

**THE HORSEMEN'S BENEVOLENT AND PROTECTIVE
ASSOCIATION OF BRITISH COLUMBIA**

FINANCIAL STATEMENTS

MARCH 31, 2020

(Unaudited)

**THE HORSEMEN'S BENEVOLENT AND PROTECTIVE
ASSOCIATION OF BRITISH COLUMBIA**

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**MARCH 31, 2020
(Unaudited)**

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INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Members of
The Horsemen's Benevolent and Protective Association
of British Columbia

We have reviewed the accompanying financial statements of The Horsemen's Benevolent and Protective Association of British Columbia that comprise the statement of financial position as at March 31, 2020, and the statements of revenues and expenditures, changes in net assets 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 Horsemen's Benevolent and Protective Association of British Columbia as at March 31, 2020, 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.

Report on Other Legal and Regulatory Requirements

As required by the Societies Act (British Columbia), we report that, in our opinion, these accounting principles have been applied on a basis consistent with that of the preceding year.

Vancouver, B.C.
September 10, 2020


Chartered Professional Accountants

**THE HORSEMEN'S BENEVOLENT AND PROTECTIVE
ASSOCIATION OF BRITISH COLUMBIA
STATEMENTS OF FINANCIAL POSITION
AS AT MARCH 31, 2020 AND 2019
(Unaudited)**

ASSETS

	<u>2020</u>	<u>2019</u>
CURRENT ASSETS		
Cash and cash equivalents (Note 4)	\$ 184,969	\$ 142,334
Accounts receivable (Note 5)	154,939	206,190
Grants receivable (Note 8)	14,550	10,000
Inventory (Note 2)	34,913	41,863
Prepaid expenses	2,500	11,000
	391,871	411,387
RESTRICTED CASH EQUIVALENTS (Note 6)	62,431	81,350
	\$ 454,302	\$ 492,737

LIABILITIES

CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 133,694	\$ 140,024
Government remittances payable	3,432	3,028
	137,126	143,052
DEFERRED REVENUE (Note 7)		
Dental care program	-	3,590
Learning centre program	19,820	31,987
Scholarship program	-	10,000
	19,820	45,577
	156,946	188,629

NET ASSETS

RESTRICTED NET ASSETS	62,431	71,350
UNRESTRICTED NET ASSETS	234,925	232,758
	297,356	304,108
	\$ 454,302	\$ 492,737

COMMITMENTS & CONTINGENCY (Note 1)

APPROVED BY THE BOARD:

DIRECTOR

DIRECTOR

**THE HORSEMEN'S BENEVOLENT AND PROTECTIVE
ASSOCIATION OF BRITISH COLUMBIA
STATEMENTS OF REVENUES AND EXPENDITURES
FOR THE YEARS ENDED MARCH 31, 2020 AND 2019
(Unaudited)**

	<u>2020</u>	<u>2019</u>
REVENUES		
Grants - BC horse racing industry management committee (Notes 2 and 8)	\$ 164,550	\$ 189,050
Interest	4,600	4,100
Miscellaneous	-	3,000
Net revenue - lasix program (Note 9)	4,880	4,369
Allocation from deferred revenue - dental care program (Note 7)	3,590	13,100
Allocation from deferred revenue - learning centre program (Note 7)	12,167	12,611
Allocation from deferred revenue - scholarship program (Note 7)	10,000	-
Hastings Park Feed Store operations (Schedule A)	66,490	49,911
	<hr/> 266,277	<hr/> 276,141
EXPENDITURES		
Awards night (Schedule B)	28	8,899
Benevolence	16,990	3,047
Convention and travel - H.B.P.A. annual conference	595	643
Dental care program	11,943	13,100
Donations - general	300	890
- New Stride Thoroughbred Adoption Society	1,000	1,000
Dues - The H.B.P.A. of Canada	7,830	6,000
Election	-	5,459
Equipment maintenance	17,517	12,916
Groom awards program	5,000	-
Horsemen's cafeteria subsidy	11,000	21,000
Insurance	43,546	43,518
Jockey recruitment program	11,750	13,310
Learning centre program	12,167	12,611
Meals - backstretch personnel	5,196	4,907
Meetings - directors	350	643
- general membership	1,354	2,751
Miscellaneous	132	1,349
Office, telephone and sundry	4,327	10,149
Post-mortem program	3,015	1,175
Professional fees	7,070	6,970
Publications and communications	9,100	8,700
Salaries, consulting fees and benefits (Note 11)	81,819	85,464
Scholarships	21,000	9,900
	<hr/> 273,029	<hr/> 274,401
(DEFICIENCY) EXCESS OF REVENUES OVER EXPENDITURES FOR THE YEAR	<hr/> \$ (6,752)	<hr/> \$ 1,740

