



SHUSWAP HUT AND TRAIL ALLIANCE SOCIETY ANNUAL GENERAL MEETING

Tuesday May 17, 2022 @ 19:00
via Zoom video conference

AGENDA

1. Call to Order and Welcome
 - Acknowledgement of Secwepemc Territory
 - Explanation of motions and voting
 - Introductions
 - Guest presentation about the Secwepemc Landmarks Project (Shelley Witzky)
2. Review/Adoption of Meeting Agenda
3. Review/Adoption of Minutes of Annual General Meeting of May 18, 2021
4. Chairperson's Report
5. Election of Directors
6. Executive Director's Report (Jen Bellhouse)
7. Treasurer's Report (Luke Gubbels): presentation/adoption of financial statements
8. New Business
9. Meeting Adjournment

**Shuswap Hut and Trail Alliance
Society
Client Information Package
For the Year Ended December 31, 2021**

Contact Information

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BDO Canada LLP
Chartered Professional Accountants
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Shuswap Hut and Trail Alliance Society
Financial Statements
For the Year Ended December 31, 2021
(Unaudited)

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Independent Practitioner's Review Engagement Report

To the members of Shuswap Hut and Trail Alliance Society

We have reviewed the accompanying financial statements of Shuswap Hut and Trail Alliance Society (the "Society") that comprise the statement of financial position as at December 31, 2021, and the statements of operations, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Practitioner's Responsibility

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

Basis for Qualified Conclusion

In common with many not-for-profit organizations, the Society derives revenue from cash and in-kind donations and fundraising activities, the completeness of which is not susceptible to us obtaining evidence we considered necessary for the purpose of the review. Accordingly, the evidence obtained of these revenues was limited to the amounts recorded in the records of the Society. Therefore, we were not able to determine whether any adjustments might be necessary to donations, in-kind donations, deferred revenue, excess of revenues over expenses, and cash flows from operations for the years ended December 31, 2021 and 2020, current assets as at December 31, 2021 and 2020, and net assets as at January 1 and December 31 for both the 2021 and 2020 years. Our review conclusion on the financial statements for the year ended December 31, 2020 was modified accordingly because of the possible effects of this limitation in scope.



Qualified Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of the Society as at December 31, 2021, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Report on Other Legal and Regulatory Requirements

As required by the Society Act (British Columbia), we report that, in our opinion, the accounting principles in Canadian accounting standards for not-for-profit organizations have been applied on a basis consistent with that of the preceding year

BDO Canada LLP


Chartered Professional Accountants

Salmon Arm, British Columbia
April 19, 2022

Shuswap Hut and Trail Alliance Society
Statement of Financial Position
(Unaudited)


As at December 31	2021	2020
Assets		
Current		
Cash (Note 2)	\$ 498,870	\$ 282,234
Accounts receivable (Note 3)	80,926	20,576
Prepaid expenses	11,299	11,171
	591,095	313,981
Equipment (Note 4)	44,413	30,736
	\$ 635,508	\$ 344,717
Liabilities and Net Assets		
Current		
Accounts payable and accrued liabilities (Note 5)	\$ 23,918	\$ 22,069
Deferred revenue (Note 6)	167,028	17,180
	190,946	39,249
Net Assets		
Invested in capital assets	44,413	30,736
Available	400,149	274,732
	444,562	305,468
	\$ 635,508	\$ 344,717

On behalf of the Board:

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Director

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Director

Shuswap Hut and Trail Alliance Society
Statement of Changes in Net Assets
(Unaudited)

For the year ended December 31	Invested in Capital Assets	Available	2021 Total	2020 Total
Balance, beginning of the year	\$ 30,736	\$ 274,732	\$ 305,468	\$ 180,643
Excess of revenues over expenses	(10,765)	149,859	139,094	124,825
Purchase of capital assets	24,442	(24,442)	-	-
Balance, end of the year	\$ 44,413	\$ 400,149	\$ 444,562	\$ 305,468

The accompanying notes are an integral part of these financial statements.

