

BULKLEY VALLEY CROSS COUNTRY SKI CLUB

FINANCIAL STATEMENTS

JUNE 30, 2022

CONTENTS

	Page
COMPILATION ENGAGEMENT REPORT	1
FINANCIAL STATEMENTS	
Statement of Financial Position	2
Statement of Changes in Unrestricted Net Assets	3
Statement of Operations	4
Statement of Reserves and Changes to Reserve Balances	5
Notes to Financial Statements	6-8

**EDMISON MEHR
CHARTERED PROFESSIONAL ACCOUNTANTS**

Box 969 1090 Main Street
Smithers, B.C. V0J 2N0
Tel (250)847-4325 Fax (250)847-3074
E-mail: 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

COMPILATION ENGAGEMENT REPORT

To The Management of Bulkley Valley Cross Country Ski Club

On the basis of information provided by management, we have compiled the Statement of Financial Position of the Bulkley Valley Cross Country Ski Club as at June 30, 2022, and the Statement of Changes in Unrestricted Net Assets, and Statement of Operations and Statement of Reserves and Changes to Reserve Balances for the year then ended, and Note 2, which describes the basis of accounting applied in the preparation of the compiled financial information.

Management is responsible for the accompanying financial information, including the accuracy and completeness of the underlying information used to compile it and the selection of the basis of accounting.

We performed this engagement in accordance with Canadian Standard on Related Services (CSRS) 4200, Compilation Engagements, which requires us to comply with relevant ethical requirements. Our responsibility is to assist management in the preparation of the financial information.

We did not perform an audit engagement or a review engagement, nor were we required to perform procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an audit opinion or a review conclusion, or provide any form of assurance on the financial information.

Readers are cautioned that the financial information may not be appropriate for their purposes.



Edmison Mehr Chartered Professional Accountants
1090 Main Street
Smithers, BC
V0J 2N0
November 28, 2022

BULKLEY VALLEY CROSS COUNTRY SKI CLUB
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2022

(Unaudited - see Compilation engagement report)


2022

2021

ASSETS		
CURRENT		
Cash	\$ 77,327	\$ 183,232
Term deposits	58,803	58,410
Goods and services tax receivable	<u>1,086</u>	<u>1,248</u>
	<u>137,216</u>	<u>242,890</u>
TANGIBLE CAPITAL ASSETS, Note 4		
Property and equipment	1,245,913	1,117,693
Less: Accumulated amortization	<u>344,848</u>	<u>317,738</u>
	<u>901,065</u>	<u>799,955</u>
	<u>\$ 1,038,281</u>	<u>\$ 1,042,845</u>
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 17,234	\$ 724
Source deductions payable	1,395	166
Deferred revenue, BC Gaming Grant	<u>-</u>	<u>22,500</u>
	<u>18,629</u>	<u>23,390</u>
NET ASSETS		
EQUITY IN TANGIBLE CAPITAL ASSETS, Note 5	901,064	799,955
UNRESTRICTED NET ASSETS	8,929	8,678
RESERVES, RESTRICTED AND CONTINGENCY	<u>109,659</u>	<u>210,822</u>
	<u>1,019,652</u>	<u>1,019,455</u>
	<u>\$ 1,038,281</u>	<u>\$ 1,042,845</u>

APPROVED BY THE BOARD:

 DIRECTOR

 DIRECTOR

BULKLEY VALLEY CROSS COUNTRY SKI CLUB
STATEMENT OF CHANGES IN UNRESTRICTED NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2022
(Unaudited - see Compilation engagement report)

	2022	2021
UNRESTRICTED NET ASSETS, beginning of year	\$ 8,678	\$ 7,666
EXCESS OF REVENUES OVER EXPENSES FOR THE YEAR	<u>251</u>	<u>1,012</u>
UNRESTRICTED NET ASSETS, end of year	\$ <u>8,929</u>	\$ <u>8,678</u>

BULKLEY VALLEY CROSS COUNTRY SKI CLUB
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED JUNE 30, 2022
(Unaudited - see Compilation engagement report)