**THE HORSEMEN'S BENEVOLENT AND PROTECTIVE
ASSOCIATION OF BRITISH COLUMBIA
STATEMENTS OF CHANGES IN NET ASSETS
FOR THE YEARS ENDED MARCH 31, 2020 AND 2019
(Unaudited)**

	Restricted	Unrestricted	2020	2019
BALANCE, BEGINNING OF YEAR	\$ 71,350	\$ 232,758	\$ 304,108	\$ 302,368
(DEFICIENCY) EXCESS OF REVENUES OVER EXPENDITURES FOR THE YEAR	-	(6,752)	(6,752)	1,740
INTERFUND TRANSFER (Note 10)	(8,919)	8,919	-	-
BALANCE, END OF YEAR	\$ 62,431	\$ 234,925	\$ 297,356	\$ 304,108

**THE HORSEMEN'S BENEVOLENT AND PROTECTIVE
ASSOCIATION OF BRITISH COLUMBIA
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED MARCH 31, 2020 AND 2019
(Unaudited)**

CASH PROVIDED BY (USED FOR):

	<u>2020</u>	<u>2019</u>
OPERATING ACTIVITIES		
(Deficiency) Excess of revenues over expenditures for the year	\$ (6,752)	\$ 1,740
Change in non-cash working capital items:		
Accounts and grants receivable	46,701	12,788
Inventory	6,950	(6,485)
Prepaid expenses	8,500	(400)
Amounts payable and accrued liabilities	(5,926)	12,022
Cash provided by operating activities	49,473	19,665
INVESTING ACTIVITIES		
Cash transferred from restricted cash equivalents (Note 6)	20,452	-
Interest income earned and added to restricted cash equivalents	(1,533)	(1,350)
Cash provided by (used for) investing activities	18,919	(1,350)
FINANCING ACTIVITIES		
Cash transferred to dental care program	(3,590)	(13,100)
Cash transferred to learning centre program	(12,167)	(12,611)
Cash transferred to scholarship program	(10,000)	-
Cash used for financing activities	(25,757)	(25,711)
INCREASE (DECREASE) IN UNRESTRICTED CASH AND CASH EQUIVALENTS FOR THE YEAR	42,635	(7,396)
UNRESTRICTED CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	142,334	149,730
UNRESTRICTED CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 184,969	\$ 142,334
UNRESTRICTED CASH AND CASH EQUIVALENTS ARE COMPRISED OF:		
Cash (Bank indebtedness) (Note 4)	\$ 8,701	\$ (10,416)
Guaranteed investment certificates (Note 4)	176,268	152,750
	\$ 184,969	\$ 142,334

**THE HORSEMEN'S BENEVOLENT AND PROTECTIVE
ASSOCIATION OF BRITISH COLUMBIA
HASTINGS PARK FEED STORE OPERATIONS
FOR THE YEARS ENDED MARCH 31, 2020 AND 2019
(Unaudited)**

SCHEDULE A

	<u>2020</u>	<u>2019</u>
SALES	\$ 1,475,544	\$ 1,341,770
<hr/>		
COST OF SALES		
Inventory, beginning of year	41,863	35,378
Purchases	1,205,824	1,113,457
Wages and benefits	105,614	105,005
	<hr/>	<hr/>
Inventory, end of year	1,353,301	1,253,840
	34,913	41,863
	<hr/>	<hr/>
	1,318,388	1,211,977
GROSS PROFIT (10.65%; 2019: 9.67%)	<hr/>	<hr/>
	157,156	129,793
<hr/>		
EXPENDITURES		
Bad debts	19,300	6,383
Credit card costs	25,643	21,852
Interest and bank charges	3,271	2,547
General	1,423	830
Office salaries and benefits	31,287	31,225
Postage, stationery and office	1,350	1,561
Professional fees	9,320	9,080
Telephone	3,940	4,117
Travel	1,800	1,800
Warehouse expenses	4,760	5,405
	<hr/>	<hr/>
	102,094	84,800
EXCESS OF REVENUES OVER EXPENDITURES BEFORE OTHER ITEM	<hr/>	<hr/>
	55,062	44,993
OTHER ITEM INTEREST AND OTHER INCOME	<hr/>	<hr/>
	11,428	4,918
EXCESS OF REVENUES OVER EXPENDITURES FOR THE YEAR	<hr/>	<hr/>
	\$ 66,490	\$ 49,911
<hr/>		

