

Financial Statements of

**VICTORIA THERAPEUTIC
RIDING ASSOCIATION**

And Independent Auditor's Report thereon

Year ended August 31, 2024



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INDEPENDENT AUDITOR'S REPORT

To the Members of Victoria Therapeutic Riding Association

Opinion

We have audited the financial statements of Victoria Therapeutic Riding Association (the Entity), which comprise:

- the statement of financial position as at August 31, 2024
- the statement of operations and changes in net assets for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at August 31, 2024, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "***Auditor's Responsibilities for the Audit of the Financial Statements***" section of our auditor's report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter - Comparative Information

We draw attention to Note 5 to the financial statements ("note 5"), which explains that certain comparative information presented for the year ended August 31, 2023 has been restated.

Note 5 explains the reason for the restatement and also explains the adjustments that were applied to restate certain comparative information.

Our opinion is not modified in respect to this matter.



Other Matter - Comparative Information

As part of our audit of the financial statements for the year ended August 31, 2024, we also audited the adjustments that were applied to restate certain comparative information presented for the year ended August 31, 2023. In our opinion, such adjustments are appropriate and have been properly applied.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



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- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

As required by the Societies Act (British Columbia), we report that, in our opinion, the accounting policies applied in preparing and presenting the financial statements in accordance with applicable financial reporting framework have been applied on a basis consistent with that of the preceding period.

A handwritten signature in black ink that reads 'KPMG LLP' in a cursive, slightly slanted font. A horizontal line is drawn underneath the signature.

Chartered Professional Accountants

Victoria, Canada

November 21, 2024

VICTORIA THERAPEUTIC RIDING ASSOCIATION

Statement of Financial Position

August 31, 2024, with comparative information for 2023

	2024	2023
		(Restated - note 5)
Assets		
Current assets:		
Cash (note 2)	\$ 85,493	\$ 153,064
Investments and marketable securities	81,036	71,454
Accounts receivable	18,016	15,901
	<u>\$ 184,545</u>	<u>\$ 240,419</u>
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued liabilities (note 3)	\$ 21,846	\$ 18,303
Deferred revenue (note 4)	29,664	138,315
Current portion of Canada Emergency Business Account loan	-	28,000
	<u>51,510</u>	<u>184,618</u>
Net assets	133,035	55,801
	<u>\$ 184,545</u>	<u>\$ 240,419</u>

See accompanying notes to financial statements.

On behalf of the Board:

VICTORIA THERAPEUTIC RIDING ASSOCIATION

Statement of Operations and Changes in Net Assets

Year ended August 31, 2024, with comparative information for 2023

	2024	2023
		(Restated - note 5)
Revenue:		
Grants	\$ 242,973	\$ 160,571
Program revenue	190,050	151,458
Donations	136,179	101,142
Fundraising and sponsorships	25,505	25,679
Membership and fees	3,040	2,840
Other	221	8,935
	<u>597,968</u>	<u>450,625</u>
Expenses:		
Program wages and subcontractors	238,746	154,420
Horse costs	133,867	110,922
Office wages	96,289	135,633
Office and general	26,196	22,209
Fundraising	14,248	8,544
Professional fees	11,668	10,034
Other program costs	8,275	20,256
Facility repairs and maintenance	5,215	6,937
Bank charges and interest	4,453	4,268
Insurance	3,593	2,067
	<u>542,550</u>	<u>475,290</u>
Excess (deficiency) of revenue over expenses from operations	55,418	(24,665)
Investment income	21,816	18,726
Excess (deficiency) of revenue over expenses	77,234	(5,939)
Net assets, beginning of year:		
As previously stated	35,580	61,740
Correction of error (note 5)	20,221	-
As restated	<u>55,801</u>	<u>61,740</u>
Net assets, end of year	<u>\$ 133,035</u>	<u>\$ 55,801</u>

See accompanying notes to financial statements.

VICTORIA THERAPEUTIC RIDING ASSOCIATION

Statement of Cash Flows

Year ended August 31, 2024, with comparative information for 2023

	2024	2023
		(Restated - note 5)
Cash provided by (used in):		
Operations:		
Excess (deficiency) of revenue over expenses	\$ 77,234	\$ (5,939)
Item not involving cash:		
Unrealized gain on investments	(11,168)	(15,843)
	66,066	(21,782)
Changes in non-cash operating working capital:		
Accounts receivable	(2,115)	(2,138)
Accounts payable and accrued liabilities	3,543	1,767
Deferred revenue	(108,651)	107,105
	(41,157)	84,952
Financing:		
Repayment of Canada Emergency Business Account loan	(28,000)	(12,000)
Investing:		
Disposal of investments	20,000	-
Purchase of investments	(18,414)	(5,723)
	1,586	(5,723)
Increase (decrease) in cash	(67,571)	67,229
Cash, beginning of year	153,064	85,835
Cash, end of year	\$ 85,493	\$ 153,064

See accompanying notes to financial statements.

