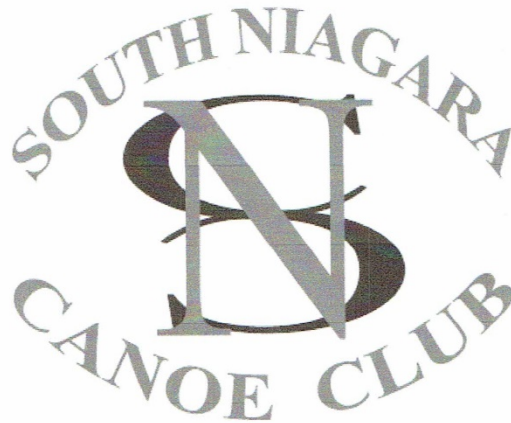

South Niagara Canoe Club

Annual Report to the Membership

2015



Background:

South Niagara Canoe Club (SNCC) was established in 2008 offering paddling sports (sprint canoe/kayak and dragon boat) to people of all ages and abilities. Located on the scenic Welland Recreational Canal, where we offer a wide range of programs from Canoe Kids Camp through to competitive sprint and dragon boat programs. 2015 represents the 8th full year of operation of SNCC.

The Club was founded through cooperative efforts of the Welland Recreational Canal Corporation (WRCC) and the Western Ontario Division of Canoe Kayak Canada (WOD) and located at the North Course of the Welland International Flatwater Centre. The club moved to its current location, the Pen Financial Flatwater Community Centre, in 2010. SNCC was initially supported through 3 years of financial subsidies provided by the WRCC; the Club became financially independent in 2011.

The 2015 season represents the 2nd season with a club manager, Richard Dalton, funded through a 3 year Trillium grant (2014-2017). Richard started in April 2014 and continues to be a critical member of the SNCC team, not only in his capacity as manager, but also as a highly valued coach, who is making great strides with our canoe/kayak programs. Furthermore, 2015 was the first season that we offered both dragon boat and canoe/kayak winter training.

Mission of SNCC:

To provide a safe and inclusive environment that offers participants the opportunity to participate in the sports of sprint canoe/kayak and dragon boat through a variety of competitive and non-competitive programs.

Strategy:

The continued focus of our program delivery has been on the introduction of people to paddling sports. Ongoing efforts have also been focused on grass roots paddling at younger ages, with emphasis on our canoe kids camp program and elementary racing program. These programs give more exposure of paddling to younger members of the greater Niagara community. This represents a long-term growth strategy as exposure of this age group to our sprint programs will hopefully lead to increased enrolments in these programs.

We continued to offer a variety of paddling programs this past season to club members and members of the community, including: Elementary Sprint Canoe/Kayak, Developmental Sprint Canoe/Kayak, Canal Dragons (recreational mixed dragon boat crew), Hope Floats (a women's dragon boat crew that includes many Breast Cancer Survivors), and Warlocks (a mixed competitive dragon boat crew).

A focus again this year was to maintain the gains in club communications with

members that were made last summer. To this end, we continued with our social media initiatives, which included our formal Facebook page and Twitter ([@SNCC4](http://www.facebook.com/southniagaracanoecub.canoe.kayak.dragonboat)). We continued to work on our club website (www.southniagaracanoecub.ca). Our website has been critical in the success of our Canoe Kids Camp program, as feedback continues to demonstrate that most participants find us through the website. Our website received 130,000 hits this past year, with each month during the peak of the season having more than 12,000 hits.

Fundraising continues to be an ongoing priority with our club. We struck a fundraising committee this year to try to coordinate our efforts. We ran our second annual cash lottery with great success, and we also attempted a car boot sale, however, based on poor subscription for the event, it ended up being cancelled. We also received some modest volunteer stipends based on our club members volunteering at events at the WIFC.

We also ran a community-based event in June, Battle With A Paddle, which was a food drive and dragon boat event for local secondary schools. A large amount of work went into trying to develop this event. The day of the event went very well and all those involved had a good time and we raised a substantial amount of food for local food banks. However, no new memberships resulted from the event.

We had hoped to undertake a strategic planning process in 2015, however with the numerous events that occurred at SNCC and the WIFC, this did not happen. We will need to undertake a formal strategic planning process this winter, to develop a clear vision and strategy for moving the organization forward and to better represent the vision of the majority of members and other stakeholders.