**THE HORSEMEN'S BENEVOLENT AND PROTECTIVE
ASSOCIATION OF BRITISH COLUMBIA
AWARDS NIGHT OPERATIONS
FOR THE YEARS ENDED MARCH 31, 2020 AND 2019
(Unaudited)**

SCHEDULE B

	<u>2020</u>	<u>2019</u>
REVENUES		
Ticket sales, sponsorship and miscellaneous	\$ 24,090	\$ 15,680
<hr/>		
EXPENDITURES		
Audio visual services	3,280	3,280
Event planner	3,500	3,403
Hall rental, food and refreshments	9,991	10,591
Photography	250	750
Trophies, gifts and prizes	7,097	6,555
<hr/>		
	24,118	24,579
<hr/>		
DEFICIENCY OF REVENUES OVER EXPENDITURES	\$ (28)	\$ (8,899)
<hr/>		

**THE HORSEMEN'S BENEVOLENT AND PROTECTIVE
ASSOCIATION OF BRITISH COLUMBIA
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2020
(Unaudited)**

1. NATURE OF OPERATIONS

THE HORSEMEN'S BENEVOLENT AND PROTECTIVE ASSOCIATION OF BRITISH COLUMBIA (the "Association") was incorporated pursuant to the Society Act (British Columbia) on March 9, 1987, and commenced operations April 1, 1987. The Association transitioned under the Societies Act (British Columbia), and effective October 9, 2018 has been designated as a publicly funded Association. The purpose of the Association is to aid and protect the general welfare of the racing industry, the interest of its members and their employees, and the backstretch personnel.

The Association is exempt from taxation pursuant to Section 149(1) of the Income Tax Act (Canada). These financial statements include the divisional statements of the Hastings Park Feed Store operations (See Schedule A and Note 12).

TBC Teletheatre B.C. ("TBC" or the "Partnership") is owned by four equal partners with Hastings Entertainment Inc. and the Horsemen's Benevolent and Protective Association of British Columbia representing the Thoroughbred sector and Orangeville Raceway Ltd. and Harness Racing B.C. Society representing the Standardbred sector.

The Partnership's principal business activity is the operation of teletheatre wagering facilities in the Province of British Columbia. The teletheatre locations are operated by the Partnership under the license of its partners which was granted provincially by the Gaming Policy and Enforcement Branch and federally by the Canadian Pari-Mutuel Agency. The locations broadcast horseracing from Hastings Park Racecourse, Fraser Downs and other racetracks.

On July 1, 2010, an Agency and Bare Trustee Agreement (the "Agreement") was finalized effective January 1, 2010. The Agreement allowed the BC Horseracing Industry Management Committee ("BCHRIMC") to establish an allocation of horseracing revenue within the industry. More specifically, all revenue generated from horseracing and government grants are consolidated into an industry revenue fund under the control and management of BCHRIMC which allocates the industry revenue fund in its entirety to the participants from the Thoroughbred and Standardbred sectors. The result of the Agreement is that net earnings of the partnership would always be \$Nil.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements are prepared in accordance with Canadian Accounting Standards for Not-for-Profit Organizations ("ASNFPO").

Use Of Estimates

The Association has prepared these financial statements in accordance with ASNFPO of the Canadian Professional Accountants Handbook (the "CPA Handbook"). The preparation of financial statements in accordance with ASNFPO requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosures of any contingent assets and liabilities at the date of the financial statements as well as the reported amounts of revenues earned and expenditures incurred during the reporting years. Actual results could differ from those estimates. The financial statements of the Association have, in management's opinion, been properly prepared within reasonable limits of materiality, and within the framework of the significant accounting policies disclosed herein.

**THE HORSEMEN'S BENEVOLENT AND PROTECTIVE
ASSOCIATION OF BRITISH COLUMBIA
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2020
(Unaudited)**

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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 expenditures are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Endowment contributions are recognized as direct increases in net assets. Restricted investment income is recognized as revenue in the year in which the related expenditures are incurred. Unrestricted investment income is recognized as revenue when earned.

