

**THE BARKERVILLE HERITAGE TRUST**

**FINANCIAL STATEMENTS**

**MARCH 31, 2010**

**THE BARKERVILLE HERITAGE TRUST**

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• Denotes Corporation Partner/Associate

**CA** Members, Institute of Chartered Accountants of British Columbia

**AUDITORS' REPORT**

To the Trustees of The Barkerville Heritage Trust

We have audited the statement of financial position of The Barkerville Heritage Trust as at March 31, 2010 and the statements of operations and changes in net assets, and cash flows for the year then ended. These financial statements are the responsibility of the Trust's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free from material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Trust's management as well as evaluating the overall financial statement presentation.

In our opinion, these statements present fairly, in all material respects, the financial position of the Trust as at March 31, 2010 and the results of its operations and the changes in its financial position for the year then ended in accordance with Canadian generally accepted accounting principles.

Williams Lake, BC  
May 14, 2010

PMT CHARTERED ACCOUNTANTS

**THE BARKERVILLE HERITAGE TRUST****Statement of Financial Position - March 31, 2010**

	Gas bar	Operating Fund	Capital Fund	2010	2009
<b>ASSETS</b>					
Current					
Cash	\$ 16,326	\$ 68,553	\$ -	\$ 84,879	\$ 3,372,042
Guaranteed investment certificates	-	3,765,176	381,426	4,146,602	2,096,602
Internally restricted Legacy Fund - Note 4		3,398	-	3,398	3,398
Accounts receivable - Note 5	6,764	120,630	-	127,394	412,539
Inventory	7,976	-	-	7,976	9,611
Interfund account	-	30,526	-	30,526	22,781
Prepaid expenses	-	2,200	-	2,200	-
	<u>31,066</u>	<u>3,990,483</u>	<u>381,426</u>	<u>4,402,975</u>	<u>5,916,973</u>
Capital assets - Note 6	<u>52,565</u>	<u>72,615</u>	<u>-</u>	<u>125,180</u>	<u>114,033</u>
	<u>\$ 83,631</u>	<u>\$ 4,063,098</u>	<u>\$ 381,426</u>	<u>\$ 4,528,155</u>	<u>\$ 6,031,006</u>
<b>LIABILITIES</b>					
Current					
Accounts payable and accrued liabilities	\$ 1,850	\$ 1,486,202	\$ -	\$ 1,488,052	\$ 786,824
Performance deposits	-	1,000	-	1,000	1,000
Interfund account	30,526	-	-	30,526	22,781
Current portion of long term debt	-	6,601	-	6,601	6,071
	<u>32,376</u>	<u>1,493,803</u>	<u>-</u>	<u>1,526,179</u>	<u>816,676</u>
Long-term - Note 7	-	20,550	-	20,550	53,946
Deferred contributions - Note 8	-	2,600,000	381,426	2,981,426	5,160,384
	<u>32,376</u>	<u>4,114,353</u>	<u>381,426</u>	<u>4,528,155</u>	<u>6,031,006</u>
Commitments - Notes 14					
<b>NET ASSETS</b>					
Net assets	<u>51,255</u>	<u>( 51,255)</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 83,631</u>	<u>\$ 4,063,098</u>	<u>\$ 381,426</u>	<u>\$ 4,528,155</u>	<u>\$ 6,031,006</u>

APPROVED BY THE BOARD

\_\_\_\_\_ Director

\_\_\_\_\_ Director

The accompanying Notes are an integral part of this statement.

## THE BARKERVILLE HERITAGE TRUST

### Statement of Operations and Changes in Net Assets For The Year Ended March 31, 2010

	Gas bar	Operating Fund	Capital Fund	2010	2009
<b>Revenue</b>					
Ministry of Tourism	\$ -	\$ 1,400,000	\$ -	\$ 1,400,000	\$ 1,300,000
Grant revenue - Note 9	-	703,172	-	703,172	496,601
Admissions	-	435,246	-	435,246	453,606
Concession licences	-	274,161	-	274,161	139,208
Other income	267,521	30,971	-	298,492	247,812
Transfer from deferred contributions	-	432,633	346,325	778,958	645,056
	<u>267,521</u>	<u>3,276,183</u>	<u>346,325</u>	<u>3,890,029</u>	<u>3,282,283</u>
<b>Direct expenses</b>					
Purchases of materials	<u>197,039</u>	-	-	<u>197,039</u>	<u>163,287</u>
Gross income	<u>70,482</u>	<u>3,276,183</u>	<u>346,325</u>	<u>3,692,990</u>	<u>3,118,996</u>
<b>Expenditures</b>					
Amortization - Note 2(d)	13,141	23,440	-	36,581	24,644
Audit and legal	-	12,060	-	12,060	7,973
Automotive	-	47,509	-	47,509	25,397
Bank charges and interest	4,150	10,551	-	14,701	10,100
Capital improvements - Note 10	-	-	346,325	346,325	539,669
Dues and subscriptions	-	1,569	-	1,569	4,076
Fundraising activities - Note 11	-	255,422	-	255,422	54,635
Grants-In-Aid	-	13,225	-	13,225	14,516
Information technology	-	23,036	-	23,036	22,460
Insurance	494	37,266	-	37,760	35,082
Maintenance	2,906	115,256	-	118,162	97,443
Marketing	-	206,057	-	206,057	250,309
Office overhead	-	32,759	-	32,759	26,834
Property tax	-	2,869	-	2,869	2,869
Salaries and benefits	-	1,756,121	-	1,756,121	1,038,473
Service contracts - Note 12	-	639,675	-	639,675	405,610
Supplies and miscellaneous	-	66,499	-	66,499	91,216
Travel and meeting expenses - Note 13	-	55,000	-	55,000	38,996
Utilities	<u>1,200</u>	<u>104,472</u>	-	<u>105,672</u>	<u>111,349</u>
	<u>21,891</u>	<u>3,402,786</u>	<u>346,325</u>	<u>3,771,002</u>	<u>2,801,651</u>
Income (loss) from operations	48,591	( 126,603)	-	( 78,012)	317,345
<b>Other income</b>					
Interest	-	<u>78,012</u>	-	<u>78,012</u>	<u>91,318</u>
Excess (deficiency) of revenue over expenditures	48,591	( 48,591)	-	-	408,663
Net assets, beginning of year	<u>2,664</u>	<u>( 2,664)</u>	-	-	<u>( 408,663)</u>
Net assets, end of year	<u>\$ 51,255</u>	<u>\$( 51,255)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying Notes are an integral part of this statement.

