



**Canadian Vintage Motorcycle Group  
Financial Statements**

**For The Year Ended December 31, 2021  
(with comparatives for December 31, 2020)**

## REVIEW ENGAGEMENT REPORT

To the Management of the Canadian Vintage Motorcycle Group:

We have reviewed the accompanying financial statements of the Canadian Vintage Motorcycle Group that comprise the balance sheet as at December 31, 2021, and the statements of income, retained earnings and cash flows for the year then ended, and 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.

### **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of the Canadian Vintage Motorcycle Group 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.

Edmonton, AB  
May 20, 2022

  
Chartered Professional Accountants

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**Canadian Vintage Motorcycle Group**  
**Statement of Financial Position**  
**As at December 31, 2021**

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	<u>2021</u>	<u>2020</u>
<b>Assets</b>		
Current assets		
Cash - National Account	148,897	131,776
Cash - Section Accounts	122,127	109,456
Cash - Paris Rally Account	30,527	31,781
Cash - Oaken Account	19,210	18,983
Short-term investments (Note 3)	25,379	44,105
Accounts Receivable	6,961	4,876
HST Receivable	45	(75)
Prepaid Expenses	4,173	3,366
Regalia Inventory	1,695	3,710
Total current assets	<u>359,014</u>	<u>347,978</u>
Capital assets - net of depreciation (Note 4)	2,218	2,772
Long-term investments (Note 3)	58,664	38,595
<b>TOTAL ASSETS</b>	<b><u>419,896</u></b>	<b><u>389,345</u></b>
<b>Liabilities</b>		
Current liabilities		
Deferred revenue - Paris Rally	5,430	5,669
<b>Total Liabilities</b>	<b><u>5,430</u></b>	<b><u>5,669</u></b>
<b>Net Assets</b>		
Internally restricted net assets invested in capital assets	-	-
Internally Restricted (Note 5)	65,444	64,252
Unrestricted	349,022	319,424
<b>Total Net Assets</b>	<b><u>414,466</u></b>	<b><u>383,676</u></b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u>419,896</u></b>	<b><u>389,345</u></b>
<b>Commitments</b> (Note 6)		

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**Canadian Vintage Motorcycle Group**  
**Statement of Changes in Net Assets**  
**For the year ended December 31, 2021**

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	<b>Internally restricted net assets invested in capital assets \$</b>	<b>Internally Restricted \$</b>	<b>Unrestricted \$</b>	<b>Net \$</b>
<b>Balance - Beginning of the Year (Note 5)</b>	-	64,252	319,424	<b>383,676</b>
Excess (deficiency) of revenue over expenses	-	-	26,579	26,579
Interest income on Paris Rally Reserve	-	49	(49)	-
Inflationary Adjustment to Reserve Balances		1,143	(1,143)	
Adjustment to Net Assets			4,211	4,211
<b>Balance - End of the Year</b>	<b>-</b>	<b>65,444</b>	<b>349,022</b>	<b>414,466</b>

**Canadian Vintage Motorcycle Group**  
**Consolidated Statement of Operations**  
**For the year ended December 31, 2021**

	<u>2021</u>	<u>2020</u>
<b>Revenue</b>		
Membership Fees	87,513	85,949
Regalia Sales	282	137
Advertising Revenue	4,005	6,372
Paris Rally Donations from Vendors	-	775
Increase (Decrease) in Section Cash Balances	12,942	(6,198)
Interest Income	1,570	1,915
<b>Total Revenue</b>	<u><b>106,312</b></u>	<u><b>88,950</b></u>
<b>Operating expenses</b>		
Cost of Regalia Goods Sold	2,185	-
Printing and Mailing	33,702	34,028
Century Pins Awards	1,768	-
AMM Expenses	995	1,333
Section Transfers	11,370	10,510
Section Start Up	-	75
Insurance Expense	8,664	12,348
Internet and Conference Calls	5,281	4,684
Bank Fees	14	75
Affinity Pay Fees	2,635	638
Education Bursary	3,000	-
Executive Expenses	296	-
Bad Debts	146	1,384
Legal and Accounting Expenses	8,091	7,421
Office supplies	41	833
Website Redesign	-	1,950
<i>Paris Rally expenses:</i>		
Paris Rally Advertising	-	28
Paris Rally Events	824	483
Paris Rally Printing & Stationary	167	866
Depreciation of capital assets	554	693
<b>Total Expenses</b>	<u><b>79,733</b></u>	<u><b>77,349</b></u>
<b>Excess of revenue over expenses</b>	<u><u><b>26,579</b></u></u>	<u><u><b>11,601</b></u></u>

