

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

FINANCIAL STATEMENTS

MARCH 31, 2021

(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, 2021, 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, 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.

Emphasis of Matter

The accompanying financial statements have been prepared assuming that the Association will continue as a going concern. As disclosed in its statement of revenues and expenditures and in Note 1 to the financial statements, the Association has incurred a deficiency of revenues over expenditures of \$21,889 from operations for the year ended March 31, 2021. Unless grant funding to the Thoroughbred sector can be restored to pre COVID-19 pandemic levels there is uncertainty about the Association's ability to continue funding certain of its discretionary programs and its ability to continue as a going concern. Management's evaluation of the events and conditions and management's plans regarding these matters are also disclosed in Note 1. The financial statements do not include any adjustments that might result from the outcome of this uncertainty. Our conclusion is not modified with respect to this matter.

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.

October 25, 2021


Chartered Professional Accountants

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**THE HORSEMEN'S BENEVOLENT AND PROTECTIVE
ASSOCIATION OF BRITISH COLUMBIA
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2021 AND 2020
(Unaudited)**

ASSETS

	<u>2021</u>	<u>2020</u>
CURRENT ASSETS		
Cash and cash equivalents (Note 4)	\$ 139,293	\$ 184,969
Accounts receivable (Note 5)	183,713	154,939
Grants receivable (Note 8)	5,000	14,550
Inventory (Note 2)	37,075	34,913
Prepaid expense	2,500	2,500
	367,581	391,871
RESTRICTED CASH EQUIVALENT (Note 6)	63,149	62,431
	\$ 430,730	\$ 454,302

LIABILITIES

CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 154,079	\$ 133,694
Government remittances payable	1,184	3,432
	155,263	137,126
DEFERRED REVENUE (Note 7)		
Various programs	-	19,820
	155,263	156,946

NET ASSETS

RESTRICTED NET ASSETS	63,149	62,431
UNRESTRICTED NET ASSETS	212,318	234,925
	275,467	297,356
	\$ 430,730	\$ 454,302

COMMITMENTS (Note 11)
SUBSEQUENT EVENT (Note 12)

APPROVED BY THE BOARD:

_____ **DIRECTOR**

_____ **DIRECTOR**

_____ **DIRECTOR**

**THE HORSEMEN'S BENEVOLENT AND PROTECTIVE
ASSOCIATION OF BRITISH COLUMBIA
STATEMENT OF REVENUES AND EXPENDITURES
FOR THE YEARS ENDED MARCH 31, 2021 AND 2020
(Unaudited)**

	<u>2021</u>	<u>2020</u>
REVENUES		
Grants - BC horse racing industry management committee (Notes 2 and 8)	\$ 99,500	\$ 164,550
Interest	2,745	4,600
Miscellaneous	500	-
Net revenue - lasix program (Note 9)	609	4,880
Recognition of deferred revenue		
- dental care program (Note 7)	5,000	3,590
- learning centre program (Note 7)	-	12,167
- jockey recruitment program (Note 7)	11,794	-
- scholarship program (Note 7)	23,026	10,000
Hastings Park Feed Store operations (Schedule A)	52,339	66,490
	<hr/> 195,513	<hr/> 266,277
EXPENDITURES		
Awards night (Schedule B)	3,503	28
Benevolence	5,150	16,990
Convention and travel - H.B.P.A. annual conference	-	595
Dental care program	5,000	11,943
Donations - general	-	300
- New Stride Thoroughbred Adoption Society	-	1,000
Dues - The H.B.P.A. of Canada	7,600	7,830
Equipment maintenance and rental	17,796	17,517
Groom awards program	-	5,000
Horsemen's cafeteria subsidy	-	11,000
Insurance	31,044	43,546
Jockey recruitment program	11,794	11,750
Learning centre program	-	12,167
Meals - backstretch personnel	1,875	5,196
Meetings - directors	-	350
- general membership	-	1,354
Miscellaneous	3,573	132
Office, telephone and sundry	5,292	4,327
Post-mortem program	1,500	3,015
Professional fees	6,000	7,070
Publications and communications	-	9,100
Salaries, consulting fees and benefits (Note 11)	60,275	81,819
Scholarships	27,000	21,000
Stakes race contribution	30,000	-
	<hr/> 217,402	<hr/> 273,029
DEFICIENCY OF REVENUES OVER EXPENDITURES FOR THE YEAR	<hr/> \$ (21,889)	<hr/> \$ (6,752)

