audit)

	Year Ended October 31	
	<u>2025</u>	<u>2024</u>
CASH FLOWS PROVIDED BY (USED FOR):		
OPERATING ACTIVITIES		
Excess of revenue over expenditures	\$ 199,122	\$ 73,916
Items not affecting cash		
Amortization	154,641	163,693
Changes in non-cash components of working capital		
Accounts receivable	4,600	13,704
Inventory	8,944	19,156
Prepaid expenses	1,080	(1,570)
Accounts payable and accrued liabilities	38,684	(18,865)
Government remittances payable	(19,791)	25,999
Unearned revenue	<u>4,645</u>	<u>754</u>
	391,925	276,787
FINANCING ACTIVITIES		
Decrease in long-term debt	(255,241)	(40,998)
Decrease in CEBA loan payable	<u>-</u>	<u>(40,000)</u>
	(255,241)	(80,998)
INVESTMENT ACTIVITIES		
Additions to property, building and equipment	(81,852)	(88,605)
Purchase of term deposit	<u>(148,934)</u>	<u>(146,626)</u>
	(230,786)	(235,231)
DECREASE IN CASH	(94,102)	(39,442)
Cash (cheques issued in excess of bank balance) at beginning of year	<u>(33,025)</u>	<u>6,417</u>
CHEQUES ISSUED IN EXCESS OF BANK BALANCE AT END OF YEAR	<u>\$ (127,127)</u>	<u>\$ (33,025)</u>

See notes to financial statements

WINDSOR YACHT CLUB

NOTES TO FINANCIAL STATEMENTS

(Prepared Without Audit)

OCTOBER 31, 2025

A. GENERAL

Windsor Yacht Club was incorporated under the Ontario Corporations Act for the purpose of providing dockage, dining and Club facilities to its members. The Club is exempt from income taxes under section 149 of the Income Tax Act.

B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING: These financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations.

BASIS OF PRESENTATION: The Financial statements are presented on the modified fund basis of accounting. The Club utilizes an operating and a capital fund.

OPERATING FUND: The operating fund reflects the day-to-day revenue and expenditures of the Club.

CAPITAL FUND: The capital fund has been established for the purpose of accumulating funds to finance repayments on long-term debt. Capital fund revenue consists primarily of a monthly capital charge to members. Interest on long-term debt is recorded as an expense of the capital fund.

FINANCIAL INSTRUMENTS: The Club's financial instruments consist of accounts receivable, accounts payable and accrued liabilities, government remittances and long-term debt. The Club initially measures its financial assets and financial liabilities at fair value. The Club subsequently measures all of its financial assets and financial liabilities at amortized cost.

INVENTORIES: Inventories are valued at the lower of cost and net realizable value. Cost is determined on the first in, first out basis and represents the cost of food, beverages and merchandise inventory for resale.

PROPERTY, BUILDING AND EQUIPMENT: Property, building and equipment are recorded at cost. Amortization is calculated over the estimated useful lives using the declining balance method at the following annual rates:

Club building, grounds, pool and docks	5 %
Furniture and equipment	20 %
Computer equipment	30 %
Fence	8 %

Additions during the current year are amortized at one-half the annual rate.

The Club reviews the carrying value of equipment and leasehold improvements for impairment when events or changes in circumstances indicate an asset's value may not be recoverable.

UNEARNED REVENUE: Membership dues billed one month in advance are included in unearned revenue and are recognized in income in the year to which they relate. Members have the option to prepay their annual dues in full. These payments were included in unearned revenue and are being taken into income evenly over the period to which they relate.

REVENUE RECOGNITION: Revenue is recognized when persuasive evidence of an arrangement exists, the goods or services are delivered or performed, the price is fixed or determinable, and collection is reasonably assured. Initiation fees are recognized when cash is received upon commencement of membership. Special assessment revenue is recognized when resolutions are authorized by the Board of Directors and collection is reasonably assured.

WINDSOR YACHT CLUB

NOTES TO FINANCIAL STATEMENTS (Continued)

(Prepared Without Audit)

B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

USE OF ACCOUNTING ESTIMATES: The preparation of financial statements requires management to make estimates and assumptions that effect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues expenses during the reporting period. Actual results could differ from these estimates.

REMUNERATION OF DIRECTORS: The Board of Directors are not remunerated for their services and no provision has been made in the financial statements for the value of these services.

C. ACCOUNTS RECEIVABLE

	<u>2025</u>	<u>2024</u>
Accounts receivable - operating fund	\$ 230,939	\$ 237,740
Allowance for doubtful accounts	<u>(3,500)</u>	<u>(3,500)</u>
	<u>\$ 227,439</u>	<u>\$ 234,240</u>

D. PROPERTY, BUILDING AND EQUIPMENT

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>2025 Net</u>	<u>2024 Net</u>
Land	\$ 244,054	\$ -	\$ 244,054	\$ 244,054
Club building, grounds, and docks	3,580,771	1,662,919	1,917,852	1,980,109
Pool	42,200	20,000	22,200	23,372
Furniture and equipment	1,301,073	1,054,009	247,064	262,631
Computer equipment	94,886	81,417	13,469	7,001
Fence	<u>21,262</u>	<u>18,260</u>	<u>3,002</u>	<u>3,263</u>
	<u>\$ 5,284,246</u>	<u>\$ 2,836,605</u>	<u>\$ 2,447,641</u>	<u>\$ 2,520,430</u>

E. OPERATING LINE OF CREDIT

The Club has an authorized line of credit of \$375,000 of which \$150,000 (2024 - \$150,000) remained unused at year-end. The line of credit bears interest at the prime interest rate. It is secured by a second mortgage over land and building located at 9000 Riverside Drive East and a general security agreement over assets.

