

**BULKLEY VALLEY CROSS COUNTRY SKI CLUB SOCIETY**

**FINANCIAL STATEMENTS**  
**(Unaudited)**

**June 30, 2017**

**BULKLEY VALLEY CROSS COUNTRY SKI CLUB SOCIETY**

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(unaudited)**

**JUNE 30, 2017**

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CHARTERED PROFESSIONAL ACCOUNTANTS

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**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, 2017 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.  
December 8, 2017

**BULKLEY VALLEY CROSS COUNTRY SKI CLUB SOCIETY**

**STATEMENT OF FINANCIAL POSITION**

**June 30, 2017**

**(Unaudited)**

	<u>Operating Fund</u>	<u>Capital Fund</u>	<u>Reserve Funds</u>	<u>Total 2017</u>	<u>Total 2016</u>
<b><u>ASSETS</u></b>					
CURRENT					
Cash, unrestricted	\$ 43,817	-	251	44,068	23,154
Accounts receivable	1,243	-	-	1,243	53
GST receivable	1,759	-	-	1,759	614
	<u>46,819</u>	<u>-</u>	<u>251</u>	<u>47,070</u>	<u>23,821</u>
TERM DEPOSITS	-	-	89,082	89,082	87,801
DUE (TO) FROM OTHER FUNDS	(24,157)	-	24,157	-	-
PROPERTY, EQUIPMENT, Sch 1	-	720,477	-	720,477	745,588
	<u>\$ 22,662</u>	<u>720,477</u>	<u>113,490</u>	<u>856,629</u>	<u>857,210</u>

<b><u>LIABILITIES</u></b>					
CURRENT					
Accounts payable	\$ 162	-	-	162	1,086
Deferred income					
BC Gaming Grant	22,500	-	-	22,500	19,500
Payroll related payables	-	-	-	-	491
	<u>22,662</u>	<u>-</u>	<u>-</u>	<u>22,662</u>	<u>21,077</u>

<b><u>FUND BALANCES</u></b>					
OPERATING NET ASSETS	-	-	-	-	(6,840)
INVESTED IN CAPITAL ASSETS	-	720,477	-	720,477	745,588
RESERVE FUND	-	-	113,490	113,490	97,385
	<u>-</u>	<u>720,477</u>	<u>113,490</u>	<u>833,967</u>	<u>836,133</u>
	<u>\$ 22,662</u>	<u>720,477</u>	<u>113,490</u>	<u>856,629</u>	<u>857,210</u>

APPROVED BY THE BOARD:

Kara Pucsek  
[Signature]

DIRECTOR

DIRECTOR

**BULKLEY VALLEY CROSS COUNTRY SKI CLUB SOCIETY**  
**STATEMENT OF OPERATIONS AND CHANGES TO FUND BALANCES**  
**FOR THE YEAR ENDED JUNE 30, 2017**

(Unaudited)

