

BULKLEY VALLEY CROSS COUNTRY SKI CLUB SOCIETY

FINANCIAL STATEMENTS

(Unaudited)

June 30, 2016

BULKLEY VALLEY CROSS COUNTRY SKI CLUB SOCIETY

**FINANCIAL STATEMENTS
(unaudited)**

JUNE 30, 2016

CONTENTS

	Page
REVIEW ENGAGEMENT REPORT	2
FINANCIAL STATEMENTS	
Statement of Financial Position	3
Statement of Operations and Changes to Fund Balances	4
Statement of Reserve Funds and Changes to Reserve Fund Balances	5
Schedule 1, Property and Equipment	6
Notes to the Financial Statements	7-9

EDMISON MEHR
CHARTERED PROFESSIONAL ACCOUNTANTS

Box 969 1090 Main St.
Smithers, B.C. V0J 2N0
Tel (250) 847-4325 Fax (250) 847-3074
Email: info@edmisonmehr.ca

Partners:
BRIAN R. EDMISON, B.A., CPA, CA
MICHAEL B. MEHR, B. Comm, CPA, CA
JEANNE M. MACNEIL, B.Comm, CPA, CA

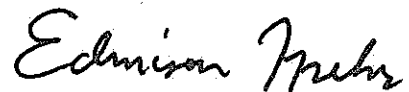
REVIEW ENGAGEMENT REPORT

To the Directors of the
Bulkley Valley Cross Country Ski Club Society

We have reviewed the Statement of Financial Position of the Bulkley Valley Cross Country Ski Club Society as at June 30, 2016 and the Statement of Operations and Changes to Fund Balances for the year then ended. Our review was made in accordance with Canadian generally accepted standards for review engagements and accordingly consisted primarily of enquiry, analytical procedures and discussion related to information supplied to us by the society's management.

A review does not constitute an audit and consequently we do not express an audit opinion on these financial statements.

Based on our review, nothing has come to our attention that causes us to believe that these financial statements are not, in all material respects, in accordance with Canadian Accounting Standards for not for profit organizations.



Edmison Mehr

Smithers, B.C.
May 8, 2017

BULKLEY VALLEY CROSS COUNTRY SKI CLUB SOCIETY
STATEMENT OF OPERATIONS AND CHANGES TO FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2016

(Unaudited)

	Operating Fund	Capital Fund	Reserved Fund	12 Month 2016	15 Month 2015
REVENUE					
Membership , lodge, area, admin:					
Registration, passes	\$ 72,601	-	-	72,601	70,360
Grant, Wetzin'kwa	1,056	-	-	1,056	36,005
Other	6,589	-	-	6,589	4,870
	<u>80,246</u>	<u>-</u>	<u>-</u>	<u>80,246</u>	<u>111,235</u>
Biathlon facility	9,229	-	-	9,229	13,093
Coaching:					
BC gaming grant	20,000	-	-	20,000	19,500
ADP support, other	13,581	-	-	13,581	11,925
Race events	4,752	-	-	4,752	4,060
Skill development	47,646	-	-	47,646	45,783
Total income	<u>175,454</u>	<u>-</u>	<u>-</u>	<u>175,454</u>	<u>205,596</u>
EXPENSES					
Membership, lodge, area, admin:					
Administration	15,761	-	-	15,761	15,623
Area	20,174	-	-	20,174	15,815
Club and communication	2,470	-	-	2,470	1,813
Day lodge	6,284	-	-	6,284	2,422
Tracksetter	58,194	-	-	58,194	28,026
	<u>102,883</u>	<u>-</u>	<u>-</u>	<u>102,883</u>	<u>63,699</u>
Amortization of capital assets	-	29,479	-	29,479	34,500
Biathlon facility	12,724	-	-	12,724	15,848
Coaching	35,581	-	-	35,581	32,425
Race events	4,448	-	-	4,448	4,128
Skill development	43,737	-	-	43,737	45,354
Total expenses	<u>199,373</u>	<u>29,479</u>	<u>-</u>	<u>228,852</u>	<u>195,954</u>
Excess (deficiency) of revenues over expenses	(23,919)	(29,479)	-	(53,398)	9,642
Reserve fund transfers					
Internally restricted, Statement of Reserves	40,000	-	(40,000)	-	-
Capital fund transfers					
Purchase, Lodge water tank	(17,000)	17,000	-	-	-
Change in fund balances during period	(919)	(12,479)	(40,000)	(53,398)	9,642
Funds balance, beginning of period	(5,921)	758,067	137,385	869,531	879,889
Funds balance, end of period	<u>\$ (6,840)</u>	<u>745,588</u>	<u>97,385</u>	<u>816,133</u>	<u>889,531</u>