Goals and Performance:

Club Membership:

In 2015 the Club's membership increased ~13% over 2014 (Figure 1). Canoe/kayak memberships were stable (Figure 2A), while we observed increased membership in two of our dragon boat programs and a slight decline in one (Figure 2B).

Figure 1. Total club member numbers by year.

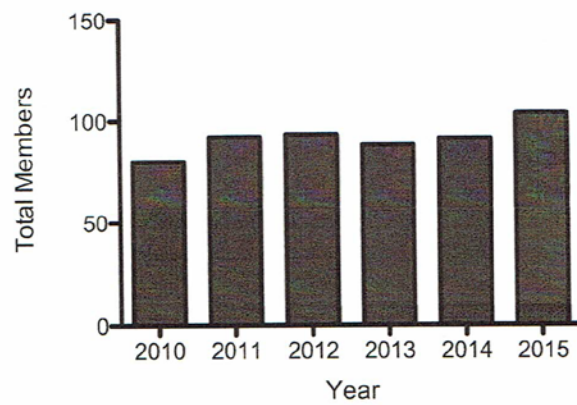
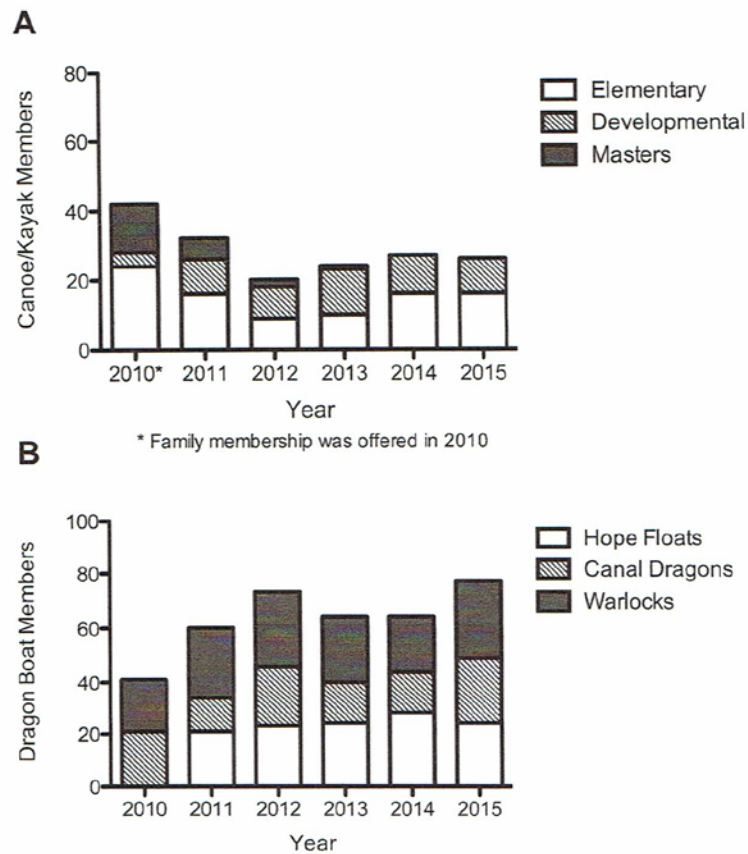
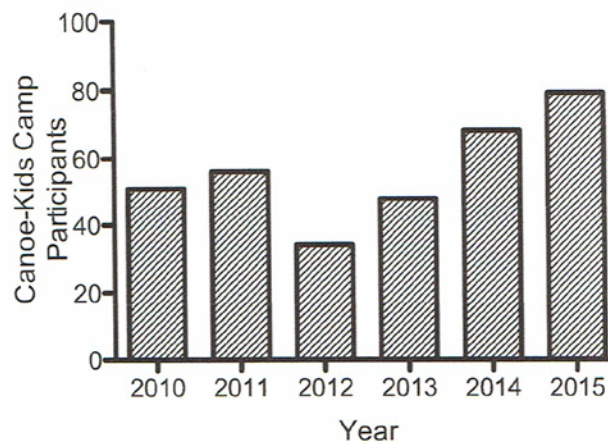


Figure 2. Canoe/Kayak (A) and Dragon Boat (B) member numbers by year.



