



Deep Cove Yacht & Sport Club

Notice of Annual General Meeting

Location: **DCYC Clubhouse**, (4420 Gallant Ave, North Vancouver, BC)

Date: **Tuesday January 15, 2019**

Sign in: **6:45 pm**

Meeting: **7:30 pm**

The 2018 Annual General Meeting of the Deep Cove Yacht & Sport Club will be held on Tuesday, January 15, 2019 at the Clubhouse, starting at 7:30 pm. Sign-in starts at 6:45 pm.

The **purpose** of the meeting is to:

- 1) Approve the minutes of the previous Annual General Meetings:
 - 2017 AGM held on January 23, 2018
 - 2018 SGM held October 23, 2018
- 2) Receive the 2018 financial report on the operations of the Club.
- 3) Receive Annual Reports of the Officers of the Club.
- 4) Motions for the re-sizing of the Executive Committee.
- 5) Appoint auditors for 2019 fiscal year.
- 6) Elect 2019 Executive Committee.

Enclosed in this mailing are the following:

- 1.) Notice of AGM
- 2.) Draft Agenda

A complete AGM package is enclosed in this email to the membership and will be available on the DCYC website. deepcoveyc.com The complete AGM package will include:

- 1.) Draft minutes of the 2018 Annual General Meeting January 23, 2018; draft minutes of the 2018 SGM, October 23, 2018.
- 2.) A list of nominations for the 2019 Executive Committee
- 3.) The Annual Reports of the Officers of the Club
- 4.) The Financial Report for 2018

NOTE: If any member wishes to receive these documents in printed version, please email the office. Due to the Holiday Season, documents will be available for pick up week of January 2, 2019. Please contact the office via email at officemanager@deepcoveyc.com or call the office at 604 929 1009 and leave a message.

Questions from the floor:

Any questions that members have on reports of officers, or any other matters pertaining to the Club, shall be directed through the Chair of the AGM. The member asking the question should first identify himself/herself.

Voting Information:

- Voting by Proxy is not permitted.
- Only Active Members, in good standing, will be allowed to vote.
- A Family membership is entitled to one vote.
- Voting shall be by show of voting cards unless a ballot vote is requested for formal motion at the meeting (this requires a mover and seconder, discussion and a positive vote).

NOTE: Bylaw Resolutions require a 75 % positive vote in order to pass the resolution. Policy and Regulations motions require a simple majority to pass the motion.



Deep Cove Yacht & Sport Club
2018 ANNUAL GENERAL MEETING
Draft Agenda - January 15 2019
4420 Gallant Avenue, North Vancouver, B.C

Agenda

Call to Order

- 1.) Welcome and Meeting Protocol
- 2.) Appointment of Scrutineers
- 3.) Adoption of Agenda 2017 AGM, held January 23, 2018
- 4.) Adoption of 2018 SGM Minutes, held October 23, 2018
- 5.) Business arising from the minutes of the AGM 2017
- 6.) Financial report – Treasurer Doran Sharman
Motion to approve 2018 Financial review by Loewen Kruse.
- 7.) Appointment of Auditors
Motion to approve – To appoint Loewen Kruse as auditors for the 2018-2019 fiscal year.
- 8.) Commodore – Annual Report
Motion to approve the Commodore's annual report.
- 9.) Annual Reports of Officers – Questions of the reports
Adoption of reports.
Motion to approve the Annual reports of the 2018 Officers.
- 10.) **Proposed changes to the DCYC executive committee**

Proposal: To reduce the size of the current executive from 16 down to 12 executive board members and 4 reporting, committee chairs.

Affected positions:

- Fleet Captain
- Social Director
- Rear Commodore, Member and Public Affairs
- Staff Captain

Rationale:

The current executive committee is made up of 16 members. This represents roughly 5% of the total voting members, of the size that it currently is, and it creates some specific problems:

- Finding volunteers each year to fill vacant positions is always a challenge and in some years, the executive has had to start the year without all positions filled.
- With 16 members reporting, meeting agendas can become bogged down. Meetings can go on for several hours, without getting through all of the business on the agenda – sometimes multiple meetings are required in a given month. This strains executive members filling what is a volunteer position, and is one reason that it is difficult to recruit people each year.
- Duties for some positions are “as needed” and do not require regular meeting attendance.
- Some current executive members feel that their duties would be more manageable as a committee chair.
- Changes to the societies act and the liquor licensing act now require all members of the **elected** executive council, to undergo a criminal record check, before the club’s liquor license can be renewed each year. In the past, this was only required of the 5 club officers with signing authority – now, all 16 must comply. It has proven to be logistically complicated, to have 16 volunteers submit their proper paperwork by the deadline, which can jeopardize our license.
- An organizational review completed 5 to 6 years ago stated that our executive was too large
- Legal advice provided to the club this year recommends reducing the size of the executive

Motion #1:

Change bylaw 4.1 to read:

The Executive Committee of the Club shall comprise the following officers: Commodore, Vice Commodore, Immediate Past Commodore, Treasurer, Secretary, Rear Commodore-Docks, House Manager, Outstation Director, Membership Director, Dock Master, Communications Director, and Learn to Sail Director

Motion #2:

Strike the following bylaws: 5.10; 5.11; 5.12; 5.17

Motion #3:

Change bylaw 4.6 to add: No member of the Club shall be eligible to hold the office of Commodore unless he has served for at least 2 years as an Officer of the Club **or as a Committee Chair**, and no member of the Club shall be eligible to hold the office of Vice Commodore unless he has served for at least 1 year as an Officer of the Club or **as a Committee Chair**

Motion #4

Change the affected, current executive positions, to Committee Chairs with the following reporting structure:

- Rear Commodore, Member and Public Affairs – Reports to Commodore
- Social Director – Reports to House Manager
- Fleet & Staff Captains – Report to Vice Commodore

Appointments to the Committee Chair positions will be made as per current bylaw 4.12;

“The Executive Committee may strike committees or appoint lieutenants to assist any officer in the performance of their duties. The Executive committee shall appoint the Chair of the committee, and the Chair may add to the committee such members as he may see fit, subject to notification of the Secretary of the appointment. Each Committee Chair or Lieutenant will report to the appropriate officer, and may report directly to the executive.

The duties of the non-elected officers can be found under **policies**, section 4.1; **“Duties of officers and other positions”**. All DCYC policies affected by the approved motions will be changed by the incoming executive at the February 2019 Executive Committee.

11.) Election of 2018 Executive

2019 Executive Committee Nominations

Commodore	Karl Parker
Vice Commodore	Vacant
Past Commodore	Dave Winstanley
Treasurer	Doran Sharma
Secretary	Betty Davison
RC Docks	Rick Warren
Dock Master	Kent Calderwood
House Manager	Maurice Doucette
Membership Director	Vacant
Communications Director	Vacant
Outstation Director	Taylor Shaak
Learn to Sail Director	Chris Seed
Rear Commodore, Member & Public Affairs *	Roger Williams
Fleet Captain *	Dan Klinksgaard & Paul Hahn
Staff Captain *	Ian Silvester
Social Director *	Vacant

*Election of the above positions if motions approved, will become chair positions.

12.) Recognition of the 2018 Executive Committee

13.) Formal passing of the gavel to Commodore-Elect Karl Parker

14.) Adjournment

Annual Reports of the Officers

Commodore's Annual Report 2018

The past year has seen a number of projects completed and countless hours of volunteer time put in. It was a year where many of the Club's younger members began taking over some key responsibilities, particularly at the outstation, where a lot of hard work went in to keeping Iron Bay looking its best. As part of the Club's commitment to promote and participate in community activities, we joined in with the Deep Cove Merchants and Ocean Ambassadors this spring to host a media event creating awareness of the problem of plastics in our Oceans. We also hosted a fundraiser for the residents of Lions Manor, following their devastating fire, and once again provided a small scholarship award to Seycove Secondary.

Issues were raised during the busy summer months including: vessels not displaying their burgee, maximum length of stay on the visitor docks, number of guests allowed, and parking. Reminders were sent out and placed on the website, and most members did their part in respecting our club rules and processes. This fall, a special general meeting was held to approve changes to our bylaws and make necessary changes to remain compliant with the societies act. The moorage and storage committee was also tasked with looking at our reciprocal agreements, guest moorage policies, temporary moorage, and dinghy storage. The intent is to have some updated / revised policies in place for next spring.

The issue of executive size has been brought up before, and was raised again this year. One of several drivers behind this is the increasing difficulty in finding members to commit to serving. It took the first half of 2018 to find a full time treasurer and it looks like we will be starting 2019 without a full slate again. It is a significant time commitment, particularly for those who have full time jobs and the proposal to reduce the executive size, which will be brought forward at the AGM, looks at reducing the number of volunteer hours required for executive service.

In closing, I'd like to thank those who served on the executive this year and those who are stepping forward next year. I'd also like to recognize all of the volunteers who gave their time on work parties, safety weekend, social functions, learn to sail, the annual regatta, and those who sit on committees or take on other club duties. It is the volunteers who make the club run, and without their efforts, there would be no club. It has been an honour to serve as your 2018 Commodore and be a member of the best little yacht club around.

Respectfully,
Dave Winstanley, Commodore 2018

Vice Commodore

After a 14-year sabbatical from the DCYC executive, I was happily “press-ganged” back into service hoping to build upon my past experiences as a former Dock Master and House Manager.

While there have been a number of changes over these years (people, infrastructure improvements, regulations, policies, etc.) what hasn't changed is the spirit of camaraderie and collegiality among both my colleagues on the 2018 executive and the general membership we serve.

In addition to standing in for the Commodore when unavailable, my main responsibility was the organization and management of Sail Past. I successfully negotiated a beautiful day with the weather gods on behalf of Commodore Dave (you're welcome) and faithfully discharged my duties as Chief Tasting Officer for Michelle's food and Kate's grog. Someone had to do it and I am well-qualified to do both.

I participated in work parties at Iron Bay and the DCYC Docks and worked on a committee with our Rear Commodore Docks and the Dock Master to modernize our outdated Visitor/Reciprocal and Moorage/Storage policies. I also provided some assistance to our secretary and Commodore aligning our Club Bylaws to conform with the new Society's Act requirements.

My sincere thanks to all of the members of the executive and our paid staff for helping me get up to speed as I transition into my new role as Commodore.

Yacht Clubs and many other non-profits face a number of challenges moving forward. Member participation has historically been a fundamental value and strength of this club and we need to redouble our efforts in this area.

Reach out! Volunteer at work parties...join a committee...support our Food & Bar. Find a reason to join the executive...rather than a reason not to!

In other words...GET ONBOARD AND HAVE FUN!

With apologies to the late John F. Kennedy...Ask not what DCYC can do for you...Ask what you can do for DCYC.

Respectfully Submitted

Karl Parker, Vice Commodore, MV Par Coeur

Past Commodore

As far as I can tell it seems everything is running smoothly. Our Commodore has done an excellent job. It would be nice if more members would take an interest to be on the executive. All members of the executive have done an excellent job.

Sincerely

Gord Kleaman

Rear Commodore Docks

In the past year there has been ongoing maintenance on the docks. The anchor chains continue to be inspected on a regular basis and necessary repairs done as needed. Replacement of the boards on the main walkway was completed by a Work Party this year improving the look and safety of the main

walkway. The docks are in generally good condition but continued inspection and attention to the details of maintenance are necessary to maintain this status.

This year we improved the main lighting on the docks with new LED lights on all the docks. This improved visibility on the docks, improving safety on the docks and reducing the need for ongoing maintenance. It also reduced light pollution as well, the new lights are more focused on downward illumination.

There was also a refurbishing of C dock done in the last year. The majority of the wood work on the docks, walers and bull rails were replaced. The water connections were improved with the wooden supports beefed up. In addition to this work, improvements in the electrical connections and low dock lighting were improved. It was felt that the general condition of the electrical on the docks needed upgrading so a new panel and power box were installed on C dock replacing the old units. The wiring runs were cleaned up and rerouted. At the same time the two transformers were replaced as it was noted that they were very old and their overheating would eventually lead to total failure and the associated problems. These electrical improvements were expensive but have been dealt with as capital costs and will be amortized over the next few years.

In the next year similar work will be done on B dock. This will not be as expensive as most of the wiring and panels can be reused and the only new item will be a new box to contain the panel on B dock. The bull rails, electrical outlets and water will also be improved.

There are also plans for racks to hold paddle boards and a continuation of the redecking of a dingy dock, this will hopefully be accomplished by a Work party in the spring.

All in all the docks are holding up well. The fingers are being replaced as needed and we are attempting to improve the look of the docks where ever possible.

Finally, the water on the docks was turned off in early December, just before the cold snap and will be turned on again as early as possible. Last year we turned it on early and then it was necessary to shut it down again because of a surprise cold weather.

The docks continue to be run, on budget and I see no major problem or major expenditures that will be necessary in the near future. If you have any ideas or concerns please let me know.