Shuswap Hut and Trail Alliance Society
Statement of Operations
(Unaudited)

For the year ended December 31	2021	2020
Revenue		
Local grant and subsidy	\$ 442,956	\$ 339,796
Donations - In-kind contributions (Note 7)	57,448	85,991
- Cash donations	61,524	60,691
Fundraising	34,796	53,257
Grants	153,873	149,006
Government subsidy	-	7,535
Interest	247	299
Membership dues and fees	7,912	6,161
Other trail services	41,301	43,891
Gain on disposal	-	3,000
	800,057	749,627
Expenses		
Amortization	10,765	8,441
Community consultations	13,831	18,041
Coordination and management	178,446	121,803
Insurance	12,424	14,113
Marketing	10,718	3,003
Office	14,339	9,456
Professional development	3,087	513
Professional fees	18,873	15,919
Project costs (Note 7)	329,606	384,659
Rent and utilities	12,841	14,400
Repairs and maintenance	7,370	7,420
Sponsorship and fundraising	3,387	18,417
Supplies	6,062	2,550
Telephone	3,770	3,997
Website design	35,444	2,070
	660,963	624,802
Excess of revenues over expenses	\$ 139,094	\$ 124,825

The accompanying notes are an integral part of these financial statements.

Shuswap Hut and Trail Alliance Society
Statement of Cash Flows
(Unaudited)

For the year ended December 31	2021	2020
Cash flows from operating activities		
Cash receipts from grants, donations, fundraising and memberships	\$ 448,752	\$ 325,670
Cash receipts from municipal and regional funding	383,356	360,008
Cash paid to suppliers and employees	(591,030)	(528,159)
	<u>241,078</u>	<u>157,519</u>
Cash flows from investing activities		
Purchase of equipment	(24,442)	(7,545)
Proceeds on disposal of equipment	-	3,000
	<u>216,636</u>	<u>152,974</u>
Net increase in cash	216,636	152,974
Cash, beginning of the year	282,234	129,260
Cash, end of the year	\$ 498,870	\$ 282,234

The accompanying notes are an integral part of these financial statements.

Shuswap Hut and Trail Alliance Society Notes to Financial Statements (Unaudited)

December 31, 2021

1. Significant Accounting Policies

Nature and Purpose of Organization	<p>Shuswap Hut and Trail Alliance Society (the "Society") is a not-for-profit organization. The purpose of the Society is to develop, operate, maintain, and promote a network of non-motorized trails, waterway and hut-to-hut routes throughout the Shuswap watershed region in the Province of British Columbia for educational, recreational, economic, and environmental benefit to the public, and to do so collaboratively through community partnerships.</p> <p>The Society is a registered charity under the Income Tax Act and, as such, is exempt from income tax and may issue income tax receipts to donors.</p>
Basis of Accounting	<p>The financial statements have been prepared by management using Canadian accounting standards for not-for-profit organizations.</p>
Revenue Recognition	<p>The Society follows the deferral method of accounting for contributions.</p> <p>Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable, if the amount to be received can be reasonably estimated and collection is reasonably assured.</p>

Shuswap Hut and Trail Alliance Society
Notes to Financial Statements
(Unaudited)

December 31, 2021

1. Significant Accounting Policies (continued)

Capital Assets

Purchased tangible capital assets are stated at cost less accumulated amortization. Contributed tangible capital assets are recorded at fair value at the date of contribution and are amortized, unless fair value is not determinable in which case contributed tangible capital assets are recorded at nominal value at the date of contribution. Expenditures for repairs and maintenance are expensed as incurred. Betterments that extend the useful life of the tangible capital asset are capitalized.

Amortization based on the estimated useful life of the asset is calculated as follows:

	Method	Rate
Furniture	Declining balance	20%
Small tools and equipment	Declining balance	20%
Vehicles	Declining balance	30%

When a tangible capital asset no longer has any long-term service potential to the Society, the excess of its net carrying amount over any residual value is recognized as an expense in the statement of operations. Any unamortized deferred contribution amount related to the tangible capital asset is recognized in revenue in the statement of operations, provided that all restrictions have been complied with.

When a tangible capital asset is disposed of, the difference between the net proceeds on disposition and the net carrying amount is recognized in the statement of operations. Any unamortized deferred contribution amount related to the tangible capital asset disposed of is recognized in revenue in the statement of operations, provided that all restrictions have been complied with.

In-Kind Contributions

Contributed assets, materials and services which are used in the normal course of the Society's operations and would otherwise have been purchased are recorded at their fair value at the date of contribution, if fair value can be reasonably estimated.