The Association recognizes revenue on its sale of feed, vitamins and supplies for horses at Hastings Park Racecourse upon delivery and receipt of these products by the purchaser.

The Association receives an approved annual revenue allocation from the BCHRIMC of \$120,000 (2019 - \$120,000), grant assistance for its third party liability insurance premiums of \$40,000 (2019 - \$40,000), a barn area cafeteria operations subsidy of \$Nil (2019 - \$20,000) and grant assistance for various expense recoveries of \$4,550 (2019 - \$9,050). (See Note 8)

Inventory

Inventory is costed using the first-in, first-out method, and is disclosed at the lower of cost and net realizable value. Cost is comprised of the purchase price of feed, vitamins and supplies plus applicable freight charges.

Donated Materials And Services

Donated materials and services are recorded only when a fair value can be reasonably estimated and when they would be paid for by the Association if they had not been donated.

Contributed Services

Significant volunteer labour is contributed to assist the Association in carrying out its activities, but is not recorded in the Association's financial statements due to the difficulty of determining the fair value of those services.

Tangible Capital Assets

Tangible capital assets are recorded at cost. The costs of repairs and replacements of a routine nature are charged to the statement of revenues and expenditures, while those expenditures which improve or extend the life of the assets are capitalized. Amortization is provided using the declining balance method. As at March 31, 2020 and 2019, the Association does not have any tangible capital assets.

Going Concern

The CPA Handbook Section 1401, General Standards of Financial Statement Presentation for Not-For-Profit Organizations, includes requirements to assess and disclose the Association's ability to continue as a going concern. The Association expects its current capital resources will be sufficient to carry out its operations through its current year based on the revenue allocation approved for 2020/2021 by BCHRIMC. (See Note 8)

**THE HORSEMEN'S BENEVOLENT AND PROTECTIVE
ASSOCIATION OF BRITISH COLUMBIA
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2020
(Unaudited)**

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Financial Instruments

Initial and subsequent measurement

The Association initially measures its financial assets and liabilities at fair value, except for certain related party transactions that are measured at the carrying amount or exchange amount, as appropriate.

The Association subsequently measures all its financial assets and liabilities at cost or amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in the fair value of these financial instruments are recognized in the statements of revenues and expenditures in the year incurred.

Financial assets measured at amortized cost on a straight-line basis include cash, guaranteed investment certificates, accounts and grants receivable.

Financial liabilities measured at amortized cost on a straight-line basis include accounts payable and accrued liabilities.

Transaction costs

Transaction costs related to financial instruments that will be subsequently measured at fair value are recognized in the statements of revenues and expenditures in the year incurred. Transaction costs related to financial instruments subsequently measured at amortized cost are included in the original cost of the asset or liability and recognized in the statements of revenues and expenditures over the life of the instrument using the straight-line method.

Impairment

For financial assets measured at cost or amortized cost, the Association determines whether there are indications of possible impairment. When there is an indication of impairment, and the Association determines that a significant adverse change has occurred during the year in the expected timing or amount of future cash flows, a write-down is recognized in the statements of revenues and expenditures. A previously recognized impairment loss may be reversed to the extent of prior write downs. The carrying amount of the financial asset may not be greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in the statements of revenues and expenditures.

3. FINANCIAL INSTRUMENTS

The Association's financial instruments consist of cash, guaranteed investment certificates, accounts and grant receivable, and accounts payable and accrued liabilities. Unless otherwise noted, it is management's opinion that the Association is not exposed to significant interest, currency or credit risks arising from these financial instruments due to the immediate or short term maturity of the majority of these items.

Credit Risk

The Association is exposed to credit risk with respect to its cash and cash equivalents balances. However, the risk is minimized as cash and guaranteed investment certificates are placed with a large Canadian financial institution. The Association is subject to credit risk through trade receivables in its Hastings Park

**THE HORSEMEN'S BENEVOLENT AND PROTECTIVE
ASSOCIATION OF BRITISH COLUMBIA
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2020
(Unaudited)**

3. FINANCIAL INSTRUMENTS (CONT'D)

Credit Risk (Cont'd)

Feed Store Division. Credit risk with respect to trade receivables is minimized by a large customer base at Hastings Park Racecourse. The Association performs ongoing credit evaluations of its customers' financial condition and limits the amount of credit extended when deemed necessary. The Association maintains provisions for potential credit losses, and any such losses to date have been within management's expectations.

