

BULKLEY VALLEY CROSS COUNTRY SKI CLUB
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2026

(Unaudited - see Compilation engagement report)
2026

ASSETS

CURRENT

Cash	\$ 16,274
Term deposits	286,000
Accrued interest receivable	4,464
Goods and services tax receivable	1,244
Prepaid expenses	<u>7,165</u>
	<u>315,147</u>

TANGIBLE CAPITAL ASSETS, Note 4

Property and equipment	2,361,523
Less: Accumulated amortization	<u>594,730</u>
	<u>1,766,793</u>

\$ 2,081,940

LIABILITIES

CURRENT

Accounts payable and accrued liabilities	\$ 4,365
Source deductions payable	2,162
Deferred revenue, BC Gaming Grant	<u>8,200</u>
	<u>14,727</u>

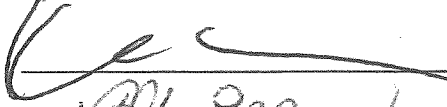
NET ASSETS

EQUITY IN TANGIBLE CAPITAL ASSETS, Note 5	1,766,792
UNRESTRICTED NET ASSETS	12,883
RESERVES, RESTRICTED AND CONTINGENCY	<u>287,538</u>

2,067,213

\$ 2,081,940

APPROVED BY THE BOARD:

 **DIRECTOR**
 **DIRECTOR**

EDMISON MEHR
CHARTERED PROFESSIONAL ACCOUNTANTS

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COMPILATION ENGAGEMENT REPORT

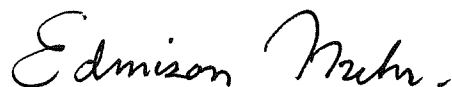
To The Management of Bulkley Valley Cross Country Ski Club

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, 2026, 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
September 15, 2026

BULKLEY VALLEY CROSS COUNTRY SKI CLUB

FINANCIAL STATEMENTS

JUNE 30, 2026

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BULKLEY VALLEY CROSS COUNTRY SKI CLUB
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2026

(Unaudited - see Compilation engagement report)
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RESERVES, RESTRICTED AND CONTINGENCY	<u>287,538</u>

2,067,213

\$ 2,081,940

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, 2026
(Unaudited - see Compilation engagement report)
2026

UNRESTRICTED NET ASSETS, beginning of year	\$ 7,610
EXCESS OF REVENUES OVER EXPENSES FOR THE YEAR	<u>5,273</u>
UNRESTRICTED NET ASSETS, end of year	\$ <u><u>12,883</u></u>

BULKLEY VALLEY CROSS COUNTRY SKI CLUB
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED JUNE 30, 2026
(Unaudited - see Compilation engagement report)

2026

REVENUE

Fees, Nordic Centre	\$ 214,021
Fees, Membership	20,129
Fees, Events	14,848
Fees, Nordic Skills Development Program	<u>82,259</u>
	331,257

Grants and Sponsorship, Operating	75,277
Fundraising	51,243
Miscellaneous	7,164
Interest revenue	7,765
Transfer from reserves	<u>16,754</u>

489,460

EXPENSES

Wages and benefits	151,129
Contractor and support	16,220
Accounting and legal	7,080
Bank charges and interest	781
Building operations	50,491
Health and Safety, administration	2,541
Equipment operations	37,193
Events	15,196
Tools and small equipment	1,424
General and administrative	1,881
Insurance	5,820
Repairs and maintenance	5,880
Trails and area maintenance	33,190
Nordic Skills Development Program	58,334
Transfer to Capital	25,889
Transfers to reserves	<u>71,138</u>
	484,187

EXCESS OF REVENUES OVER EXPENSES FOR THE YEAR 5,273

CAPITAL EXPENDITURES

Equipment shed upgrades	52,650
Other capital expenditures	<u>34,655</u>
	87,305

CAPITAL FUNDING

Transfer from reserves - shed upgrades	52,416
Transfer from operations	25,889
Transfers from reserves - infrastructure	<u>9,000</u>
	87,305

REVENUES OVER EXPENSES FOR THE YEAR \$ 5,273

BULKLEY VALLEY CROSS COUNTRY SKI CLUB
STATEMENT OF RESERVES AND CHANGES TO RESERVE BALANCES
FOR THE YEAR ENDED JUNE 30, 2026
(Unaudited - see Compilation Engagement Report)