Thank-you.

Rick Warren, Rear Commodore Docks

Dock Master

On May 12th we kicked off the 2018 boating season with the annual DCYC Sailpast. The weather cooperated and I fine looking set of power boats through the sail past to salute our Commodore, Dave Winstanley. The event was well attended and a fine afternoon was provided by the staff at the clubhouse after.

Easter weekend at Iron Bay was well attended, and thanks are given to all the volunteer cooks, crafters and egg hidens and a special thanks to Emily Lanctot as the "Eater Bunny!" There was a hosted dinner on

Saturday night followed by a pancake breakfast on the Sunday morning. Numerous cooks helped with food, crafts and an Easter Egg Hunt.

Reciprocals at our numerous reciprocal clubs were renewed. Please check out the reciprocal list on the DCYC website for some ideas for your next cruise.

Safe and happy boating to all!!!

Ian Silvester

House Manager

The following outlines the financial results we achieved over the past year:

Item	2018	2017	Difference
Revenue	125,619	103,595	22,024
Expense	143,361	116,775	26,586
Difference	(17,742)	(13,180)	

Food & bar revenue for 2018 increased by \$22,024 or 21% from 2017 however, expenses increased by \$26,586. This increase is attributed to higher liquor costs and the increase in wages for staff which was long overdue. The overall costs of utilities, which is partially allocated to the food & bar budget, has also increased. In discussions with our bar manager, Kate Davitt, the drink costs have already been increased and we cannot do anymore increases without discouraging patrons.

Kate has once again done a fabulous job with the bar and has gone above and beyond with what her job entails. We have also hired Stephanie as a part time bartender who has been a great addition with her friendly attitude.

The Friday night dinners have been a success with Michelle Kirk and the Banquet Table on occasion. Unfortunately, Michelle has decided not to do our Friday night dinners anymore but may do the occasional dinner. I understand some members have complained about the costs for the dinners however, this is out of our control and the prices are set by the caterers. We have had to subsidize some of the dinners which will not continue in the future. We will be pursuing other avenues for meals in the new year, but it is always a struggle and has been for many years.

I would like to thank Karole Doucette who has helped me with the food & bar operation pertaining to the House Manager duties. Without her help, as well as Kate's help, I would not be able to handle all the duties required being the House Manager.

HOUSE REPAIRS:

There have been some significant repairs required to the club due to the age of the structure. The south wall of the club has been repaired due to interior wood rot from improper drainage from the skylight over the entrance. The locks have all been rekeyed for the club and outstation. The kitchen walk-in cooler has also required ongoing repairs due to its age.

There have also been some major plumbing repairs performed on an emergency basis. The contractor performing these repairs has informed me that these were long overdue due to the age of the structure and type of materials used when the club was originally built.

I would like to thank Vaughn for all his hard work. As is Murphy's Law, the emergency repairs seem to occur on his days off and/or on long weekends. He has never complained and always been there to help.

The lower level washrooms will be completely renovated in early January. I would like to thank Denise Callaghan who has helped oversee the design and contractor quotes for these repairs.
The dance floor also needs to be replaced and the eavestrough requires possible replacement.

It has been a pleasure to serve you over the past year.
I would especially like to thank Kate, Vaughn and Gita for their help.

Respectively submitted,
Maurice Doucette, House Manager

Membership Report

This year has been a busy one for Membership as we have brought in 26 new Active Members and 20 new Community Members.

Our total count for members as of December 1, 2018 is as follows:

Active	216
Senior	60
Life	11
Social	3
Community	35
Non-Resident	10

This now makes our total membership at 335 members which is a record number for our club. We are now standing at just over 12% for our non- District & City of North Vancouver residents.

For the printed Rosters, we found again this year that even with members having to sign up for a printed copy, there were almost half that were never pick up. As this is quite a cost for the club, it will be reviewed again this year, as all the information is also available on the website.

I would like to thank all the volunteers that put their time in to assist me this year with interviews (Kathleen Rogers and Mark Doucette), putting the Roster together and handing them out at Sailpast (Karole Doucette) and my Good and Welfare team (Iris Fenwick and Dave & Carol Reece). I know I have missed a few names, but I am grateful for all of your assistance throughout the year.

Respectfully submitted
Janet Blair

Communications Report

2018 was a productive year for communications. There were a number of improvements including the Racing crew taking control of their own page to post results. The reservations system functioned well, giving members an opportunity to plan ahead for club activities.

Pro-net Communications embarked on a website revamp, the first major effort since the website was first initiated many years ago through the efforts of senior member Peter Ciccone and current secretary Betty Davison. The tradition was carried on this year by Peter's son Paul and his crew at Pro-Net Communications. Our thanks to them for pulling the club into the 21st century.

Our thanks as well to Peter Turner and Camcentral for keeping our wifi network working and for updating our security camera network, a system that Peter was responsible for resurrecting and improving five years ago.

On behalf of the executive I would like to thank our tireless webmistress Karole Doucette. Without her ongoing efforts, our web communications system would not exist.

Finally, I want to extend my good wishes and farewell to the Executive, who work ceaselessly on behalf of members to make our club the best it can be. Best of luck to the incoming executive.

Michael Bernard
Communications Director

Fleet Captain Annual Report

The following highlights the key success from 2018:

- 🚢 Great Sail Past, well attended by the Fleet however our goal is for all boats to participate, so get ready for the new year.
- 🚢 DCYC rating has definitely made the racing more competitive and fun as the club races as one division. We have seen some major variations in the DCYC ratings and with the fleets input hope to improve the system.
- 🚢 Implemented 3 well attended race series (Cool Breeze, Spring and Fall) during the year
 - Fleet has stable at around 13 racing boats in Div 1 and Div A with the addition of new members with the average race participation around 6.
- 🚢 Excellent support of Outstation and Around Bowen Races
 - Thanks to the Executive and the Outstation team for their continued support!!!
 - Thanks to Centennial for their continued support and competition. A large contingent with new boats. Centennial won the 2018 event (will say the wind favoured the bigger boats). This event brings in all sailors from the club not just racers and a great weekend is had by all.
 - Once again there was great attendance at the round Bowen race. 7 boats from DCYC in attendance with Haida taking overall div 7 and DCYC honours.
- 🚢 Our Deep Cove Regatta was a huge success, it continues to be a favorite destination race
 - This Regatta owes its success to the excellent support from the club...Committee boats and **volunteers**. Karl, big thanks for the committee boat. **Volunteers** thank you all.
 - The sponsorship committee outdid themselves this year with great prizes that blew everybody's mind. **Martin Marine** continues to be a major supporter of our racing program and the club, great prizes. Support your local Marine store...best Marine Shop

and they know how to treat their customers!!!!. Other sponsorship with great prize contributions came from

- ✦ Herschel second year of contribution, thank you
- ✦ Lynnwood Marina, as always everybody wants a lift, gem of a prize
- ✦ DC Brewery, quenching sailors thirst, great support to the race and the club
- ✦ Polar batteries that solar panel, a sailor's treasure.
- ✦ and all the local vendors, we have seen this group increase over the last few years

- 🍷 Blue House
- 🍷 Café Also
- 🍷 Covert
- 🍷 Ahoy and
- 🍷 Pomegranate

- Regatta entrance payments were handled via online credit card payment via the learn to sail payment application and with a square card reader. Welcome to the new century..

Vast improvement and many thanks to Paul Hahn..

- 🍷 "Boat of the Year" congratulations to Rob Smith and the crew of Crystal Dolphin, dare I say once again. Rob is a great supporter of our fleet racing.
- 🍷 "Fleet Captain award" to Paul Hahn for his contribution to the Club, racing community and support to the Fleet Captain over the past years.

The following identifies opportunities for improvement:

- 🍷 Revive the VARC participation within the fleet, we did not improve this year and again will require a concerted effort
- 🍷 Consider implementing more one off races to include non racing Sailboats.
- 🍷 Explore ways to bring more boats/crew to racing fleet. These can be DCYC members as well as any local club/Marina members.
- 🍷 Regatta improvements. start the process earlier and improve communication. There are a number of areas that require attention such as food vendors.

One final statement. This is my last year as Fleet Captain. I have enjoyed my three year experience, have learned a lot and the highlight is being able to get to know the members better.

I will be handing off these duties in the New Year and look forward to supporting the new Fleet Captain(s) and wish them well.

May the **Wind** be with you

Respectfully Submitted,

Tony Gill

Fleet Captain

DCYC Fleet awards:

Awards 2018:

- 🏆 Best Crew – Taliesin
- 🏆 Seamanship – Mardy Grossman
- 🏆 Most improve sailors – Carpe Diem
- 🏆 Fleet participation – Crystal Dolphin (eagle trophy,)
- 🏆 Russ Curtis award - Malcolm
- 🏆 Sportsmanship – Avanti II
- 🏆 Fleet Captains award - - Paul Hahn
- 🏆 Outstation invitation – DCYC
- 🏆 Ram of the year - not awarded
- 🏆 Rock Climber award - Taliesin and Ciantha

Racing

PHRF:

- 🏆 Outstation – Palameto Greg and Lori (Antelope)
- 🏆 Round Bowen – Haida (John Cotter - beer)
- 🏆 DCYC Regatta - Haida (Chris Gunn memorial)
- 🏆 Fall Series – Haida (Brass monkey)
- 🏆 Grey Cup – No award, no race (brass monkey)
- 🏆 PHRF across all series
 - 1 st Crystal Dolphin (binnacle Bill) (26)
 - 2nd Taliesin (Div A bowl 2nd place)(31)
 - 3rd Kitty Hawk (Div a 3rd small bowl)(36)
- 🏆 Boat of the Year – Crystal Dolphin (18)

DCYC rating

- 🏆 Cool Breeze Series
 - 1st Kitty Hawk
 - 2nd Taliesin
 - 3rd Crystal Dolphin
- 🏆 Spring Series
 - 1 st Taliesin
 - 2nd Haida
 - 3rd Crystal Dolphin
- 🏆 Fall Series
 - 1st Cliantha
 - 2nd Kitty Hawk
 - 3rd Haida

Learn to Sail Report

This year we managed to overcome many challenges as we had another increase in enrollment, excellent feedback from students and parents, and we received our Canada Summer Jobs grant. With the grant we were able to be in the black financially!

Eric Scott-Iversen, in his third year as Head instructor, did another superb job, conquering instructor shortages while managing more students to deliver a great performance. This was Eric's last year as Head Instructor, and he will be sorely missed! He is back at UVic studying hard and doing well in his studies. It has been a true pleasure working with Eric, and we wish him well in his future endeavors.

Eric scrambled to put together an instructor corps, with two from our group from previous years, Cooper Lloyd and Hunter Yee. Cooper has been with us for three years as an instructor, and Hunter joined the team after having served as a volunteer for the program. Eric recruited the balance of the 6 instructors from Ireland, finding university students eager to spend the summer teaching sailing in Vancouver. Many challenges faced Eric, but he managed to field a team every week, and delivered the usual high quality program

This year we took delivery of 4 Feva sailboats for teaching the CANSAIL 1 & 2 classes. They proved to be a great choice, as they showed spirited performance while being easy to sail, and provided a good platform for teaching the basic and more advanced skills.

Our committee members worked diligently to assure the program and the equipment met the challenge. Special thanks to Susan Low, who continues to manage the registration system with great skill and effort, dealing with many issues that always come up with the process. Karole Doucette supported the program well by making necessary changes and updates to the DCYC website to make the system work.

I am very pleased to announce that Chris Seed has agreed to stand for election as Learn to Sail Director for 2019. Chris brings new energy and focus to the job, and has added some new committee members to enable him to do well next year. Welcome, Chris!

Many thanks to our committee members for their hard work:

- Chris Seed
- Susan Low
- Chris Hall
- Darrell Low
- Russ Curtis
- Dan Klinksgaard
- Jeremy Slater
- Craig Sands
- Pam Juryn

Respectfully submitted,
Malcolm Chaddock, Learn to Director

Outstation Report

Work Party Accomplishments:

June 2018:

- Stabilized and repaired stairs to west campsite.
- Repairs to fire pit deck.
- Torch on roof for containers
- Fibreglass grip panels for gangway ramp
- East lawn bush removal and horseshoe pit revival
- Steel braces stiffening guard railing
- Planter boxes
- Final decking on Main St. replaced
- Continuous firewood production

September 2018

- Repairs to east lawn outhouse
- Fascia boards on docks
- Fall firewood supply

Social Events:

- Jimmy Buffet weekend August 25-26:

Big thanks to Joeline Bayntun and her team for organizing a great Western themed weekend. The 'scavenger hunt poker race' was the event of the weekend, capped off with appetizers, cocktails and dancing.

- Power Squadron Thanksgiving September 29-30:

Thanks to Alex & Mel Maier for organizing the thanksgiving event.

- Iron Bay Outstation Facebook group created August 2018. This group was created as a place to share photos and memories of fun times up at Iron Bay, and to help communication for events such as social weekends and work parties. Currently the group has 55 members and is open to all DCYC members.