WINDSOR YACHT CLUB

NOTES TO FINANCIAL STATEMENTS (Continued)

(Prepared Without Audit)

F. LONG-TERM DEBT

	<u>2025</u>	<u>2024</u>
Mortgage payable, bearing interest at 6.15%, maturing on May 20, 2026, payable in monthly installments of principal and interest of \$8,575; secured by land and building, and a general security agreement over all assets.	\$ 1,261,708	\$ 1,287,136
Term loan payable, bearing interest at 6.85%, maturing August 16, 2028, payable in monthly installments of principal and interest of \$2,809; secured by land and building, and a general security agreement over all assets, balance paid in full during the year.	-	229,813
	1,261,708	1,516,949
Less current portion	<u>1,261,708</u>	<u>43,978</u>
	<u>\$ -</u>	<u>\$ 1,472,971</u>

Minimum principal payments due over the next year is approximately as follows:

2026	\$ 1,261,708
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Under the terms of the WFCU Commercial Banking agreement, the Club must satisfy certain restrictive covenants as to minimum financial ratios. The Club was in compliance with these covenants at October 31, 2025.

G. CONTRIBUTIONS FROM MEMBERS

During the year, contributions of \$nil (2024 - \$10,100) were received from members towards facility upgrades. These contributions were voluntary and made at the members' discretion. No provision has been made in these statements to defer the contributions and match against amortization given the quantum and nature of the items for which the contributions were received.

H. RELATED PARTY TRANSACTIONS

Transactions with related parties are in the normal course of business and at normal trade terms.

WINDSOR YACHT CLUB

NOTES TO FINANCIAL STATEMENTS (Continued)

(Prepared Without Audit)

I. COMMITMENTS

The Club has entered into an agreement for the lease of office equipment. Future minimum payments total \$1,054 over the next year as follows:

2026	\$	1,054
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In 2020, the Club entered in an agreement with the Windsor Port Authority for the lease of the Riverside Marina. The term of the lease is for a period of 60 years commencing on January 1, 2020 and maturing on December 31, 2079. The yearly rent will be \$30,000, payable in monthly installments of \$2,500. In each five year increment, the yearly rent to be paid will be negotiated by the parties.

J. FINANCIAL INSTRUMENTS

CREDIT RISK: Credit risk arises from the potential that a counterparty will fail to perform its obligations. The Club has a large number of diverse customers which minimizes the concentration of credit risk.

INTEREST RATE RISK: The mortgage loan bears interest at a fixed rate. The operating line of credit bears interest at the prime rate per annum and is unused at the current year end. The Club holds interest-bearing investments at a fixed rate.

LIQUIDITY RISK: Liquidity risk is the risk that the Club will encounter difficulty in meeting obligations associated with financial liabilities. Cash flow from operations provides a substantial portion of the Club's cash requirements. Additional cash requirements are met with the use of bank borrowings and special assessments when necessary.

K. COMPARATIVE AMOUNTS

Certain comparative amounts have been reclassified to conform to the presentation adopted in the current year.

WINDSOR YACHT CLUB**SCHEDULE OF BOAT WELL RENTALS**

(Prepared Without Audit)

Schedule 1

	Year Ended October 31	
	<u>2025</u>	<u>2024</u>
Revenue		
Boat well rentals	\$ 322,818	\$ 315,984
Daily docking fees	<u>5,648</u>	<u>5,015</u>
	328,466	320,999
Direct expenses		
Yards and docks wages	77,592	79,192
Insurance	14,472	12,924
Property taxes	30,000	30,000
Supplies and miscellaneous	25,432	14,962
Rent--Note I	30,000	30,000
Repairs and maintenance	<u>15,957</u>	<u>6,372</u>
	<u>193,453</u>	<u>173,450</u>
EXCESS OF REVENUE OVER EXPENSES	<u><u>\$ 135,013</u></u>	<u><u>\$ 147,549</u></u>

Indirect expenses, such as utilities and general and administrative relating to the boat wells and docks is reflected in general and administrative expenses. These expenses are not included in the above schedule.

SCHEDULE OF BAR AND GALLEY OPERATIONS

(Prepared Without Audit)

Schedule 2

	Year Ended October 31	
	<u>2025</u>	<u>2024</u>
Revenue		
Galley	\$ 921,980	\$ 930,070
Bar	505,541	505,334
Unspent minimums	12,263	6,649
Special events	<u>6,190</u>	<u>13,732</u>
	1,445,974	1,455,785
Food and beverage	<u>447,562</u>	<u>558,821</u>
GROSS PROFIT	998,412	896,964
Direct expenses		
Wages and benefits	669,533	747,129
Supplies	68,651	81,433
Laundry, linens and sanitation	71,852	68,507
Repairs and maintenance	23,416	5,470
Delivery	2,149	3,239
Equipment rentals	<u>7,632</u>	<u>5,172</u>
	<u>843,233</u>	<u>910,950</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	<u><u>\$ 155,179</u></u>	<u><u>\$ (13,986)</u></u>

WINDSOR YACHT CLUB**SCHEDULE OF EARNINGS - CAPITAL FUND**

(Prepared Without Audit)

Schedule 3

	Year Ended October 31	
	<u>2025</u>	<u>2024</u>
Revenue		
Member contributions	\$ 232,041	\$ 226,432
Interest earned on term deposit	<u>22,624</u>	<u>24,577</u>
	254,665	251,009
Expense		
Interest on long-term debt	<u>82,166</u>	<u>95,608</u>
EXCESS OF REVENUE OVER EXPENSES	<u>\$ 172,499</u>	<u>\$ 155,401</u>

Total principal and interest payments for the year were \$337,407 (2024 - \$176,065).