We continued to provide an increase in the amount of community programming we offer in order to help diversify the clubs income, offset costs to members, and expose more people to paddle sports. In the last 3 years we have seen a continued increase in canoe-kids camp enrolment, and this season we had another very healthy increase (Figure 3), in fact this season was our best year ever for enrolment in this program. We also better controlled costs of delivering this program, increasing net revenues for this program. The fee for our canoe-kids camp this season was increased slightly, and we also increased the staffing of this program for more heavily subscribed weeks. We continue to be limited in our ability to offer a full day program due to the nature of our building (cannot sustain a group of 10 if the weather is inclement over a 6 hour day). We are continuing our discussions with Recreation Services at Brock University about the possibility of offering our Canoe Kids Camp in collaboration with the summer Brock Sports Camps. It is our goal to have two camp groups run each day, a morning group and an afternoon group. This would allow for a substantial increase in the number of camp participants and would provide for full-time hours for our camp staff.

Figure 3. Canoe-Kids Camp enrolment by year.



Club Visibility:

We continued to try to raise the profile of the club within the community. In this regard, we continued with advertising, and continued to improve and maintain our website. As in past years, Board members and paddlers attended a number of community events to promote the club and the many programs we offer.

2015 had a number of high profile paddling events in Welland, including the

Canoe-Kayak events of the Pan-Am Games and the World Dragon Boat Racing Championships. We had many visiting crews and teams rent boats and access to our club this summer, and we also had our members serving as volunteers at these events.

Financial highlights:

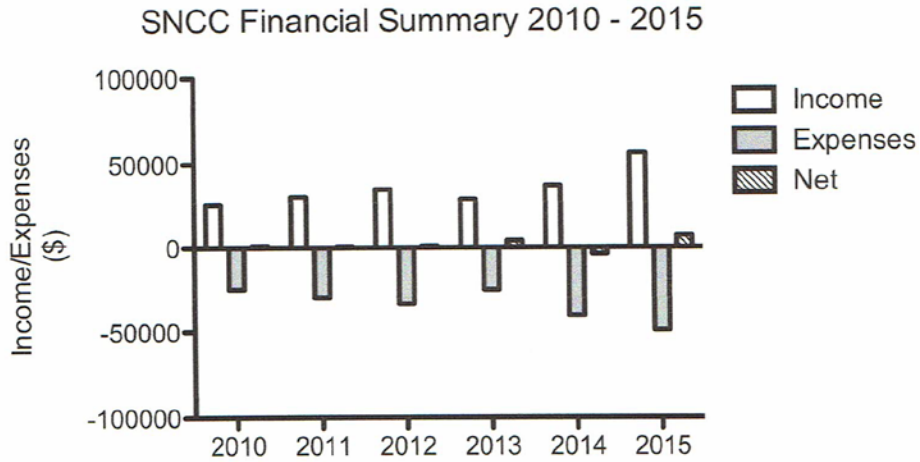
The Club ended the 2015 season with a net profit of \$7,182.88 (Figure 4). Furthermore, our bank balance as of Oct. 31, 2015 was \$16,388.12. There were a number of significant revenue generating rental opportunities for our Club this year, mostly related to the events being held at the WIFC this season. Overall, we experienced increases in both revenues (52%) and expenses (20%). The large increase in revenues mostly resulted from dragon boat rentals and training camps related to the WIFC hosting the World Dragon Boat Racing Championships. The club would have been in a net deficit if it had not been for these one off rentals/training camps. Please note that our on going Trillium Grant for our club manager position (\$33,000.00/yr) is not included in our revenues, and the club manager salary is not included in our expenses.

The club transitioned into a new pricing model for the 2015 season. This involved the payment of an annual membership fee and then the purchase of programming. The goal of this model was for membership fees to contribute to the fixed costs of the club, and the programming fees to cover the costs of delivering programming and the upkeep, maintenance, and investment in new equipment for the club. This new structure led to \$7,245.33 in total membership fees being collected, while our fixed costs came in at \$10,592.40. The club incurred a number of expenses related to repair and maintenance of equipment, acquisition of new equipment, accounting/auditing, and coaching. There needs to be a continued emphasis on the recruitment of members to help increase revenues, additionally there needs to be some consideration of ways of developing additional revenue streams for infrastructure investments, as we are in need of some "big ticket items", and we will need to start to consider replacing some of our dragon boats in the next few years. It is likely a good idea to have targeted fundraising goals/objectives for our different member groups. For example, canoe/kayak is in need of a trailer for transport of boats to competitions, so their capital fundraising goal could be to raise money for such a trailer, while dragon boat programs could benefit from another coach boat or a small dragon boat, which could serve as their fundraising goal. The different fundraising initiatives that are undertaken in 2016 could be put towards such capital projects, rather than operating expenses. Annual membership fees need to eventually cover the club's fixed costs; this can be achieved through two ways, increased membership fees and/or increased number of members.