	2022	2021
REVENUE		
Fees, Nordic Centre	\$ 142,756	\$ 138,875
Fees, Membership	14,898	13,447
Fees, Events	9,787	3,040
Fees, Nordic Skills Development Program	<u>43,328</u>	<u>21,375</u>
	210,769	176,737
Grants and Sponsorship, Operating	89,100	51,537
Fundraising	34,269	37,371
Miscellaneous	<u>2,027</u>	<u>9,566</u>
	<u>336,165</u>	<u>275,211</u>
EXPENSES		
Wages and benefits	125,562	48,803
Contractor and support	12,080	21,585
Building operations	18,813	19,673
Equipment operations	77,418	43,935
Events	5,718	1,672
General and administrative	21,412	19,696
Trails and area maintenance	28,325	7,459
Nordic Skills Development Program	19,530	1,249
Transfers to reserves	33,991	110,127
Transfers from reserves	<u>(6,935)</u>	<u>-</u>
	<u>335,914</u>	<u>274,199</u>
EXCESS OF REVENUES OVER EXPENSES FOR THE YEAR	<u>251</u>	<u>1,012</u>
CAPITAL EXPENDITURES		
Garage, tracksetter	128,219	58,390
Equipment purchases	<u>-</u>	<u>41,401</u>
	128,219	99,791
CAPITAL FUNDING		
Grants and sponsorship, capital	-	80,000
Transfers from reserves	<u>128,219</u>	<u>19,791</u>
	<u>128,219</u>	<u>99,791</u>
REVENUES OVER EXPENSES FOR THE YEAR	<u>\$ 251</u>	<u>\$ 1,012</u>

BULKLEY VALLEY CROSS COUNTRY SKI CLUB
STATEMENT OF RESERVES AND CHANGES TO RESERVE BALANCES
FOR THE YEAR ENDED JUNE 30, 2022
(Unaudited - see Compilation Engagement Report)

	BALANCES July 1, 2020	ADDITIONS Contributions from Operating	DISBURSEMENTS Capital Equipment	BALANCES June 30, 2021	ADDITIONS Contributions from Operating	DISBURSEMENTS Capital and Operating	BALANCES June 30, 2022
RESTRICTED RESERVES							
MEMORIAL	\$ 251	\$ -	\$ -	\$ 251	\$ -	\$ -	\$ 251
PB GARAGE	40,364	57,451	-	97,815	27,072	(97,815)	27,072
NATIONAL TRAVEL	2,300	4,676	-	6,976	-	(6,936)	40
AUX TRACKSETTER	11,000	-	(11,000)	-	-	-	-
CONTINGENCY RESERVES							
NSDP	23,903	14,000	-	37,903	-	-	37,903
BIATHLON	1,832	-	-	1,832	2,801	-	4,633
NORDIC CENTRE	-	20,000	-	20,000	-	-	20,000
INFRASTRUCTURE	36,040	14,000	(3,995)	46,045	-	(30,403)	15,642
EVENTS	-	-	-	-	4,118	-	4,118
	<u>\$ 115,690</u>	<u>110,127</u>	<u>(14,995)</u>	<u>210,822</u>	<u>33,991</u>	<u>(135,154)</u>	<u>109,659</u>

BULKLEY VALLEY CROSS COUNTRY SKI CLUB
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022
(Unaudited - see Compilation engagement report)

1. PURPOSE

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

The Bulkley Valley Cross Country Ski Club was incorporated under the Society Act (British Columbia) on February 16, 1984 and assigned registration number S0018903. The Club has completed the transition to the new BC Societies Act.

2. BASIS OF ACCOUNTING

The basis of accounting applied in the preparation of the financial information is the historical cost basis, reflecting cash transactions with the addition of:

Term deposits

Accounts receivable

Tangible Capital Assets

Accounts payable and accrued liabilities

Deferred Revenue

3. ACCOUNTING POLICIES

Term deposits are recorded at cost plus accrued interest.

Accounts receivable are accrued for amounts due to, but not yet received by the club as at the fiscal year end.

Tangible Capital Assets

Tangible capital asset purchases are recorded as a capital expense and the funding as a revenue in the statement of operations.

To recognize the asset investment by the Club the asset is recorded at cost with a corresponding increase in equity in tangible capital assets in the statement of financial position.

To recognize the reduction in the carried book value of the capital assets over time, the tangible capital assets are amortized on a systematic basis when considered appropriate by the club, with a corresponding decrease in the equity in capital assets.