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**Canadian Vintage Motorcycle Group**  
**CVMG National Statement of Operations**  
**For the year ended December 31, 2021**

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	<u>2021</u>	<u>2020</u>
<b>Revenue</b>		
Membership fees	87,513	85,949
Regalia Sales	282	137
Advertising Revenue	4,005	6,372
Increase (Decrease) in Section Cash Balances	12,942	(6,198)
Interest Income	1,521	1,772
<b>Total Revenue</b>	<u><b>106,263</b></u>	<u><b>88,032</b></u>
<b>Operating expenses</b>		
Cost of Regalia Goods Sold	2,185	-
Printing and Mailing	33,702	34,028
Century Pins Awards	1,768	-
AMM Expenses	995	1,333
Section Transfers	11,370	10,510
Section Start Up	-	75
Insurance Expense	8,664	12,348
Internet and Conference Calls	5,281	4,684
Bank Fees	14	75
Affinity Pay Fees	2,635	638
Education Bursary	3,000	-
Executive Expenses	296	-
Bad Debts	146	1,384
Legal and Accounting Expenses	8,091	7,421
Office supplies	41	833
Website Redesign	-	1,950
<b>Total Expenses</b>	<u><b>78,188</b></u>	<u><b>75,279</b></u>
<b>Excess of revenue over expenses</b>	<u><u><b>28,075</b></u></u>	<u><u><b>12,753</b></u></u>

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**Canadian Vintage Motorcycle Group**  
**Paris National Rally Statement of Operations**  
**For the year ended December 31, 2021**

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	<u>2021</u>	<u>2020</u>
<b>Revenue</b>		
Paris Rally Donations from Vendors	-	775
Interest Income	49	143
<b>Total Revenue</b>	<u>49</u>	<u>918</u>
<b>Operating expenses</b>		
Paris Rally Advertising	-	28
Paris Rally Events	824	483
Paris Rally Printing & Stationary	167	866
Depreciation of Capital Assets	554	693
<b>Total Expenses</b>	<u>1,545</u>	<u>2,070</u>
<b>Excess (deficiency) of revenue over expenses</b>	<u>(1,496)</u>	<u>(1,152)</u>

**Canadian Vintage Motorcycle Group**  
**Statement of Cash Flows**  
**For the year ended December 31, 2021**

	<u>2021</u>	<u>2020</u>
<b>Cash provided by (used for) the following activities</b>		
<b>Operating</b>		
Excess of revenues over expenditures	26,579	16,501
Add (deduct) items not involving cash:		
Depreciation of Capital Assets	554	693
Adjustments to Net Assets	4,211	933
Changes in non-cash working capital:		
Increase (Decrease) in accounts receivable	(2,085)	4,911
Increase (Decrease) in HST receivable	(120)	469
Decrease in inventory	2,015	-
Increase in prepaid expenses	(807)	(966)
Increase in accounts payable	-	(4,755)
Increase (Decrease) in deferred revenue	(239)	5,669
	<u>30,108</u>	<u>23,455</u>
<b>Investing</b>		
Net purchases of investments	1,342	1,591
	<u>1,342</u>	<u>1,591</u>
<b>Increase (Decrease) in Cash</b>	28,765	21,864
<b>Cash - beginning of year</b>	<u>291,996</u>	<u>275,032</u>
<b>Cash - end of year</b>	<u><u>320,761</u></u>	<u><u>296,896</u></u>

Cash of \$23,822 is restricted as an operating reserve (\$12,994 for ensuring two month's publication of the newsletter, \$10,828 for potential emergency operating expenses related to website, accounting and tax liabilities). Cash of \$16,243 is restricted as an insurance reserve to cover next year's premiums or the deductible on any potential claim. These funds are reserved as required by CVMG's Constitution & By-laws. Cash of \$25,379 is restricted as a Paris Rally reserve, held in a GIC.

# **Canadian Vintage Motorcycle Group**

## **Notes to Financial Statements**

### **December 31, 2021**

#### **1 Incorporation and nature of operations**

The Canadian Vintage Motorcycle Group (“CVMG”) was originally incorporated in the Province of Ontario on July 10, 1979. The organization was subsequently transferred to federal incorporation on October 2, 2015.

