

**SHUSWAP HUT AND TRAIL  
ALLIANCE SOCIETY  
ANNUAL GENERAL MEETING  
TUESDAY MAY 21, 2019, 7:00 P.M.  
SOUTH CANOE ELEMENTARY SCHOOL**

**AGENDA**

1. Open meeting – circulate attendance register and confirm quorum.
2. Introduction of Board members.
3. Review meeting agenda.
4. Review Minutes of Annual General Meeting of May 15, 2018.
5. Business arising.
6. Chairperson's Report.
7. Executive Director's Report.
8. Treasurer's Report. Presentation of financial statements.
9. Committee Reports.
10. New business.
11. Election of Directors.
  - Returning director nominated for two-year term by the Board:  
Bonnie Thomas
  - New directors nominated for two-year term by the Board:  
Debbie Seymour, Nicole Jeans-Williams, and Dr. Scott McKee
12. Adjournment.
13. Presentation by Shuswap Outdoor Learning Foundation.
14. Presentation of Year in Review slide show.

## Minutes

**SHUSWAP HUT AND TRAIL ALLIANCE SOCIETY  
ANNUAL GENERAL MEETING  
Tuesday, May 15, 2018  
7 pm Okanagan College**

Present: See attached list

1. Call to Order 7:05 pm

Louis Thomas from the Neskonlith First Nations welcomed the group to the Secwepemc Territory and provided an update on their work to promote the West Bay Connector trail.

2. Introduction of Board Members in attendance and a quick introduction of members and where they were from.

3. Agenda reviewed – no additions

4. Minutes of March 1, 2017. Moved Joan Mitchell/Cindy Derkaz that the minutes be adopted as circulated. Carried

5. Business arising - nothing

6. Chairperson's Report by Jan Thingsted

- a. Brief overview of the STA since it was formed in 2005
- b. Mission statement – read to group. 2017/18 has been a busy year with core focus on collaboration.
- c. Fund raiser in February raised approx. \$36k
- d. We are continuing to grow the legacy fund through the Shuswap Community Foundation.
- e. The Shuswap Roundtable group continues to meet and be a strong addition to the area
- f. Upcoming excitement for the Sicamous to Vernon Rail-Trail corridor.
- g. A 5 year business plan was completed recently by the STA.
- h. Big thank you to stakeholders, members, staff, and the Board members.

7. Executive Directors Report – Phil McIntyre-Paul details as attached

- a. Acknowledging in Secwepemc Territory.
- b. Describes the 5 core pillars: regional collaboration, trail stewardship, environmental adaption, experience development, and capital projects.
- c. 2017 was a difficult year for weather with flooding in the spring and fires later in the season.
- d. 10 new trails were created 116km of trail with 363km maintained. Slide showing location of the 10 new trails and work on the 116km.
- e. There were many other groups in the Shuswap also maintaining and signing their trail networks with support from the STA.
- f. 21 trails are planned for 2018 including work in the Rail Trail.
- g. 44 volunteer days were completed in 2017.

- h. Much work was done in 2017 through leveraging funding and partnerships with other groups.
  - i. Looking ahead for 2018 – what is forecasted to happen with volunteer days and stewardship work on trail networks.
  - j. Images of what the Rail Trail and the West Bay Connector trails could eventually look like.
  - k. Big thank you to everyone for helping to accomplish this.
8. Financials presented by Trent Sismey as Colin Nobbs (Treasurer) was unable to attend. See Attached. In kind donations represent 22% of the income at \$122k. Expenses were up in 2017 because of more trails added. There was a smaller deficiency moved from 2016 to support the expenses. BDO has provided a full engagement review and has subsidized the cost (approx. \$3000 value).
- a. Moved Cindy Derkaz/Carmen Massey that the financials be accepted as presented. Carried
9. Committees
- a. Financial Sustainability – Trent Sismey provided report. STA should eventually become self sustaining. Long term planning needed. STA raised \$35k last year for our Legacy Fund administered through the Shuswap Community Foundation.
10. New business
- a. Constitution and Bylaws – Cindy Derkaz – Motion Presented  
*Resolved that the Shuswap Trail Alliance adopt the amended Constitution and Bylaws of the Society, as approved by the Board of Directors April 17, 2018.*  
 Motion was circulated to the membership in April.  
 1<sup>st</sup> Peter Molnar 2<sup>nd</sup> Steve Fabro – Carried  
 Comments: Province requires transition to new Societies Act. The committee completed an overhaul of the existing constitution and bylaws. Act and new bylaws gives more discretion to the Board members. Board recommends up to 11 members with staggered two-year terms.
11. Elections for 6 Directors for 2 year terms by acclamation
- |                |               |
|----------------|---------------|
| Brian Browning | Cindy Derkaz  |
| Rob Marshall   | Carmen Massey |
| Jan Thingsted  | Luke Gubbels  |
12. Presentation of recognition of Outstanding Service to Winston Pain and Joan Mitchell
13. Adjournment moved by Joan Mitchell/Ashley Ladyman at 7:48pm

Presentation by Ceren Caner of the Shuswap Outdoor Learning Foundation

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Jan Thingsted, Chair

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Brian Sansom, Recorder

## Financials

**Shuswap Hut and Trail Alliance  
Society  
Client Information Package  
For the Year Ended December 31, 2018**

**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, 2018  
(Unaudited)

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## Independent Practitioner's Review Engagement Report

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To the members of  
Shuswap Hut and Trail Alliance Society

We have reviewed the accompanying financial statements of Shuswap Hut and Trail Alliance Society that comprise the statement of financial position as at December 31, 2018, 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, Shuswap Hut and Trail Alliance 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 Shuswap Hut and Trail Alliance 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, 2018 and 2017, current assets as at December 31, 2018 and 2017, and net assets as at January 1 and December 31 for both the 2018 and 2017 years. Our review conclusion on the financial statements for the year ended December 31, 2017 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 Shuswap Hut and Trail Alliance Society as at December 31, 2018, 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.

