



SHUSWAP HUT AND TRAIL ALLIANCE SOCIETY ANNUAL GENERAL MEETING

Tuesday May 16, 2023 @ 19:00
via Zoom video conference

AGENDA

1. Call to Order and Welcome
 - Acknowledgement of Secwepemc Territory
 - Explanation of motions and voting
 - Introductions
 - Special thank you to outgoing board members
2. Review/Adoption of Meeting Agenda
3. Review/Adoption of Minutes of Annual General Meeting of May 17, 2022
4. Chairperson's Report (Scott McKee)
5. Election of Directors
6. Executive Director's Report (Jen Bellhouse)
7. Treasurer's Report (Aaron Soley): presentation/adoption of financial statements
8. New Business
 - Reflections from retiring Board members
9. Meeting Adjournment

Shuswap Hut and Trail Alliance
Society
Client Information Package
For the Year Ended December 31, 2022

Contact Information

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Chartered Professional Accountants
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Shuswap Hut and Trail Alliance Society
Financial Statements
For the Year Ended December 31, 2022
(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, 2022, 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, 2022 and 2021, current assets as at December 31, 2022 and 2021, and net assets as at January 1 and December 31 for both the 2022 and 2021 years. Our review conclusion on the financial statements for the year ended December 31, 2021 was modified accordingly because of the possible effects of this limitation in scope.



Qualified Conclusion

Based on our review, except for the possible effects of the matter described in the Basis for Qualified Conclusion paragraph, 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, 2022, 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 20, 2023

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


As at December 31	2022	2021
Assets		
Current		
Cash (Note 2)	\$ 449,390	\$ 498,870
Accounts receivable (Note 3)	74,397	80,926
Prepaid expenses	17,470	11,299
	541,257	591,095
Equipment (Note 4)	32,786	44,413
Long-term investment (Note 5)	50,000	-
	\$ 624,043	\$ 635,508
Liabilities and Net Assets		
Current		
Accounts payable and accrued liabilities (Note 6)	\$ 26,645	\$ 23,918
Deferred revenue (Note 7)	167,689	167,028
	194,334	190,946
Net Assets		
Invested in capital assets	32,786	44,413
Available	396,923	400,149
	429,709	444,562
	\$ 624,043	\$ 635,508

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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	2022 Total	2021 Total
Balance, beginning of the year	\$ 44,413	\$ 400,149	\$ 444,562	\$ 305,468
Excess (deficiency) of revenues over expenses	(11,627)	(3,226)	(14,853)	139,094
Balance, end of the year	\$ 32,786	\$ 396,923	\$ 429,709	\$ 444,562

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	2022	2021
Revenue		
Local grant and subsidy	\$ 502,206	\$ 442,956
Donations - In-kind contributions (Note 8)	51,149	57,448
- Cash donations	53,355	61,524
Fundraising	29,662	34,796
Grants	163,626	153,873
Interest	1,202	247
Membership dues and fees	7,715	7,912
Other trail services	4,114	41,301
	813,029	800,057
Expenses		
Amortization	11,627	10,765
Community consultations	17,302	13,831
Coordination and management	176,771	178,446
Insurance	14,622	12,424
Marketing	3,836	10,718
Office	19,930	14,339
Professional development	3,074	3,087
Professional fees	22,408	18,873
Project costs (Note 8)	511,453	329,606
Rent and utilities	12,725	12,841
Repairs and maintenance	11,560	7,370
Sponsorship and fundraising	4,077	3,387
Supplies	6,229	6,062
Telephone	3,314	3,770
Website design	8,954	35,444
	827,882	660,963
Excess (deficiency) of revenues over expenses	\$ (14,853)	\$ 139,094

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	2022	2021
Cash flows from operating activities		
Cash receipts from grants, donations, fundraising and memberships	\$ 259,533	\$ 448,505
Cash receipts from municipal and regional funding	508,335	383,356
Cash paid to suppliers and employees	(768,550)	(591,030)
Interest received	1,202	247
	<u>520</u>	<u>241,078</u>
Cash flows from investing activities		
Purchase of equipment	-	(24,442)
Purchase of investments	(50,000)	-
	<u>(49,480)</u>	<u>(24,442)</u>
Net (decrease) increase in cash	(49,480)	216,636
Cash, beginning of the year	<u>498,870</u>	<u>282,234</u>
Cash, end of the year	<u>\$ 449,390</u>	<u>\$ 498,870</u>

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

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

December 31, 2022

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, 2022

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, 2022

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, 2022

2. Cash

The Society has available a line of credit of \$50,000 bearing interest at 9.45% as at December 31, 2022. As of year-end, there was no amount withdrawn from the line of credit.

3. Accounts Receivable

	2022	2021
Grant	\$ 73,461	\$ 79,590
Other government receivable	936	1,336
	\$ 74,397	\$ 80,926

4. Equipment

	2022		2021	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Small tools and equipment	\$ 50,218	\$ 37,216	\$ 50,218	\$ 33,965
Vehicles	40,442	21,234	40,442	13,002
Furniture	1,000	424	1,000	280
	\$ 91,660	\$ 58,874	\$ 91,660	\$ 47,247
Net book value		\$ 32,786		\$ 44,413

5. Long-Term Investment

The long-term investment is a term deposit which earns interest of 2.55% and matures July 2025.

6. Accounts Payable and Accrued Liabilities

Included in accounts payable and accrued liabilities are government remittances payable of \$6,960 (2021 - \$9,950).

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

December 31, 2022

7. 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:

	<u>2022</u>	<u>2021</u>
Opening balance	\$ 167,028	\$ 17,180
Contributions received:		
Membership	5,400	5,835
Other deferred revenue - Event	26,888	6,140
Other deferred revenue - Projects	<u>52,225</u>	<u>166,645</u>
Total contributions received	84,513	178,620
Contributions recognized:		
Membership	(5,795)	(4,210)
Other deferred revenue - Event	(6,140)	(5,690)
Other deferred revenue - Projects	(71,917)	(9,792)
Rail trail donations	<u>-</u>	<u>(9,080)</u>
Total contributions recognized	<u>(83,852)</u>	<u>(28,772)</u>
Total deferred revenue	<u>\$ 167,689</u>	<u>\$ 167,028</u>

8. 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 \$51,149 (2021 - \$57,448). This amount has been recorded as revenue and is included in project cost expenses in these financial statements.

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

December 31, 2022

9. Commitments

The Society has entered into a lease for office space, maturing December 2027. The minimum annual payments are

2023	\$	20,767
2024		18,390
2025		18,752
2026		19,134
2027		19,483
		<hr/>
	\$	96,526

10. Economic Dependence

Approximately 74% (2021 - 70%) of the Society's cash revenue comes from government agencies.

11. 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.