BULKLEY VALLEY CROSS COUNTRY SKI CLUB SOCIETY
STATEMENT OF RESERVE FUNDS AND CHANGES TO RESERVE FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2016
(Unaudited)

	Piston Bully Tracksetter	Infrastructure	Athlete Development Program	Van	Coaching	Member Area	12 Months 2016	15 Months 2015
Balances, beginning of year	\$ 61,657	35,020	-	40,708	-	-	137,385	87,385
Contributions to Reserves								
From operating fund	61,657	35,020	-	40,708	-	-	137,385	50,000
Disbursement from reserves								
To operating fund	(15,000)	(20,000)	-	(5,000)	-	-	(40,000)	-
Transfers between reserve funds								
	-	-	25,000	(35,708)	5,000	5,708	-	-
Balances, end of year	\$ 46,657	15,020	25,000	-	5,000	5,708	97,385	137,385

BULKLEY VALLEY CROSS COUNTRY SKI CLUB SOCIETY

Schedule 1

SCHEDULE OF PROPERTY AND EQUIPMENT**JUNE 30, 2016****(Unaudited)**

	<u>2016</u>	<u>2015</u>
Property and Equipment:		
Land:		
Licence of Occupation # 635826, 7.15 Hectares 30 year term commencing March 2, 2009	\$ -	-
Ski Trails:		
47 km, located west of Smithers, BC, accessed by the Hudson Bay Mountain Rd, governed by a Recreation Sites and Trails BC, partnership agreement, 10 year term commencing November 21, 2014	-	-
Buildings: (not amortized)		
Day Lodge, 1994	361,202	344,202
Caretaker Cabin, 2004	50,055	50,055
Waxing Hut 2008	42,332	42,332
Biathlon Cabin 2012	30,067	30,067
Machine Shed, 1988 and 1993	20,000	20,000
	<u>503,656</u>	<u>486,656</u>
Mobile Equipment: (20% amortization)		
Piston Bully Tracksetter	132,275	132,275
Snowmobiles	27,599	27,599
Tractor	23,985	23,985
Other	1,200	1,200
	<u>185,059</u>	<u>185,059</u>
Less: Accumulated amortization	<u>(100,349)</u>	<u>(79,945)</u>
	<u>84,710</u>	<u>105,114</u>
Trail Lighting, 5.5 km (10% amortization)		
Licence of Occupation # 635827, 7.15 Hectares 106 lamp poles with burried cable	150,000	150,000
Less: Accumulated amortization	<u>(73,236)</u>	<u>(64,707)</u>
	<u>76,764</u>	<u>85,293</u>
Biathlon Range: (10% amortizaation)	62,000	62,000
Less: Accumulated amortization	<u>(57,079)</u>	<u>(56,533)</u>
	<u>4,921</u>	<u>5,467</u>
Leasehold access:(not amortized)		
Hudson Bay Mountain Rd underpass, contribution 2013	75,537	75,537
Total Net Book Value	<u>\$ 745,588</u>	<u>758,067</u>

BULKLEY VALLEY CROSSCOUNTRY SKI CLUB SOCIETY
NOTES TO THE FINANCIAL STATEMENT
JUNE 30, 2016

1. Incorporation

The Bulkley Valley Cross Country Ski Club Society was incorporated February 16, 1984 under the Society Act in the Province of British Columbia and assigned registration number 5-18903

2. Purposes

The purposes of the Society are to promote community participation in the healthy outdoor lifestyle of cross-country skiing in the Bulkley Valley.

3. Significant Accounting Policies

Basis of Accounting

These financial statements have been prepared in accordance with Canadian accounting standards for Not-for-Profit Organizations.

Fund Accounting

The Operating Fund accounts for the Society's program delivery and administration activities.

The Capital Fund reports the assets, liabilities, equity, capital revenues and expenses related to the society's ownership of capital assets

The Reserve Fund reports the assets, liabilities, equity, revenues and expenses related to the Society's reserves which have been internally restricted for asset acquisition, replacement, significant maintenance and other specific activities.

Cash

Cash consists of cash and cash equivalents that are defined as highly - liquid investments with maturities of three months or less at the acquisition date.

Capital Assets

Capital assets are recorded at cost, with no provision for the contribution of volunteered and donated time and labour.

The ski trails, staging area, roads and parking lots have not been capitalized.

Amortization has not been recorded for buildings unless there is an indication that the building fair value is less than its original cost. Amortization has been recorded on all equipment on the declining balance basis, each at the following rates:

Mobile equipment	20%
Trail lighting	10%
Biathlon range and targets	10%

Government Grants

Capital: government capital grants are recorded as revenue in the capital fund

Operating: government operating grants are recorded as revenue in the operating fund.

