

**LARCH HILLS NORDIC SOCIETY**  
Executive Meeting Tuesday Mar. 3, 2020  
7:30 PM,  
Recreation Centre Room #1  
Minutes

1. **Quorum** Achieved. Abbi May, Karen Tanchak, Clint Smith, Laura Hepburn, Ed Bouma, Brad Calkins, Suzy Beckner, Craig McBride, Don Miller, Rob van Varseveld. Absent -Pauline Waelti.
2. **Adopt Agenda** – Additions. Brad, Don 2<sup>nd</sup>.
3. **Presentation:** Tekamar Mortgage – are offering a Sports Mortgage for Larch Hills Members. They will donate 15-20 % of gross mortgage profit. For every \$10,000 mortgage that a club member gets \$5 will be donated to the club and the parent gets \$10. They have donated \$3000 to the lighting project.  
Ed motioned *“that we make the membership aware of the “sports mortgage program” from Tekamar with the proceeds to go to the lighting committee”*.  
Rob 2<sup>nd</sup>. Carried.
4. **Presentation:** Allan Bahen and George Jackson are planning removal of umbrella trees and downed trees at Larch Hills along groomed trails.  
They have marked trees of concern on each trail including 379 small trees (potential firewood), 329 medium and 131 large trees. Some white pine and deciduous trees will be left. They calculated a total of 404 Merchantable trees (much less than the trees removed last year).  
In Violet creek park we require park permission. Downed trees need to be removed to prevent blocking the creek near the bottom of Stigs loop and Larch Hills Road (also in the park). This area should be cleared in the early spring because of the creek. The downed trees are a fire hazard and a problem for pests as well. Allan is working on getting a low stumpage fee. There may also be some funding through other sources.  
Laura motioned that, *“We support the tree removal and salvage plan as presented by George Jackson and Allen Bahen and will request monthly reports and cost updates”*. Suzy 2<sup>nd</sup>. All in favor.
5. **Minutes of last meeting** Feb 4, 2020. Don motioned to approve, Suzy 2<sup>nd</sup>.
6. **Business arising outstanding issues:**
  - **Single family membership** – Suzy discussed Jan’s concerns.  
Discussion ensued. We decided to organize a system to help families access alternative funding. We will send an email to Jackrabbit families encouraging them to apply in advance if needed. Karen will arrange this.

Suzy motioned ***“We will add a child rate of \$45 for children 8 and under so that children can be registered without an adult”***. Abbi 2<sup>nd</sup>. All in favour.

- **Deadbolts** for bathroom doors would cost \$500 for hardware and installation from Salmon Arm window and doors. Karen will arrange hinges and padlocks instead so bathrooms can be locked in power outages.
- **SD cards for cameras.** Karen is arranging for 24 hr surveillance and recording. We will also consider signs warning of 24 hr surveillance.
- **Trail Report Format**-Clint. Clint would like to have the snowshoe before back country skiing on the trail report as there are more snowshoers. Karen will change this. The report should be simplified to weather, trail conditions and trail closures.

7. **Treasurer Report**- Don Miller. See attached.

**Bursaries** – We give 2 bursaries of \$500 to graduating students.

Abbi will discuss with Dave Van B to make the applications go through the school.

Previously we have given \$500 to members of BC ski team. Abbi will also discuss organizing this with Don.

**Volunteers honorarium.** There are 10 or 11 including tracksetters and Pauline who are entitled to the \$500 honorarium. It is now a taxable benefit. Suzy made a motion ***“to increase the honorarium to \$600 to help with tax expenses”***. Clint 2<sup>nd</sup>. All in favor.

8. **Lighting and Trail Committee** - Craig.

Rob will communicate work with the tree removers regarding trees around lighting posts.

Snow Shoe trails- Trail alliance/Rec sites and trails have proposed posts on Moose trail for signage and rejected us putting up signs.

Dog trails -we are waiting for private land issues to be settled prior to completing a loop.

9. **Tracksetter update – Ed-See report**

10. **Club Manager report – Karen**

Sit ski cabinet is in the works.

Hot drink machine died and Karen is working on having it replaced.

Credit card payments- Karen would like to use a phone App so that day user can pay by credit card.

Jonathan will change the website information for renting the chalet to direct people to email [info@larchhills.ca](mailto:info@larchhills.ca).

Karen will research applying for gaming grants.

11. **Elections –**

Suzy will nominate Jonathan Baker. There is one director position open.