	Operating Fund	Capital Fund	Reserve Fund	Total 2017	Total 2016
<b>REVENUE</b>					
Fees and passes	\$ 96,864	-	-	96,864	98,879
Grants					
Rural Economic Development	26,000	-	-	26,000	-
BC Gaming	19,500	-	-	19,500	20,000
Federal Gas Tax	19,919	-	-	19,919	-
Wetzin'kwa	5,000	-	-	5,000	1,056
Recreation, sites and trails	5,000	-	-	5,000	-
Other grants	-	-	-	-	13,581
	<u>75,419</u>	<u>-</u>	<u>-</u>	<u>75,419</u>	<u>34,637</u>
Other					
Fundraising	11,604	-	-	11,604	12,052
Sponsors	5,405	-	-	5,405	7,350
Rentals, sales, miscellaneous	7,283	-	-	7,283	22,536
	<u>24,292</u>	<u>-</u>	<u>-</u>	<u>24,292</u>	<u>41,938</u>
Total income	<u>196,575</u>	<u>-</u>	<u>-</u>	<u>196,575</u>	<u>175,454</u>
<b>EXPENSES</b>					
Wages and benefits	49,682	-	-	49,682	53,771
Repair, major projects	36,741	-	-	36,741	40,000
Repair, equipment, trails, buildings	15,265	-	-	15,265	20,907
Accounting	9,565	-	-	9,565	6,432
Ammunition, rifles, equipment	7,763	-	-	7,763	12,724
Events	6,381	-	-	6,381	12,294
Insurance	5,114	-	-	5,114	5,430
Utilities	4,926	-	-	4,926	4,960
Fuel	4,302	-	-	4,302	5,210
Waxes	7,290	-	-	7,290	6,320
Honorariums	4,805	-	-	4,805	5,285
Amortization	-	25,111	-	25,111	29,479
Other	21,796	-	-	21,796	26,040
Total Expenses	<u>173,630</u>	<u>25,111</u>	<u>-</u>	<u>198,741</u>	<u>228,852</u>
Excess (deficiency) of revenues over expenses	<u>22,945</u>	<u>(25,111)</u>	<u>-</u>	<u>(2,166)</u>	<u>(53,398)</u>
Reserve fund transfers					
From Reserve funds to operating	19,981	-	(19,981)	-	-
To Reserve funds from operating	(35,835)	-	35,835	-	-
Reclassify liability to reserve	(251)	-	251	-	-
	<u>(16,105)</u>	<u>-</u>	<u>16,105</u>	<u>-</u>	<u>-</u>
Change in fund balances during year	6,840	(25,111)	16,105	(2,166)	(53,398)
Funds balance, beginning of year	(6,840)	745,588	97,385	836,133	889,531
Funds balance, end of period	<u>-</u>	<u>720,477</u>	<u>113,490</u>	<u>833,967</u>	<u>836,133</u>

**BULKLEY VALLEY CROSS COUNTRY SKI CLUB SOCIETY**  
**STATEMENT OF RESERVE FUNDS AND CHANGES TO RESERVE FUND BALANCES**  
**FOR THE YEAR ENDED JUNE 30, 2017**  
(Unaudited)

	Nordic					Member		2017	2016
	Tracksetter	Buildings	Skills	Biathlon	Coaching	Memorial	Area		
Balances, beginning of year	46,657	15,020	25,000	-	5,000	-	5,708	97,385	137,385
Contributions to Reserves									
From operating fund	12,785	-	-	3,050	-	-	20,000	35,835	-
Reclassify liability, memorial	-	-	-	-	5,000	251	-	251	-
	59,442	15,020	25,000	3,050	5,000	251	25,708	133,471	137,385
Disbursement from reserves									
To operating fund	-	-	(9,273)	-	(5,000)	-	(5,708)	(19,981)	(40,000)
Balances, end of year	59,442	15,020	15,727	3,050	-	251	20,000	113,490	97,385

**BULKLEY VALLEY CROSS COUNTRY SKI CLUB SOCIETY**

Schedule 1

**SCHEDULE OF PROPERTY AND EQUIPMENT****JUNE 30, 2017****(Unaudited)**

	<u>2017</u>	<u>2016</u>
<b>Property and Equipment:</b>		
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	361,202
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>503,656</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>(117,292)</u>	<u>(100,349)</u>
	<u>67,767</u>	<u>84,710</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>(80,912)</u>	<u>(73,236)</u>
	<u>69,088</u>	<u>76,764</u>
Biathlon Range: (10% amortizaation)	62,000	62,000
Less: Accumulated amortization	<u>(57,571)</u>	<u>(57,079)</u>
	<u>4,429</u>	<u>4,921</u>
Leasehold access:(not amortized)		
Hudson Bay Mountain Rd underpass, contribution 2013	<u>75,537</u>	<u>75,537</u>
Total Net Book Value	<u>\$ 720,477</u>	<u>\$ 745,588</u>

**BULKLEY VALLEY CROSSCOUNTRY SKI CLUB SOCIETY**  
**NOTES TO THE FINANCIAL STATEMENT**  
**JUNE 30, 2017**

**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. Capital additions are recorded as assets when purchased and expensed by claiming an amortization allowance. *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: capital grants are recorded as revenue in the capital fund

Operating: 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 or Capital 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. 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 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 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 m<sup>3</sup>. 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. This 2009 M.O.U. does not address revenue sharing. This year's logging was largely at the society's request to address the dangerous trees from aging beetle kill.

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.

**6. 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 1990s, 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 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 5.5 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.

The cross country ski trail network has now expanded to 47 km.

**7. 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.