

SHUSWAP HUT AND TRAIL ALLIANCE SOCIETY ANNUAL GENERAL MEETING

Tuesday May 21, 2024 @ 19:00 Innovation Centre – Hybrid Meeting

AGENDA

- 1. Call to Order and Welcome
 - Acknowledgement of Secwepemc Territory
 - Explanation of motions and voting
 - Introductions
 - Special thank you to outgoing board member
- 2. Review/Adoption of Meeting Agenda
- 3. Review/Adoption of Minutes of Annual General Meeting of May 16, 2023
- 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
 - 55+ Games trail related volunteer opportunities
- 9. Meeting Adjournment

Shuswap Hut and Trail Alliance Society Client Information Package For the Year Ended December 31, 2023

Contact Information

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Shuswap Hut and Trail Alliance Society Financial Statements For the Year Ended December 31, 2023 (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, 2023, 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, 2023 and 2022, current assets as at December 31, 2023 and 2022, and net assets as at January 1 and December 31 for both the 2023 and 2022 years. Our review conclusion on the financial statements for the year ended December 31, 2022 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, 2023, 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 23, 2024

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

As at December 31		2023	2022
Assets			
Current Cash (Note 2) Accounts receivable (Note 3) Prepaid expenses	\$	360,598 77,766 16,853	\$ 449,390 74,397 17,470
		455,217	541,257
Equipment (Note 4) Long-term investment (Note 5)	_	40,820 75,860	32,786 50,000
	\$	571,897	\$ 624,043
Liabilities and Net Assets			
Current Accounts payable and accrued liabilities (Note 6) Deferred revenue (Note 7)	\$	57,898 96,324	\$ 26,645 167,689
	_	154,222	194,334
Net Assets			
Invested in capital assets Available	_	40,820 376,855	32,786 396,923
		417,675	429,709
	\$	571,897	\$ 624,043

On behalf of the Board:

Docusigned by:

Director

Docusigned by:

Director

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

For the year ended December 31	Ē	Invested in Capital Assets		Available		2023 Total		2022 Total
Balance, beginning of the year	\$	32,786 \$	\$	396,923 \$	\$	429,709	\$	444,562
Excess (deficiency) of revenues over expenses Purchase of capital assets		(11,356) 19,390		(678) (19,390)		(12,034)		(14,853)
Balance, end of the year	۰	40,820	٠,	376,855	٠,	40,820 \$ 376,855 \$ 417,675 \$ 429,709	φ.	429,709

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

For the year ended December 31		2023	2022
Revenue			
Local grant and subsidy	\$	445,163	502,206
Donations - In-kind contributions (Note 8)		41,396	51,149
- Cash donations		50,342	53,355
Fundraising		59,967	29,662
Grants		219,389	163,626
Interest		4,741	1,202
Membership dues and fees		7,180	7,715
Other trail services	_	76,817	4,114
	_	904,995	813,029
Expenses			
Amortization		11,356	11,627
Community consultations		34,868	17,302
Coordination and management		173,767	176,771
Insurance		15,315	14,622
Marketing		4,373	3,836
Office		31,780	19,930
Professional development		2,320	3,074
Professional fees		25,225	22,408
Project costs (Note 8)		548,754	511,453
Rent and utilities		18,717	12,725
Repairs and maintenance		12,064	11,560
Sponsorship and fundraising		24,813	4,077
Supplies		4,994	6,229
Telephone		3,651	3,314
Website design	_	5,032	8,954
		917,029	827,882
Deficiency of revenues over expenses	\$	(12,034) \$	(14,853)

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

For the year ended December 31		2023	2022
Cash flows from operating activities Cash receipts from grants, donations, fundraising and memberships Cash receipts from municipal and regional funding Cash paid to suppliers and employees Interest received	\$	361,897 \$ 444,212 (854,392) 4,741	259,533 508,335 (768,550) 1,202
	_	(43,542)	520
Cash flows from investing activities Purchase of equipment Purchase of investments Proceeds on disposal of investments		(19,390) (75,860) 50,000	- (50,000) -
Net decrease in cash		(88,792)	(49,480)
Cash, beginning of the year	_	449,390	498,870
Cash, end of the year	\$	360,598 \$	449,390

December 31, 2023

1. Significant Accounting Policies

Nature and Purpose of Organization

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.

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.

Basis of Accounting

The financial statements have been prepared by management using Canadian accounting standards for not-for-profit organizations.

Revenue Recognition

The Society follows the deferral method of accounting for contributions.

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.

December 31, 2023

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.

December 31, 2023

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.

December 31, 2023

2. Cash

The Society has available a line of credit of \$50,000 bearing interest at 10.20% as at December 31, 2023. As of year-end, there was no amount withdrawn from the line of credit.

3. Accounts Receivable

	 2023	2022
Grant Other government receivable	\$ 74,412 3,354	\$ 73,461 936
	\$ 77,766	\$ 74,397

4. Equipment

		2022			
	 Cost	 ccumulated mortization	Cost		cumulated nortization
Small tools and equipment Vehicles Furniture	\$ 50,218 59,832 1,000	\$ 39,816 29,875 539	\$ 50,218 40,442 1,000	\$	37,216 21,234 424
	\$ 111,050	\$ 70,230	\$ 91,660	\$	58,874
Net book value		\$ 40,820		\$	32,786

5. Long-Term Investment

The long-term investment is comprised of two term deposits which earn interest of 3.65% and mature November 2026.