Special thanks to Cathie Park and her green thumb for keeping the flowers and plants flourishing throughout the summer months.

Rear Commodore Member and Public Relations

This year was an uneventful year for my position. We had a few movie rental inquiries, but not a lot of commitment for shooting at the club. It has been a pleasure to serve on the executive.

Respectfully Submitted,
Roger Williams

Social Director

Verbal Report

Dock Master

Verbal Report

DEEP COVE YACHT & SPORT CLUB

**Treasurer's Annual Report
and
Financial Information Package**

October 31, 2018

Deep Cove Yacht & Sport Club

Treasurer's Annual Report & Financial Information Package

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TREASURER'S ANNUAL REPORT
For the Year Ended October 31, 2018

To the Members of the Deep Cove Yacht & Sport Club:

In order to facilitate fiscal responsibility a budget is prepared and reviewed by the Finance Committee at the beginning of each fiscal year. The budget is then submitted to the Executive Committee for their consideration and approval. This practice, along with monthly financial reporting compared with the approved budget gives the Executive Committee a great deal of control over the expenditures of the Club.

This year the Club's net income was \$92,891 higher than was anticipated in the budget. The positive variance was largely due to higher than budgeted moorage revenue together with lower than budgeted routine maintenance costs for the wharfage operations and higher than budgeted membership dues and initiation fees for the general member operations.

External auditors are appointed annually to ensure that the financial statements present fairly the results of the operations. The auditors review the financial records of the Club to ensure that accounting practices are following generally accepted accounting principles on a basis consistent with previous years.

Readers of these financial statements should be aware that financial statements are somewhat like legal documents. Wording used is very carefully chosen and reviewed by the external auditors for consistency and compliance with generally accepted accounting practices.

This year, as it has been throughout the history of the Club, it has been the goal of the Executive Committee to provide the facilities and services expected by the membership at the lowest possible cost and ensuring our revenues are sufficient to cover these expenditures.

Comments on Audited Financial Statements

The following are my comments on significant items in the audited financial statements provided by our Chartered Professional Accountants, Loewen Kruse:

Statement of Financial Position

The cash balance has decreased by \$126,700 from \$314,800 to \$188,100. The decrease was largely attributable to the retirement of Long Term Debt of \$170,000 over the year. During the year the Club completed dock upgrade work related to electrical distribution system work and dock rail replacements in the total amount of \$97,900.

Statement of Operations

The Club's two major sources of revenue are membership dues and moorage rentals.

A number of years ago the Club adopted the practice of "full costing" in which certain expenses, such as administration, electrical, property taxes, certain labour costs, etc. are re-allocated to the operating segments of the Club which generate the corresponding revenue. In that way we meet one of the important accounting principles by "matching revenue and expenses".

Net income for the current year is \$92,891. Total income is comprised of \$55,345 from wharfage operations and \$37,546 from general membership operations.

Total operating revenues for the year was \$760,276, an increase of 14.2% (\$94,251) from the previous year. This increase was largely due to increased moorage revenue (\$9,491), annual membership dues (\$9,610), new member initiation fees (\$53,900) and food and bar revenue (\$22,023) over the previous year.

Total operating expenses for the year was \$667,385, an increase of 7.2% (\$44,825) from the previous year. This increase was largely attributable to unscheduled clubhouse building repairs (\$26,211).

Statement of Cash Flows

Significant activities during the year affecting cash flows were:

- Net income from operations - \$92,891
- Debenture redemption payments - \$170,000.
- Capital asset expenditures - \$132,560 comprised of dock upgrades in Deep Cove and the purchase of four (4) new Learn-to-Sail program training dinghies.

This concludes my comments on our Audited Financial Statements.

Segmented Statements of Income and Expense

Further to the audit of the Club's Financial Statements, Club management has internally prepared segmented income and expense statements to further define the performance of our various operations. These statements are not part of the audited financial statements but reflect the balances contained in the audit.

The following are my comments on significant items in the Schedules included in this report:

Segmented Statement of Operating Net Income

There are two major sources of operating revenues for the Club. This statement shows the net results of operations for the year from these two areas of operation.

Wharfage operations contributed \$55,345 and General Membership operations contributed \$37,546 for a combined total of \$92,891 for the year.

Statement of Wharfage Operations (Schedule 1)

Total moorage revenue increased by \$10,753 while total operating expenses decreased by \$28,321 contributing to a net operating income of \$55,345 for the year. Reduced routine dock maintenance costs compared to prior year contributed most notably to overall expenses reduction for the year.

Statement of General Membership Operations (Schedule 2)

Net operating income increased slightly (\$11,614) over the prior year. Significant variances from the prior year affecting overall General Membership Operations results were:

- Increased membership dues - \$9,610
- Increased new member initiation fees - \$53,900
- Decreased movie location fees - \$14,800
- Increased Clubhouse expenses - \$33,545
- Decreased Office & Administration expenses - \$19,782
- Increased Communications expenses - \$10,037

Statement of Food & Bar Operations (Schedule 3)

The operating loss for this year increased by \$7,766 to \$20,946 compared to a prior year loss of \$13,180. Although Gross Operating Profit from beverage and food sales increased by 13% (\$6,252) from \$49,815 to \$56,067, direct expenses increased by 28% (\$12,133) from \$42,755 to \$54,888. Overhead costs increased by 9% (\$1,885) from \$20,240 to \$22,125 further impacting the increased net operating loss this year.

Statement of Learn to Sail Operations (Schedule 4)

The operations for Learn to Sail had a net operating income of \$322 improving results from prior year by \$7,635. A significant contributing factor for this year is the receipt of an \$8,746 Summer Jobs Subsidy.

Statement of Clubhouse Operations (Schedule 6)

Net operating expenses of the Clubhouse operations increased by 33% (\$33,545). Plumbing leaking issues and an unscheduled building siding repair during the year resulted in a significant increase in maintenance costs (\$26,211) which contributed to higher than anticipated costs.

Statement of Outstation Operations (Schedule 7)

Total expenses for the Outstation operations this year have decreased by 5% (\$1,866) over the prior year.

Statement of Office and Administration Expenses (Schedule 8)

Net general and administrative expenses decreased by 29% (\$16,223). Reduced administration salaries, audit fees, office supplies and bad debts all contributed most significantly to the savings over prior year total expenses.

In conclusion, I am pleased to report that Deep Cove Yacht & Sport Club continues to be in good shape financially.

I wish to thank the members of our Finance Committee for their help and guidance this past year. Our Finance Committee members are Ian Silvester, Doug Calderwood, Mike Low, Russ Curtis, Malcolm Chaddock and Graham Thomas.

Thank you, also, to the Executive Committee for their confidence and support since assuming the Treasurer's position in June 2018.

Respectfully submitted,

Doran Sharman.

Treasurer

DEEP COVE YACHT & SPORT CLUB
Financial Statements
October 31, 2018

DEEP COVE YACHT & SPORT CLUB
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Year Ended October 31, 2018

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INDEPENDENT AUDITOR'S REPORT

To the Members of Deep Cove Yacht & Sport Club

Report on the Financial Statements

We have audited the accompanying financial statements of Deep Cove Yacht & Sport Club, which comprise the statement of financial position as at October 31, 2018 and the statements of changes in net assets, operations 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 the 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.

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 judgment, 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 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 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.

(continues)

Independent Auditor's Report to the Members of Deep Cove Yacht & Sport Club (continued)

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Deep Cove Yacht & Sport Club as at October 31, 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.

Report on Other Legal and Regulatory Requirements

As required by the Societies Act of British Columbia, we report that, in our opinion, these standards have been applied on a basis consistent with that of the preceding year.

Burnaby, British Columbia
December 11, 2018



Chartered Professional Accountants

DEEP COVE YACHT & SPORT CLUB
Statement of Financial Position
October 31, 2018

	2018	2017
ASSETS		
CURRENT		
Cash	\$ 188,100	\$ 314,808
Restricted cash	3,447	3,447
Accounts receivable	17,450	20,766
Recoverable from government authorities (Note 3)	8,746	-
Inventory	14,319	12,459
Prepaid expenses	45,748	48,927
	<u>277,810</u>	<u>400,407</u>
INVESTMENT	12,474	12,437
SECURITY DEPOSITS (Note 4)	11,500	5,000
CAPITAL ASSETS (Note 5)	<u>684,216</u>	<u>618,848</u>
	<u>\$ 986,000</u>	<u>\$ 1,036,692</u>
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities	\$ 29,832	\$ 13,150
Payable to government authorities (Note 3)	10,108	5,600
Unearned revenue (Note 6)	110,353	105,126
	<u>150,293</u>	<u>123,876</u>
LEARN TO SAIL DEFERRED REVENUE (Note 7)	3,447	3,447
LONG TERM DEBT	<u>-</u>	<u>170,000</u>
	<u>153,740</u>	<u>297,323</u>
NET ASSETS - page 4		
Unrestricted	<u>832,260</u>	<u>739,369</u>
	<u>\$ 986,000</u>	<u>\$ 1,036,692</u>

CONTINGENT LIABILITY (Note 10)

COMMITMENTS (Note 11)

ON BEHALF OF THE BOARD

 Director

 Director

See notes to financial statements

DEEP COVE YACHT & SPORT CLUB
Statement of Changes in Net Assets
Year Ended October 31, 2018

	2018	2017
NET ASSETS - BEGINNING OF YEAR	\$ 739,369	\$ 695,904
Excess of revenue over expenses - page 5	<u>92,891</u>	<u>43,465</u>
NET ASSETS - END OF YEAR - page 3	<u>\$ 832,260</u>	<u>\$ 739,369</u>

See notes to financial statements

DEEP COVE YACHT & SPORT CLUB
Statement of Operations
Year Ended October 31, 2018

	2018	2017
REVENUE		
Wharfage	\$ 220,180	\$ 205,689
Membership	210,234	200,624
Bar and food	125,818	103,595
Initiation fees	99,000	45,100
Learn to sail	73,988	64,751
Clubhouse rentals	20,882	38,008
Other	5,454	6,917
Fleet	3,291	1,341
Gains on disposal of capital assets	1,429	-
	<u>760,276</u>	<u>666,025</u>
EXPENSES		
Wharves	164,835	188,156
Bar and food	146,764	116,775
Clubhouse	135,095	101,550
Office and administration	77,709	73,694
Learn to sail	73,666	72,064
Outstation	35,879	37,745
Social	17,900	13,651
Membership and communication	6,886	7,127
Fleet	4,779	4,126
Other	3,872	7,672
	<u>667,385</u>	<u>622,560</u>
EXCESS OF REVENUE OVER EXPENSES - page 4	<u>\$ 92,891</u>	<u>\$ 43,465</u>

See notes to financial statements

DEEP COVE YACHT & SPORT CLUB
Statement of Cash Flows
Year Ended October 31, 2018

	2018	2017
OPERATING ACTIVITIES		
Excess of revenue over expenses - page 5	\$ 92,891	\$ 43,465
Items not affecting cash:		
Amortization of capital assets	67,192	62,476
Gain on disposal of capital assets	(1,429)	-
	<u>158,654</u>	<u>105,941</u>
Changes in non-cash working capital:		
Accounts receivable	3,316	50,221
Recoverable from government authorities	(8,746)	2,042
Inventory	(1,860)	(6,530)
Prepaid expenses	3,179	(4,795)
Security deposit	(6,500)	-
Accounts payable and accrued liabilities	16,682	(21,727)
Payable to government authorities	4,508	5,061
Unearned revenue	5,227	12,005
Learn to sail deferred revenue	-	(463)
	<u>15,806</u>	<u>35,814</u>
Cash flow from operating activities	<u>174,460</u>	<u>141,755</u>
INVESTING ACTIVITIES		
Increase in investment	(37)	(29)
Purchase of capital assets	(132,560)	(65,047)
Proceeds on disposal of capital assets	1,429	-
Cash flow used by investing activities	<u>(131,168)</u>	<u>(65,076)</u>
FINANCING ACTIVITY		
Decrease in long term debt	(170,000)	(30,000)
INCREASE (DECREASE) IN CASH FLOW	<u>(126,708)</u>	<u>46,679</u>
Cash - beginning of year	<u>318,255</u>	<u>271,576</u>
CASH - END OF YEAR	<u>\$ 191,547</u>	<u>\$ 318,255</u>
CASH CONSISTS OF:		
Cash	\$ 188,100	\$ 314,808
Restricted cash	3,447	3,447
	<u>\$ 191,547</u>	<u>\$ 318,255</u>

See notes to financial statements

DEEP COVE YACHT & SPORT CLUB
Notes to Financial Statements
Year Ended October 31, 2018

1. PURPOSE OF THE CLUB

The Deep Cove Yacht & Sport Club (the "Club") is a social club providing community boating and sport events. The Club is incorporated under the Societies Act of British Columbia and is also registered as a not-for-profit organization under the Income Tax Act and as such is exempt from income taxes.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements were prepared in accordance with Canadian Accounting Standards for Not-for-Profit Organizations.