**Additions:**

1. Abbi proposed getting a small **Vending machine** in Chalet with healthy snacks. Karen will research this.
2. **Wild soles** spring family running events organizers would like LH to take over the finances. Money raised goes to the ski team and Jackrabbits. Wild Soles currently has a separate bank account. There are 3 events in Little Mountain, South Canoe and Park Hill. They have their own liability insurance. Abbi will liaise with the executive. Abbi and Don will sort out the club taking over the finances.
3. The **road** to Larch Hills is in very poor condition. The road really needs a rebuild. Ed will contact AIM (road contractor). He will go to Highways if nothing is improved.

**Announcements:**

Annual General meeting March 10, 2020 7pm

LHNS Exec. Meeting Date April 7 at 7:30pm Pauline's.

Motion to adjourn: Clint at 10:05pm.

LARCH HILLS NORDIC SOCIETY  
ANNUAL GENERAL MEETING  
MARCH 10, 2020

TREASURER'S REPORT

Report on the formal Financial Statements for the Society's fiscal year ended September 30, 2019

The Financial Statements are those that have been reviewed by the Society's external accountant Trent Sismey Inc. Chartered Professional Accountant

- The Report
  - The Independent Practitioner's Review Engagement Report is a negative assurance report. As opposed to an audit where the practitioner certifies that the financial statements fairly represent the financial position of the organization, the review engagement states that, based on the procedures carried out, "nothing has come to the practitioner's attention that would cause him to believe that the financial statements do not fairly present the financial position" of the society.
- Balance Sheet
  - The balance sheet represents the Society's assets and liabilities at a point in time, September 30, 2019, the Society's fiscal year end.
  - Cash – Included in the cash funds on hand was approximately \$ 13,000 that has been internally restricted for the completion of the chalet. Subsequent to the year end these funds were disbursed for various services rendered to complete the chalet project.
  - The term deposits represent those funds held under the terms of a trust agreement and whose use is limited to the replacement of track setting equipment.
  - The Capital Assets are those long-term use buildings and equipment owned by the Society. Reference Note 3 for a breakdown of the general classifications of these assets

- Accounts payable are those amount wherein the goods or services have been received on or before September 30 and where payment has taken place subsequently.
- The Grant received is a ViaSport grant that the Society received prior to September 30 and that is specifically granted for the purpose of acquisition of equipment for the disable ski program. Since the equipment has not been purchased prior to the year end the grant is reflected as a deferred item pending the purchase of the equipment.
- Statement of Receipts and Disbursements
  - Receipts
    - Chalet fundraising – The marked decrease in this item in comparison to the prior year is attributed to the fact that the proceeds of the Dancing with the Stars event held in the fall of 2018 were split on a 50/50 basis with another organization.
    - The timber sales represent the sale of the logs harvested as part of the construction of Arwen's Dream trail in the summer of 2019. You will note that the related expenditures are found in the "Trail clearing" disbursement. The net cost of just over \$ 12,000 is felt to be a reasonable result given the end product.
    - The "other receipts" include miscellaneous sources of receipts including the annual ski swap, rental of the chalet and the cabins and others.
  - Disbursements
    - Repairs and maintenance – during the summer of 2019 the track system on the Pisten Bully was subject to major repairs at a cost of in excess of \$ 10,000.
- Statement of Cash Flows
  - This statement is the summary of where the funds came from and where they went. On a net basis the Society disbursed \$ 16,335 more than what was received. Given that during the fiscal year the Society completed the chalet project, acquired a piece

of track setting equipment costing in excess of \$ 38,000 and constructed a new ski trail, we feel that the net expenditure of \$ 16,000 was well worthwhile.

- The Notes found on pages 6 and 7 are disclosure of the accounting policies that have been applied to construct these financial statements.

Questions?

**LARCH HILLS NORDIC SOCIETY**  
**Financial Statements**  
**Year Ended September 30, 2019**

**LARCH HILLS NORDIC SOCIETY**  
**Index to Financial Statements**  
**Year Ended September 30, 2019**

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CHARTERED PROFESSIONAL ACCOUNTANT

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## INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

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To the Members of Larch Hills Nordic Society

We have reviewed the accompanying financial statements of Larch Hills Nordic Society (the Company) that comprise the statement of financial position as at September 30, 2019, and the statements of receipts and disbursements, 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 (ASNPO), 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.

### *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 Larch Hills Nordic Society as at September 30, 2019, and the results of its operations and its cash flows for the year then ended in accordance with ASNPO.

