

ATV CLUB OF EASTERN ONTARIO INC.
2017 Financial Statements

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ATV CLUB OF EASTERN ONTARIO INC.
Statement of Financial Position

As at December 31,

2017

2016

ASSETS

Current assets

Cash	\$ 81,877	\$ 80,348
Shares of membership fees receivable from the OFATV	4,303	4,273
Other receivables	600	-
Inventories (note 3)	12,566	11,642
	<u>99,346</u>	<u>96,263</u>

Capital assets (note 4)

	<u>678</u>	<u>1,016</u>
Total assets	<u>\$ 100,024</u>	<u>\$ 97,279</u>

LIABILITIES

Current liabilities

Accounts payable and accrued charges	\$ 7,248	\$ 5,360
Due to the OFATV	5,050	6,690
Deferred shares of membership fees (note 5)	24,000	21,000
Total liabilities	<u>36,298</u>	<u>33,050</u>


NET ASSET

Net asset

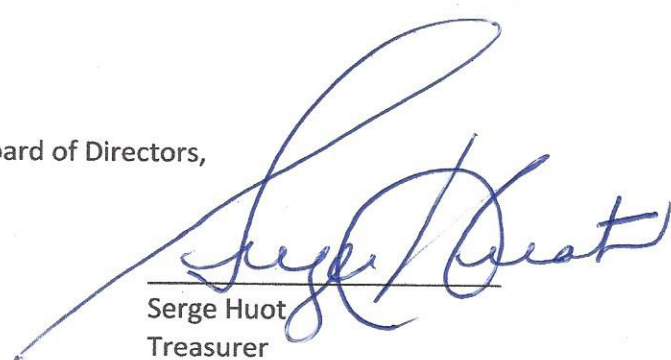
	<u>63,726</u>	<u>64,229</u>
	<u>\$ 100,024</u>	<u>\$ 97,279</u>

See accompanying notes

Approved on behalf of the Board of Directors,



Tony Weir
President



Serge Huot
Treasurer

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

Year ended December 31,	<u>2017</u>	<u>2016</u>
<u>Revenues</u>		
Shares of membership fees (note 5)	\$ 56,728	\$ 48,574
Sponsors - trail maps	3,250	-
Interests	154	142
Revenues from other activities	1,492	777
	<u>61,624</u>	<u>49,493</u>
<u>Expenses</u>		
Trail maintenance and wardening	39,424	31,851
Depreciation of capital assets	338	1,128
Trail signalling	3,123	2,966
Safety training	3,607	-
Trail maps	3,208	-
Travel, hall rental, office expenses and others	3,936	5,530
Donations	4,886	1,000
Web site	1,471	1,577
Insurance for Directors	405	405
Announcements and advertising	602	793
Bank charges	300	263
Costs incurred - other activities	827	882
	<u>62,127</u>	<u>46,395</u>
Excess of revenues over expenses (expenses over revenues) for the year	(503)	3,098
Net asset, beginning of year	<u>64,229</u>	<u>61,131</u>
Net asset, end of year	\$ <u>63,726</u>	\$ <u>64,229</u>

See accompanying notes

ATV CLUB OF EASTERN ONTARIO INC.
Statement of Sources and Uses of Cash

Year ended December 31,	<u>2017</u>	<u>2016</u>
Sources (uses) of funds related to:		
<u>Operating activities</u>		
Sources of funds		
Shares of membership fees	\$ 59,698	\$ 51,061
Sponsors - trail maps	900	1,750
Grant from the National Trails Coalition	-	433
Interests	154	142
Activities - revenues	<u>1,492</u>	<u>777</u>
<i>Sub-total - sources of funds</i>	<u>62,244</u>	<u>54,163</u>
Uses of funds		
Trail maintenance, wardening and trail signaling	(39,833)	(33,301)
Safety training	(3,607)	-
Trail maps	(3,208)	-
Cost of activities	(827)	(882)
Donations	(4,886)	(1,000)
Other charges	(6,714)	(8,568)
Due to the OFATV (net)	<u>(1,640)</u>	<u>1,322</u>
<i>Sub-total - uses of funds</i>	<u>(60,715)</u>	<u>(42,429)</u>
<i>Net source of funds from operating activities</i>	<u>1,529</u>	<u>11,734</u>
Net cash generated during the year	1,529	11,734
Cash, beginning of year	<u>80,348</u>	<u>68,614</u>
Cash, end of year	<u><u>\$ 81,877</u></u>	<u><u>\$ 80,348</u></u>

See accompanying notes

ATV CLUB OF EASTERN ONTARIO INC.
Notes to Financial Statements
For the year ended December 31, 2017

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)) 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 ATV's. 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 749 members as at December 31, 2017 (2016: 622) 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. Each capital asset is being amortized using an annual rate of 20%.

ATV CLUB OF EASTERN ONTARIO INC.
Notes to Financial Statements
For the year ended December 31, 2017

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>2017</u>	<u>2016</u>
Traffic signs	\$5,472	\$4,548
Maintenance items and others	<u>7,094</u>	<u>7,094</u>
Total	<u>\$12,566</u>	<u>\$11,642</u>

4. Capital Assets

	<u>Cost (\$)</u>	<u>Accumulated depreciation (\$)</u>	<u>Net book value</u>	
			<u>2017</u>	<u>2016 (\$)</u>
Snow groomers (improvement and refurbishing)	6,538	6,537	1	1
Bushcutter	3,955	3,954	1	1
Storage box	2,943	2,942	1	1
Dumping trailer	<u>1,689</u>	<u>1,014</u>	<u>675</u>	<u>1,013</u>
	<u>15,125</u>	<u>14,447</u>	<u>678</u>	<u>1,016</u>

ATV CLUB OF EASTERN ONTARIO INC.
Notes to Financial Statements
For the year ended December 31, 2017

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.