Revenue recognition

The Club follows the deferral method of accounting for contributions.

Externally restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Externally restricted amounts can only be used for purposes designated by the contributor.

Unrestricted contributions are recognized when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Wharfage and membership dues revenue are recognized at the beginning of the month over the term to which they relate.

Bar and food revenue is recognized as revenue when the services are provided or the products are sold, which is generally at the point of sale.

Membership initiation fee revenue is recognized as revenue at the time the new member joins the Club.

Learn to sail training and clubhouse rentals are recognized as revenue when the related event has been held or services provided.

Inventory

Inventory consists of finished goods recognized at shipping point and is valued at the lower of cost and net realizable value with the cost being determined on a first-in, first-out basis. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

Investment

The investment consists of a term deposit that is not cashable and has a maturity term of more than three months. The investment has a maturity date of April 14, 2019 and an interest rate of 1.05% per annum. The investment has been classified as a long term asset as it is held as security for the credit facility (Note 9) and is intended to be reinvested upon maturity.

(continues)

DEEP COVE YACHT & SPORT CLUB
Notes to Financial Statements
Year Ended October 31, 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Capital assets

Capital assets purchased are stated at cost less accumulated amortization. Amortization is provided at various rates on a declining balance basis designed to amortize the assets over the estimated useful lives, except for the ceremonial cannon, which is not being amortized as it will retain its value over time. The amortization rates are as follows:

Buildings	5%
Wharves	10%
Boats	15%
Furniture and fixtures	20%
Office equipment	30%
Website	50%

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

Contributed goods and services

Contributed goods or gifts-in-kind are only recognized when their fair value is reasonably determinable and significant, with such items recorded at fair value on the date of the contribution.

Members are encouraged to volunteer and assist the Club in carrying out its activities. Volunteer work credits are recognized at \$15 per volunteer hour, up to an annual maximum of \$150 depending upon the membership type. The total amount of volunteer work credits recognized during the year is \$10,545 (2017 - \$7,510).

Allocation of expenses

The Club classifies its expenses by program, including its wharves, clubhouse, bar and food, and office and administration. For these expenses, the Club identifies the appropriate basis of allocating each component expense, and applies that basis consistently each year.

Component expenses of salaries and wages of the Club caretaker and office manager are allocated on the basis of percentage of time that management estimates was spent in support of the program. Component expenses of utilities, including electricity, gas, waste bin, and sewer and water, are allocated on the basis of percentage of use that management estimates was used by the program.

See *Note 8* for the allocation amounts for the year.

Measurement uncertainty

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates. Material uncertainties involving management estimates include the determination of useful lives of capital assets for the purposes of calculating amortization, specifically for the buildings and wharves, and the determination of component expense allocation.

DEEP COVE YACHT & SPORT CLUB
Notes to Financial Statements
Year Ended October 31, 2018

3. RECOVERABLE FROM / PAYABLE TO GOVERNMENT AUTHORITIES

	2018	2017
Recoverable from government authorities		
Canada Summer Jobs grant	\$ 8,746	\$ -
During the year the Club recognized Learn to sail revenue from the Government of Canada - Canada Summer Jobs grant program \$8,746 (2017 - \$NIL), to assist with wages paid for the Learn to Sail training program.		
Payable to government authorities		
Goods and services tax	\$ 5,107	\$ 3,602
Payroll source deductions	4,242	1,357
Provincial sales tax	759	641
	\$ 10,108	\$ 5,600

4. SECURITY DEPOSITS

The security deposits are held in compliance with the terms of the Club's lease agreements (*Note 11*) as follows:

	2018	2017
Vancouver Fraser Port Authority		
- Clubhouse waterlot lease	\$ 6,500	\$ -
The Corporation of The District of North Vancouver		
- Clubhouse land lease	5,000	5,000
	\$ 11,500	\$ 5,000

5. CAPITAL ASSETS

	Cost	Accumulated amortization	2018 Net book value	2017 Net book value
Land	\$ 35,827	\$ -	\$ 35,827	\$ 35,827
Buildings	359,074	282,454	76,620	80,652
Wharves	1,450,799	975,891	474,908	424,531
Boats	183,641	117,425	66,216	42,643
Furniture and fixtures	232,155	205,144	27,011	32,955
Office equipment	22,192	20,558	1,634	240
Website	3,460	3,460	-	-
Ceremonial cannon	2,000	-	2,000	2,000
	\$ 2,289,148	\$ 1,604,932	\$ 684,216	\$ 618,848

During the year the Club recognized amortization expense of \$67,192 (2017 - \$62,476).

DEEP COVE YACHT & SPORT CLUB
Notes to Financial Statements
Year Ended October 31, 2018

6. UNEARNED REVENUE

	2018	2017
Wharfage	\$ 69,976	\$ 71,232
Membership	36,627	33,894
Clubhouse rentals	3,750	-
	<u>\$ 110,353</u>	<u>\$ 105,126</u>

7. LEARN TO SAIL DEFERRED REVENUE

Learn to Sail deferred revenue represents unspent externally restricted contributions for the Learn to Sail program.

	Opening balance	Contributions	Recognized as revenue	Closing balance
Unspecified - general program	\$ 3,447	\$ -	\$ -	<u>\$ 3,447</u>

8. ALLOCATION OF EXPENSES

Salaries and wages, including the Club caretaker and office manager, of \$77,300 (2017 – \$68,760) have been allocated as follows:

	2018	2017
Salaries and wages		
Wharves	\$ 28,966	\$ 25,542
Bar and food	18,211	16,698
Clubhouse	15,066	11,790
Office and administration	15,057	14,730
	<u>\$ 77,300</u>	<u>\$ 68,760</u>

Utilities, including electricity, gas, waste bin and sewer and water, of \$43,570 (2017 – \$38,988) have been allocated as follows:

	2018	2017
Utilities		
Wharves	\$ 23,727	\$ 21,860
Clubhouse	15,930	13,586
Bar and food	3,913	3,542
	<u>\$ 43,570</u>	<u>\$ 38,988</u>

DEEP COVE YACHT & SPORT CLUB

Notes to Financial Statements

Year Ended October 31, 2018

9. CREDIT FACILITY

The Club has a letter of credit with BlueShore Financial, to the benefit of the Province of British Columbia Liquor Distribution Branch, up to an amount of \$10,000. The credit facility bears interest at prime rate and is secured by a term deposit held at the financial institution. The outstanding balance of the credit facility as at October 31, 2018 was \$NIL (2017 – \$NIL).

10. CONTINGENT LIABILITY

The Club is exposed to a contingent liability related to a legal claim, in which the Club is named as a defendant. The estimated financial effect to the Club is unknown; therefore no amount has been recorded in the financial statements. The Club management estimates that its insurance policy coverage will partially fund the liability if necessary.

11. COMMITMENTS

The Club has a lease for the land occupied by the Clubhouse from The Corporation of the District of North Vancouver at an annual rent of 3.75% of the assessed land value, as determined on the fifth anniversary of the lease and each subsequent five-year period expiring on December 31, 2034. The annual rent for the five-year period commencing January 1, 2015 is \$19,050.

The Club has a lease for its outstation waterlot from Vancouver Fraser Port Authority, expiring December 31, 2024. The annual rent is reviewed at each three-year period. The current period annual rent is \$8,184, expiring December 31, 2018.

The Club has a lease for its Clubhouse waterlot from Vancouver Fraser Port Authority, expiring September 30, 2027. The annual rent is reviewed at each three-year period. The current period annual rent is \$39,810, expiring September 30, 2020.

Future minimum lease payments for the next five years are approximately:

2019	\$	67,044
2020	\$	67,044
2021	\$	67,044
2022	\$	67,044
2023	\$	67,044

Subsequent to the year end, the Club has entered into a construction contract for the renovations of the Clubhouse bathrooms. The total cost of the committed contract is \$61,500, and as at October 31, 2018 no amounts have been incurred.

DEEP COVE YACHT & SPORT CLUB
Notes to Financial Statements
Year Ended October 31, 2018

12. FINANCIAL INSTRUMENTS

All financial instruments are initially recorded at their fair market value. Publicly traded equity instruments quoted in an active market are subsequently measured at fair value with any unrealized gains or losses and transaction costs recognized in net excess of revenue over expenses. All other financial instruments are adjusted for any transaction costs incurred on acquisition and are subsequently measured at their amortized cost. Financial instrument impairments and impairment reversals are recognized when incurred in net excess of revenue over expenses.

Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Club is exposed to credit risk for its accounts receivable. Exposures to credit risk are as follows:

- Accounts receivable are non-interest bearing and are generally due within 30 to 60 days of the invoice date. Management evaluates the credit worthiness of its customers and members and regularly reviews accounts receivable for possible impairments related to collection.
-

DEEP COVE YACHT & SPORT CLUB
Segmented Operating Income Statements
for the year ended
October 31, 2018
(Internally Prepared Statements)



Prepared by:

Doran Sharman
Treasurer

Deep Cove Yacht and Sport Club
Segmented Statement of Operating Net Income
for the years ended October 31

	2018	2017
Segmented Operating Results		
Wharfage operations (Schedule 1)	55,345	17,533
General membership operations (Schedule 2)	37,546	25,932
Net Operating Income (Loss)	92,891	43,465

Deep Cove Yacht and Sport Club
Statement of Wharfage Operations
for the years ended October 31

Schedule 1

	2018	2017
Revenue:		
Moorage	215,219	204,466
Water stored Tenders	2,475	2,750
Dinghy storage	1,750	1,750
Transient & temporary moorage	737	1,553
Shore Power	-	170
	220,180	210,689
Expenses:		
Maintenance	22,309	58,006
Depreciation	28,902	26,685
Water lease	41,844	37,953
Caretaker (Allocated)	22,943	19,650
Electricity (Allocated)	20,099	19,237
Insurance	14,405	13,127
LTS (Allocated)	(5,000)	-
Administration (Allocated)	6,023	5,892
Sewer & Water (Allocated)	3,627	2,622
Property tax	7,687	8,204
Bad Debts	-	1,313
Member work credits	1,995	350
Miscellaneous	-	117
	164,835	193,156
Net Operating Income (Loss):	55,345	17,533

**Deep Cove Yacht and Sport Club
Statement of Member Operations
for the years ended October 31**

Schedule 2

	2018	2017
Revenue:		
Membership dues	210,234	200,624
Initiation Fees	99,000	45,100
Clubhouse rentals	13,683	16,008
Learn to sail operations (Schedule 4)	322	-
Caretaker suite rental	7,200	7,200
Other	5,454	6,917
Gain on sale of fixed assets	1,429	-
Movie location fees	-	14,800
	337,321	290,649
Expenses:		
Learn to Sail operations (Schedule 4)	-	7,313
Fleet operations (Schedule 5)	929	2,785
Clubhouse (Schedule 6)	135,095	101,550
Office & administration (Schedule 8)	39,438	55,661
Outstation (Schedule 7)	35,879	37,745
Food & Bar operations (Schedule 3)	20,946	13,180
Social & Special Events	19,629	13,651
Membership	5,100	6,977
Communications	28,220	18,183
Other	14,539	7,672
	299,775	264,717
Net Operating Income (Loss):	37,546	25,932

**Deep Cove Yacht and Sport Club
Statement of Food and Bar Operations
for the years ended October 31**

Schedule 3

	2018	2017
Beverage Operations:		
Liquor sales:	93,868	79,121
Liquor costs	41,776	34,459
Gross operating income	52,093	44,662
Food Operations:		
Food Sales	31,950	24,474
Food Costs	27,975	19,321
Gross operating income	3,974	5,153
Gross Profit (Loss):	56,067	49,815
General Expenses:		
Direct:		
Salaries & wages	41,315	36,688
Depreciation	2,337	2,822
Liquor License	1,354	-
Bar Supplies & Miscellaneous	1,718	-
Credit card charges	4,325	3,245
Waste Bin rental	409	-
POS system and maintenance	3,430	-
Total Direct Expenses:	54,888	42,755
Income (Loss) Before Allocated Expenses:	1,179	7,060
Allocated:		
Caretaker	9,177	7,860
Administration	9,034	8,838
Electricity	3,350	3,206
Gas	563	336
Total Allocated Expenses:	22,125	20,240
Net Operating Income (Loss):	(20,946)	(13,180)

Deep Cove Yacht and Sport Club
Statement of Learn to Sail Operations
for the years ended October 31

Schedule 4

	2018	2017
Revenue:		
Summer program	62,367	61,127
Adult sail training	2,875	3,250
Summer jobs subsidy	8,746	(90)
Financial assistance program	-	464
	73,988	64,751
Expenses:		
Instructor costs	47,488	50,904
Bank charges and fees (Gifttool)	3,095	-
Depreciation	8,826	5,986
Insurance	776	2,048
Administration & Other Expenses	1,731	4,930
Wharfage (Allocated)	5,000	5,000
Books, supplies & miscellaneous	555	965
Member work credits	675	450
Fleet operating costs	664	-
Fleet maintenance	4,854	1,781
	73,666	72,064
Net Operating Income (Loss):	322	(7,313)