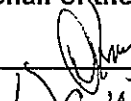
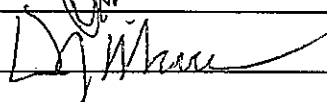
Salmon Arm, British Columbia  
February 28, 2020

  
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Trent Sismey Inc.  
Chartered Professional Accountant

**LARCH HILLS NORDIC SOCIETY**  
**Statement of Financial Position**  
**September 30, 2019**

	2019	2018
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 68,114	\$ 84,449
Term deposits	106,291	85,005
Interest receivable	862	1,070
Prepaid expenses	4,239	3,747
Due from related parties	-	1,966
	<u>179,506</u>	<u>176,237</u>
<b>CAPITAL ASSETS (Note 3)</b>	<u>476,370</u>	<u>415,260</u>
	<u>\$ 655,876</u>	<u>\$ 591,497</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT</b>		
Accounts payable	\$ 23,327	\$ 3,019
Grant received	2,000	-
	<u>25,327</u>	<u>3,019</u>
<b>NET ASSETS</b>	<u>630,549</u>	<u>588,478</u>
	<u>\$ 655,876</u>	<u>\$ 591,497</u>

On behalf of the Board

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Member

Member

**LARCH HILLS NORDIC SOCIETY**  
**Statement of Receipts and Disbursements**  
**Year Ended September 30, 2019**

	2019	2018
<b>RECEIPTS</b>		
Memberships	\$ 93,835	\$ 68,204
Chalet fundraising and donations	75,089	128,678
Timber sales from trail clearance	45,514	-
Trail fees	40,274	26,700
CCBC fees collected	23,733	19,890
Received on behalf of Jr Race Team	18,535	16,338
Other receipts	15,211	14,365
Donations	14,135	9,854
Jack rabbit fees and donations	2,394	6,382
	<u>328,720</u>	<u>290,411</u>
<b>DISBURSEMENTS</b>		
Trail clearing	57,517	404
Fundraising	39,430	14,083
Repairs and maintenance	30,193	21,069
Fees	25,453	25,048
Jr Racing Team	19,418	19,269
Insurance	11,766	9,531
Unrecovered GST	10,862	2,655
Gas & oil	8,950	12,845
Ski swap	6,886	5,583
Professional fees	6,177	3,103
Snow removal	4,057	7,563
Jack Rabbit program	3,604	6,432
Miscellaneous	3,059	1,345
Rent expenses	2,518	1,140
Hydro	2,318	2,630
Safety committee	1,702	427
Office	1,554	2,129
Scholarships	1,500	1,000
Advertising	1,218	1,982
Honorariums	1,000	5,500
	<u>239,182</u>	<u>143,738</u>
<b>EXCESS OF RECEIPTS OVER DISBURSEMENTS</b>	<u>\$ 89,538</u>	<u>\$ 146,673</u>

**LARCH HILLS NORDIC SOCIETY**  
**Statement of Changes in Net Assets**  
**Year Ended September 30, 2019**

	2018 Balance	Excess of receipts over disbursements	Capital Asset Additions	Amortization	2019 Balance
Operating Fund	\$ 173,218	\$ 89,538	\$ (108,577)	\$ -	\$ 154,179
Capital Asset Fund	415,260	-	108,577	(47,467)	476,370
	<u>\$ 588,478</u>	<u>\$ 89,538</u>	<u>\$ -</u>	<u>\$ (47,467)</u>	<u>\$ 630,549</u>

	2017 Balance	Excess of receipts over disbursements	Capital Asset Additions	Amortization	2018 Balance
Operating Fund	\$ 144,707	\$ 146,673	\$ (118,162)	\$ -	\$ 173,218
Capital Asset Fund	328,151	-	118,162	(31,053)	415,260
	<u>\$ 472,858</u>	<u>\$ 146,673</u>	<u>\$ -</u>	<u>\$ (31,053)</u>	<u>\$ 588,478</u>

**LARCH HILLS NORDIC SOCIETY**  
**Statement of Cash Flows**  
**Year Ended September 30, 2019**

	2019	2018
<b>OPERATING ACTIVITIES</b>		
Cash receipts from other activities	\$ 119,522	\$ 66,830
Cash paid to supplies and disbursements	(219,366)	(184,725)
Interest received	208	(247)
Cash receipts from fundraising and donations for Chalet	75,089	128,678
Cash receipts from memberships	93,835	68,204
Cash receipts from trail fees	40,274	26,700
Cash flow from operating activities	<u>109,562</u>	<u>105,440</u>
<b>INVESTING ACTIVITIES</b>		
Purchase of capital assets	(108,577)	(263,162)
Grants for Chalet expansion	-	145,000
Grants for asset purchases	2,000	-
Term deposits	(21,286)	(1,814)
Cash flow used by investing activities	<u>(127,863)</u>	<u>(119,976)</u>
<b>FINANCING ACTIVITY</b>		
Advances from (to) related parties	<u>1,966</u>	<u>(1,966)</u>
<b>DECREASE IN CASH FLOW</b>	<u>(16,335)</u>	<u>(16,502)</u>
Cash - beginning of year	<u>84,449</u>	<u>100,951</u>
<b>CASH - END OF YEAR</b>	<u>\$ 68,114</u>	<u>\$ 84,449</u>
<b>CASH CONSISTS OF:</b>		
Cash	<u>\$ 68,114</u>	<u>\$ 84,449</u>