Shuswap Hut and Trail Alliance Society
Notes to Financial Statements
(Unaudited)

December 31, 2021

1. Significant Accounting Policies (continued)

Financial Instruments Financial instruments are recorded at fair value at initial recognition.

In subsequent periods, equities traded in an active market and derivatives are reported at fair value, with any change in fair value reported in income. All other financial instruments are reported at cost or amortized cost less impairment. Transaction costs on the acquisition, sale or issue of financial instruments are expensed for those items measured at fair value and charged to the financial instrument for those measured at amortized cost.

Financial assets are tested for impairment when indicators of impairment exist. When a significant change in the expected timing or amount of the future cash flows of the financial asset is identified, the carrying amount of the financial asset is reduced and the amount of the write-down is recognized in net income. A previously recognized impairment loss may be reversed to the extent of the improvement, provided it is not greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously, and the amount of the reversal is recognized in net income.

Use of Estimates The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future. Significant estimates include valuation of accounts receivable, amortization of capital assets and completeness of accounts payable and accrued liabilities.

Shuswap Hut and Trail Alliance Society
Notes to Financial Statements
(Unaudited)

December 31, 2021

2. Cash

The Society has available a line of credit of \$50,000 bearing interest at 5.45% as at December 31, 2021. As of year-end, there was no amount withdrawn from the line of credit.

3. Accounts Receivable

	2021	2020
Grant and subsidy	\$ 79,590	\$ 19,990
Other government receivable	1,336	586
	\$ 80,926	\$ 20,576

4. Equipment

	2021		2020	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Small tools and equipment	\$ 50,218	\$ 33,965	\$ 50,218	\$ 29,902
Vehicles	40,442	13,002	16,000	6,480
Furniture	1,000	280	1,000	100
	\$ 91,660	\$ 47,247	\$ 67,218	\$ 36,482
Net book value		\$ 44,413		\$ 30,736

5. Accounts Payable and Accrued Liabilities

Included in accounts payable and accrued liabilities are government remittances payable of \$9,950 (2020 - \$10,250).

Shuswap Hut and Trail Alliance Society
Notes to Financial Statements
(Unaudited)

December 31, 2021

6. Deferred Revenue

Deferred revenue represent unspent resources externally restricted in the current period that are related to expenses of a subsequent period. Deferred revenue balances are as follows:

	2021	2020
Opening balance	\$ 17,180	\$ 13,286
Contributions received:		
Membership	5,835	4,170
Other deferred revenue - Event	6,140	5,690
Other deferred revenue - Projects	166,645	-
Rail trail donations	-	9,080
	178,620	18,940
Contributions recognized:		
Membership	(4,210)	(3,961)
Other deferred revenue - Event	(5,690)	(11,085)
Other deferred revenue - Projects	(9,792)	-
Rail trail donations	(9,080)	-
	(28,772)	(15,046)
Total deferred revenue	\$ 167,028	\$ 17,180

7. In-Kind Contributions and Expenses

The work of the Society is significantly dependent upon the voluntary services of members and on the donations of materials and services of supporters. Management has determined the value of contributions in-kind to be \$57,448 (2020 - \$85,991). This amount has been recorded as revenue and is included in project cost expenses in these financial statements.

8. Commitments

The Society has entered into a lease for office space. The minimum annual payments are \$10,947 (2020 - \$600), expiring January 2024.

Shuswap Hut and Trail Alliance Society
Notes to Financial Statements
(Unaudited)

December 31, 2021

9. Economic Dependence

Approximately 75% (2020 - 69%) of the Society's cash revenue comes from government agencies.

10. Financial Instruments

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Society's financial instruments that are exposed to concentrations of credit risk relate primarily to its accounts receivable. The majority of the Society's receivables are from government sources.

Liquidity risk

Liquidity risk is the risk that the Society will encounter difficulty in meeting its obligations associated with financial liabilities. Liquidity risk includes the risk that, as a result of operational liquidity requirements, the Society will not have sufficient funds to settle a transaction on the due date; will be forced to sell financial assets at a value, which is less than what they are worth; or may be unable to settle or recover a financial asset. The Society is exposed to this risk mainly in respect of its accounts payable.

The Society's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient cash flows to fund its operations and to meet its liabilities when due, under both normal and stressed conditions. The Society maintains a portion of its invested assets in liquid securities.