VICTORIA THERAPEUTIC RIDING ASSOCIATION

Notes to Financial Statements

Year ended August 31, 2024

Nature of operations:

Victoria Therapeutic Riding Association (the "Association") is incorporated under the Societies Act (British Columbia) and is exempt from the requirement to pay income taxes as a registered charity with Canada Revenue Agency as long as certain criteria continue to be met.

Its mission is to enrich the lives of children and adults with disabilities through the provision of therapeutic horse-back riding programs and related activities.

1. Significant accounting policies:

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO"). The Association's significant accounting policies are as follows:

(a) Cash and cash equivalents:

Cash and cash equivalents include cash on hand and short-term deposits, which are highly liquid with original maturities of less than three months from the date of acquisition.

(b) Revenue recognition:

The Association follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount received can be reasonably estimated and collection is reasonably assured.

Sessional fees are recognized when the lesson takes place.

Sponsorships are recognized as revenue when the event takes place.

Memberships and dues are recognized as revenue in the year they are earned and collection is reasonably assured.

(c) Contributed services:

Donated materials and services are recognized in the financial statements when a fair value can be reasonably established and when the materials and services are used in the normal course of operations and would otherwise have been purchased.

Volunteers contribute time and expertise across the Association's operations. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

VICTORIA THERAPEUTIC RIDING ASSOCIATION

Notes to Financial Statements (continued)

Year ended August 31, 2024

1. Significant accounting policies (continued):

(d) Capital assets:

In accordance with the ASNPO Handbook section 4433, *Tangible Capital Assets held by Not-for-profit Organizations*, the Association has met the criteria to be considered a small organization and as such has not capitalized any expenditures. Capital assets owned by the Association but which have not been capitalized under this accounting policy include horses, equipment and computer hardware. There were \$13,180 in capital assets expensed in the year ended August 31, 2024 (2023 - \$2,536).

(e) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. The Association has not elected to carry any such financial instruments at fair value.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the Association determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the Association expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future year, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

(f) Use of estimates:

The preparation of the financial statements in conformity with ASNPO 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 revenue and expenses during the year. Actual results could differ from those estimates.

VICTORIA THERAPEUTIC RIDING ASSOCIATION

Notes to Financial Statements (continued)

Year ended August 31, 2024

2. Cash:

Contributions from the BC Ministry of Municipal Affairs Community Gaming Grants Branch requires that each recipient must maintain a separate community gaming grant cash account for the exclusive purpose of receiving, holding and disbursing community gaming grant funds. Accordingly, these funds have been considered restricted. The Association also received and deposited funds for several other restricted grants where the funded activities or a portion thereof had not yet occurred. See note 4.

3. Accounts payable and accrued liabilities:

Included in accounts payable and accrued liabilities as at August 31, 2024 are government remittances payable of \$nil (2023 – \$nil) relating to workers' safety insurance.

4. Deferred revenue:

	2024	2023
Community Gaming Grant	\$ 94	\$ 139
Community Services Recovery Fund	-	53,786
Grants	-	69,538
Restricted donations	20,754	9,708
Other	8,816	5,144
	<u>\$ 29,664</u>	<u>\$ 138,315</u>

VICTORIA THERAPEUTIC RIDING ASSOCIATION

Notes to Financial Statements (continued)

Year ended August 31, 2024

5. Restatement - correction of error:

During the year, management has adjusted for unrecorded deposits on hand that should have been recorded as revenues in the August 31, 2023 financial statements. The correction has been recorded retrospectively. The impact of the adjustment is as follows:

	2023 As previously stated	Adjustment	2023 As restated
Statement of operations and change in net assets:			
Grants	\$ 149,071	\$ 11,500	\$ 160,571
Other revenue	214	8,721	8,935
Total revenue	430,404	20,221	450,625
Deficiency of revenue over expenses from operations	(44,886)	20,221	(24,665)
Deficiency of revenue over expenses	(26,160)	20,221	(5,939)
Net assets, end of year	35,580	20,221	55,801
Statement of financial position:			
Cash	132,843	20,221	153,064
Total assets	220,198	20,221	240,419
Net assets	35,580	20,221	55,801
Statement of cash flows:			
Cash flow from operations	64,731	20,221	84,952
Increase in cash	47,008	20,221	67,229

6. Employee, director and contractor remuneration:

Under the Societies Act (British Columbia) there is a requirement to disclose the remuneration paid to all directors, and to employees or contractors who are paid at least \$75,000 annually.

During the year, there were no employees paid in excess of \$75,000 (2023 - none). There were no contractors paid in excess of \$75,000 and no directors were paid remuneration in 2024 or 2023.

During the year, the Association paid a director \$72,070 (2023 - \$72,808) for horse boarding and reimbursement of expenses.