



2021

ANNUAL REPORT



Dear TVC Members,

The last two years we have had new experiences and acquired valuable lessons in everything from video meetings and cooking at home to deciphering health mandates. When the COVID-19 pandemic first arrived, our lives changed and we gained new perspectives on the value of being together with people whose company we enjoy. As a club that was 100% focused on meeting in person to drink and talk about wine, attending a TVC event instantly became verboten. We cancelled all events after March 2020 and, at first, decided to wait out the pandemic.

But where there was a will to drink wine, there was a way to make our wine tasting events happen. So, like many other businesses, we pivoted to a virtual model in November 2020. The success of the at-home tastings cannot be understated. Most events were sold out and some even had a waiting list. Now we are finally back to in-person events and, like riding a bicycle, we will once again enjoy each other's company as we explore and discuss wines from all over the world.

There have been several changes to the Board of Directors over the past year. Our longstanding President, Sylvia Dorosh, stepped down at the end of 2020 and I was elected by the board to become the new president for the 2021-2022 term. We also have a new Treasurer, Alexander Gluskin, and a new Director Ilona Brodovska. Our team is always busy working on the notice for the next event, arranging for a guest speaker, buying wines for events that will be held years from now, arranging storage, insurance, updating the blog and website and countless other details to make our events interesting and to keep our members engaged.

Our tasting schedule for 2022 is published, and we have many great wines in storage, aging gracefully, until they are ready to be enjoyed over the next decade. Each year we will have events that feature favorites like Bordeaux and Sparkling Wines and educational or niche events that explore wine varieties or regions that many have not tried before.

It is our wine cellar, curated by our dedicated and knowledgeable wine buyers, that sets TVC events apart from agencies or wineries that sell exclusively from their own portfolio. We do not have any industry affiliation that limits our wine buying activity or otherwise creates a conflict of interest when selecting wines for our events. Plus, by acquiring wines from good producers in good vintages, and professionally storing the wines for years, members are able to discover wines that are at or near their peak drinking window versus only tasting new releases.

TVC ended 2021 in a strong financial position, thanks in large part to the success of our virtual tastings. But we cannot avoid the impact of inflation on our costs going forward. The price of wine has been rising for years, and the club now has to factor the cost of replacing wines into our event prices in order to maintain quality. Food and venue costs have risen over 20% since our last in-person tasting. Insurance, storage and other general administration costs have also risen significantly. Given this reality, it became obvious that we need to increase membership fees to help mitigate administration costs. Effective July 1, 2022 the annual membership will increase to \$75 per person, \$45 per additional member in each household and \$45 for any member under 35 years of age. Please note that this is the first increase in the membership fee since 2009.

The future looks bright for TVC, with many great events planned. On behalf of the board I would like to thank you for your support. Any feedback, ideas or general questions you may have are always welcome.

Shauna Sexsmith
President



Board of Directors

President	Shauna Sexsmith
Vice-President	Chris Morris
Treasurer	Alexander Gluskin
Secretary	Smruti Patel
Directors	Ilona Bordovska
	Matt Grenaghan
	Carlo Rocco
	Kate Simpson
	Kumar Stengar
	Rick Wood



2022 Tasting Schedule

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| ■ 2005 Bordeaux | | January 18 |
| ■ Wines of the Douro | | February 15 |
| ■ Reds of Southern Italy | | March 22 |
| ■ Napa vs. Sonoma | | April 19 |
| ■ Great Reds of the World | | May 17 |
| ■ Alsace vs. Germany Riesling | | June 21 |
| ■ Ontario Pinot Noir | | September 20 |
| ■ Australian Shiraz + Pairings | | October 18 |
| ■ Bubbles & Sparkles | | November 15 |



2023 -2025 Tasting Schedule

THEME	2023	2024	2025
Bordeaux	2008 Bordeaux	2009 Bordeaux	2010 Bordeaux
Mixed	Rhone Nothern	Ribera Del Duero	2012 Chateaufneuf du Pape
Education	Spain Wines	Syrahs of the World	Merlots of the World
Italian	2010 Brunello 2010	2013 Barolo vs Barbaresco	Chianti Classico
Whites	Cool Climate Chardonnay	World Chenin Blanc	Aromatic Whites
Pinot Noir	West Coast Pinot Noir	2015 Burgundy	Ontario Pinot Noir
Agency/Winery Event	Agency / Winery Event	Agency / Winery Event	Agency / Winery Event
Sparkling	Sparkling Wines	Sparkling Wines	Sparkling Wines
Dinner/Bin End Party	Dinner/Bin End Party	Dinner/Bin End Party	Dinner/Bin End Party