Liquidity Risk

The Association is exposed to liquidity risk due to the timing of revenues received to meet commitments associated with financial instruments. The Association manages liquidity risk by maintaining adequate cash and guaranteed investment certificate balances.

Currency Risk

The Association is not exposed to foreign exchange risk from financial instruments as it has incurred few foreign currency transactions during the years ended March 31, 2020 and 2019.

Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The interest rates of the Association's term investments are as disclosed in Notes 4 and 6 to the financial statements.

4. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of cash on deposit with the Association's financial institution and highly liquid short-term interest bearing securities that are readily convertible to known amounts of cash. As at March 31, 2020, the Association's term investments had effective annual interest rates of 2.00%. In respect of these investments, \$20,452 matured and was renewed for a one year term on November 16, 2019 at an effective annual interest rate of 1.30% and \$155,816 matured and were renewed for a one year term between April 24 - 27, 2020 at an effective annual interest rate of 1.15%.

The Association's Hastings Park Feed Store Division has a line of credit facility of \$250,000. As security, the Association has provided a general security agreement covering all assets of the Association, an assignment of fire insurance proceeds, and hypothecation of a \$62,431 guaranteed investment certificate. Interest on the credit facility is charged at the financial institution's prime lending rate + 1.50%, being 3.95% as at March 31, 2020. Renegotiation of this credit facility is anticipated to be prior to September 30, 2020.

5. ACCOUNTS RECEIVABLE

	<u>2020</u>	<u>2019</u>
Feed store receivables	\$ 180,440	\$ 225,161
Due from HBPA of BC Racing Club	4,697	-
Due from HBPA of Canada	6,712	-
Miscellaneous	5,216	1,604
Allowance for doubtful accounts	(42,126)	(20,575)
	<u>\$ 154,939</u>	<u>\$ 206,190</u>

**THE HORSEMEN'S BENEVOLENT AND PROTECTIVE
ASSOCIATION OF BRITISH COLUMBIA
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2020
(Unaudited)**

6. RESTRICTED CASH EQUIVALENTS

The Association has restricted the use of a \$62,431 (2019 - \$61,200) guaranteed investment certificate as security for the line of credit facility of its Hastings Park Feed Store Division as disclosed in Note 4. As at March 31, 2020, the Association's term investment had an effective annual interest rate of 2.00%. Subsequent to March 31, 2020, this guaranteed investment certificate matured and was renewed for a one year term on April 27, 2020 at an effective annual interest rate of 1.15%. This externally restricted amount is not available for other purposes without the approval of the Association's Board of Directors.

The Association has restricted the use of a \$Nil (2019 - \$20,150) guaranteed investment certificate to be used for its scholarship program.

7. DEFERRED REVENUE

	<u>2020</u>	<u>2019</u>
BALANCE, BEGINNING OF YEAR	\$ 45,577	\$ 71,288
Deduct recognition of revenue for related expenditures incurred:		
Dental care program	(3,590)	(13,100)
Learning centre program	(12,167)	(12,611)
Scholarship program	(10,000)	-
BALANCE, END OF YEAR	\$ 19,820	\$ 45,577

8. ECONOMIC DEPENDENCE

Pursuant to an annual grant allocation approved by BCHRIMC, the Thoroughbred Sector received \$9,142,000 to December 31, 2019 which went to the awards/stakes programs and the horsemen's purse pool account. \$120,000 (2019 - \$120,000) of this annual allocation is directed to fund the Association's administrative operations, \$40,000 (2019 - \$40,000) is directed to help fund the Association's third party general liability insurance premium, \$Nil (2019 - \$20,000) is directed to help fund the barn area cafeteria operations, \$Nil (2019 - \$2,550) for the jockey recruitment program, and \$4,550 (2019 - \$6,500) for recovery of publication and communications costs which amounts are disclosed as revenues in its statements of revenues and expenditures for the years ended March 31, 2020 and 2019. The balance of this grant allocation is not revenue of the Association, and is therefore not reflected in these financial statements.

The Thoroughbred sector has been notified by BCHRIMC that its revenue allocation will be \$8,575,000 to December 31, 2020 to fund its administrative operations, awards/stakes programs and the horsemen's purse pool account. The Association is expected to receive \$120,000 of this annual allocation to fund its administrative operations and \$25,000 to fund its third party general liability premium for the March 31, 2021 fiscal year.