BULKLEY VALLEY CROSS COUNTRY SKI CLUB
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022
(Unaudited - see Compilation engagement report)

3. ACCOUNTING POLICIES (CONTINUED)

Tangible Capital Assets

Tangible 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, at the following annual rates:

Building	- %
Mobile Equipment	20 %
Trails and lighting	10 %
Biathlon Targets	10 %

Accounts payable and accrued liabilities are accrued for amounts still owing to creditors for good and services provided to the club as at the fiscal year end.

Deferred revenue - 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 in the year received or receivable, if the amount to be received can be reasonably estimated and collection is reasonably assured.

Grants and Sponsorships

Grants and sponsorships have been segregated between operating revenues and capital funding based on their specific terms and conditions.

External recoveries and other revenues (donations, fundraising, interest and memberships) are invoiced when services are rendered and are recorded on an accrual basis in the period to which they relate.

External restrictions are determined by third parties (government or funding entities), internal restrictions are determined by the board and unrestricted net assets have no restrictions.

Donated Materials and Services

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

Reserves

The Society has managed its cash flow requirements by internally restricting reserve funds for operating and capital purposes.

BULKLEY VALLEY CROSS COUNTRY SKI CLUB
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022
(Unaudited - see Compilation engagement report)

4. TANGIBLE CAPITAL ASSETS

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net 2022</u>	<u>Net 2021</u>
Building	\$ 690,265	\$ -	\$ 690,265	\$ 562,046
Mobile Equipment	268,111	181,136	86,975	108,718
Trails and lighting	225,537	104,672	120,865	125,902
Biathlon Targets	<u>62,000</u>	<u>59,040</u>	<u>2,960</u>	<u>3,289</u>
	<u>\$ 1,245,913</u>	<u>\$ 344,848</u>	<u>\$ 901,065</u>	<u>\$ 799,955</u>

5. EQUITY IN TANGIBLE CAPITAL ASSETS

	<u>2022</u>	<u>2021</u>
Balance beginning of year	\$ 799,955	\$ 717,464
Purchase of tangible capital assets	128,219	99,791
Amortization	<u>(27,110)</u>	<u>(17,300)</u>
Balance end of year	<u>\$ 901,064</u>	<u>\$ 799,955</u>

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 7.16 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 term, 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 Club 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 Club agrees to provide all services without financial remuneration from the Province. This agreement is with the BC Ministry of Forest, 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 Road. The agreement acknowledges the Wetzin'kwa Community Forest Corporation is a holder of a forest management tenure that includes the area of the Nordic Centre.

d. Memorandum of Understanding with the Wetzin'kwa Community Forest Corporation, dated April 14, 2009. This agreement is to be reviewed 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 allowable annual 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 interest, and in the second zone, timber harvesting will be considered the primary emphasis. This 2009 M.O.U. does not address revenue sharing. Recent logging was largely at the Club's request to address the dangerous trees from aging beetle kill.

BULKLEY VALLEY CROSS COUNTRY SKI CLUB
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022
(Unaudited - see Compilation engagement report)

e) Overlap Areas with Other Recreation User

Other recreation users have an interest within the area for hiking, naturalist and forest demonstration purposes or mountain biking. Within any overlap areas, the Bulkley Valley Cross Country Ski Club has primary responsibility for ski trails and other user groups may have responsibility as set out in their agreements with Recreation Sites and Trails BC and groups with partnership agreements in the area to collaborate on any 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 initiated 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 1990s, the club commenced the more complex Chris Dahlie trail network. The biathlon range was built in time for the 1994 BC Winter Games. 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 1996 electrical power was generously extended to the BV Nordic Centre by BC Hydro and its employees at a nominal cost to the society for materials. In 1997 lighting was installed on the 2.5 km loop and parking lot and then in 2005 extended to the Perimeter Trail for a total of 5 km of lit track. 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. In 2021-2022 a new track setter garage was constructed. The cross country ski trail network has now expanded to 52 km of which 5 km is lit and 10 km is dog-friendly.

8. CLUB MEMBERSHIP

The number of registered members for the last eight years is: 568 in 2014-15, 597 in 2015-16, 533 in 2016-17, 556 in 2017-18, 618 in 2018-19, 715 in 2019-20, 1,104 in 2020-21, and 1,238 in 2021-22.

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