We also need to increase revenues to be able to cover the costs of a full time club manager after the end of our Trillium grant in early 2017. The most likely way

for us to raise such revenues is through the running of two for profit dragon boat events.

Figure 4. Overall SNCC Revenues, Expenses, and Net.



Fundraising Methods and Outcomes:

We achieved another major milestone in 2015 with SNCC receiving its second Trillium Grant from the Ontario Trillium Foundation in collaboration with the WRCC and Dragon Boat Canada. The total value of the grant was \$123,800, and was used for the purchase of dragon boats for the World Championships. Our partnering in this grant gives our club access to these boats for racing events. This allows the club a new and potentially very lucrative revenue stream through the hosting and running of dragon boat events. Another fundraising initiative this year included our second annual early season cash lottery. We also received some small volunteer stipends from events at the WIFC. We provided an extremely large number of dragon boat rentals to various groups, including the Canadian National Teams and visiting teams from other countries. Our sponsorship program with Boston Pizza in Welland was also continued, where the Club receives an annual 10% return on all money spent at Boston Pizza by our members or people who say they are associated with our Club. We also received a number of donations from corporations, businesses, other canoe clubs, and members. Most notably, Balmy Beach Canoe Club provided us with the long-term loan of a war canoe, and the OCSRA provided us with a safety boat and motor for the season. Finally, one of our coaches, Sally Rennick, donated all of her coaching income to the club, which

represented a \$2160.00 donation to the club.

We need to continue to strengthen our efforts in the implementation of our fundraising, sponsorship, and donation strategies. We need to get more members involved, as the board needs more assistance in seeking out long-term ongoing sponsorships and donors for our club.

It should be noted that all of the dragon boat rentals this year made for a very large increase in revenues. This was likely a one-time increase in revenue that will not be sustained into future years, unless another major World Dragon Boat event is held at the WIFC. A major goal for the upcoming season should be to take full advantage of the new racing dragon boats and run our own for profit dragon boat events.

We also received a \$5,000 grant through the RBC Learn to Play Program for the acquisition of 5 age appropriate sprint canoes to develop a girls canoe program. We have acquired one of these boats and 4 more new canoes will be arriving in the late winter or early spring.

Outlook for the Future:

In 2015, paddlers from around the world and from across Canada continued to comment on how beautiful our waterway and club facilities are, and they all wish that they could paddle here regularly. The majority of the Canadian National Dragon Boat Teams visited at least once this season and held training camps. We also had, the Australians, British and USA teams visit. The feedback from the coaches and athletes was outstanding. They all hope to return and train and race on our water in the future. We also had a number of national canoe-kayak teams train out of our facility in lead up the Pan Am Games. We also had a number of Team Ontario camps and an OCup race event at our Club.

We continue to have great success as individual paddlers and as a club. Many athletes achieved personal bests this season, and many of our dragon boat teams also experienced success. We had a number of athletes win medals here at home as part of their respective age group national teams for the Canadian National Dragon Boat team. We are very proud of everyone's success and hope that it continues into 2016!

With our growth and need to optimize how the club functions from a business perspective, the board feels it is time to make an investment in our business operations side with the purchase of a member database management system. The board is currently investigating different commercial options for such a system, as many different systems are available for non-profit operations. The goal is to come up with a system that can consolidate the many different business components of the club into a single system (website, member database, payment system, calendar/booking system and event management system). We hope to have

a new system in place for the start of the spring/summer season.

Organizational Structure and Leadership:

This is a statement that continues to be repeated year after year, but we need to continue to get more members involved in running the club. We are a not for profit that relies on members to help share the load of running our club. There have been a number of resignations from the board this year that need to be filled. We have big dreams and aspirations for our paddlers with what they can achieve with all of our help. We want to encourage more members to get involved with the administration and running of the club.

We need members to continue assist in promoting the club through the sharing of our social media posts and for members to bring friends out to come and try canoe/kayak and dragon boat. We also need committed volunteers to invest time on the board of directors to develop and launch new strategies to continue to grow our various programs and to fundraise to make capital investments in our club.