Deep Cove Yacht and Sport Club
Statement of Fleet Operations
for the years ended October 31

Schedule 5

	2018	2017
Revenue:		
Fees	3,291	1,341
Expenses:		
Regatta costs	3,171	2,234
Member work credits	1,050	700
Other	-	1,192
	4,221	4,126
Net Operating Income (Loss):	(929)	(2,785)

Deep Cove Yacht and Sport Club
Statement of Clubhouse Operations
for the years ended October 31

Schedule 6

	2018	2017
Expenses:		
Caretaker	49,532	42,269
Electricity	33,498	32,062
Land lease	19,050	19,050
Maintenance	50,546	24,335
Insurance	12,837	10,530
Property tax	8,526	8,267
Depreciation	7,738	7,835
Water & sewer	7,255	5,245
Telephone	1,609	1,475
Gas	2,817	1,681
Cable/satellite TV	1,117	1,112
Member work credits	330	600
	194,856	154,461
Less Expenses Allocated Out:		
Caretaker	(32,121)	(27,510)
Electricity	(23,449)	(22,443)
Water	(3,627)	(2,622)
Gas	(563)	(336)
	(59,761)	(52,911)
Net Operating Expenses:	135,095	101,550

Deep Cove Yacht and Sport Club
Statement of Outstation Operations
for the years ended October 31

Schedule 7

	2018	2017
Expenses:		
Waterlot lease	6,820	8,184
Maintenance	3,962	2,970
Insurance	1,276	3,510
Depreciation	18,787	18,707
Property tax	2,034	2,345
Member work credits	2,925	1,700
Other	75	329
Total Operating Expenses:	35,879	37,745

Deep Cove Yacht and Sport Club
Statement of Office and Administration Expenses
for the years ended October 31

Schedule 8

	2018	2017
Expenses:		
Office & accounting staff	30,067	32,447
Audit fees	16,600	17,500
Depreciation	601	440
Insurance	3,331	3,275
Postage	956	1,461
Office supplies	984	5,173
Bad debts	95	5,046
Executive expenses	1,109	1,350
Computer software & maintenance	-	216
Member work credits	-	1,850
Other	753	1,633
	54,495	70,391
Less Administration Expenses Allocated Out:	(15,057)	(14,730)
Net General & Administrative Expenses	39,438	55,661

DEEP COVE YACHT CLUB
2017 ANNUAL GENERAL MEETING
Draft Minutes
JANUARY 23, 2018

1. CALL to ORDER:

Having determined that a quorum was present, Commodore Winstanley called the meeting to order at 7:30 pm. 43 voting members were in attendance at that time.

2. WELCOME AND MEETING PROTOCOL:

Commodore Kleaman welcomed members and thanked the sign in volunteers. Commodore Kleaman reminded members of the protocol for addressing the meeting and for voting.

3. APPOINTMENT OF SCRUTINEERS:

A motion was raised that Earl Jergens and Bruce Blair be appointed as scrutineers for the meeting.

Moved by Malcolm Chaddock, Seconded by Chuck Stoody. Carried

4. ADOPTION OF THE 2017AGM AGENDA:

An amendment was noted to correct the date of the AGM Agenda to note the correct year.

A motion to accept the amended AGM Agenda.

Moved Russ Curtis, Seconded by Gary MacGregor Carried

5. Adoption of the 2016 minutes of the AGM Held January 18, 2017

A motion that the minutes of the 2015 AGM of January 26, 2016 be adopted.

Moved Gary McGregor Seconded Bruce Blair Carried

6. Business Arising from AGM 2016 and Minutes of January 18, 2017

No business arising from the minutes of AGM 2016.

7. Financial Report: Randy Drake delivered the 2017 Financial report as scrutinized by Loewen Kruse Auditors.

Motion to Approve the 2017 Financial Report.

Moved Rick Warren, Seconded by Gayle Robson Carried

8. Appointment of Auditors

Motion To Approve, to appoint Loewen Kruse as auditors for the 2017/18 fiscal year.

Moved Graham Thomas, Seconded by Kent Calderwood Carried

9. Commodore presented Gita Naran and Kate Davitt with a token of our appreciation for their work in 2017.

10. Commodore's Annual Report

Motion to Approve Commodore's Annual Report

Moved Randy Drake, Seconded Gary McGregor

Carried

11. Annual Reports of the Officers

Vice Commodore Gord Kleaman

Past Commodore Gayle Robson

Rear Commodore Docks Rick Warren

Membership Janet Blair

Rear Commodore Public Relations Roger Williams

Social Director – No Report

Staff Captain Director – Ian Silvester

Communications Director Michael Bernard

Outstation Director – Taylor Shaak

Learn To Sail Director – Malcolm Chaddock

Fleet Director – Tony Gill

House Manager – Gary McGregor

Motion to Approve all Officer's Reports

Moved, Seconded Rick Warren

Carried

12. Awards

Commodore Gord Kleaman was pleased to award the

Pleonie Award to Dave and Penny Thompson

A motion to approve Lois Nordin as Life Member.

Moved Gord Kleaman, Seconded Russ Curtis

Carried

Russ Curtis presented to DCYC a burgee from the Falkland Islands as a gift from his brother.

13.Election of 2018 Executive

2018 Executive Committee Nominations

Commodore	Dave Winstanley	Roger Williams – Gayle Robson
Vice Commodore	Karl Parker	Earl Jergens – Mike Low
Past Commodore	Gord Kleaman	n/a
Treasurer		
Secretary	Betty Davison	Gary McGregor – Malcolm Chaddock
RC Docks	Rick Warren	Kent Calderwood – Betty Davison
RC Member & Public Relations	Roger Williams	Dave Winstanley – Gayle Robson
Fleet Captain	Anthony Gill	Betty Davison – Garth Raven
Staff Captain		
Dock Master	Kent Calderwood	Rick Warren – Michael Bernard
House Manager	Maurice Doucette	Dave Winstanley – Jim Jarvis
Social Director	Joelie Bayntun	Janet Blair – Roger Williams
Membership Director	Janet Blair	Malcolm Chaddock – Kathleen Rogers
Communications Director	Michael Bernard	Malcolm Chaddock – Peter Turner
Outstation Director	Taylor Shaak	Paul Shaak – Kevin Pinkerton
Learn to Sail Director	Malcolm Chaddock	Phil Pollard – Russ Curtis

All 2018 Executive elected by acclimation

14.Recognition of the 2017 Executive.

The outgoing Executive Committee was recognized by the meeting.

15.Formal passing of the gavel

Commodore Gord Kleaman passed the gavel to incoming Commodore Dave Winstanley.

16.Motion to Adjourn AGM 2017: 8:45 pm

Moved by Karl Parker, Seconded by Gary McGregor

Carried

Annual Reports of the Officers

Commodore's Annual Report 2017

2017 was a great year for us at Deep Cove Yacht Club. Your Executive had a very busy year working hard on different mandates and problem solving. I have been very proud to be Commodore with such an effective Executive. I would like to take the time now to thank them all for their support and efforts.

I would like to outline some of the 2017 highlights:

- The hiring of our new office manager, Gita Narin. Gita is already proving invaluable in the office for our members and the Executive.
- The hiring of Kate

TREASURER'S ANNUAL REPORT See Page 17 for Loewen Kruse draft annual review

In order to facilitate fiscal responsibility a budget is prepared and reviewed by the Finance Committee at the beginning of each year. The budget is then submitted to the Executive Committee for their consideration and approval. This practice, along with monthly financial reporting compared with the budget gives the Executive Committee a great deal of control over the expenditures of the Club. This year the Club's net income was \$43,465 higher than was anticipated in the budget. This positive variance was largely due to lower than expected Wharf Maintenance costs and higher than expected New Membership fees and Movie Rental income.

External auditors are appointed annually to insure the financial statements present fairly the results of the operations. They review the financial records of the Club to insure that accounting practices are following generally accepted accounting principles on a consistent basis with previous years.

Readers of these financial statements should be aware that financial statements are somewhat like legal documents. Wording used is very carefully chosen and reviewed by the external auditors for consistency and compliance with generally accepted accounting practices.

This year, as it has been throughout the history of the Club, it has been the goal of the Executive Committee to provide the facilities and services expected by the membership at the lowest possible cost and insuring our revenues are sufficient to cover these expenditures.

The following are my comments on significant items in the Audited annual financial statements provided by our Chartered Professional Accountants LOEWEN KRUSE:

Statement of Financial Position (Page 3)

The cash balance has increased by \$47,000 from \$267,000 to \$314,000. The increase was again largely due to New Membership Fees and Rental Revenues.

During the year, the Club completed expenditures of \$38,000 towards the construction of the outstation dock replacement. The Iron Bay dock replacement project is now substantially complete. Largely due to the sweat equity of many dedicated members the project came in only slightly over the \$200,000 budget. Actual cost was \$202,236

Statement of Operations (Page 5)

The Club's two major sources of revenue are membership dues and wharfage.

A number of years ago the Club adopted the practice of "full costing" in which certain expenses, such as administration, electrical costs, etc. are re-allocated to the operating segments of the Club which generate the corresponding revenue. In that way we meet one of the most important accounting principles of "matching revenues & expenses".

Net income for the current year was \$43,465. Although down \$62,233 from the previous year (\$105,698) the income is more in line with what should be expected from Balanced Budget operations.

Total revenues for the year were \$666,025, a marginal 1.7% (\$11,032) increase from the previous year.

Total operating expenses increased by 13.3% (\$73,265) from 2016 to \$622,560 for the current year.

This increase is largely attributable to increases in Bar and Food (\$7,000) Clubhouse (\$7,000) Office & administration (\$27,000) and Learn to Sail (\$25,000) The increases are addressed later in my report on the various schedules.

Statement of Cash Flows (Page 6)

The actual "cash" has increased by \$46,679 (17%) to \$318,255. The significant reasons for this increase in the cash were:

Net income - \$43,465

Amortization - \$62,476

These increases were offset mostly by the following:

Purchase of Capital assets - \$65,047

The Club issued Debenture redemption payments in the amount of \$30,000 during the fiscal year.

This ends my comments on our Audited annual financial statements.

Further to our audit the Club has Schedules produced to further define the performance of our various operations. These statements are not a part of our Audited Statements but reflect the balances contained in the Audit.

The following are my comments on significant items in the Schedules described above:

Segmented Statement of Net Income

There are two major sources of revenue. This statement shows the net results of these revenue sources and their associated expenses resulting in the Club's net income.

Wharfage operations contributed \$17,533 and General Membership Operations contributed \$25,932 toward the net income of the Club. (\$43,465)

Statement of Wharfage Operations (Schedule 1)

There was a decrease in revenue of \$4,253 and a decrease in expenses of \$11,436 resulting in an increase in Operating income of \$7,183 (69.4%) This increase in income was primarily due to lower than expected wharf maintenance expenses.

Statement of General Membership Operations (Schedule 2)

Operating income decreased \$69,416 (\$25,932 – 2017, \$95,348 – 2016) the more significant items are:

A decrease in Initiation Fees of \$29,000, an increase in Office & Administration expense of \$27,000 and a loss on Learn to Sail of \$7,000

Statement of Food & Bar Operations (Schedule 3)

The operating loss decreased by \$11,000 (45%) to \$13,180. (2016 Loss \$24,179) Changes implemented in the past year have gone a long way in reducing the expense of having our Food & Bar Operation. The Club's 2018 Budget recently approved by the Executive Committee anticipates a loss on Food & Bar Operations of \$8,400.

Statement of Learn to Sail Operations (Schedule 4)

The operation had an operating loss of \$7,313 compared to income of \$21,962 in 2016. (\$29,275 reduced income) Significant factors affecting this performance are:

Our application for a \$15,000 Summer Jobs Subsidy did not reach the department within government responsible for processing our claim. The application was submitted well within the required timeframe. It is unknown whether the application was lost in the mail or at the application processing site. By the time it was realized that the application was missing the deadline for submission had passed. There is no recourse and we did not receive the subsidy.

Instructor costs increased year over year due to an increase in program enrollment in both Summer program and Adult sail training.

The management of this activity has continued to prove to be a benefit to our Club and Community.

Statement of Fleet Operations (Schedule 5)

The operation had a slight loss of \$436 compared to income of \$1608 in 2015.

Regatta sponsorship was down from previous years reflecting in a higher than expected loss on fleet operations.

Statement of Clubhouse Expenses (Schedule 6)

Expenses for the Clubhouse increased by 8% (\$7,756) Increase was primarily due to an increase in maintenance expense of \$7,772

Statement of Outstation Expenses (Schedule 7)

Outstation expenses have gone up \$6,700 (22%) primarily due to the increase in the Capital Cost and subsequent \$9,200 increase in depreciation expense on our new docks. This added expense was somewhat offset by a decrease in maintenance expense.