*BDO Canada LLP*

Chartered Professional Accountants

Salmon Arm, British Columbia  
April 23, 2019

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



As at December 31	2018	2017
<b>Assets</b>		
<b>Current</b>		
Cash	\$ 126,903	\$ 33,298
Accounts receivable (Note 2)	34,455	52,599
Prepaid expenses	10,797	9,508
	172,155	95,405
Equipment (Note 3)	17,921	14,917
	\$ 190,076	\$ 110,322

**Liabilities and Net Assets**

<b>Current</b>		
Accounts payable and accrued liabilities (Note 4)	\$ 29,913	\$ 35,399
Deferred revenue (Note 5)	16,100	13,155
	46,013	48,554

<b>Net Assets</b>		
Invested in capital assets	17,921	14,917
Available	126,142	46,851
	144,063	61,768
	\$ 190,076	\$ 110,322

On behalf of the Board:

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

For the year ended December 31	Invested in Capital Assets	Available	2018 Total	2017 Total
Balance, beginning of the year	\$ 14,917	\$ 46,851	\$ 61,768	\$ 77,016
Excess of revenues over expenses	(3,718)	86,013	82,295	(15,248)
Purchase of capital assets	6,722	(6,722)	-	-
Balance, end of the year	\$ 17,921	\$ 126,142	\$ 144,063	\$ 61,768

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

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

<b>For the year ended December 31</b>	<b>2018</b>	<b>2017</b>
<b>Revenue</b>		
Local grant and subsidy	\$ 305,499	\$ 222,756
Donations - In-kind contributions (Note 6)	98,155	122,571
- Cash donations	15,064	13,134
Grants	98,697	127,210
Fundraising	58,748	58,837
Membership dues and fees	5,620	5,110
Other	12,160	488
	<b>593,943</b>	<b>550,106</b>
<b>Expenses</b>		
Amortization	3,718	2,960
Community consultations	13,871	12,890
Contributions	-	1,195
Coordination and management	114,866	110,137
Insurance	10,609	10,963
Marketing	1,152	1,215
Office	6,119	3,900
Professional development	1,152	2,257
Professional fees	5,177	5,657
Project costs (Note 6)	313,559	368,632
Rent and utilities	10,777	10,888
Repairs and maintenance	5,552	9,427
Sponsorship and fundraising	19,181	20,541
Supplies	1,750	973
Telephone	2,648	2,675
Website design	1,517	1,044
	<b>511,648</b>	<b>565,354</b>
<b>Excess (deficiency) of revenues over expenses</b>	<b>\$ 82,295</b>	<b>\$ (15,248)</b>

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	2018	2017
<b>Cash flows from operating activities</b>		
Cash receipts from grants, donations, fundraising and memberships	\$ 193,383	\$ 214,291
Cash receipts from municipal and regional funding	323,495	228,235
Cash paid to suppliers and employees	(416,551)	(449,894)
	100,327	(7,368)
<b>Cash flows from investing activities</b>		
Purchase of equipment	(6,722)	(7,050)
	(6,722)	(7,050)
<b>Net increase (decrease) in cash</b>	<b>93,605</b>	<b>(14,418)</b>
<b>Cash, beginning of the year</b>	<b>33,298</b>	<b>47,716</b>
<b>Cash, end of the year</b>	<b>\$ 126,903</b>	<b>\$ 33,298</b>

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

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

**December 31, 2018**

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**1. Significant Accounting Policies**

<b>Nature and Purpose of Organization</b>	<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>
<b>Basis of Accounting</b>	<p>The financial statements have been prepared by management using Canadian accounting standards for not-for-profit organizations.</p>
<b>Revenue Recognition</b>	<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>
<b>Cash</b>	<p>Cash consists of cash on hand and bank balances.</p>

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

**December 31, 2018**

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**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:

	<b>Method</b>	<b>Rate</b>
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.

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

**December 31, 2018**

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**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.

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

December 31, 2018

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**2. Accounts Receivable**

	2018	2017
Grant and subsidy	\$ 33,340	\$ 51,636
Other government receivable	1,116	963
	\$ 34,456	\$ 52,599

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**3. Equipment**

	2018		2017	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Small tools and equipment	\$ 39,182	\$ 21,694	\$ 32,460	\$ 18,162
Vehicles	15,355	14,922	15,355	14,736
	\$ 54,537	\$ 36,616	\$ 47,815	\$ 32,898
Net book value		\$ 17,921		\$ 14,917

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**4. Accounts Payable and Accrued Liabilities**

Included in accounts payable and accrued liabilities are government remittances payable of \$17,150 (2017 - \$28,650).

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**5. 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:

	2018	2017
Membership	\$ 3,350	\$ 3,750
Other deferred revenue - Event	12,750	9,405
Total deferred revenue	\$ 16,100	\$ 13,155

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

December 31, 2018

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**6. 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 \$ 98,155 (2017 - \$ 122,571). This amount has been recorded as revenue and is included in project cost expenses in these financial statements.

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**7. Commitments**

The Society has entered into a lease for office space. The minimum annual payments are \$ 7,200 (2017 - \$ 7,200), expiring January 2020.

2019	7,200
2020	<u>600</u>
	<u>\$ 7,800</u>

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**8. Economic Dependence**

Approximately 72% (2017 - 80%) of the Society's cash revenue comes from government agencies.

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

December 31, 2018

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**9. 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.

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