

VICTORIA FISH AND GAME PROTECTIVE ASSOCIATION

FINANCIAL STATEMENTS

DECEMBER 31, 2021

DRAFT

REVIEW ENGAGEMENT REPORT

To the Members of Victoria Fish and Game Protective Association:

We have reviewed the accompanying financial statements of Victoria Fish and Game Protective Association that comprise the statement of financial position as at December 31, 2021, and the statements of operations, changes in net assets and cash flows for the year then ended, as well as a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Practitioner's Responsibility

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

Basis for Qualified Conclusion

In common with many not-for-profit organizations, the Association derives revenue from donations, the completeness of which is not susceptible to us obtaining evidence we considered necessary for the purpose of the review. Accordingly, the evidence obtained of these revenues was limited to the amounts recorded in the records of the Association. Therefore, we were not able to determine whether any adjustments might be necessary to donation revenue, excess of revenues over expenditures, and cash flows from operations for the years ended December 31, 2021 and 2020, current assets as at December 31, 2021 and 2020, and net assets as at January 1 and December 31 for both the 2021 and 2020 years.

Qualified Conclusion

Based on our review, except for the possible effects of the matter described in the Basis for Qualified Conclusion paragraph, nothing has come to our attention causing us to believe that the financial statements do not present fairly, in all material respects, the financial position of Victoria Fish and Game Protective Association as at December 31, 2021, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Restated Comparative Information

Without modifying our conclusion, we draw attention to Note 11 to the financial statements, which describes that certain comparative information presented for the year ended December 31, 2020 has been restated.

Victoria, B.C.
March XX, 2022

Chartered Professional Accountants

VICTORIA FISH AND GAME PROTECTIVE ASSOCIATION

STATEMENT OF OPERATIONS

YEAR ENDED DECEMBER 31, 2021

	2021	2020
REVENUE		
Membership dues	\$ 540,643	\$ 481,784
Contributions	72,744	66,540
Range rentals	62,825	43,400
Range day passes	55,025	53,853
Other income and donations	37,205	34,572
Merchandise sales	27,553	21,034
Access revenue	13,695	14,933
Investment income	6,840	4,567
Fundraising income	<u>5,250</u>	<u>1,578</u>
	<u>821,780</u>	<u>722,261</u>
EXPENDITURES		
Wages and benefits	232,433	163,204
Repairs and maintenance	131,322	46,114
Licences and dues	92,187	81,629
General and administrative	81,939	91,129
Advertising and promotion	42,534	31,862
Insurance	39,404	33,602
Office and sundry	34,231	36,692
Utilities	20,824	17,695
Interest and bank charges	16,433	12,178
Access program expenses	10,530	3,440
Legal and accounting	6,500	4,100
Property taxes	6,345	6,375
Rent	750	1,000
Bad debt	-	1,051
Amortization (Note 3)	<u>51,625</u>	<u>8,349</u>
	<u>767,057</u>	<u>538,420</u>
Income before other items	54,723	183,841
Unrealized gain on investments	<u>17,570</u>	<u>15,054</u>
TOTAL EXCESS REVENUE OVER EXPENDITURES FOR THE YEAR	<u>\$ 72,293</u>	<u>\$ 198,895</u>

(See accompanying notes)

VICTORIA FISH AND GAME PROTECTIVE ASSOCIATION

STATEMENT OF CHANGES IN NET ASSETS

YEAR ENDED DECEMBER 31, 2021

	<u>Invested in Tangible Capital Assets</u>	<u>Internally Restricted</u>	<u>Unrestricted</u>	<u>2021 Total</u>	<u>2020 Total</u>
Balance, beginning of year	\$ 850,144	\$ 341,495	\$ 166,760	\$ 1,358,399	\$ 1,159,504
Excess (deficiency), revenues over expenditures	(51,625)	6,840	117,078	72,293	198,895
Acquisition of tangible capital assets	145,340	-	(145,340)	-	-
Interfund transfers	<u>-</u>	<u>19,165</u>	<u>(19,165)</u>	<u>-</u>	<u>-</u>
Balance, end of year	<u>\$ 943,859</u>	<u>\$ 367,500</u>	<u>\$ 119,333</u>	<u>\$ 1,430,692</u>	<u>\$ 1,358,399</u>

(See accompanying notes)

VICTORIA FISH AND GAME PROTECTIVE ASSOCIATION

STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2021

ASSETS

	2021	2020
Current		
Cash	\$ 586,204	\$ 435,135
Accounts receivable	21,743	13,263
Inventory	25,311	37,507
Prepaid expenses	<u>-</u>	<u>14,699</u>
	633,258	500,604
Restricted funds (Note 6)	367,500	341,495
Tangible capital assets (Note 7 & 3)	<u>943,859</u>	<u>850,144</u>
	<u>\$ 1,944,617</u>	<u>\$ 1,692,243</u>