**THE HORSEMEN'S BENEVOLENT AND PROTECTIVE
ASSOCIATION OF BRITISH COLUMBIA
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2020
(Unaudited)**

9. NET REVENUE - LASIX PROGRAM

	<u>2020</u>	<u>2019</u>
Costs recovered from Horseman's purse pool account	\$ 121,025	\$ 116,419
Costs paid for lasix injections	(116,145)	(112,050)
NET REVENUE FOR THE YEAR	\$ 4,880	\$ 4,369

10. INTERFUND TRANSFER

During the year ended March 31, 2020, the Association's board of directors approved a transfer of \$8,919 from its restricted net assets to its unrestricted net assets to offset the costs of the scholarship program for the year ended March 31, 2020.

11. COMMITMENTS AND CONTINGENCY

During the year ended March 31, 2020, the Association entered into independent contractor agreements for the provision of the following services:

1. To perform the role and duties of Bookkeeper to provide accounting services to the Association from April 1, 2019 to March 31, 2020 for remuneration of \$15,000 per year plus a monthly expense allowance.
2. To perform the role and duties of Secretary-Treasurer for the Association from June 1, 2019 to May 31, 2020 for remuneration of \$43,200 per year plus a monthly expense allowance, subject to a 90 day notice for contract continuation or termination by either party.
3. To perform the role and duties of Race Office Liaison for the Association from June 1, 2019 to October 31, 2019 and either from February 2020 or March 2020 for remuneration of \$9,000 per year plus a monthly expense allowance.

The above-mentioned independent contractor agreements have not been renewed as of September 10, 2020 for the March 31, 2021 fiscal year.

The World Health Organization declared COVID 19 coronavirus to be a pandemic on March 11, 2020 and as a result Canadian health authorities have issued several progressive restrictions on business operations. The pandemic is altering business and consumer activity in all areas. The Association's available liquidity sources to support operations will assist in addressing current risks, however, second-order effects of the pandemic on its service providers and members is not yet known. Because of the severity and global nature of the pandemic, it is reasonably possible that estimates in the financial statements will change in the near term, and the effects may be material.

**THE HORSEMEN'S BENEVOLENT AND PROTECTIVE
ASSOCIATION OF BRITISH COLUMBIA
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2020
(Unaudited)**

12. DIVISIONAL OPERATIONS - STATEMENTS OF FINANCIAL POSITION

As at March 31, 2020 and 2019, the assets, liabilities and net assets of the Association's two divisions, are as follows:

	Hastings Park		2020 Total
	General Operations	Feed Store Operations	
ASSETS			
Cash and cash equivalents	\$ 224,747	\$ (39,778)	\$ 184,969
Accounts receivable	15,622	139,317	154,939
Grants receivable	14,550	-	14,550
Inventory	-	34,913	34,913
Prepaid expenses	2,500	-	2,500
	257,419	134,452	391,871
Restricted cash equivalents	62,431	-	62,431
	\$ 319,850	\$ 134,452	\$ 454,302

LIABILITIES AND NET ASSETS			
Accounts payable and accrued liabilities	\$ 2,559	\$ 131,135	\$ 133,694
Government remittances payable	115	3,317	3,432
Deferred revenue	19,820	-	19,820
	22,494	134,452	156,946
Net assets	297,356	-	297,356
	\$ 319,850	\$ 134,452	\$ 454,302

	Hastings Park		2019 Total
	General Operations	Feed Store Operations	
ASSETS			
Cash and cash equivalents	\$ 277,442	\$ (135,108)	\$ 142,334
Accounts receivable	613	205,577	206,190
Grants receivable	10,000	-	10,000
Inventory	-	41,863	41,863
Prepaid expenses	11,000	-	11,000
	299,055	112,332	411,387
Restricted cash equivalents	81,350	-	81,350
	\$ 380,405	\$ 112,332	\$ 492,737

LIABILITIES AND NET ASSETS			
Accounts payable and accrued liabilities	\$ 30,720	\$ 109,304	\$ 140,024
Government remittances payable	-	3,028	3,028
Deferred revenue	45,577	-	45,577
	76,297	112,332	188,629
Net assets	304,108	-	304,108
	\$ 380,405	\$ 112,332	\$ 492,737