Statement of Office & Administration Expenses (Schedule 8)

Expenses increased by 59% (\$27,252). Office & Accounting staff expense increased by a net \$10,000 due to the added cost associated with permanent staffing now in place, Audit fees increased \$5,000 as a result of bookkeeping required to reconcile our 2016 fiscal year end. Audit fees posted to current year are incurred for prior year audit. Internet expenses increased \$3,500 due to the need for upgrades and enhancements. Bad debt increased by \$8,000 (\$5,000 2017 – \$2,900 recovery in 2016)

I am pleased to report that the Club is in very good shape financially.

The club is now carrying an excess of cash. In discussing our current cash position at our December Executive Committee meeting it was determined that we will redeem all outstanding Iron Bay dock replacement Debentures. (\$170,000 - leaving unrestricted cash on hand of \$148,808))

I would like to personally thank our Finance Committee for their help and guidance throughout this past year. Our Finance Committee members are Past Commodore Gayle Robson, Doug Calderwood, Mike Low, Malcolm Chaddock, Roger Williams, Russ Curtis and Ian Silvester.

Finally, I would like to thank the Executive Committee and the membership for their confidence and support. It has been a pleasure to serve you.

Respectfully submitted
Randy Drake, Treasurer

Vice Commodore

My time on the executive was a positive experience and I enjoyed working along with my fellow council members on the various functions and activities throughout

the past year. The year ran smoothly for the most part, although we did encounter some unexpected work around liquor licensing and changes to existing regulations. We discussed changes to the structure of our executive board, but did not reach a clear enough consensus, to bring forward any solid recommendations. Activities that I was personally involved in, included:

- Organization of Sail Past
- Iron Bay dock re-decking
- Presentation of DCYC Scholarship at Seycove Graduation
- Deep Cove Regatta, race committee
- Laying of wreath at Remembrance Day ceremony.

I was happy to see the success of the community membership program, and the return of Michelle Kirk to the DCYC kitchen, along with increased member turnout for dinners and pub nights. A special thank you to our social director, Phil Pollard, who was unable to finish his term of office, but was instrumental in getting people down to the club for events throughout the year. I look forward to continuing on with the executive committee in 2018, in my new role a Commodore.

Respectfully submitted,
Dave Winstanley, Vice Commodore

Past Commodore

We've had some great accomplishments over the last 3 years.

In 2015, we presented a plan to upgrade our dock system at Iron Bay. In order to fund this project, we raised \$200,000.00 in debentures. Of which \$25,000 was paid back last year and as approved by the Executive on Dec 12th, there is a plan in place to pay off the balance in the new year. A huge thank you goes out to all the members that volunteered their time (many with no compensation), thanks to them we were able to complete the project and stay within budget.

New anchor chains were installed on our main docks and we approved the use and installation of ski boat lifts within the moorage configuration.

We re-vamped our Safe Boating regulations and process and although we had a few growing pains at our last Safety Weekend, the take away will streamline and make Safety Inspections a more member-friendly experience.

We welcomed aboard a new Bar Manager Kate Davit and a new Office Manager Gita Naran and after trying out a couple of different options for food suppliers, we are fortunate to have welcomed back Michelle Kirk. All have become amazing additions to our DCYC family.

We created a new Community membership category that so far has been a great success.

It's been my pleasure and privilege to serve as Past Commodore this past year and I wish the new 2018 Executive Committee every success. See you out there.

Respectfully submitted

Gayle Robson, Past Commodore

Rear Commodore Docks

This past year has been a moderate year, weather wise and a very successful year work wise on the dock.

There were only two weather events that actually caused damage to the docks. One was a storm that caused a finger to break up and the other resulted in a sway chain for B-dock breaking, neither caused long lasting damage and both were repaired quickly.

There were two work parties in the past year, the first work party was to do maintenance on the main walkway and we added floatation and re-decked the lift dock. The second work party accomplished a major clean up of the area under the club house deck and the dingy docks. Both were very successful and both were well attended.

Use of A-dock in the summer was very gratifying. Even though I was away most of the summer and didn't experience the events, we had good weather, some smoke, but the barbecue and picnic tables were well used. Use of the docks for other things other than just moorage is great for the club. Next year we hope to install a diving board and add another barbecue.

We completed the re-anchoring project that began in 2015 with the placement of new anchors and chains between A and B docks plus replacement and addition of the shoreward chains on D dock. This completes a project that should assure, with proper maintenance, the security of the docks for many years. As in past years there was inspection and repair of existing chains. This process is vital and will continue in the future.

There has been the ongoing maintenance to the dock with the replacement of fingers, replacement of whalers and bull rails plus adjustment of chains and connectors. In the next year, major work will be done on C-dock replacing the whalers and bull rails. Work will also be done on A-dock to a lesser extent.

Work was done on balancing and documenting the electrical system on the docks. If you look in the breaker boxes on the docks you will see that all the outlets and breakers have been listed for easy identification, there has been an attempt to balance the use of the breakers to equalize the load. This is an ongoing project. In

the next year we intend to start the replacement of the outlets on the docks with new outlets on B-dock eventually upgrading all the outlets on all the docks.

I would like to thank all those who participated in the maintenance and work on the docks in the last year. This effort has helped maintain the docks at reduced cost to all the members and added to the club spirit.

Thank- you.

Rick Warren, Rear Commodore Docks

Dock Master

As always, 2017 was another great year at DCYC in general, and on the docks. There was some moderate movement in moorage seeing some new boats come in, and new faces enjoying the docks during the boating season. We accommodated many temporary moorage situations this summer, and it was great to meet a bunch of new people.

As well, it was another great year on the Executive being grateful to work with a dedicated team. The width of our slips as they come available continues to be an issue for many seeking slips, and further reduction in the number of slips may be needed to accommodate. The reduction in the total number of slips will begin to put pressure on moorage rates and revenues, but is necessary to accommodate the changing dynamic of the boating community.

2017 also had a “to-do” list that was longer than what time allowed for, thus some needed work was not completed when it came to the re-design and re-organization of the dingy and canoe/kayak storage. This has always been a beast of a task, but remains on the “to-do” list for 2018. This will be in conjunction with attempting to accommodate the sharp increase in requests for dingy, stand-up paddleboard, and kayak storage!

This continues to be a great Club to be a part of, and I look forward to seeing you in 2018.

Respectfully,

Kent Calderwood, Dock Master

House Manager

The following outlines the financial results we achieved over the past year.

Item	2017	2016	Difference
Revenue	103,595	85,736	+17,859
Expense	116,775	109,915	+6,860
Difference	13,180	24,179	

As you can see revenue has increased by \$17,589 or 21% while expenses increased by only \$6,860 with the result that the deficit decreased by almost exactly \$11,000.

I attribute these favourable results to Kate Davitt's presence behind the bar. Her positive energy (friendly service and efficiency) has encouraged members to drop in and use the clubhouse more often. If I have achieved any good results in serving the club, it is the legacy I leave in hiring Kate.

In addition, we have arranged with Michelle Kirk to provide food services on Friday nights. Michelle is well known to members and I sincerely believe that she will put out a quality product that will continue to encourage members to support the food and bar operations.

There are a couple of issues that were started on my watch but will be left to be completed by the next House Manager.

House repairs

The south wall of the club house has shown evidence of wood rot. This has compromised the working of the gate between the main entrance and the deck. We have hired a contractor to make the necessary repairs. In addition, we have requested that the contractor do a survey of the balance of the building to find out if there are other areas that are similarly damaged. This work will probably continue into next year.

Re-keying

It has been several years since we last changed the locks. During the interim, many keys have gone astray with the result that we cannot guarantee the security of members' vessels or club property. Given this, we have arranged to change the locks. The new keys are being distributed to members but the locks will not be changed until we are certain that the majority of members have received them.

It has been a real pleasure to serve you over the past two years. Thank you for your support. I especially need to thank Kate, Gita and Vaughn.

Respectfully Submitted,
Gary McGregor, House Manager

Membership Report

This year has been a busy year for Membership with the new Community Membership category being popular with the local residents. It has brought some new life into our clubhouse again with more people coming down during the evenings and enjoying the Friday night dinners as well as the comradery with other members. This is good to see.

This year we have had 12 new Active members join and 20 new Community members. This brings our total of members to the following:

Active *	271
(* Includes Senior, Life & Students)	
Community	20
Social	3
Non Resident	11

We have also seen 13 members resign in 2017.

I have put my name forward to run for your Membership Director again in 2018 as I would like to continue the work we have started to attract more local residents to our yacht club environment.

Respectfully submitted,
Janet Blair, Membership Director

Communications Report

During 2017, we had a few challenges and a few opportunities in serving club members. In the challenge category, member Peter Turner and fellow member Wayne Lywak had their hands full dealing with problems with the club's security webcam and wi-fi systems. Both problems involved glitches with equipment that made wi-fi reception spotty, if not entirely absent, and put the weather station off the air for several months.

I'm happy to report that after many hours work, Peter and Wayne Lywak have succeeded in fixing those problems, one of which was tracked back to an electrical system issue that has now been addressed. Thank you Peter and Wayne (and Rear Commodore Docks Rick Warren and life member Mike Low) for your dedication.

On the opportunity side, webmistress Karole Doucette has begun steps to update and enhance the club's website. This is the first time the website has undergone a major facelift since the website was created more than 15 years ago by Peter Ciconne and his family company Pro-Net Communications. It was Peter Cicone and our current club secretary Betty Davison who were responsible for bringing the club's communications into the 21st century. And Karole Doucette should be acknowledged for her excellent work in keeping things running smoothly on a daily basis. Thank you Peter, Betty and Karole for your service to the club.

Finally, I would like to say that our group looks forward to continuing to keep you the members informed about club events, issues and activities this year.

Regards,
Michael Bernard
Communications Director

Fleet Captain Annual Report

The following highlights the key success from 2017:

- Great Sail Past, well attended by the Fleet
- DCYC rating has definitely made the racing more competitive and fun as the club races as one division. We will be fine tuning this further with the 2017 data for the 2018 series.
- Implemented 3 well attended race series (Cool Breeze, Spring and Fall) during the year
 - Fleet has stable at around 13 racing boats in Div 1 and Div A with the addition of new members.
- Excellent support of Outstation and Around Bowen Races
 - Thanks to the Executive and the Outstation team for their continued support!!!
 - Thanks to Centennial for their continued support and competition. A large contingent with new boats. Centennial one the 2017 event. Beer sponsorship from DC Brewery and Centennial with prizes from Evolution sales. This event brings in all sailors from the club not just racers.
 - Once again there was great attendance at the round Bowen race. 7 boats from DCYC in attendance with Crystal Dolphin taking the honours.
- Our Deep Cove Regatta was a huge success, it continues to be a favorite destination race
 - This Regatta owes its success to the excellent support from the club...Committee boats and volunteers. Thank you all.
 - The sponsorship committee outdid themselves this year with great prizes. **Martin Marine** continues to be a major supporter of our racing program and the club, we need to continue to support them...best Marine Shop on the North Shore!!!!. Other sponsorship came from Herschel, Lynnwood Marina, Steamworks, Polar batteries an all the local vendors, Blue House, Café Also, Covert Pomegranet.
 - Regatta entrance payments were handle via email transfer for the first time, vast improvement.
- “Boat of the Year” congratulations to Rob Smith and the crew of Crystal Dolphin.

- “Fleet Captain award” to Phil Pollard for his contribution to the Club and racing community for the past years. Phil is off sailing in the Caribbean for the next few years, enjoy Phil you deserve it.

The following identifies opportunities for improvement:

- Revive the VARC participation within the fleet, this requires a concerted effort
- Consider implementing more one off races to include non racing Sailboats.
- Explore ways to bring more boats/crew in from outside the club.
- Regatta entrance payments for next year need to be online

Respectfully Submitted,
Tony Gill
Fleet Captain

Learn to Sail Report

This year was successful on most fronts, as we had another increase in enrollment, excellent feedback from students and parents.

Eric Scott-Iversen once again did an outstanding job. Eric managed the instructors well, providing leadership in directing the program while dealing with another larger number of students.

Our instructors from last year returned: Noah Grossman, Keith Kirchner, Braden Mamen, Aidan Charles, and Cooper Lloyd, along with Nelson Floe joining us full-time this year. They led the students with great good humour and respect. Reviews from students and parents on the year-end survey were very positive, and the instructors once again received great ratings. We expect all instructors will be back next year.

The big disappointment was the apparent misplacement of our application for the Summer Jobs Grant program. The application was completed and submitted on time, but it became lost in the system, and was not received by our MP's constituency office. As a result, we did not receive the grant. We had an increase in enrollment and in revenue, and added instructors to meet the demand, but still came up short by more than \$7200. However, when the past two years are totaled, the program was still in the black by \$14000.