LIABILITIES AND NET ASSETS

Current		
Due to government agencies	\$ 13,445	\$ 14,174
Accounts payable and accrued liabilities	7,447	12,304
Deposits	59,382	55,851
Deferred revenue	<u>433,651</u>	<u>251,515</u>
	<u>513,925</u>	<u>333,844</u>
Net Assets		
Invested in tangible capital assets	943,859	850,144
Internally restricted (Note 9)	367,500	341,495
Unrestricted	<u>119,333</u>	<u>166,760</u>
	<u>1,430,692</u>	<u>1,358,399</u>
	<u>\$ 1,944,617</u>	<u>\$ 1,692,243</u>

Approved by the Directors

(See accompanying notes)

VICTORIA FISH AND GAME PROTECTIVE ASSOCIATION

STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2021

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Excess of revenue over expenses	\$ 72,293	\$ 198,896
Items not involving cash		
Amortization	<u>51,625</u>	<u>8,349</u>
	123,918	207,245
Cash provided by (used for) non-cash working capital items		
Accounts receivable	(8,481)	(26)
Inventory	12,197	(27,939)
Prepaid expenses	14,699	(14,699)
Due to government agencies	(730)	(147)
Accounts payable and accrued liabilities	(4,855)	(771)
Deposits	3,531	5,206
Deferred revenue	<u>182,135</u>	<u>87,319</u>
	<u>322,414</u>	<u>256,188</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Decrease (increase) in restricted contributions	<u>(26,005)</u>	<u>(24,359)</u>
	<u>(26,005)</u>	<u>(24,359)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of tangible capital assets	<u>(145,340)</u>	<u>(7,730)</u>
INCREASE DURING THE YEAR	151,069	224,099
CASH, beginning of year	<u>435,135</u>	<u>211,036</u>
CASH, end of year	<u>\$ 586,204</u>	<u>\$ 435,135</u>

(See accompanying notes)

VICTORIA FISH AND GAME PROTECTIVE ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2021

Note 1 - Nature of Business

The Victoria Fish And Game Protective Association was established in 1919 and is located at 700 Holker Place, Malahat, BC. The Association provides facilities for, and promotes, hunting, fishing, shooting sports and conservation.

Note 2 - Accounting Policy

Tangible Capital Assets and Amortization

The Association's tangible capital assets are recorded at cost. Amortization is determined at rates which will reduce net book value to estimated residual value over the useful life of each asset. Annual rates used to compute amortization are as follows:

Range facilities	15 years
Paved parking area	20 years
Trap machines	5 years
Vehicles	5 years
Equipment	5 years
Artwork	0 years
Firearms	10 years

Inventories

Inventories are valued at the lower of cost or net realizable value. Cost is determined using the first-in-first-out method.

Revenue Recognition

Grants, donations and other contributions to the Association are accounted for under the deferral method of accounting. Accordingly, restricted contributions are recognized as revenue in the year in which related expenditures are incurred and unrestricted contributions are recognized at the earlier of when received or when collection is reasonably assured.

Investment income includes dividend income, interest income, capital gains distributions, realized investment gains and losses on sales of investments measured at amortized cost, and unrealized gains and losses on investments measured at fair value. Investment transactions are recognized on the transaction date the resulting income is recognized on an accrual basis.

VICTORIA FISH AND GAME PROTECTIVE ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2021

Note 2 - Accounting Policy (continued)

Use of Estimates

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the reporting date and the reported amounts of revenues and expenses for the reporting period. Actual results could differ from these estimates. Significant financial statement items that require the use of estimates are as follows: amortization of capital assets and accounts payable and accrued liabilities. These estimates are reviewed periodically and adjustments are made, as appropriate, in the statement of operations in the year they become known.

Note 3 - Accounting Change

During the year, the Association changed the useful life of capital assets as stated below. This change in accounting estimates was accounted for prospectively as of the current period and increased the amortization expense for the period by \$33,365.

Range facilities	0% declining balance to 15 years straight line
Paved parking area	8% declining balance to 20 years straight line
Trap machines	30% declining balance to 5 years straight line
Vehicles	30% declining balance to 5 years straight line
Equipment	20% declining balance to 5 years straight line
Artwork	0% declining balance to 0 years straight line
Firearms	0% declining balance to 10 years straight line

Note 4 - Financial Instruments

The Association initially measures its financial assets and financial liabilities at fair value. It subsequently measures all its financial assets and financial liabilities at amortized cost, except for mutual fund investments that are quoted in an active market. Changes in fair value are recognized in the statement of operations.

VICTORIA FISH AND GAME PROTECTIVE ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2021

Note 3 - Financial Instruments (continued)

Financial assets subsequently measured at amortized cost include cash and accounts receivable. Financial liabilities measured at amortized cost include due to government agencies and accounts payable and accrued liabilities. The Association's financial assets measured at fair value include mutual fund investments.