6. Accounts Payable and Accrued Liabilities

Included in accounts payable and accrued liabilities are government remittances payable of \$6,390 (2022 - \$6,960).

December 31, 2023

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:

	_	2023	2022
Opening balance	\$	167,689 \$	167,028
Contributions received: Membership Other deferred revenue - Event Other deferred revenue - Projects	_	4,740 3,170 73,022	5,400 26,888 52,225
Total contributions received		80,932	84,513
Contributions recognized: Membership Other deferred revenue - Event Other deferred revenue - Projects		(5,440) (25,128) (121,729)	(5,795) (6,140) (71,917)
Total contributions recognized	_	(152,297)	(83,852)
Total deferred revenue	\$	96,324 \$	167,689

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 \$41,396 (2022 - \$51,149). This amount has been recorded as revenue and is included in project cost expenses in these financial statements.

9. Salaries, Honoraria, and Benefits

The Society Act of British Columbia requires certain information to be reported with regards to remuneration to employees, contractors and directors. There are no employees with remuneration over \$75,000 for the 2023 and 2022 year-ends.

No honoraria were paid to members of the Board of Directors for the 2023 and 2022 year-ends.

December 31, 2023

10. Commitments

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

2024	18,390
2025	18,752
2026	19,134
2027	 19,483
	\$ 75,759

11. Economic Dependence

Approximately 68% (2022 - 74%) of the Society's cash revenue comes from government agencies.

12. 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 and from all of its bank accounts being held at one financial institution. 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.

Shuswap Hut and Trail Alliance Society Statement of Operations For the years ended December 31

		2023	%	2022	%	2021	%	2020	%	2019	%
Revenue											
Local grant	\$	445,163	\$ 49.2 \$	502,206 \$	61.8 \$	442,956	\$ 55.4 \$	339,716	\$ 45.5 \$	340,690	\$ 50.2
In-kind contributions		41,396	4.6	51,149	6.3	57,448	7.2	85,991	11.5	103,689	15.3
Cash donations		50,342	5.6	53,355	6.6	61,524	7.7	60,691	8.1	33,291	4.9
Fundraising		59,967	6.6	29,662	3.6	34,796	4.3	53,337	7.1	60,410	8.9
Provincial/Federal		136,876	15.1	52,803	6.5	60,288	7.5	126,006	16.9	119,331	17.6
Other grants		82,513	9.1	110,824	13.6	93,585	11.7	23,000	3.1	13,500	2.0
Interest		4,741	0.5	1,202	0.1	247	0.0	299	-	2,822	0.4
Government subsidy			0.0		0.0		0.0	7,535	1.0	-	0.0
Membership dues and fees		7,180	0.8	7,715	0.9	7,912	1.0	6,161	0.8	4,890	0.7
Other trail services	_	76,817	 8.5	4,114	0.5	41,301	5.2	43,891	5.9	-	0.0
	_	904,995	100.0	813,030	100.0	800,057	100.0	746,627	100.0	678,623	100.0
Expenses											
Amortization of property, plant and											
equipment		11,356	1.3	11,627	1.4	10,765	1.3	8,441	1.1	6,347	0.9
Community Consultations		34,868	3.9	17,302	2.1	13,831	1.7	18,041	2.4	16,841	2.5
Bad debt		173,767	19.2	176,771	21.7	178,446	22.3	121,803	16.3	123,344	18.2
Insurance		15,315	1.7	14,622	1.8	12,424	1.6	14,113	1.9	13,254	2.0
Marketing		4,373	0.5	3,836	0.5	10,718	1.3	3,003	0.4	2,214	0.3
Office		31,780	3.5	19,930	2.5	14,339	1.8	9,456	1.3	8,534	1.3
Professional development		2,320	0.3	3,074	0.4	3,087	0.4	513	0.1	5,948	0.9
Professional fees		25,225	2.8	22,408	2.8	18,873	2.4	15,919	2.1	5,915	0.9
Project costs		548,754	60.6	511,453	62.9	329,606	41.2	384,659	51.5	414,498	61.1
Rent and Utilities		18,717	2.1	12,725	1.6	12,841	1.6	14,400	1.9	11,743	1.7
Repairs and maintenance Sponsorship and fundraising		12,064	1.3 2.7	11,560 4,077	1.4	7,370 3,387	0.9	7,420 18,417	1.0	6,244	0.9 3.1
Supplies		24,813 4,994	0.6	6,229	0.5 0.8	5,36 <i>1</i> 6.062	0.4 0.8	2.550	2.5 0.3	20,900 2.211	0.3
Telephone		3,651	0.6	3,314	0.6	3,770	0.6	3,997	0.5	3,299	0.5
Website design		5,032	0.4	8,954	1.1	35,444	4.4	2,070	0.3	1,469	0.3
		917,029	101.3	827,882	101.8	660,963	82.6	624,802	83.7	642,761	94.7
Income (loss) from operations		(12,034)	(1.3)	(14,852)	(1.8)	139,094	17.4	121,825	16.3	35,862	5.3
Gains/loss on disposal of assets		-	0.0	-	0.0	-	0.0	3,000	0.4	718	0.1
Net income (loss) for the year	\$	(12,034)	\$ (1.3) \$	(14,852) \$	5 (1.8) \$	139,094	\$ 17.4 \$	124,825	\$ 16.7 \$	36,580	\$ 5.4