

ATV CLUB OF EASTERN ONTARIO INC.
2025 Financial Statements

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ATV CLUB OF EASTERN ONTARIO INC.
Statement of Financial Position

As at December 31,

	<u>2025</u>	<u>2024</u>
<u>ASSETS</u>		
<u>Current assets</u>		
Cash	\$ 163,688	\$ 245,473
Shares of membership fees receivable from the OFATV	18,599	18,483
Prepaid expenses	440	1,833
Inventories (note 3)	19,225	21,021
	201,952	286,810
<u>Capital assets</u> (note 4)		
	15,118	17,505
Total assets	\$ 217,070	\$ 304,315
<u>LIABILITIES</u>		
<u>Current liabilities</u>		
Accounts payable and accrued charges	\$ 8,874	\$ 49,664
Deferred shares of membership fees (note 5)	78,500	73,800
Total liabilities	87,374	123,464
<u>NET ASSET</u>		
<u>Net asset</u>	129,696	180,851
	\$ 217,070	\$ 304,315

See accompanying notes

Approved on behalf of the Board of Directors,


James Ward
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>2025</u>	<u>2024</u>
<u>Revenues</u>		
Shares of membership fees (note 5)	\$ 136,740	\$ 154,534
Interests	3,332	6,335
Grant	-	3,622
Activities and others	985	800
	<u>141,057</u>	<u>165,291</u>
<u>Expenses</u>		
Trail maintenance	67,390	150,164
Trail opening	83,856	50,925
Trail signalling	6,413	6,078
Trail wardening	11,900	2,225
Safety training	1,862	570
Depreciation of capital assets	4,775	3,427
Travel, hall rental, office expenses and others	5,453	7,832
Professional fees	-	2,780
Activities	1,524	905
Announcements and advertising	699	-
Website	1,001	282
Insurance	767	432
Donations	6,250	6,250
Bank charges	322	189
	<u>192,212</u>	<u>232,059</u>
Excess of expenses over revenues for the year	(51,155)	(66,768)
Net asset, beginning of year	<u>180,851</u>	<u>247,619</u>
Net asset, end of year	\$ <u><u>129,696</u></u>	\$ <u><u>180,851</u></u>

See accompanying notes

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

Year ended December 31,

2025

2024

Sources (uses) of funds related to:

Operating activities

Sources of funds

Shares of membership fees

\$ 141,324 \$ 148,624

Grant

- 3,622

Interests and other income

4,317 7,135

Sub-total - sources of funds

145,641 159,381

Uses of funds

Trail maintenance, trail building, wardening and trail signaling

(208,806) (161,059)

Safety training

(1,862) (570)

Donations

(6,250) (6,250)

Other charges

(8,119) (12,287)

Sub-total - uses of funds

(225,037) (180,166)

Net funds used by operating activities

(79,396) (20,785)

Investing activities

Acquisition of capital assets

(2,389) (11,074)

Sub-total - uses of funds

(2,389) (11,074)

Net cash used during the year

(81,785) **(31,859)**

Cash, beginning of year

245,473 277,332

Cash, end of year

\$ 163,688 **\$ 245,473**

See accompanying notes

ATV CLUB OF EASTERN ONTARIO INC.
Notes to Financial Statements
For the year ended December 31, 2025

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. All the Club's activities are provided by volunteers.

The Club had about 1,676 members as at December 31, 2025 (2024: 1,966) 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 most of its financial assets and liabilities at their amortized cost; cash is at fair value.

The financial asset evaluated at its amortized cost is the share of membership fees receivable from the OFATV. 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 more than \$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%, half of the rate in the acquisition year.

ATV CLUB OF EASTERN ONTARIO INC.
Notes to Financial Statements
For the year ended December 31, 2025

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>2025</u>	<u>2024</u>
Traffic signs	\$15,279	\$17,075
Maintenance items and others	<u>3,946</u>	<u>3,946</u>
Total	<u>\$19,225</u>	<u>\$21,021</u>

4. Capital Assets

	Cost (\$)	Accumulated depreciation (\$)	Net book value (\$) – 2025	Net book value (\$) – 2024
Box scraper	2,096	1,670	426	836
Canopy	2,389	240	2,149	-
Dumping trailer	1,689	1,688	1	1
Dumper trailer (10 T)	11,074	3,322	7,752	9,967
Scraper (HFL)	9,548	4,760	4,788	6,699
Snow groomers	6,538	6,537	1	1
Storage box	2,943	2,942	1	1
	<u>36,277</u>	<u>21,159</u>	<u>15,118</u>	<u>17,505</u>

ATV CLUB OF EASTERN ONTARIO INC.
Notes to Financial Statements
For the year ended December 31, 2025

5. Shares of Membership Fees

To become a member of the Club, an individual must pay an annual membership fee to the OFATV. This annual membership fee was set at \$150 (including taxes) up to September 30, 2025. As of October 1, 2025, that membership fee was increased to \$195 (including taxes) and the membership provides the member with a riding permit, which is valid for a 12-month period from the date of issue. The proceeds of the fee are shared between the OFATV and the Club; the Club's share was \$65 up to September 30, 2025 and is now \$84.49 starting on October 1, 2025. The cost of the new annual membership is subject to a discount under certain conditions.

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

6. Contingent Liability

On June 5, 2025, an ex-member of the Club launched a lawsuit against the Club and some of its present and past directors as well as other parties (e.g., the "*Municipalité d'Alfred et Plantagenet*" and the "*Comtés unis de Prescott et Russell*") alleging that the serious injuries that he suffered in his June 2023 ATV accident were all attributable to the negligence of all the defending parties, jointly and severally. The lawsuit seeks damages for \$510,000 to start with plus additional damages that have yet to be specified. The Club's insurers have taken over the file, which is still in progress. The management of the Club is of the view that this lawsuit has no merit and that the Club should not be called to pay any damages whatsoever to the plaintiff; consequently, no allowance for loss has been recorded in the financial statements.