After conversations with Service Canada, we will have the application submitted online, and are assured that it will be verified immediately upon receipt. We have also spoken with the staff at our MP Terry Beech's office, and they will be on the lookout for the application.

Our committee members worked diligently to assure the program and the equipment met the challenge. Special thanks to Susan Low, who managed the registration system with great skill and effort, dealing with many issues that always come up with the process. And Karole Doucette supported the program well by

making necessary changes and updates to the DCYC website to make the system work.

Many thanks to our committee members for their hard work:

- Chris Hall
- Susan Low
- Darrell Low
- Russ Curtis
- Dan Klinksgaard
- Erian Scott-Iversen
- Jeremy Slater
- Craig Sands
- Pam Juryn
- Brooke Thomson
- Chris Seed

Respectfully submitted
Malcolm Chaddock, Learn to Sail Director

Staff Captain Report

On May 13th we kicked off the 2017 boating season with the annual DCYC Sailpast. I had the pleasure of leading a fine looking set of power boats through the sail past to salute our Commodore. The event was well attended and a fine afternoon was provided by the staff at the clubhouse after.

Easter weekend at Iron Bay was well attended, and thanks are given to all the volunteer cooks, crafters and egg hiders Try and add it to your calendar for next spring. There was a hosted dinner on Saturday night followed by a pancake breakfast on the Sunday morning. Numerous cooks helped with food, crafts and an Easter Egg Hunt. Much appreciated was my wife Jerry Sims who assisted me greatly in the shopping for crafts and food.

Reciprocals at our numerous reciprocal clubs were renewed, and one special place to mention as always is Lahaina Yacht Club in Maui, if there ensure you stop in with your member card. We have many awesome spots we can use up and down the coast and these reciprocals are a major benefit to membership.

Safe and happy boating to all!!!
Ian Silvester, Staff Captain

Outstation Report

2017 was a great year for the outstation. The new docks are now installed. We also added new anchors for more secure flotation. The re-planking of mainstreet and the

seaward dock proved to be the biggest challenge in the project. I thank all those members who contributed the help with their volunteer labor to get this task complete. I encourage anyone that uses the outstation to chip in and lend a hand at these work parties. It is a delight to meet new members and feel good after accomplishing a task. Without the members and also many nonmembers who completed the work up at Ironbay, thank you! This large project would not have been completed if not for their willingness to pitch in.

There is still some work to be done for the spring time work party. The last of the re-planking where the ramp meets the dock. The new ramp covering from shore to the docks will need to be brought up and installed.

We added some solar LED lighting on the docks and paths which will assist people in navigating the docks in the dark.

I would like to thank Gord Kleaman our commodore to which this huge undertaking of the docks could not have been possible without his help. Also Randy Drake for the new diving board brackets and to Mike Lowe for finding the new diving board. The swim dock has been completed as well. I look forward to using the outstation in 2018 with the new upgrades and encourage members to get out and boat.

Respectfully submitted
CJ Davison, Outstation Director

Rear Commodore Member and Public Relations

It was a pleasure to serve on the Executive and Commodore Gordon Kleaman. The executive works hard on behalf of the members and many accomplishments were achieved this year by the executive and many members of the club.

I think DCYC is in great shape moving into 2018.

My duties as RCMPR included working with Port of Vancouver to achieve a new 10-year water-lease for DCYC. We also had a few film rentals this year that I helped to facilitate and although these film shoots can be a little distracting to club nights, parking and the members I believe the additional income the club receives is beneficial for the overall club functions and facilities.

The executive functioned very efficiently this year and I was glad to be a part of it.

I look forward to working with incoming Commodore Dave Winstanley in 2018.

Respectfully,
Roger Williams, Rear Commodore Member and Public Relations

DEEP COVE YACHT & SPORT CLUB

Financial Statements

October 31, 2017

DEEP COVE YACHT & SPORT CLUB
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Year Ended October 31, 2017

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INDEPENDENT AUDITOR'S REPORT

To the Members of Deep Cove Yacht & Sport Club

We have audited the accompanying financial statements of Deep Cove Yacht & Sport Club, which comprise the statement of financial position as at October 31, 2017 and the statements of operations, changes in members' equity 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.

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 judgment, 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.

(continues)

Independent Auditor's Report to the Members of Deep Cove Yacht & Sport Club *(continued)*

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Deep Cove Yacht & Sport Club as at October 31, 2017 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.

Report on Other Legal and Regulatory Requirements

As required by the Societies Act of British Columbia, we report that, in our opinion, these principles have been applied on a basis consistent with that of the preceding year.

Burnaby, British Columbia

Chartered Professional Accountants

DEEP COVE YACHT & SPORT CLUB
Statement of Financial Position
October 31, 2017

	2017	2016
ASSETS		
CURRENT		
Cash	\$ 314,808	\$ 267,666
Accounts receivable	20,766	70,987
Recoverable from government authorities (Note 3)	-	2,042
Inventory	12,459	5,929
Prepaid expenses	48,927	44,132
	<u>396,960</u>	<u>390,756</u>
RESTRICTED CASH	3,447	3,910
INVESTMENT	12,437	12,408
SECURITY DEPOSIT (Note 4)	5,000	5,000
CAPITAL ASSETS (Note 5)	<u>618,848</u>	<u>616,277</u>
	<u>\$ 1,036,692</u>	<u>\$ 1,028,351</u>
LIABILITIES AND MEMBERS' EQUITY		
CURRENT		
Accounts payable and accrued liabilities	\$ 13,150	\$ 34,877
Payable to government authorities (Note 3)	5,600	539
Unearned revenue (Note 6)	105,126	93,121
	<u>123,876</u>	<u>128,537</u>
LEARN TO SAIL DEFERRED REVENUE (Note 7)	3,447	3,910
LONG TERM DEBT (Note 8)	<u>170,000</u>	<u>200,000</u>
	<u>297,323</u>	<u>332,447</u>
MEMBERS' EQUITY - page 4		
Unrestricted	<u>739,369</u>	<u>695,904</u>
	<u>\$ 1,036,692</u>	<u>\$ 1,028,351</u>

COMMITMENTS (Note 11)

ON BEHALF OF THE DIRECTORS

Director

Director

DEEP COVE YACHT & SPORT CLUB
Statement of Changes in Members' Equity
Year Ended October 31, 2017

	2017	2016
MEMBERS' EQUITY - BEGINNING OF YEAR	\$ 695,904	\$ 590,206
Excess of revenue over expenses - page 5	<u>43,465</u>	<u>105,698</u>
MEMBERS' EQUITY - END OF YEAR - page 3	<u>\$ 739,369</u>	<u>\$ 695,904</u>

DEEP COVE YACHT & SPORT CLUB**Statement of Operations****Year Ended October 31, 2017**

	2017	2016
REVENUE		
Wharfage	\$ 205,689	\$ 209,942
Membership	200,624	196,912
Bar and food	103,595	85,736
Learn to sail	64,751	69,248
Initiation fees	45,100	74,800
Clubhouse rentals	38,008	22,146
Other	6,917	4,108
Fleet	1,341	1,710
Loss on disposal of capital assets	-	(9,609)
	<u>666,025</u>	<u>654,993</u>
EXPENSES		
Wharves	188,156	199,592
Bar and food	116,775	109,915
Clubhouse	101,550	93,792
Office and administration	73,694	46,442
Learn to sail	72,064	47,286
Outstation	37,745	31,029
Social	13,651	6,551
Other	7,672	4,539
Membership and communication	7,127	8,003
Fleet	4,126	2,146
	<u>622,560</u>	<u>549,295</u>
EXCESS OF REVENUE OVER EXPENSES - page 4	<u>\$ 43,465</u>	<u>\$ 105,698</u>

DEEP COVE YACHT & SPORT CLUB
Statement of Cash Flows
Year Ended October 31, 2017

	2017	2016
OPERATING ACTIVITIES		
Excess of revenue over expenses - page 5	\$ 43,465	\$ 105,698
Items not affecting cash:		
Amortization of capital assets	62,476	56,156
Loss on disposal of capital assets	-	9,609
	<u>105,941</u>	<u>171,463</u>
Changes in non-cash working capital:		
Accounts receivable	50,221	(11,190)
Recoverable from government authorities	2,042	(2,042)
Inventory	(6,530)	(1,929)
Prepaid expenses	(4,795)	(568)
Accounts payable and accrued liabilities	(21,727)	20,745
Payable to government authorities	5,061	(6,003)
Unearned revenue	12,005	(4,182)
Learn to sail deferred revenue	(463)	-
	<u>35,814</u>	<u>(5,169)</u>
Cash flow from operating activities	<u>141,755</u>	<u>166,294</u>
INVESTING ACTIVITIES		
Increase in investment	(29)	(177)
Purchase of capital assets	(65,047)	(98,934)
Cash flow used by investing activities	<u>(65,076)</u>	<u>(99,111)</u>
FINANCING ACTIVITY		
Decrease in long term debt	(30,000)	-
INCREASE IN CASH FLOW	<u>46,679</u>	<u>67,183</u>
Cash - Beginning of year	<u>271,576</u>	<u>204,393</u>
CASH - END OF YEAR	<u>\$ 318,255</u>	<u>\$ 271,576</u>
CASH CONSISTS OF:		
Cash	\$ 314,808	\$ 267,666
Cash - externally restricted	3,447	3,910
	<u>\$ 318,255</u>	<u>\$ 271,576</u>

See notes to financial statements

DEEP COVE YACHT & SPORT CLUB

Notes to Financial Statements

Year Ended October 31, 2017

1. PURPOSE OF THE CLUB

The Deep Cove Yacht & Sport Club (the "Club") is a social club providing community boating and sport events. The Club is incorporated under the Societies Act of British Columbia and is a registered charity under the *Income Tax Act* and as such is exempt from income taxes.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations.

Revenue recognition

The Club follows the deferral method of accounting for contributions.

Externally restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Externally restricted amounts can only be used for purposes designated by the contributor. Unrestricted contributions are recognized when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Wharfage and membership dues revenue are recognized at the beginning of the month over the term to which they relate.

Bar and food revenue is recognized as revenue when the services are provided or the products are sold, which is generally at the point of sale.

Membership initiation fee revenue is recognized as revenue at the time the new member joins the Club.

Sail training, Learn to sail, and clubhouse rentals are recognized as revenue when the related event has been held or services provided.

Inventory

Inventory consists of finished goods recognized at shipping point and are valued at the lower of cost and net realizable value with the cost being determined on a first-in, first-out basis. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

Investment

The investment consists of a term deposit that is not cashable and has a maturity term of more than three months. The investment has a maturity date of January 14, 2018 and an interest rate of 1.05%. The investment has been classified as a long term asset as it is held as security for the credit facility (*Note 9*) and is intended to be reinvested upon maturity.

(continues)

DEEP COVE YACHT & SPORT CLUB

Notes to Financial Statements

Year Ended October 31, 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Contributed goods and services

Contributed goods or gifts-in-kind are only recognized when their fair value is reasonably determinable and significant, with such items recorded at fair value on the date of the contribution.

Members are encouraged to volunteer and assist the Club in carrying out its activities. The volunteer work credits are recognized at \$10 per volunteer hour, up to an annual maximum of \$100 depending upon the membership type. The total amount of volunteer work credits recognized during the year is \$7,510 (2016 - \$4,500).

Capital assets

Capital assets purchased are stated at cost less accumulated amortization. Amortization is provided at various rates on a declining balance basis designed to amortize the assets over the estimated useful lives, except for the ceremonial cannon, which is not being amortized as it will retain its value over time. The amortization rates are as follows:

Buildings	5%
Wharves	10%
Boats	15%
Furniture and fixtures	20%
Office equipment	30%
Website	50%

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

Unearned revenue

The unearned revenue represents revenue that has been received but relates to the period subsequent to October 31, 2017 (*Note 6*).

Allocation of expenses

The Club classifies its expenses by program, including its wharves, clubhouse, bar and food, and office and administration. For these expenses, the Club identifies the appropriate basis of allocating each component expense, and applies that basis consistently each year.

Component expenses of salaries and wages of the Club caretaker and office manager are allocated on the basis of percentage of time that management estimates was spent in support of the program. Component expenses of utilities, including electricity, gas, waste bin, and sewer and water, are allocated on the basis of percentage of use that management estimates was used by the program.

See *Note 10* for the allocation amounts for the year.

(continues)

DEEP COVE YACHT & SPORT CLUB

Notes to Financial Statements

Year Ended October 31, 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Measurement uncertainty

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates. Material uncertainties involving management estimates include the determination of useful lives of capital assets for the purposes of calculating amortization, specifically for the buildings and wharves and the determination of component expense allocation.

