

ATV CLUB OF EASTERN ONTARIO INC.
2019 Financial Statements

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ATV CLUB OF EASTERN ONTARIO INC.
Statement of Financial Position

As at December 31,

2019

2018

ASSETS

Current assets

Cash	\$ 61,933	\$ 71,230
Shares of membership fees receivable from the OFATV	16,906	10,605
Other receivables	-	750
Inventories (note 3)	16,456	13,988
	<u>95,295</u>	<u>96,573</u>

Capital assets (note 4)

	<u>3</u>	<u>340</u>
Total assets	<u>\$ 95,298</u>	<u>\$ 96,913</u>

LIABILITIES

Current liabilities

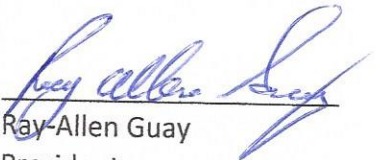
Accounts payable and accrued charges	\$ 356	\$ 275
Due to the OFATV	7,996	8,682
Deferred shares of membership fees (note 5)	30,225	25,500
Total liabilities	<u>38,577</u>	<u>34,457</u>

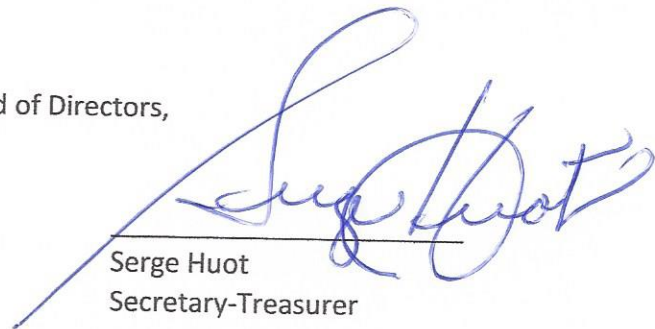
NET ASSET

<u>Net asset</u>	<u>56,721</u>	<u>62,456</u>
	<u>\$ 95,298</u>	<u>\$ 96,913</u>

See accompanying notes

Approved on behalf of the Board of Directors,


Ray-Allen Guay
President


Serge Huot
Secretary-Treasurer

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

Year ended December 31,	<u>2019</u>	<u>2018</u>
<u>Revenues</u>		
Shares of membership fees (note 5)	\$ 66,922	\$ 59,963
Profit on disposal of bushcutter	2,300	-
Grant	1,813	1,500
Revenues from other activities	1,300	4,742
Interests	263	208
Sponsors - trail maps	-	200
	<u>72,598</u>	<u>66,613</u>
<u>Expenses</u>		
Trail maintenance and wardening	68,603	31,144
Trail building	-	23,607
Depreciation of capital assets	336	338
Trail signalling	910	3,114
Safety training	-	125
Travel, hall rental, office expenses and others	5,151	5,035
Donations	1,000	2,250
Insurance for Directors	405	405
Announcements and advertising	854	541
Bank charges	298	289
Costs incurred - other activities	776	1,035
	<u>78,333</u>	<u>67,883</u>
Excess of expenses over revenues for the year	(5,735)	(1,270)
Net asset, beginning of year	<u>62,456</u>	<u>63,726</u>
Net asset, end of year	\$ <u>56,721</u>	\$ <u>62,456</u>

See accompanying notes

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

Year ended December 31,	<u>2019</u>	<u>2018</u>
Sources (uses) of funds related to:		
<u>Operating activities</u>		
Sources of funds		
Shares of membership fees	\$ 65,346	\$ 55,161
Sponsors - trail maps	-	800
Grant	2,563	750
Interests	263	208
Activities - revenues	1,300	4,742
<i>Sub-total - sources of funds</i>	<u>69,472</u>	<u>61,661</u>
Uses of funds		
Trail maintenance, trail building, wardening and trail signaling	(71,625)	(66,535)
Safety training	-	(125)
Cost of activities	(776)	(1,035)
Donations	(1,000)	(2,250)
Other charges	(6,982)	(5,995)
Due to the OFATV (net)	(686)	3,632
<i>Sub-total - uses of funds</i>	<u>(81,069)</u>	<u>(72,308)</u>
<i>Net (use) of funds for operating activities</i>	<u>(11,597)</u>	<u>(10,647)</u>
<u>Investing activities</u>		
Proceed from the sale of equipment	2,300	-
<i>Net source of funds from investing activities</i>	<u>2,300</u>	<u>-</u>
Net cash (used) during the year	(9,297)	(10,647)
Cash, beginning of year	<u>71,230</u>	<u>81,877</u>
Cash, end of year	<u>\$ 61,933</u>	<u>\$ 71,230</u>

See accompanying notes

ATV CLUB OF EASTERN ONTARIO INC.
Notes to Financial Statements
For the year ended December 31, 2019

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 about 863 members as at December 31, 2019 (2018: 767) 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 *CPA Canada 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 and other receivables. 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, 2019

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>2019</u>	<u>2018</u>
Traffic signs	\$11,524	\$9,056
Maintenance items and others	<u>4,932</u>	<u>4,932</u>
Total	<u>\$16,456</u>	<u>\$13,988</u>

4. Capital Assets

	<u>Cost (\$)</u>	<u>Accumulated depreciation (\$)</u>	<u>Net book value</u>	
			<u>2019</u>	<u>2018 (\$)</u>
Snow groomers (improvement and refurbishing)	6,538	6,537	1	1
Bushcutter			-	1
Storage box	2,943	2,942	1	1
Dumping trailer	<u>1,689</u>	<u>1,688</u>	<u>1</u>	<u>337</u>
	<u>11,170</u>	<u>11,167</u>	<u>3</u>	<u>340</u>

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.

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