Governance:

We had new members on SNCC's board of directors this year and I would ask the membership to extend a large thank you for their dedicated service. The members who served on the board in 2015 were: Sandy Jones, Ian Tate, Sally Rennick, Glenna Landry, Carolyn Goodwin, Lynda Bridgeman, Anna Dennis, Heather Albano, Janet Corbett, Kathleen Reardon and Brian Roy. Returning board members for 2016 include: Ian Tate, Brian Roy, Lynda Bridgeman, Carolyn Goodwin, Anna Dennis, Heather Albano, Kathleen Reardon, and Glenna Landry. New board members will be determined at the AGM. Sally Rennick and Sandy Jones have given notice that they will not be returning to the board for 2016. The resignation of Sally and Sandy from the board is a huge loss and we must acknowledge the huge contribution that they both have made over the last number of years to the club and the board. Sandy modernized our accounting processes and was critical in facilitating the financial health of our club. Sally has done so many things to help our club from an administrative perspective that they are too numerous to mention. Both Sandy and Sally will be greatly missed.

Opportunities:

Looking forward to 2016 we need a renewed focus on diversification of our revenue generating streams to help prepare for the end of our Trillium grant. It was an outstanding year of growth of some of our programs. We would like to carry a

renewed momentum of excitement and continue to work on building our club. This will continue to take commitment and hard work from all members, as we need to insure the sustainability of our club. We need to have a renewed focus on fundraising for capital projects, for profit events, improved business operations, member growth, and the development of a strategic plan.



South Niagara Canoe Club - November 1, 2014 - October 31, 2015

Statement of Loss and Net Assets

Revenue

Canoe Kids Camp	\$ 7,247.11
Canoe/Kayak Membership	\$ 8,374.26
Yoga	\$ 222.42
Contributors	\$ 11,160.00
Dragonboat	\$ 16,222.59
Fundraising	\$ 1,170.00
Rentals	\$ 4,575.00
Annual fees	\$ 7,245.33

TOTAL REVENUE

\$ 56,216.71

Expenses

		<u>HST</u>	
Advertising & Promotion	\$ 1,435.00	\$ 186.55	\$ 1,621.55
Bank charges & interest	\$ 202.59	N/A	\$ 202.59
Banquets/Meetings	\$ 194.95	\$ 25.34	\$ 220.29
Boathouse costs	\$ 633.87	\$ 82.40	\$ 716.27
Coaching/Steering	\$ 22,772.00	\$ 727.35	\$ 23,499.35
Dues & Fees	\$ 2,585.90	\$ 143.00	\$ 2,728.90
Insurance	\$ 3,285.00	\$ 262.80	\$ 3,547.80
WRCC re-payment	\$ 3,279.44	N/A	\$ 3,279.44
Interest on WRCC re-payment	\$ 117.40	N/A	\$ 117.40
Office supplies	\$ 731.90	\$ 95.15	\$ 827.05
Professional fees	\$ 2,500.00	\$ 325.00	\$ 2,825.00
Repairs/maintenance/fuel	\$ 626.96	\$ 83.76	\$ 710.72
Equipment	\$ 2,938.12	\$ 437.21	\$ 3,375.33
Paddle Tank	\$ 3,536.00	\$ 459.68	\$ 3,995.68
Rentals - toilet/truck	\$ 250.15	\$ 32.52	\$ 282.67
Education & Training	\$ 600.00	\$ 78.00	\$ 678.00
Refunds	\$ 50.00	N/A	\$ 50.00
Travel	\$ 341.43	\$ 14.36	\$ 355.79
	\$ 46,080.71	\$ 2,953.12	\$ 49,033.83

TOTAL EXPENSES

\$ 49,033.83

\$ 7,182.88

South Niagara Canoe Club - November 1, 2014 - October 31, 2015

Revenue

Balance Forward Oct. 31/14 \$ 9,205.24

Membership Revenue

Annual Fees / Canoe Kids Camp \$ 39,089.29 \$ 39,089.29
Canoe/Kayak/Dragonboat membership

Other Revenue

Contributions/Rentals/Yoga \$ 17,127.42 \$ 17,127.42

TOTAL REVENUE \$ **65,421.95**

Expenses

FIXED COSTS \$ 10,592.40

OTHER EXPENSES \$ 38,441.43

TOTAL EXPENSES \$ **49,033.83**

Bank Balance as of October 31/15 \$ **16,388.12**

SOUTH NIAGARA CANOE CLUB

Financial Statements (unaudited)
for the Year Ended October 31, 2014
and Notice to Reader

SOUTH NIAGARA CANOE CLUB

FINANCIAL STATEMENTS
OCTOBER 31, 2014
(unaudited - see Notice to Reader)

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Note to the Financial Statements.....	4



CHARTERED
PROFESSIONAL
ACCOUNTANTS

DURWARD JONES BARKWELL
& COMPANY LLP

Big enough to know. Small enough to care.