**STATEMENT OF SURPLUS AND DEFICIT
FOR THE YEAR ENDED
DECEMBER 31, 2021**

REVENUES

Membership fees	\$1,490	
Tasting fees	\$33,705	
TOTAL REVENUES		\$35,195

EXPENSES

Tasting Expenses

Wine consumed	\$16,137	
Room and food	\$0	
PayPal fees	<u>\$1,044</u>	
<i>Total tasting expenses</i>		\$17,181

General & Administrative Expenses

Storage	\$2,899	
Insurance	\$1,020	
Supplies	\$905	
Website management	\$122	
Administrative expenses	\$112	
Bank fees	\$43	
Subscriptions	<u>\$40</u>	
<i>Total general & admin. expenses</i>		\$5,141

TOTAL EXPENSES		<u>\$22,322</u>
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SURPLUS		<u>\$12,873</u>
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BALANCE SHEET
AS AT
DECEMBER 31, 2021

ASSETS

Current Assets

Bank	\$28,658	
Wine futures	\$1,596	
Prepaid expenses	\$378	
PayPal	\$48	
Accounts Receivable	<u>\$0</u>	
Total Current Assets		\$30,680

Long Term Assets

Inventory	\$68,148	
Total Long Term Assets		<u>\$68,148</u>

TOTAL ASSETS **\$98,828**

LIABILITIES

Prepaid membership fees	\$2,880	
Accounts Payable	<u>\$0</u>	
TOTAL LIABILITIES		\$2,880

EQUITY **\$95,948**

TOTAL LIABILITIES & EQUITY **\$98,828**



NOTES TO FINANCIAL STATEMENTS

Revenues - The Toronto Vintners Club has 2 sources of revenue, Membership Fees and Tasting Fees. The TVC board has set the objective for Membership Fees to cover the General and Administration costs of managing the club. Tasting Fees are calculated to cover the costs of each tasting event.

- **Membership Fees** - Due to COVID-19, TVC only held 2 in person events and 1 virtual event in 2020. As a result, the TVC board decided to waive fees for 2021 for all members who had paid for a 2020 membership. Thus, the amount recorded for 2021 is not representative of a normal year with full membership renewals. Additionally, current Membership Fee revenue does not cover annual General & Administration costs.
- **Tasting Fees** - Prices are set for each tasting to cover all expenses, including replacement value for the wines consumed. If revenue from Membership Fees is insufficient to cover General & Administrative costs then a proportionate amount of annual administrative expense is allocated to each tasting.

Expenses - There are 2 categories of expense, Tasting expenses, which are the costs incurred to have an event, and General and Administrative expenses, which are the costs incurred to manage the club regardless of how many events are held.

- **Tasting Expenses** - As all events in 2021 were virtual, the only expenses incurred for TVC events were the wine consumed (at cost) and the transaction fees charged by PayPal. The Zoom account that was used to host events was provided by the President at no charge to the club.
- **General and Administration Expenses** - The largest categories of expense for the TVC are storage and insurance. Wines purchased by TVC buyers are stored at Iron Gate Private Wine Management. The cost of storage is a function of the size of TVC's wine inventory. The cost of insurance in 2021 was for Officer & Director Liability coverage. Event insurance was waived for 2021 as all events were virtual, but will resume in 2022 with in-person tastings. The cost of supplies for 2021 included items for virtual tastings such as bottles, bags and bubble wrap. This expense is expected to decline in 2022.

Surplus - Any surplus generated is maintained to purchase wines and, if necessary, cover operating costs. As a non-profit corporation, the Toronto Vintners Club does not pay out dividends or otherwise distribute capital surpluses.



NOTES TO FINANCIAL STATEMENTS (cont'd)

Assets - The main assets of the Toronto Vintners Club are cash in the bank and the inventory of wine held in storage.

- **Wine futures** are deposits (usually 25% of the full price) for wine (Bordeaux) that will be delivered at a later date. These deposits guarantee the availability of the wines when they arrive in Toronto, which makes the deposits an asset of TVC.
- **Prepaid Expenses** represent the portion of Directors and Officers insurance paid in 2021 but related to the first quarter of 2022. Since this portion of the insurance will provide coverage in 2022, it represents an asset at the end of 2021. On January 1, 2022, this amount is transferred to expenses.
- **PayPal** represents the cash on TVC's account at PayPal. We transfer to the bank most of the cash deposited to PayPal, but some cash always remains at PayPal. It is similar to having another bank account.

Liabilities - TVC does not have long term debt or any other financial obligations.

- **Fees Paid In Advance** represents 2022 membership fees collected in 2021. Since these fees will offer benefits to the members in 2022, they cannot be included in 2021 revenues according to the accounting rules. Instead, they are accounted for as a liability of TVC which an obligation to provide membership benefits in 2022. On January 1, 2022, this amount is transferred to revenues.