

**BULKLEY VALLEY CROSS COUNTRY SKI CLUB****STATEMENT OF FINANCIAL POSITION**

For the year ended June 30, 2018

(Unaudited)

	<b>Operating Fund</b>	<b>Capital Fund</b>	<b>Reserve Funds</b>	<b>Total 2018</b>	<b>Total 2017</b>	<b>Total 2016</b>
<b><u>ASSETS</u></b>						
CURRENT						
Cash, unrestricted	\$87,150	-	-	87,150	44,068	23,154
Accounts receivable/Prepaid exp	259	-	-	259	1,243	53
GST receivable	318	-	-	318	1,759	614
	<u>87,726</u>			<u>87,726</u>	<u>47,070</u>	<u>23,821</u>
TERM DEPOSITS		-	90,304	90,304	89,082	87,801
DUE (TO) FROM OTHER FUNDS	(83,320)		83,320	0	-	-
PROPERTY, EQUIPMENT, Sch 1	-	699,572	-	699,572	720,477	745,588
	<u>\$4,406</u>	<u>699,572</u>	<u>173,624</u>	<u>877,602</u>	<u>856,629</u>	<u>857,210</u>
<b><u>LIABILITIES</u></b>						
CURRENT						
Accounts payable	3,812	-	-	3,812	162	1,086
Deferred income						
BC Gaming Grant	0	-	-	0	22,500	19,500
Payroll related payables	116	-	-	116	-	491
	<u>3,927</u>	<u>0</u>	<u>0</u>	<u>3,927</u>	<u>22,662</u>	<u>21,077</u>
<b><u>FUND BALANCES</u></b>						
OPERATING NET ASSETS	479			479		-6,840
INVESTED IN CAPITAL ASSETS	-	699,572		699,572	720,477	745,588
RESERVE FUNDS	-	-	173,624	173,624	113,490	97,385
	<u>479</u>	<u>699,572</u>	<u>173,624</u>	<u>873,675</u>	<u>833,967</u>	<u>836,133</u>
	<u>\$4,406</u>	<u>699,572</u>	<u>173,624</u>	<u>877,602</u>	<u>856,629</u>	<u>857,210</u>

**BULKLEY VALLEY CROSS COUNTRY SKI CLUB**  
**STATEMENT OF OPERATIONS AND CHANGES TO FUND BALANCES**

For the year ended June 30, 2018

(Unaudited)

	Operating Fund	Capital Fund	Reserve Fund	Total 2018	Total 2017	Total 2016
<b>REVENUE</b>						
Fees and passes	\$105,437	-	-	\$105,437	96,864	98,879
Grants						
BC Gov/Rural Dividend	77,954	-	-	77,954	26,000	
BC Gaming	22,500	-	-	22,500	19,500	20,000
Federal Gas Tax	5,082	-	-	5,082	19,919	
Wetzin'kwa	10,000	-	-	10,000	5,000	1,056
Recreation, sites and trails	5,000	-	-	5,000	5,000	
Other grants	1,920	-	-	1,920	0	13,581
	122,456	-	-	122,456	75,419	34,637
Other						
Fundraising	19,347	-	-	19,347	11,604	12,052
Sponsors	5,300	-	-	5,300	5,405	7,350
Rentals, sales, miscellaneous	3,000	-	-	3,000	7,283	22,536
	27,646	-	-	27,646	24,292	41,938
Total income	255,539	-	-	255,539	196,575	175,454
<b>EXPENSES</b>						
Fundraising costs	10,031	-	-	10,031	-	-
Wages and benefits	51,880	-	-	51,880	49,682	53,771
Repair, major projects	39,842	-	-	39,842	36,741	40,000
Repair, equipment, trails, buildings	23,938	-	-	23,938	15,265	20,907
Accounting	7,278	-	-	7,278	9,565	6,432
Ammunition, rifles, equipment	529	-	-	529	7,763	12,724
Events	12,423	-	-	12,423	6,381	12,294
Insurance	5,356	-	-	5,356	5,114	5,430
Utilities	5,770	-	-	5,770	4,926	4,960
Fuel	9,099	-	-	9,099	4,302	5,210
Waxes	4,199	-	-	4,199	7,290	6,320
Honorariums	4,595	-	-	4,595	4,805	5,285
Amortization	-	20,905	-	20,905	25,111	29,479
Other	20,463	-	-	20,463	21,796	26,040
Total Expenses	195,404	20,905	-	216,310	198,741	228,852
Excess (deficiency) of revenues over expenses	60,134	(20,905)	0		(2,166)	(53,398)
Reserve fund transfers						
From Reserve funds to operating	29,751		(29,751)	-		
To Reserve funds from operating	(89,885)		89,885	-		
	(60,134)		60,134			
Change in fund balances during year	0	(20,905)	60,134	39,229	(2,166)	(53,398)
Funds balance, beginning of year	0	720,477	113,490	833,967	836,133	889,531
Funds balance, end of period	0	699,572	173,624	873,196	833,967	836,133

**BULKLEY VALLEY CROSS COUNTRY SKI CLUB**  
**STATEMENT OF RESERVE FUNDS AND CHANGES TO RESERVE FUND BALANCES**

For the year ended June 30, 2018

(Unaudited)