The CVMG exists as a non-profit corporation to:

- a) Encourage an interest in the ownership, collection, preservation, restoration, and use, of motorcycles of historic interest;
- b) Organize, cause to be organized, or assist in the organization of rallies, shows, displays, sporting events, or other events as may be in the interest of furthering the objectives of the Group;
- c) Actively encourage the preservation of all records, data, objects, and miscellanies pertaining in any way to the history of motorcycles and motorcycling;
- d) Provide, through its officers and organization, such services as may be required by members to further the objectives of the Group;
- e) Safeguard the rights and privileges of its members and to take action, where advisable, in cases where general principles affecting the objectives of the Group or the rights of motorcyclists are involved; and
- f) Publish such periodicals, newsletters, or other publications as may be of service to members and further the objectives of the Group.

#### **2 Significant accounting policies**

The financial statements have been prepared in accordance with Canadian accounting standards for not-for profit organizations using the following significant accounting policies:

##### **Use of estimates**

The preparation of financial statements in conformity 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 date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of the capital assets.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary, they are reported in earnings in the period in which they become known.

##### **Revenue recognition**

CVMG follows the deferral method of accounting. All revenue sources are recognized in the fiscal year in which the related services are provided or goods are sold. Investment income is recognized as revenue in the period in which it arises.

##### **Contributed materials and services**

Contributed materials and services are recorded at fair value when the amount can reasonably be determined and would have been purchased by CVMG if not contributed. Due to the difficulty of determining their fair value, volunteer services are not recognized in the financial statements.

## Property and equipment

Property and equipment are recorded at cost. Amortization is provided annually at rates calculated to write off the property and equipment over their estimated useful lives as follows, except in the year of acquisition when one-half of the rate is used.

Equipment	20%
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## Financial instruments

CVMG initially measures financial assets and financial liabilities at their fair value. It subsequently measures its financial assets and financial liabilities at amortized cost, other than short-term and long-term investments which are reported at fair value. The financial assets subsequently measured at amortized cost include cash and accounts receivable. The financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

CVMG's risk exposures related to its financial instruments did not change from the prior period and are outlined as follows:

### a) Interest rate risk

CVMG's interest rate risk relates to cash and guaranteed short-term investments. Management believes CVMG's exposure to interest rate risk is not significant.

### b) Price risk

Short-term investments are not subject to price risk. Short-term investments, when made, are made in non-variable rate guaranteed investments such as treasury bills or guaranteed investment certificates. As such, fluctuating interest rates do not impact the value of the fixed income investments and general economic conditions do not affect the market value of CVMG's investments.

### c) Liquidity risk

CVMG may use short-term investments. These investments are subject to liquidity risk if CVMG is required to sell as such investments are locked-in and not readily transferable to cash. CVMG does carry a healthy liquid cash balance and cash reserves that are considered sufficient to offset any unexpected liabilities until the maturity date of its short-term investments.

### d) Credit risk

CVMG's credit risk relates to cash and accounts receivable. CVMG's cash balances are held with reputable Canadian financial institutions. Accounts receivable are not a significant balance sheet item and are primarily from advertising customers. Concentration of credit risk is limited due to the insignificant value of unpaid advertising invoices and the number and variation of advertising customers. Management believes CVMG's exposure to credit risk is not significant.

## 3 Investments

Investments consist of guaranteed investment certificates with a current value at December 31, 2021, including accrued interest, of \$84,043 divided into one amount of \$19,387, one of \$20,079, one of \$19,198 and one of \$25,379 with the following non-redeemable terms:

### Short-term investments:

- \$25,377 principal, interest rate of 2.71% annually for 100 days, maturing March 16, 2022

### Long-term investments:

- \$19,071 principal, interest rate of 1.60% annually for 3-years, maturing December 18, 2023
- \$18,942 principal, interest rate of 2.90% annually for 5-years, maturing December 17, 2024
- \$19,182 principal, interest rate of 2.70% annually for 5-years, maturing December 21, 2026

## 4 Property and equipment

	Cost	Accumulated Amortization	Net 2021	Net 2020
	\$	\$	\$	\$
Equipment	3,850	1,632	2,218	2,772

## 5 Internally restricted net assets

The following assets are internally restricted as per CVMG's Constitution and By-Laws:

1. Operating reserve:	\$23,822
2. Insurance reserve:	\$16,243
3. Paris National Rally reserve (GIC):	<u>\$25,379</u>
<b>TOTAL</b>	<b>\$65,444</b>

## 6 Commitments

CVMG has a contract in place with The Paris Agricultural Society to lease premises and facilities for the CVMG Paris Rally events in June of each year. The contract has three years remaining and expires in June 2024. Future estimated minimum commitments under the contract are as follows:

<b>2022:</b>	\$6,045
<b>2023:</b>	\$6,166
<b>2024:</b>	\$6,289