3. RECOVERABLE FROM / PAYABLE TO GOVERNMENT AUTHORITIES

	2017	2016
Recoverable from government authorities		
Goods and services tax	\$ -	\$ 2,042
Payable to government authorities		
Goods and services tax	\$ 3,602	\$ -
Payroll source deductions	1,357	193
Provincial sales tax	641	346
	<u>\$ 5,600</u>	<u>\$ 539</u>

4. SECURITY DEPOSIT

The security deposit is held by The Corporation of The District of North Vancouver as a performance bond in compliance with the terms of the Club's land lease (*Note 11*).

5. CAPITAL ASSETS

	Cost	Accumulated amortization	2017 Net book value	2016 Net book value
Land	\$ 35,827	\$ -	\$ 35,827	\$ 35,827
Buildings	359,074	278,422	80,652	84,897
Wharves	1,353,083	928,552	424,531	430,908
Boats	151,241	108,598	42,643	31,188
Furniture and fixtures	231,436	198,481	32,955	31,114
Office equipment	20,467	20,227	240	343
Website	3,460	3,460	-	-
Ceremonial cannon	2,000	-	2,000	2,000
	<u>\$ 2,156,588</u>	<u>\$ 1,537,740</u>	<u>\$ 618,848</u>	<u>\$ 616,277</u>

During the year the Club recognized amortization expense of \$62,476 (2016 - \$56,156).

DEEP COVE YACHT & SPORT CLUB
Notes to Financial Statements
Year Ended October 31, 2017

6. UNEARNED REVENUE

	2017	2016
Wharfage	\$ 71,232	\$ 59,805
Membership	33,894	33,316
	\$ 105,126	\$ 93,121

7. LEARN TO SAIL DEFERRED REVENUE

Learn to Sail deferred revenue represents unspent externally restricted contributions for the Learn to Sail program.

	Opening balance	Contributions	Recognized as revenue	Closing balance
Specified - financial assistance	\$ 130	\$ -	\$ 130	\$ -
Unspecified - general program	3,780	-	333	3,447
	\$ 3,910	\$ -	\$ 463	\$ 3,447

8. LONG TERM DEBT

	2017	2016
Perpetual redeemable debentures, opening	\$ 200,000	\$ 200,000
Debentures redeemed	(30,000)	-
Perpetual redeemable debentures, closing	\$ 170,000	\$ 200,000

The Club issued member promissory notes on August 1, 2015. The individual member promissory notes were issued at a minimum of \$1,000 to a maximum of \$25,000, with a total of \$200,000 in notes issued. The notes mature on August 1, 2020 and bear interest at a rate of 5% per annum, which is paid annually on the date of issue. The Club has the right to redeem the notes at any time prior to the maturity date.

9. CREDIT FACILITY

The Club has a letter of credit with BlueShore Financial, to the benefit of the Province of British Columbia Liquor Distribution Branch, up to an amount of \$10,000. The credit facility bears interest at prime rate and is secured by a term deposit held at the financial institution. The outstanding balance of the credit facility as at October 31, 2017 was \$NIL (2016 – \$NIL).

DEEP COVE YACHT & SPORT CLUB

Notes to Financial Statements

Year Ended October 31, 2017

10. ALLOCATION OF EXPENSES

Salaries and wages, including the Club caretaker and office manager, of \$68,760 (2016 – \$56,383) have been allocated as follows:

	<u>2017</u>	<u>2016</u>
Salaries and wages		
Wharves	\$ 25,542	\$ 23,501
Bar and food	16,698	12,840
Office and administration	14,730	7,817
Clubhouse	11,790	12,225
	<u>\$ 68,760</u>	<u>\$ 56,383</u>

Utilities, including electricity, gas, waste bin and sewer and water, of \$38,988 (2016 – \$35,347) have been allocated as follows:

	<u>2017</u>	<u>2016</u>
Utilities		
Wharves	\$ 21,860	\$ 18,026
Clubhouse	13,586	14,412
Bar and food	3,542	2,909
	<u>\$ 38,988</u>	<u>\$ 35,347</u>

11. COMMITMENTS

The Club has a lease for the land occupied by the Clubhouse from The Corporation of the District of North Vancouver at an annual rent of 3.75% of the assessed land value, as determined on the fifth anniversary of the lease and each subsequent five-year period expiring on December 31, 2034. The annual rent for the five-year period commencing January 1, 2015 is \$19,050.

The Club has a lease for its outstation waterlot from Port Metro Vancouver, expiring December 31, 2024. The annual rent is reviewed at each three-year period. The current period annual rent is \$8,184, expiring December 31, 2018.

Future minimum lease payments for the next five years are approximately:

2018	\$ 27,234
2019	\$ 27,234
2020	\$ 27,234
2021	\$ 27,234
2022	\$ 27,234

DEEP COVE YACHT & SPORT CLUB

Notes to Financial Statements

Year Ended October 31, 2017

12. FINANCIAL INSTRUMENTS

All financial instruments are initially recorded at their fair market value. Publicly traded equity instruments quoted in an active market are subsequently measured at fair value with any unrealized gains or losses and transaction costs recognized in net excess of revenue over expenses. All other financial instruments are adjusted for any transaction costs incurred on acquisition and are subsequently measured at their amortized cost. Financial instrument impairments and impairment reversals are recognized when incurred in net excess of revenue over expenses.

Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Club is exposed to credit risk for its accounts receivable and investment. Exposures to credit risk are as follows:

- Accounts receivable are non-interest bearing and are generally due within 30 to 60 days of the invoice date. Management evaluates the credit worthiness of its customers and members and regularly reviews accounts receivable for possible impairments related to collection.
- The investment consists of a term deposit issued by a financial institution. The term deposit is fully guaranteed by the Credit Union Deposit Insurance Corporation, a government corporation that guarantees all deposits and non-equity shares of British Columbia credit unions as set out in the Financial Institutions Act.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Club is exposed to interest rate risk for its investment and long term debt. Exposures to interest rate risk and significant changes to the risk exposure from the prior year are as follows:

- The investment consists of a term deposit with a set interest rate; therefore market fluctuations in the prime rate will not affect the related interest revenue.
 - Long term debt bears interest at a fixed rate of 5.00%. Consequently, the Club is not exposed to significant constraints on its cash flows caused by potential increases in the prime rate. The amount of long term debt has decreased by \$30,000 from the prior year.
-

DEEP COVE YACHT CLUB
2018 SPECIAL GENERAL MEETING
Draft Minutes
OCTOBER 23, 2018

1. CALL to ORDER:

Having determined that a quorum was present, Commodore Winstanley called the meeting to order at 7:02 pm. 38 voting members were in attendance at that time. Four voting members were signed in 7:15. Total of 42 members in attendance.

2. WELCOME AND MEETING PROTOCOL:

Commodore Winstanley welcomed members and thanked the sign in volunteers. Commodore Winstanley reminded members of the protocol for addressing the meeting and for voting.

3. APPOINTMENT OF SCRUTINEERS:

That Phil Messer and Earl Jergens be appointed as scrutineers for the meeting.
Moved by Karl Parker, Seconded by Rob Leblond **Carried**

4. ADOPTION OF THE SGM 2018 AGENDA:

That the amended agenda include the following motion. This motion was circulated with 14 days notice and available on the website. Some copies that were circulated did not contain this motion.

Motion sixteen : To accept all current bylaws as written and accepted by the membership from 2002 to 2017 including the newly voted on changes herein.

Moved to Accept: Gayle Robson, Seconded by Karl Parker **Carried**

5. Motions

Motion one - To Amend Bylaw 1.1 to read:

1.1 Wherever the word "Club" appears in these Bylaws the same shall be deemed to refer to the DEEP COVE YACHT & SPORT CLUB, a Member-funded Society incorporated under the provisions of the Society Act of British Columbia.

Moved Malcolm Chaddock, Seconded Chuck Stoody **Carried**

Motion two - to Amend Bylaw 2.9 to read:

2.9 An individual ceases to be a member of the Club;

- a) by delivering his resignation in writing to the Membership Director, or mailing it to the address of the Club, or
- b) on being expelled by resolution of the Executive Committee for cause.

Moved Janet Blair, Seconded Rob Sloss **35 member voted yes,**
Noted that 3 members were opposed, Al Milcak, Craig Burke, Donagh O'Carroll. Carried with more than 75% of the members present.

Motion three: To amend Bylaw 2.91 to:

- 2.9.1 A vote by the Executive Committee to expel or reinstate a member shall be held in-camera and must be approved by 75% of those present. The person expelled, may appeal their expulsion at the next meeting of the Executive Committee. At the Executive Committee appeal meeting, the person may be

present, with a member or advocate. Once the appeal is heard, the Executive Committee will resume their meeting in-camera. The decision at the appeal meeting is final. There is no further level of appeal.

Moved Janet Blair, Seconded Russ Curtis - 8 Opposed, 30 for - Carried with more than 75% of the members present

Motion Four - To delete Bylaw 2.9.2

Bylaw 2.9.2 are now defined in bylaw 2.9.1

Moved Gayle Robson, Seconded Russ Curtis - 8 Opposed, 30 for - Carried with more than 75% of the members present

Motion Five – To Delete Bylaw 2.9.3

Moved Aaron Bayntun, Seconded Gayle Robson -8 Opposed, 30 for - Carried with more than 75% of the members present

Motion Six - To amend Bylaw 3.2 to:

3.2 A Special General Meeting of the Club:

- a. may be called by the Executive Committee at any time;
- b. shall be called by the Executive Committee within twenty-one (21) days of receiving a petition signed by 10% of the voting members.

Moved Michael Bernard, Seconded Rob Sloss

Carried

Motion Seven - To amend Bylaw 3.3 to:

- 3.2 Fourteen (14) days notice of the place, day and hour of any general meeting shall be given to the members. Such notice shall include reference to any extraordinary or unusual business to be transacted.

Moved Chuck Stooddy, Seconded Gayle Robson

Carried

Motion Eight - To Amend 4.8 to:

- 4.8 A member of the Executive Committee shall automatically cease to be such upon his expulsion as a member of the Club or upon a vote of 75% of the voting members of the Club present at any meeting of the members called to consider such a resolution.

Moved Gayle Robson, Seconded Russ Curtis

Carried

Motion Nine: To Amend Bylaw 4.13 to:

4.13 Council of Past Commodores:

- a. The purpose of the Council of Past Commodores is to help to ensure the stability, sustainability, and the long term continuity of the Club.
- b. From time to time, at the request of the Commodore, this group may be convened as an ad hoc committee to consider urgent issues and to advise the current executive. Such request, where practicable, should be in writing.
- c. The Commodore shall be the liaison between the Executive and the Council of Past Commodores.
- d. Past Commodores who are active members in good standing are automatically members of this council. Past Commodores who are also members of the current executive are precluded from participating until their term of office expires.
- e. Eight of the eligible Past Commodores shall constitute a quorum for this Council.
- f. The Council shall meet a minimum of once per year.

Moved Gayle Robson, Seconded Janet Blair

Carried

Motion ten - To delete Bylaw 5.5.c

5.5 Secretary:

- a. shall keep records of proceedings at meetings of the members of the Club and of the Executive Committee;
- b. shall perform such other secretarial duties as the Executive Committee may from time to time require.

Moved Patricia Kienzle, Seconded Michael Bernard

Carried

Motion eleven – Delete 9.1 and Delete 9.2 - Seal

- 9.1 The Executive Committee may provide a common seal for the Club and may destroy and substitute a new seal in its place.
- 9.2 The Secretary shall have custody of the common seal of the Club and such seal may be affixed to any document requiring the seal in the presence of the Commodore and one other member of the Executive Committee.

Motion twelve - To Delete 9.1 – as written

Moved – Gayle Robson, Seconded Russ Curtis

Carried

Motion thirteen - To Delete 9.2 – as written

Moved – Graham Thomas, Seconded Rob Leblond

Carried

Motion fourteen - To add 9.1 Dissolution as amended:

- 9.1 Upon voluntary dissolution of the Society and after payment of all debts and liabilities, and after transfer to the BC Minister of Finance of all unused gaming funds and assets purchased for the Learn-to-Sail program with gaming funds, the remaining property of the Society shall be distributed in equal shares among voting members. This provision may be altered by a special resolution of the voting members with a 75% vote of those members present at a meeting called for such purpose, however under all circumstances, all unused gaming funds and assets purchased for the Learn-to-Sail program with gaming funds must be returned to the BC Minister of Finance upon voluntary dissolution of the society.

Moved Gayle Robson, Seconded Rob Sloss

Carried

Motion fifteen - To Amend Bylaw 10.1:

- 10.1 These Bylaws may be altered by a special resolution adopted by at least 75 % of the voting members present at a meeting called for such purpose.

Moved Rob Leblond, Seconded Gayle Robson

Carried

Motion sixteen: To accept all current bylaws as written and accepted by the membership from 2002 to 2017 including the newly voted on changes herein.

Moved Chuck Stody, Seconded Russ Curtis

Carried

Motion to Adjourn SGM 2018: 7:50 pm

Moved by Ross Bligh, Seconded by Dan Klinksgaard

Carried