Liquidity risk

Liquidity risk is the risk that an entity does not have sufficient financial resources to meet obligations as they fall due, or can only obtain such resources at excessive cost. The risk arises from mismatches in timing of cash flows. Funding risk arises when the necessary liquidity to fund asset growth cannot be obtained at the expected terms when required.

Credit risk

Credit risk is the risk of loss resulting from failure of a borrower or counterparty to honour its financial or contractual obligation. Credit risk arises in the Association's regular operations. The Association is exposed to credit risk through its accounts receivable.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The enterprise is exposed to interest rate risk on its fixed financial instruments. Fixed-interest instruments subject the enterprise to a fair value risk.

Note 5 - Capital Management

The capital structure of the Association consists of an investment in tangible capital assets, internally restricted and unrestricted net assets. Internally restricted net assets are amounts restricted by the board of directors. The primary objectives of the Association's capital management are to ensure that it maintains adequate resources to support the operating activities and minimize the risk to the stability of cash flow from operations.

VICTORIA FISH AND GAME PROTECTIVE ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2021

Note 6 - Restricted Funds

Restricted funds are comprised of the following:

	2021	2020
Mutual fund investments	\$ 277,062	\$ 254,830
Cash	<u>90,438</u>	<u>86,665</u>
	<u>\$ 367,500</u>	<u>\$ 341,495</u>

The mutual fund investments are made up of 39% (44% - 2020) fixed income investments and 61% (56% - 2020) Global and Canadian equity investments.

Note 7 - Tangible Capital Assets

	Cost	Accumulated Amortization	Net Book Value 2021	2020
Land	\$ 596,468	\$ -	\$ 596,468	\$ 596,468
Range facilities	277,141	18,475	258,666	213,058
Paved parking area	17,500	5,293	12,207	13,082
Trap machines	131,041	99,910	31,131	7,155
Vehicles	-	-	-	5,164
Equipment	60,064	19,717	40,347	10,017
Artwork	3,600	-	3,600	3,600
Firearms	<u>1,600</u>	<u>160</u>	<u>1,440</u>	<u>1,600</u>
	<u>\$ 1,087,414</u>	<u>\$ 143,555</u>	<u>\$ 943,859</u>	<u>\$ 850,144</u>

Note 8 - Related Party Transactions

During the year, the Association acquired materials and services through established relationships and credit relations existing between certain of its vendors and suppliers and Piluso Construction Ltd., related by virtue of a common director. The Association later reimbursed the related company for the acquired materials and services at cost to the related company for the aggregate amount of \$40,087 (\$18,047 - 2020) in accordance with vendor normal trade terms. The related company made its established relationships with vendors available for no consideration.

VICTORIA FISH AND GAME PROTECTIVE ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2021

Note 9 - Internally Restricted Funds

Fund balances are as follows:

	2021	2020
Reserve fund	\$ 277,062	\$ 254,830
Key Deposits fund	53,903	50,328
Clays fund	30,338	30,301
Trap Perfect 50 fund	2,660	2,657
Al Page Memorial	2,574	2,421
Mortgage Sinking fund	352	350
Capital Reserve fund	308	306
Frontier Shootists Trophy fund	<u>302</u>	<u>302</u>
	<u>\$ 367,499</u>	<u>\$ 341,495</u>

The Reserve fund was established under the requirements of bylaw 104 that mandate a capital reserve equivalent to six months operating expenses be maintained, based on the average of the three previous year operating expenses.

The Key Deposits fund, Clays fund, Trap Perfect 50 fund, Al Page Memorial fund, Mortgage Sinking fund, Capital Reserve fund and Frontier Shootists Trophy fund are internally restricted for their named operating activity.

Note 10 - COVID-19

On March 11, 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organization. In response, the Association implemented new COVID-19 policies and rules to adhere to physical distancing measures that were consistent with the guidelines and orders from the British Columbia Public Health Officer. As the situation is dynamic and the ultimate duration and magnitude of the impact on the economy and the Association are not known, an estimate of the financial effect on the Association is not practicable at this time.

VICTORIA FISH AND GAME PROTECTIVE ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2021

Note 11 - Prior Period Adjustments

During the year, the Association discovered a cash balance consisting of deferred revenues held in a PayPal account was not included in the December 31, 2020 financial statements. As a result, cash as at December 31, 2020 increased by \$155,210 and deferred revenue as at December 31, 2020 increased by \$155,210. There was no change to Total Excess of Revenues over Expenditures as at December 31, 2020 as a result of this adjustment.

Note 12 - Comparative Figures

Certain figures for 2020 have been reclassified to conform to the presentation adopted in 2021.