# THE BARKERVILLE HERITAGE TRUST

## Statement of Cash Flows For The Year Ended March 31, 2010

	2010	2009
Cash flows from operating activities		
Excess (deficiency) of revenue over expenditures	\$ -	\$ 408,663
Adjustment for item not involving cash:		
Amortization	<u>36,581</u>	<u>24,644</u>
	<u>36,581</u>	<u>433,307</u>
Changes in non-cash working capital items:		
Accounts receivable	285,146	( 294,004)
Inventory	1,635	( 9,611)
Prepaid expenses	( 2,200)	-
Accounts payable and accrued liabilities	701,226	( 159,566)
Deferred revenue	<u>( 2,178,958)</u>	<u>3,337,944</u>
	<u>( 1,193,151)</u>	<u>2,874,763</u>
	<u>( 1,156,570)</u>	<u>3,308,070</u>
Cash flows from investing activities		
Purchase of capital assets	( 47,727)	( 113,477)
Cash flows from financing activities		
Long-term financing - advances	-	60,017
- repayments	<u>( 32,866)</u>	<u>-</u>
	<u>( 32,866)</u>	<u>60,017</u>
Increase (decrease) during the year	( 1,237,163)	3,254,610
Cash and cash equivalents, beginning of year	<u>5,472,042</u>	<u>2,217,432</u>
Cash and cash equivalents, end of year	<u>\$ 4,234,879</u>	<u>\$ 5,472,042</u>
Cash and cash equivalents consists of:		
Cash	\$ 84,879	\$ 3,372,042
Guaranteed investment certificates	4,146,602	2,096,602
Internally restricted Legacy Fund - Note 4	<u>3,398</u>	<u>3,398</u>
	<u>\$ 4,234,879</u>	<u>\$ 5,472,042</u>
Supplementary information:		
Income tax paid	\$ -	\$ -
Interest paid	\$ -	\$ -
Interest income included in income from operations	<u>\$ 78,012</u>	<u>\$ 91,318</u>

The accompanying Notes are an integral part of this statement.

# THE BARKERVILLE HERITAGE TRUST

## Notes To The Financial Statements For The Year Ended March 31, 2010

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### 1. Purpose of the organization

The Trust was incorporated under the Society Act of British Columbia on October 29, 2004 and commenced operations on April 1, 2005.

The Trust administers and maintains the Barkerville Historic Town under contract with the Province of British Columbia. The Province of British Columbia retains ownership of the townsite and all of its artifacts and equipment.

### 2. Significant accounting policies

#### a) Funds of the Trust

For accounting and financial reporting purposes, the resources and operations of the Trust are segregated into the Gas bar, General Operating, and General Capital Funds.

Each Fund is recorded as a separate entity which is identified in its statement of financial position and where applicable, its statements of operations and changes in net assets. Transfers between Funds are recorded as adjustments to the appropriate Fund balance.

#### b) Basis of accounting

These financial statements are prepared using the deferral method of accounting for contributions.

#### c) Cash and short term investments

Cash and short term investments consist of cash on hand less outstanding cheques and deposits with a maturity of less than three months at the time of purchase and guaranteed investment certificates with a maturity of less than one year. When outstanding cheques are in excess of cash on hand, the excess is reported in bank indebtedness.

#### d) Capital assets

Capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution. The Trust amortizes its capital assets on a declining balance basis as follows:

Automotive	30%
Computer hardware	45%
Fuel tanks and pumps	20%
Furniture and equipment	30%
Restaurant equipment	20%
Restaurant utensils	20%

#### e) Revenue recognition

The Province of British Columbia grants related to general operations are recorded when receivable.

The Province of British Columbia grants related to capital and unanticipated costs are recognized as revenue when the related expenses are incurred.