Revenue Recognition

Restricted contributions related to expenses for future periods are deferred and are recognized as revenue in the same period or periods as the related expenses are recognized.

Unrestricted contributions are recognized as revenue of the Operating Fund in the year received or receivable, if the amount to be received can be reasonably estimated and collection is reasonably assured.

Donated Materials and Services

It is the Society's policy not to record the value of donated materials and services.

4. Financial Instruments - Risk Management

The Society is not subject to significant risk from market, price, credit, fair value, foreign currency, interest rate or liquidity. The Society has limited its exposure to credit loss by placing its cash with a major Canadian financial institution.

The Society has managed its liquidity risk by strict budgeting policies and internally restricting reserve funds for operating and capital expenditure.

5. Comparative Period

The Society use to have a March 31 fiscal year end. In 2016 the Society changed its fiscal year end to June 30. The comparative amounts are for the fifteen months ended June 30, 2015.

6. Agreements and Contracts

- a) License of Occupation # 635826, file # 6408004, with the Province of BC
This licence for a 30 year term commencing March 2, 2009, grants a Licence of Occupation of the Land for community outdoor recreation facility purposes (non - exclusive use and occupancy) on 7.15 hectares of land, as set out in the management plan.
- b) License of Occupation #635827, file # 6408005 with the Province of BC
This licence for a 30 year team, commencing March 2, 2009, grants a Licence of Occupation of the Land, for the installation and maintenance of the lit trail infrastructure.
- c) Partnership Agreement # PA14DSS-04
This Partnership Services Agreement recognizes that the Province owns the land and the Society has the required skills and agrees to undertake the management and maintenance to provide conditions which are conducive to enhancing public recreation and/or conservation activities, The Society agrees to provide all services without financial remuneration from the Province. This agreement is with the BC Ministry of Forests, Land, and Natural Resources Operations, Recreation Sites and Trails BC. It is for a 10 year term commencing November 21, 2014. The agreement area is for the Bulkley Valley Nordic Centre located at km 8.1 on the Hudson Bay Mountain Rd. The agreement acknowledges the Wetzin'kwa Community Forest Corporation is a partner holder with the Recreation Sites and Trails program of BC.
- d) Memorandum of Understanding with the Wetzin'kwa Community Forest Corporation, dated April 14, 2009.
This agreement is to be reviewed on an annual basis and adjusted as required.
The Wetzin'kwa Community Forest Corporation was granted a Community Forest Agreement (License # K2P) in 2007. The license initially had an annual allowable cut of 30,000 m³. The tenure is jointly held by the Town of Smithers and the Village of Telkwa,. The agreement area is comprised of two distinct zones, the "Recreation Emphasis Zone", and the "Timber Management Emphasis Zone". In the first zone, timber harvesting will be considered subordinate to the

recreation interests, and in the second zone, timber harvesting will be considered the primary emphasis.

e) **Overlap Areas with Other Recreation Users**

Smithers Community Forest Society has an interest within the area for hiking, naturalist and forest demonstration purposes as set out in a separate MOU. Within any overlap areas, the Bulkley Valley Cross Country Ski Club Society has primary responsibility for ski trails and the Smithers Community Forest Society has primary responsibility for other designated trails. The two Societies will collaborate on overlapping trails to ensure the management obligations for the trails are consistent.

7. Club History

Cross country skiing in the Bulkley Valley has roots back to the 1920s. By 1970 there were clubs based in Telkwa, Driftwood and Smithers. By the late 70s they amalgamated to form the Bulkley Valley Cross Country Ski Club. Gary and Liz Murdoch initialized a "Jack Rabbit" ski program at Tyhee Lake. Then Gary Murdoch and Esther Bain established a racing program. The club decided that the Smithers Community Forest provided a perfect opportunity to develop a more challenging array of trails with more dependable snow conditions, and in the early 1980s club members developed ski trails along Pine Creek.

On February 16, 1984 the club incorporated a formal Society.

In the early 1900s, the club commenced the more complex Chris Dahlie trail network. The biathlon range was built in time for the BC Winter Games in 1994. A new day lodge was constructed during 1993-1994, assisted by a significant donation from relatives of the Buchfink family who were tragically killed in 1994 in a helicopter crash. In 2004, a caretaker cabin was constructed. The Gary Murdoch waxing hut and toilets for the lodge were built in 2008. In 2012, a new Biathlon cabin was built.

After Hydro power was brought to the BV Nordic Centre, lighting was installed on 5.5 km of track. The cross country ski trail network has now expanded to 47 km.

8. Club Membership

The number of registered members for the last three years is: 568 in 2014-15, 597 in 2015-16 and 533 in 2016-17.

It is to be acknowledged that the vast majority of the labour required to maintain and improve the facility is provided by club and community volunteers.