NOTICE TO READER

On the basis of information provided by management, we have compiled the statement of financial position of South Niagara Canoe Club as at October 31, 2014 and the statement of loss and net assets for the year then ended.

We have not performed an audit or review engagement in respect of these financial statements and, accordingly, we express no assurance thereon.

Readers are cautioned that these statements may not be appropriate for their purposes.

Durward Jones Barkwell + Company LLP

Durward Jones Barkwell & Company LLP
Licensed Public Accountants

February 10, 2015



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SOUTH NIAGARA CANOE CLUB
 STATEMENT OF LOSS AND NET ASSETS
 YEAR ENDED OCTOBER 31, 2014
 (unaudited - see Notice to Reader)

	<u>2014</u>	<u>2013</u>
REVENUE		
Canoe kids camp	\$ 5,723	\$ -
Canoeing/ kayaking	9,972	8,534
Clothing	725	-
Contributions	1,250	5,148
Dragon boat	12,010	10,570
Fundraising	1,782	-
Government grants	15,600	1,740
Miscellaneous	-	4,902
Rentals	2,196	-
Volunteer stipend	3,460	-
	<u>52,718</u>	<u>30,894</u>
GENERAL AND ADMINISTRATIVE EXPENSES		
Advertising and promotion	415	349
Bank charges and interest	364	221
Banquets and meetings	1,052	1,211
Boathouse costs	1,655	-
Coaching	18,451	11,698
Depreciation	1,735	2,127
Dues and fees	6,549	1,658
Insurance	2,847	2,511
Interest on long-term debt	277	429
Office - printing, copying and supplies	671	2,739
Professional fees	2,866	1,000
Repairs, maintenance and fuel	1,341	920
Trillium	15,600	-
Travel	730	-
	<u>54,553</u>	<u>24,863</u>
EXCESS OF (EXPENDITURES OVER REVENUES) REVENUES OVER EXPENDITURES	<u>(1,835)</u>	<u>6,031</u>
SURPLUS, BEGINNING OF YEAR	<u>17,619</u>	<u>11,588</u>
SURPLUS, END OF YEAR	<u>\$ 15,784</u>	<u>\$ 17,619</u>

SOUTH NIAGARA CANOE CLUB

STATEMENT OF FINANCIAL POSITION

OCTOBER 31, 2014

(unaudited - see Notice to Reader)

	<u>2014</u>	<u>2013</u>
ASSETS		
Current assets		
Cash - Operating	\$ 8,918	\$ 10,251
- Trillium	17,254	-
- Lottery	543	-
Prepaid expenses	2,371	1,685
	<u>29,086</u>	<u>11,936</u>
Equipment and leasehold improvements (Note 1)	<u>12,909</u>	<u>14,645</u>
	<u>\$ 41,995</u>	<u>\$ 26,581</u>
LIABILITIES		
Current liabilities		
Accounts payable and accrued charges	\$ 5,119	\$ 2,001
Deferred grant	17,250	-
	<u>22,369</u>	<u>2,001</u>
Due to Welland Recreational Canal Corp. bearing interest at 5% and repayable in monthly instalments of \$283	<u>3,842</u>	<u>6,961</u>
	<u>26,211</u>	<u>8,962</u>
NET ASSETS		
Surplus	<u>15,784</u>	<u>17,619</u>
	<u>\$ 41,995</u>	<u>\$ 26,581</u>

Approved by the Board:


 Director

SOUTH NIAGARA CANOE CLUB

NOTE TO THE FINANCIAL STATEMENTS

OCTOBER 31, 2014

(unaudited - see Notice to Reader)

1. EQUIPMENT AND LEASEHOLD IMPROVEMENTS

	<u>2014</u>		<u>2013</u>	
	Assets at Cost	Accumulated Depreciation	Assets at Cost	Accumulated Depreciation
Canoeing equipment	\$ 2,175	\$ 841	\$ 2,175	\$ 528
Computer equipment	778	745	778	605
Leasehold improvements	15,000	3,458	15,000	2,175
	<u>17,953</u>	<u>5,044</u>	<u>17,953</u>	<u>3,308</u>
		<u>\$ 12,909</u>		<u>\$ 14,645</u>