**LARCH HILLS NORDIC SOCIETY**  
**Notes to Financial Statements**  
**Year Ended September 30, 2019**  
*(Unaudited)*

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**1. PURPOSE OF THE SOCIETY**

Larch Hills Nordic Society is a not-for-profit organization incorporated provincially under the Society Act of British Columbia on August 7, 1980. Management has determined that they are exempt from payment of income tax under Section 149(1) of the Income Tax Act.

The Society runs and operates a cross country ski area in the Larch Hills. The operations are run by the directors and board members, each with specific tasks. The Society operates the area under a Licence issued by the Province of British Columbia commencing August 1, 2015 for a term of 30 years.

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO).

Revenue recognition

Larch Hills Nordic Society follows the restricted fund method of accounting for contributions.

Restricted contributions related to general operations are recognized as revenue of the Operating Fund in the year in which the related expenses are incurred. All other restricted contributions are recognized as revenue of the appropriate restricted fund.

Unrestricted contributions are recognized as revenue of the Operating Fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Investment income earned on the Restricted Fund resources is recognized as revenue of the Operating Fund when earned.

Financial instruments policy

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

Cash and short term investments

Cash and cash equivalents consist primarily of deposits and Credit Union Equity and Patronage accounts with short term maturities. Because of the short term maturity of these investments, their carrying amount approximates fair value.

Goods and Services Tax

Contributed materials and services are not recoverable, even though the Society is Not for Profit, as they do not receive at least 40% of its revenue from Government funding in the fiscal year, or for the previous two fiscal years.

*(continues)*

**LARCH HILLS NORDIC SOCIETY**  
**Notes to Financial Statements**  
**Year Ended September 30, 2019**  
*(Unaudited)*

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Measurement uncertainty

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

Capital assets

Capital assets are stated at cost or deemed cost less accumulated amortization. Capital assets are amortized over their estimated useful lives on a declining balance basis at the following rates and methods:

Building - New Chalet	27 years	straight-line method
Buildings	10%	declining balance method
Tracksetting equipment	30%	declining balance method
Equipment	20%	declining balance method
Small tools	100%	declining balance method

The company regularly reviews its capital assets to eliminate obsolete items. Government and other grants are treated as a reduction of capital assets cost when received.

Capital assets acquired during the year but not placed into use are not amortized until they are placed into use.

Comparative figures

Certain comparative amounts have been reclassified to conform to the current year's presentation.

3. CAPITAL ASSETS

	Cost	Accumulated amortization	2019 Net book value	2018 Net book value
Buildings	\$ 631,320	\$ 226,123	\$ 405,197	\$ 367,747
Tracksetting equipment	239,813	182,389	57,424	40,945
Equipment	28,925	15,332	13,593	6,568
Small tools	12,883	12,727	156	-
	<u>\$ 912,941</u>	<u>\$ 436,571</u>	<u>\$ 476,370</u>	<u>\$ 415,260</u>

## Grooming Report

Thanks again to the membership for approving the requested funding at the last general meeting. We were successful in obtaining a good used 2010 Skandic for \$7,500 which should suffice until the end of the year. With any luck another machine of this calibre becomes available carrying us forward until we can have an electric one. The technology is developing fast.

The PB is in good working condition. We have recruited 4 new PB operator trainees all with great attitude and skill sets.

We plan to decrease PB grooming in March to Sat/Sun and Tues/Wed so around 12-15 hours per week, may vary depending on nighttime temps and number of users. We will start taking Kubota out as weather warms, with Jim's drags to smooth out skate lanes. A new PB Maintenance Ledger is in place to have a chronological listing of repairs and costs. A-welder is scheduled to repair tiller A frame (the one that broke in Dec.), the spare and donated tiller will be parted out.

We are scheduling summer PB maintenance for early April, Peter Rizzi (trained PB mechanic) will help out Dave Brubaker, George Jackson will also have couple PB operators assist him. The PB classic pans have been moved out wider as a test project as it makes for wider skate lanes. bunker spring cleaning and re-org is in progress. A year- end social booked for April 8<sup>th</sup>, chalet confirmed