**THE HORSEMEN'S BENEVOLENT AND PROTECTIVE
ASSOCIATION OF BRITISH COLUMBIA
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEARS ENDED MARCH 31, 2021 AND 2020
(Unaudited)**

	Restricted	Unrestricted	2021	2020
BALANCE, BEGINNING OF YEAR	\$ 62,431	\$ 234,925	\$ 297,356	\$ 304,108
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES FOR THE YEAR	718	(22,607)	(21,889)	(6,752)
INTERFUND TRANSFER (Note 10)	-	-	-	-
BALANCE, END OF YEAR	\$ 63,149	\$ 212,318	\$ 275,467	\$ 297,356

**THE HORSEMEN'S BENEVOLENT AND PROTECTIVE
ASSOCIATION OF BRITISH COLUMBIA
STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED MARCH 31, 2021 AND 2020
(Unaudited)**

CASH PROVIDED BY (USED FOR):

	<u>2021</u>	<u>2020</u>
OPERATING ACTIVITIES		
Deficiency of revenues over expenditures for the year	\$ (21,889)	\$ (6,752)
Adjustment for:		
Change in deferred revenue	(19,820)	(25,757)
Change in non-cash working capital items:		
Accounts and grants receivable	(19,224)	46,701
Inventory	(2,162)	6,950
Prepaid expenses	-	8,500
Amounts payable and accrued liabilities	18,137	(5,926)
Cash (used for) provided by operating activities	(44,958)	23,776
INVESTING ACTIVITIES		
Cash transferred from restricted cash equivalents	-	20,452
Interest income earned and added to restricted cash equivalents	(718)	(1,533)
Cash (used for) provided by investing activities	(718)	18,919
(DECREASE) INCREASE IN UNRESTRICTED CASH AND CASH EQUIVALENTS FOR THE YEAR	(45,676)	42,635
UNRESTRICTED CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	184,969	142,334
UNRESTRICTED CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 139,293	\$ 184,969
UNRESTRICTED CASH AND CASH EQUIVALENTS ARE COMPRISED OF:		
(Bank indebtedness) Cash (Note 4)	\$ (18,318)	\$ 8,701
Guaranteed investment certificates (Note 4)	157,611	176,268
	\$ 139,293	\$ 184,969

**THE HORSEMEN'S BENEVOLENT AND PROTECTIVE
ASSOCIATION OF BRITISH COLUMBIA
HASTINGS PARK FEED STORE OPERATIONS
FOR THE YEARS ENDED MARCH 31, 2021 AND 2020
(Unaudited)**

SCHEDULE A

	<u>2021</u>	<u>2020</u>
SALES	\$ 1,014,059	\$ 1,475,544
COST OF SALES		
Inventory, beginning of year	34,913	41,863
Purchases	848,091	1,205,824
Wages and benefits	96,248	105,614
	979,252	1,353,301
Inventory, end of year	37,075	34,913
	942,177	1,318,388
GROSS PROFIT (7.09%; 2020: 10.65%)	71,882	157,156
EXPENDITURES		
Bad debts (recoveries)	(8,985)	19,300
Credit card costs	18,130	25,643
Interest and bank charges	2,309	3,271
General	772	1,423
Office salaries and benefits	31,604	31,287
Postage, stationery and office	3,123	1,350
Professional fees	9,560	9,320
Telephone	2,297	3,940
Travel	1,800	1,800
Warehouse expenses	5,850	4,760
	66,460	102,094
EXCESS OF REVENUES OVER EXPENDITURES BEFORE OTHER ITEMS	5,422	55,062
OTHER ITEMS		
FEDERAL GOVERNMENT WAGE ASSISTANCE (Note 2)	42,809	-
INTEREST AND OTHER INCOME	4,108	11,428
EXCESS OF REVENUES OVER EXPENDITURES FOR THE YEAR	\$ 52,339	\$ 66,490

**THE HORSEMEN'S BENEVOLENT AND PROTECTIVE
ASSOCIATION OF BRITISH COLUMBIA
AWARDS NIGHT OPERATIONS
FOR THE YEARS ENDED MARCH 31, 2021 AND 2020
(Unaudited)**

SCHEDULE B

	<u>2021</u>	<u>2020</u>
REVENUES		
Ticket sales, sponsorship and miscellaneous	\$ -	\$ 24,090
EXPENDITURES		
Audio visual services	-	3,280
Event planner	-	3,500
Hall rental, food and refreshments	-	9,991
Photography	-	250
Trophies, gifts and prizes	3,503	7,097
	3,503	24,118
DEFICIENCY OF REVENUES OVER EXPENDITURES	\$ (3,503)	\$ (28)

**THE HORSEMEN'S BENEVOLENT AND PROTECTIVE
ASSOCIATION OF BRITISH COLUMBIA
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2021
(Unaudited)**

1. NATURE OF OPERATIONS AND GOING CONCERN

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"), which forms a portion of the annual grant funding allocation received from the BC Horseracing Industry Management Committee ("BCHRIMC") is owned by four equal partners with Hastings Entertainment Inc. and the Association 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 BCHRIMC to establish an allocation of horseracing revenue within the industry. More specifically, all revenues 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.

