

ATV CLUB OF EASTERN ONTARIO INC.
2021 Financial Statements

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ATV CLUB OF EASTERN ONTARIO INC.
Statement of Financial Position

As at December 31,

2021

2020

ASSETS

Current assets

Cash	\$ 195,455	\$ 91,673
Shares of membership fees receivable from the OFATV	16,680	33,119
Grant receivable	-	2,458
Prepaid expenses	620	2,768
Inventories (note 3)	20,985	17,063
	<u>233,740</u>	<u>147,081</u>

Capital assets (note 4)

	<u>3</u>	<u>3</u>
Total assets	\$ <u>233,743</u>	\$ <u>147,084</u>

LIABILITIES

Current liabilities

Accounts payable and accrued charges	\$ -	\$ 367
Deferred shares of membership fees (note 5)	<u>75,775</u>	<u>61,200</u>
Total liabilities	75,775	61,567


NET ASSET


Net asset

	<u>157,968</u>	<u>85,517</u>
	\$ <u>233,743</u>	\$ <u>147,084</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 Changes in Net Asset

Year ended December 31,	<u>2021</u>	<u>2020</u>
<u>Revenues</u>		
Shares of membership fees (note 5)	\$ 137,490	\$ 94,250
Grant	11,344	4,504
Revenues from other activities	-	250
Interests	208	102
	<u>149,042</u>	<u>99,106</u>
<u>Expenses</u>		
Trail maintenance and wardening	71,211	57,846
Trail signalling	777	4,075
Safety training	1,591	1,550
Depreciation of capital assets	-	-
Travel, hall rental, office expenses and others	144	2,084
Announcements and advertising	530	1,694
Website	113	484
Insurance for Directors	405	405
Donations	1,750	1,500
Bank charges	70	288
Costs incurred - other activities	-	384
	<u>76,591</u>	<u>70,310</u>
Excess of revenues over expenses for the year	72,451	28,796
Net asset, beginning of year	<u>85,517</u>	<u>56,721</u>
Net asset, end of year	<u>\$ 157,968</u>	<u>\$ 85,517</u>

See accompanying notes

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

Year ended December 31,	<u>2021</u>	<u>2020</u>
Sources (uses) of funds related to:		
<u>Operating activities</u>		
Sources of funds		
Shares of membership fees	\$ 167,884	\$ 109,012
Grant	13,802	2,046
Due OFATV (net)	-	(7,996)
Interests	208	102
Activities - revenues	-	250
<i>Sub-total - sources of funds</i>	<u>181,894</u>	<u>103,414</u>
Uses of funds		
Trail maintenance, trail building, wardening and trail signaling	(73,509)	(65,285)
Safety training	(1,591)	(1,550)
Cost of activities	-	(384)
Donations	(1,750)	(1,500)
Other charges	(1,262)	(4,955)
<i>Sub-total - uses of funds</i>	<u>(78,112)</u>	<u>(73,674)</u>
<i>Net funds provided by operating activities</i>	<u>103,782</u>	<u>29,740</u>
Net cash generated during the year	103,782	29,740
Cash, beginning of year	<u>91,673</u>	<u>61,933</u>
Cash, end of year	<u>\$ 195,455</u>	<u>\$ 91,673</u>

See accompanying notes

ATV CLUB OF EASTERN ONTARIO INC.
Notes to Financial Statements
For the year ended December 31, 2021

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)/I 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 1,954 members as at December 31, 2021 (2020: 1,612) 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 the grant receivable. The financial liabilities evaluated at their amortized cost are the accounts payable and accrued charges.

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, 2021

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>2021</u>	<u>2020</u>
Traffic signs	\$16,053	\$12,131
Maintenance items and others	<u>4,932</u>	<u>4,932</u>
Total	<u>\$20,985</u>	<u>\$17,063</u>

4. Capital Assets

	<u>Cost (\$)</u>	<u>Accumulated depreciation (\$)</u>	<u>Net book value</u>	
			<u>2021</u>	<u>2020 (\$)</u>
Snow groomers	6,538	6,537	1	1
(improvement and refurbishing)				
Storage box	2,943	2,942	1	1
Dumping trailer	<u>1,689</u>	<u>1,688</u>	<u>1</u>	<u>1</u>
	<u>11,170</u>	<u>11,167</u>	<u>3</u>	<u>3</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.