

**ATV CLUB OF EASTERN ONTARIO INC.**  
2014 Financial Statements

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ATV CLUB OF EASTERN ONTARIO INC.


Statement of Financial Position

As at December 31,	2014	2013
<b><u>ASSETS</u></b>		
<b><u>Current assets</u></b>		
Cash	\$ 63,436	\$ 65,019
Share of membership fees receivable from the OFATV	3,400	4,420
Prepaid expenses	0	684
Inventories (note 3)	<u>11,968</u>	<u>9,471</u>
	78,810	79,594
<b><u>Capital assets (note 4)</u></b>	<u>1,584</u>	<u>2,375</u>
<b>Total assets</b>	<b>\$ <u>80,394</u></b>	<b>\$ <u>81,969</u></b>
<b><u>LIABILITIES</u></b>		
<b><u>Current liabilities</u></b>		
Accounts payable and accrued charges	\$ 579	\$ 10,569
Due to the OFATV	4,710	3,380
Deferred shares of membership fees (note 5)	<u>17,000</u>	<u>16,875</u>
<b>Total liabilities</b>	<b>22,289</b>	<b>30,814</b>
<b><u>NET ASSET</u></b>		
<b><u>Net asset</u></b>	<b><u>58,105</u></b>	<b><u>51,155</u></b>
	<b>\$ <u>80,394</u></b>	<b>\$ <u>81,969</u></b>

See accompanying notes

Approved on behalf of the Board of Directors.

  
Tony Weir  
President

  
Serge Huot  
Secretary-Treasurer

**ATV CLUB OF EASTERN ONTARIO INC.**  
Statement of Revenues and Expenses and Net Asset

Year ended December 31,	2014	2013
<b>Revenues</b>		
Shares of membership fees (note 5)	\$ 41,175	\$ 41,713
Advertisers - trails maps	-	4,050
Interests	165	155
Revenues from other activities	-	890
	<u>41,340</u>	<u>46,779</u>
<b>Expenses</b>		
Trail maintenance and wardening	26,401	30,649
Depreciation of capital assets	791	1,374
Trail signaling	448	440
Trails maps	-	2,445
Travel, hall rental, office expenses and others	3,419	2,488
Donations	1,275	1,050
Web site	1,025	1,070
Insurance for Directors	405	270
Announcements and advertising	228	113
Bank charges	222	241
Costs incurred - other activities	178	143
	<u>34,390</u>	<u>40,284</u>
<b>Excess of revenues over expenses for the year</b>	<b>6,950</b>	<b>6,495</b>
<b>Net asset, beginning of year</b>	<b><u>51,155</u></b>	<b><u>44,650</u></b>
<b>Net asset, end of year</b>	<b><u>\$ 58,105</u></b>	<b><u>\$ 51,155</u></b>

See accompanying notes

**ATV CLUB OF EASTERN ONTARIO INC.**

Statement of Sources and Uses of Cash

Year ended December 31,	2014	2013
<b>Sources (uses) of funds related to:</b>		
<u>Operating activities</u>		
<u>Sources of funds</u>		
Shares of membership fees	\$ 42,998	\$ 45,303
Advertisers - trails maps	-	4,080
Interests	165	158
Activities - revenues	<u>-</u>	<u>880</u>
Sub-total - sources of funds	<u>43,163</u>	<u>50,369</u>
<u>Uses of funds</u>		
Trail maintenance	(38,744)	(34,500)
Trail signalling and traffic signs	(582)	-
Trails maps	-	(2,448)
Cost of activities	(178)	(143)
Donations	(1,275)	(1,050)
Other charges	(5,297)	(4,782)
Due to the OFATV (net)	<u>1,330</u>	<u>(1,850)</u>
Sub-total - uses of funds	<u>(44,746)</u>	<u>(34,687)</u>
Net source (use) of funds relating to operating activities	<u>(1,583)</u>	<u>15,682</u>
<b>Net cash generated (used) during the year</b>	<b>(1,583)</b>	<b>15,682</b>
<b>Cash, beginning of year</b>	<b><u>65,019</u></b>	<b><u>49,537</u></b>
<b>Cash, end of year</b>	<b><u>\$ 63,436</u></b>	<b><u>\$ 65,019</u></b>

See accompanying notes

# ATV CLUB OF EASTERN ONTARIO INC.

## Notes to Financial Statements For the year ended December 31, 2014

### 1. Jurisdictional Statutes and Activities

The ATV Club of Eastern Ontario Inc. (the "Club") is a non-profit corporation without share capital incorporated in January 2005 under the Ontario's *Corporations Act*. The Club is exempt from income taxes by virtue of section 149(1)(j) of the Canada's *Income Tax Act*.