Management is continuing to monitor the impact of the COVID - 19 pandemic on the Association's operations including the underlying 2021 race meet, stakes programs, and awards and incentive programs. As the Association has not received a 2021 annual budget allocation from BCHRIMC, the Association submitted a funding request to the Provincial Government of British Columbia for financial assistance for 2021, due to the shutdown of the casino at Hastings Park Racecourse for the past 12 months and no live attendance permitted on racing days. The Association was informed by the Provincial Government of British Columbia on March 31, 2021 that they are not in a position financially to support the horse racing industry. Management continued to pursue funding opportunities at various government levels and on August 6, 2021 the Provincial Government of British Columbia granted the Thoroughbred sector a \$1,500,000 one-time grant, as disclosed in Note 12. Management believes that these actions make the use of the going concern basis appropriate, however, it is not possible at this time to predict the outcome of these matters. If the going concern basis is not appropriate, adjustments could be necessary to the carrying amounts and/or classification of assets, liabilities, revenues and expenditures in these financial statements, and these adjustments could be material.

**THE HORSEMEN'S BENEVOLENT AND PROTECTIVE
ASSOCIATION OF BRITISH COLUMBIA
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2021
(Unaudited)**

2. SIGNIFICANT ACCOUNTING POLICIES

Basis Of Presentation

These financial statements are prepared by management in accordance with Canadian accounting standards for not-for-profit organizations ("ASFNPO") applied within the framework of the accounting policies summarized below.

Use Of Estimates

The preparation of financial statements in accordance with ASFNPO 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.

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 \$75,000 (2020 - \$120,000), grant assistance for its third party liability insurance premiums of \$24,500 (2020 - \$40,000) and grant assistance for various expense recoveries of \$Nil (2020 - \$4,550). (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.

Federal Government Wage Assistance

The Association makes periodic applications for financial assistance under the Canada Emergency Wage Subsidy ("CEWS") government assistance program. Government assistance received during the year in respect of salary and benefits expenditures is recognized as other income in the statement of operations for the Hastings Park Feed Store Division.

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.

**THE HORSEMEN'S BENEVOLENT AND PROTECTIVE
ASSOCIATION OF BRITISH COLUMBIA
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2021
(Unaudited)**

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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, 2021 and 2020, the Association does not have any tangible capital assets.

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.

**THE HORSEMEN'S BENEVOLENT AND PROTECTIVE
ASSOCIATION OF BRITISH COLUMBIA
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2021
(Unaudited)**

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 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, 2021 and 2020.

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, 2021, the Association's term investments had effective annual interest rates of 1.15%. Subsequent to March 31, 2021, all of these investments matured and were renewed for one year terms with maturity dates between April 26 - 27, 2022 at an effective annual interest rate of 0.30%. On May 20, 2021 a guaranteed investment certificate for \$52,364 was cashed in to help offset the projected budget shortfall for the year ended March 31, 2022.

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 \$63,149 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, 2021. Renegotiation of this credit facility is anticipated to be prior to September 30, 2021.

**THE HORSEMEN'S BENEVOLENT AND PROTECTIVE
ASSOCIATION OF BRITISH COLUMBIA
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2021
(Unaudited)**

5. ACCOUNTS RECEIVABLE

	<u>2021</u>	<u>2020</u>
Feed store receivables	\$ 183,922	\$ 180,440
Due from HBPA of BC Racing Club	19,703	4,697
Due from HBPA of Canada	8,987	6,712
Miscellaneous	4,242	5,216
Allowance for doubtful accounts	(33,141)	(42,126)
	<u>\$ 183,713</u>	<u>\$ 154,939</u>

6. RESTRICTED CASH EQUIVALENT

The Association has restricted the use of a \$63,149 (2020 - \$\$62,431) 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, 2021, the Association's term investment had an effective annual interest rate of 1.15%. Subsequent to March 31, 2021, this guaranteed investment certificate matured and was renewed for a one year term with a maturity date of April 27, 2022 at an effective annual interest rate of 0.30%. This externally restricted amount is not available for other purposes without the approval of the Association's Board of Directors.