Fund:	Tracksetter	Infra-structure	NSDP	Biathlon	Member-Area	Memorial	Total 2018	2017	2016
<b>Balance beginning of FY2018</b>									
see FY 2017 review statement	59,442	15,020	15,727	3,050	20,000	251	113,490	97,385	137,385
<b>Contributions to Reserves</b>									
From operating fund	0	0	3,765	3,082	83,038	0	89,885	36,086	0
<b>Disbursements from reserves</b>									
To operating fund	0	(9,751)	0	0	(20,000)	0	(29,751)	(19,981)	(40,000)
<b>Balance end of year</b>	<b>59,442</b>	<b>5,269</b>	<b>19,492</b>	<b>6,132</b>	<b>83,038</b>	<b>251</b>	<b>173,624</b>	<b>113,490</b>	<b>97,385</b>
Notes	1	2	3	4	5	6			

*Notes*

- 1: Tracksetter reserve is restricted by Board for long-term savings toward tracksetter replacement or major repairs. Target savings is \$15,000 per year
- 2: Infrastructure reserve is restricted by Board for long-term savings toward major repairs or additions. Target savings is \$10,000 per year
- 3: NSDP Reserve is an unrestricted reserve created for NSDP funding stability. (Until FY2016 it was the Van fund or ADP Reserve)
- 4: Biathlon reserve (unrestricted), is fundraising and surplus being saved for future biathlon projects.
- 5: Member-Area is a restricted fund that reserves project funds for future years. The current fund balance is contractually committed for use in FY2019:  
 \$77954 Rural Div + \$1921 unspent FY2018 club contribution for trail project. \$1105 Couch fund. \$2058 outstanding for signs under RSTBC work orders.
- 6: Memorial is a restricted reserve fund to track money donated in memory of Einar Blix and Gary Murdoch (mostly from that remaining in bank account #502).

**BULKLEY VALLEY CROSS COUNTRY SKI CLUB**  
**SCHEDULE OF PROPERTY AND EQUIPMENT**

**Schedule 1**

For the year ended June 30, 2018

(Unaudited)

	2018	2017	2016
<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 Hudson Bay Mountain Rd, governed by a Recreation Sites and Trails BC partnership agreement, 10 year term commencing Nov 21, 2014	-	-	-
Buildings: (not amortized)			
Day Lodge, 1994	361,202	361,202	361,202
Caretaker Cabin, 2004	50,055	50,055	50,055
Waxing Hut 2008	42,332	42,332	42,332
Biathlon Cabin 2012	30,067	30,067	30,067
Machine Shed, 1988 and 1993	20,000	20,000	20,000
	<u>503,656</u>	<u>503,656</u>	<u>503,656</u>
Mobile Equipment: (20% amortization)			
Piston Bully Tracksetter	132,275	132,275	132,275
Snowmobiles	27,599	27,599	27,599
Tractor	23,985	23,985	23,985
Other	1,200	1,200	1,200
	<u>185,059</u>	<u>185,059</u>	<u>185,059</u>
Less: Accumulated amortization	<u>(130,845)</u>	<u>(117,292)</u>	<u>(100,349)</u>
	<u>54,214</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 buried cable	150,000	150,000	150,000
Less: Accumulated amortization	<u>(87,821)</u>	<u>(80,912)</u>	<u>(73,236)</u>
	<u>62,179</u>	<u>69,088</u>	<u>76,764</u>
Biathlon Range: (10% amortizaation)			
	62,000	62,000	62,000
Less: Accumulated amortization	<u>(58,014)</u>	<u>(57,571)</u>	<u>(57,079)</u>
	<u>3,986</u>	<u>4,429</u>	<u>4,921</u>
Leasehold access:(not amortized)			
Hudson Bay Mtn Rd underpass, contribution 2013	<u>75,537</u>	<u>75,537</u>	<u>75,537</u>
Total Net Book Value	<u>\$699,572</u>	<u>720,477</u>	<u>745,588</u>

**BULKLEY VALLEY CROSSCOUNTRY SKI CLUB**  
**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended June 30, 2018

The format of these financial statements and most of these notes are replicated from the Financial Reviews for Fiscal Year 2016 and Fiscal Year 2017 completed by Edmison Mehr Chartered Professional Accountants. Those financial reviews assisted the club in improving its financial reporting practices. The club credits Edmison Mehr for the form of the report but clarifies that Edmison Mehr was not engaged for any aspect of the preparation of these Financial Statements for Fiscal Year 2018.

**1. Incorporation**

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

**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**

**Fund Accounting**

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

*The Capital Fund* reports the assets, liabilities, equity, capital revenues and expenses related to the Club'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 Club'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 Club's policy not to record the value of donated materials and services.

## 4. Financial Instruments - Risk Management

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

The Club 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 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 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. Recent logging was largely at the Club'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 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 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 52 km of which 5 km is lit and 10 km is dog-friendly.

## 7. Club Membership

The number of registered members for the last four years is: 568 in 2014-15, 597 in 2015-16, 533 in 2016-17 and 556 in 2017-18

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.