The Club mainly serves the interests of ATV enthusiasts in eastern Ontario and its main objective is to promote the safe operation of ATVs. In that regard, the Club has established and maintains several trails in the county of Prescott and Russell of which some are located in the Larose Forest. The Club is continuously looking for ways to expand its trail system. The Club also offers ATV riding courses focussing on safety. All of the Club's activities are provided by volunteers.

The Club had 483 members as at December 31, 2014 (2013: 481) and is part of the *Ontario Federation of All Terrain Vehicle Clubs*. Most of the ATV clubs in Ontario are part of the *OFATV*.

### 2. Significant Accounting Policies

The financial statements have been prepared in accordance with the *Accounting Standards for Not-for-Profit Organizations of Part III of the CICA Handbook*. They include the main following elements:

#### a) Financial instruments

At acquisition, the Club evaluates its financial assets and financial liabilities at their fair value. Subsequently, it evaluates all its financial assets and liabilities at their amortized cost.

The financial assets evaluated at their amortized cost are the cash and the share of membership fees receivable from the *OFATV*. The financial liabilities evaluated at their amortized cost are the accounts payable and accrued charges and the due to the *OFATV*.

Costs that are directly attributable to the origination, issuance or assumption of a financial asset or liability are added or deducted to the original value of that element.

#### b) Inventories

Inventories are valued at the lower of their cost or their replacement value. The cost is determined using the first-in first-out method.

#### c) Capital assets

Capital assets with a unit cost in excess of \$1,000 are capitalized at cost and amortized over their useful lives using a straight-line basis.

The "improvement and refurbishing" of snow groomers, the bushcutter and the storage box are amortized at an annual rate of 20%.

**ATV CLUB OF EASTERN ONTARIO INC.**  
**Notes to Financial Statements**  
**For the year ended December 31, 2014**

**2. Significant Accounting Policies (continued)**

**d) Revenue recognition**

The shares of membership fees are recognized as revenue over the period of membership.

Other contributions are recognized as revenue in the same period as related charges are incurred.

Other revenues are recorded as income when earned.

**e) Contributed services**

The time spent by the numerous volunteers to ensure the Club's operations at all levels is very difficult to objectively establish and evaluate. As a result, given the difficulty of determining their fair value, contributed services are not recognized in these financial statements.

**3. Inventories**

The following elements make up the inventories at year-end:

	<u>2014</u>	<u>2013</u>
Traffic signs	\$4,244	\$4,110
Maintenance items and others	<u>7,724</u>	<u>5,351</u>
<b>Total</b>	<b><u>\$11,968</u></b>	<b><u>\$9,471</u></b>

**4. Capital Assets**

	<u>Cost (\$)</u>	<u>Accumulated depreciation (\$)</u>	<u>Net book value</u>	
			<u>2014</u>	<u>2013 (\$)</u>
Snow groomers (improvement and refurbishing)	6,538	6,537	1	1
Bushcutter	3,955	2,373	1,582	2,373
Storage box	<u>2,943</u>	<u>2,942</u>	<u>1</u>	<u>1</u>
	<b><u>13,436</u></b>	<b><u>11,852</u></b>	<b><u>1,584</u></b>	<b><u>2,375</u></b>

**ATV CLUB OF EASTERN ONTARIO INC.**  
**Notes to Financial Statements**  
**For the year ended December 31, 2014**

**5. Shares of Membership Fees**

In order to become a member of the Club, an individual has to pay an annual membership fee to the OFATV. This annual membership fee is set at \$150 and provides a riding permit which is valid for a 12 month-period from date of issue. The proceed of the fee is shared between the OFATV and the Club, the Club's share since August 13, 2014 is \$65 (previously \$70).

The portion of the shares of the membership fees applicable to the periods following year-end have been deferred.

**6. Commitment**

The Club is committed to pay a contribution of up to \$10,000 for repairs on the former railway bridge in Plantagenet. The payment of the contribution is conditional that certain conditions are met.