	<u>BALANCES</u> <u>July 1, 2025</u>	<u>TRANSFER FROM</u> <u>OPERATIONS</u>	<u>TRANSFER TO</u> <u>OPERATIONS</u>	<u>TRANSFERS TO</u> <u>CAPITAL FUNDING</u>	<u>BALANCES</u> <u>June 30, 2026</u>
RESTRICTED RESERVES					
EQUIPMENT SHED UPGRADES	\$ 52,416	\$ -	\$ -	\$ (52,416)	107,219
TRACKSETTER PURCHASES AND MAINTENANCE	92,219	15,000	-	-	
TIMING HUT	3,740		(3,740)		
CONTINGENCY RESERVES					
NSDP	46,264	-	-	-	46,264
BIATHLON	14,610	8,533	(13,015)	-	10,128
INFRASTRUCTURE	60,109	15,502	-	(9,000)	66,611
EVENTS	6,685	-	-	-	6,685
TRAIL UPGRADES	12,527	14,342	-	-	26,869
ACCOUNTING	6,000	4,000	-	-	10,000
INFORMATION TECHNOLOGY	-	13,762	-	-	13,762
	<u>\$ 294,570</u>	<u>71,139</u>	<u>(16,755)</u>	<u>(61,416)</u>	<u>287,538</u>

BULKLEY VALLEY CROSS COUNTRY SKI CLUB
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2026
(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 deposit

Accrued interest

Accounts receivable

Prepaid expenses

Tangible capital assets

Accounts payable and accrued liabilities

Deferred revenue

Transfers to and from reserves

Transfers from Operating to Capital Funding

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 capital funding as a revenue in the statement of operations.

To recognize the capital asset investment by the Club, capital expenditures are 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, 2026
(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 developed prior to 2023, 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 %
Computer hardware	10 %
Trails lighting	10 %
Biathlon Targets	10 %
Leased trail upgrades after 2022	- %
Leasehold underpass	- %

Accounts payable and accrued liabilities are accrued for amounts still owing to creditors for goods 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.

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.

BULKLEY VALLEY CROSS COUNTRY SKI CLUB
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2026
(Unaudited - see Compilation engagement report)

4. TANGIBLE CAPITAL ASSETS

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net 2026</u>
Building	\$ 907,474	\$ -	\$ 907,474
Mobile Equipment	927,109	416,063	511,046
Computer hardware	7,314	731	6,583
Trails lighting	138,367	114,745	23,622
Biathlon Targets	71,924	63,191	8,733
Leased trail upgrades after 2022	233,798	-	233,798
Leasehold underpass	<u>75,537</u>	<u>-</u>	<u>75,537</u>
	<u>\$ 2,361,523</u>	<u>\$ 594,730</u>	<u>\$ 1,766,793</u>

5. EQUITY IN TANGIBLE CAPITAL ASSETS

	<u>2026</u>
Balance beginning of year	\$ 1,579,632
Purchase of tangible capital assets - current year	87,305
Purchase of tangible capital assets - prior years	224,798
Amortization	<u>(124,943)</u>
Balance end of year	<u>\$ 1,766,792</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. This license was amended July 8, 2020.

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 was for a 10 year term commencing November 21, 2014 and was renewed March 26, 2024. 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 and updated January 13, 2025. This agreement is to be reviewed and adjusted as required. The Wetzin'kwa Community Forest Corporation was granted a Community Forest Agreement (License #K2P)

BULKLEY VALLEY CROSS COUNTRY SKI CLUB
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2026

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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 and forest fire fuel mitigation.

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. In 2024, a Ranger tracked side by side and Prinoth Bison groomer were purchased. The cross country ski trail network has now expanded to 52 km of which 5 km is lit and 10 km is dog-friendly. From 2023 to 2026, \$233,798 was spent on upgrades to the leased ski trail network.

BULKLEY VALLEY CROSS COUNTRY SKI CLUB
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2026

(Unaudited - see Compilation engagement report)

8. CLUB MEMBERSHIP

The number of registered members for the last twelve years is:

2014-2015	568
2015-2016	597
2016-2017	533
2017-2018	556
2018-2019	618
2019-2020	715
2020-2021	1,104
2021-2022	1,238
2022-2023	1,148
2023-2024	1,120
2024-2025	1,242
2025-2026	1,284

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.