7. DEFERRED REVENUE

	<u>2021</u>	<u>2020</u>
BALANCE, BEGINNING OF YEAR	\$ 19,820	\$ 45,577
Add funds received		
Grant - various programs	20,000	-
Deduct recognition of revenue for related expenditures incurred:		
Dental care program	(5,000)	(3,590)
Jockey recruitment program	(11,794)	-
Learning centre program	-	(12,167)
Scholarship program	(23,026)	(10,000)
BALANCE, END OF YEAR	\$ -	\$ 19,820

8. ECONOMIC DEPENDENCE

On January 21, 2010 the BCHRIMC, created by the Attorney General under the Gaming Policy and Enforcement Branch, and various B.C. horse racing industry organizations established a horse racing industry financial model.

Pursuant to an annual grant allocation approved by BCHRIMC, the Thoroughbred sector received \$8,575,000 to December 31, 2020 which went to the awards/stakes programs and the horsemen's purse pool account. \$75,000 (2020 - \$120,000) of this annual allocation is directed to fund the Association's administrative operations, \$24,500 (2020 - \$40,000) is directed to help fund the Association's third party general liability insurance premium and \$Nil (2020 - \$4,550) 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, 2021 and 2020. The balance of this grant allocation is not revenue of the Association, and is therefore not reflected in these financial statements.

**THE HORSEMEN'S BENEVOLENT AND PROTECTIVE
ASSOCIATION OF BRITISH COLUMBIA
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2021
(Unaudited)**

8. ECONOMIC DEPENDENCE (CONT'D)

As at October 13, 2021, the Thoroughbred sector has not been notified by BCHRIMC what its revenue allocation will be for 2021 to fund its administrative operations, awards/stakes programs and the horsemen's purse pool account due to the uncertainty impacting the revenues of the horse racing sector in B.C. as a result of the ongoing COVID-19 pandemic.

9. NET REVENUE - LASIX PROGRAM

	<u>2021</u>	<u>2020</u>
Costs recovered from Horseman's purse pool account	\$ 66,129	\$ 121,025
Costs paid for lasix injections	(65,520)	(116,145)
NET REVENUE FOR THE YEAR	\$ 609	\$ 4,880

10. INTERFUND TRANSFER

During the year ended March 31, 2021, the Association's board of directors approved a transfer of \$Nil (2020 - \$8,919) from its restricted net assets to its unrestricted net assets to offset the costs of its scholarship program.

11. COMMITMENTS

During the year ended March 31, 2021, the Association entered into oral 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, 2020 to March 31, 2021 for remuneration of \$9,375 per year plus a monthly expense allowance.
2. To perform the role and duties of Secretary-Treasurer for the Association from April 1, 2020 to March 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.

The above-mentioned independent contractor agreements have been orally renewed with the same terms and conditions for the March 31, 2022 fiscal year.

12. SUBSEQUENT EVENT

On August 6, 2021 the B.C. Provincial Government announced that they have agreed to provide the Thoroughbred sector and the Standardbred sector with a one-time grant of \$3,000,000. The grant is to be evenly divided amongst them to minimize the employment impacts of the COVID - 19 pandemic on horse racing workers.

**THE HORSEMEN'S BENEVOLENT AND PROTECTIVE
ASSOCIATION OF BRITISH COLUMBIA
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2021
(Unaudited)**

13. DIVISIONAL OPERATIONS - STATEMENTS OF FINANCIAL POSITION

As at March 31, 2021 and 2020, the assets, liabilities and net assets of the Association's two divisions, are as follows:

	General Operations	Hastings Park Feed Store Operations	2021 Total
ASSETS			
Cash and cash equivalents	\$ 178,415	\$ (39,122)	\$ 139,293
Accounts receivable	32,317	151,396	183,713
Grants receivable	5,000	-	5,000
Inventory	-	37,075	37,075
Prepaid expenses	2,500	-	2,500
	218,232	149,349	367,581
Restricted cash equivalents	63,149	-	63,149
	\$ 281,381	\$ 149,349	\$ 430,730

LIABILITIES AND NET ASSETS

Accounts payable and accrued liabilities	\$ 5,703	\$ 148,376	\$ 154,079
Government remittances payable	211	973	1,184
	5,914	149,349	155,263
Net assets	275,467	-	275,467
	\$ 281,381	\$ 149,349	\$ 430,730

	General Operations	Hastings Park Feed Store Operations	2020 Total
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