Interest income earned is recognized as accrued revenue.

Revenue unearned in the current period is recorded as deferred contributions.

The Trust has received contributions of goods and services. Where practical, contributed goods and services are recorded at their estimated fair market value.

# THE BARKERVILLE HERITAGE TRUST

## Notes To The Financial Statements For The Year Ended March 31, 2010

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### 2. Significant accounting policies (continued)

f) Use of estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditures during the reporting period. Significant areas requiring use of management estimates related to the collectibility of accounts receivable. Actual results could differ from those estimates.

g) Contributed services

Volunteers contribute over 5,000 hours per year to assist the Trust in carrying out operations. Because of the difficulty in determining their fair market value, contributed services are not recognized in these statements.

### 3. Financial instruments

a) Fair value

Assets and liabilities designated as held for trading include cash and are measured in the statement of financial position at fair value where it is practical to determine the fair value. The term deposits are designated as held to maturity. The fair value for term deposits, accounts receivable, accounts payable, and wages payable approximate their carrying value due to the relatively short term to maturity of these instruments. The fair value of long-term debt balances approximate their carrying value as they bear interest at rates not significantly different than market rates for similar instruments.

b) Interest rate risk

The Trust is exposed to interest rate risk in respect of its term deposits, which earns interest income at fixed rates.

c) Credit risk

It is management's opinion that the Trust is not subject to significant credit risk associated with its financial instruments.

### 4. Internally restricted Legacy Fund

The guaranteed investment certificates include donations of \$3,398 raised at the past two Gala Opening events. It is the Board's intent that this will form the beginning of a Legacy Fund.

### 5. Accounts receivable

	2010	2009
Trade accounts - Gas bar	\$ 6,764	\$ -
Trade accounts - Operating	50,168	349,780
Accrued interest receivable	70,462	62,759
	<u>120,630</u>	<u>412,539</u>
	<u>\$ 127,394</u>	<u>\$ 412,539</u>

## THE BARKERVILLE HERITAGE TRUST

### Notes To The Financial Statements For The Year Ended March 31, 2010

#### 6. Capital assets

	Cost	Accumulated Amortization	Net	
			2010	2009
Automotive	\$ 63,465	\$ 19,840	\$ 43,625	\$ 34,401
Computer hardware	28,418	19,396	9,022	13,613
Fuel tanks and pumps	73,006	20,442	52,564	65,705
Furniture and equipment	527	307	220	314
Restaurant equipment	15,313	1,531	13,782	-
Restaurant utensils	<u>6,630</u>	<u>663</u>	<u>5,967</u>	<u>-</u>
	<u>\$ 187,359</u>	<u>\$ 62,179</u>	<u>\$ 125,180</u>	<u>\$ 114,033</u>

When the Trust was established on April 1, 2005, vehicles used in the operations of the Trust were transferred from the Province of British Columbia for the nominal amount of \$1. Vehicle additions since this date have been recorded at cost.

#### 7. Long term debt

	2010	2009
District of Wells fuel project loan, repayable monthly at \$0.10 per litre of fuel sold, due December 15, 2013	\$ -	\$ 26,795
Ford Canada Finance conditional sales contract with interest payable at 8.4%, repayable in monthly blended payments of \$719, due November 24, 2013	31,655	40,288
Less: deferred finance charges	( 4,504)	( 7,066)
	27,151	60,017
Less: current portion of long term debt	( 6,601)	( 6,071)
	<u>\$ 20,550</u>	<u>\$ 53,946</u>

Total interest on long term debt paid during the year was \$2,562 (2009 - \$951)

Estimated future repayments for the next four years:

2011	\$ 6,601
2012	7,174
2013	7,803
2014	5,573

#### 8. Deferred contributions

The Trust has deferred operating grants of \$2,600,000 (2009 - \$4,000,000). During the year, \$432,633 (2009 - \$105,387) of deferred grants were transferred to revenue.

The Trust has deferred grants designated for capital in the amount of \$381,426 (2009 - \$1,160,384). During the year, \$346,325 (2009 - \$539,669) of deferred grants were transferred to revenue.

# THE BARKERVILLE HERITAGE TRUST

## Notes To The Financial Statements For The Year Ended March 31, 2010

### 9. Grant revenue

During the year, the Trust received grants as follows:

	<u>2010</u>	<u>2009</u>
BC 150	\$ 2,500	\$ 255,000
Canadian Heritage	7,500	-
Canada Summer Jobs	17,706	4,077
Career focus	-	11,975
CEDI	30,256	136,053
Job opportunity program	620,709	-
Museum assistance program	-	47,500
Northern development	-	30,000
Pacific Reach Consulting	10,000	-
Tourism BC	14,501	-
Young Canada Works	-	7,996
Other	-	4,000
	<u>\$ 703,172</u>	<u>\$ 496,601</u>

### 10. Capital improvements

During the year, the capital improvements made were as follows:

Infrastructure capital	\$ 15,921	\$ 64,860
New capital improvements	928	42,283
Preventative maintenance	<u>329,476</u>	<u>432,526</u>
	<u>\$ 346,325</u>	<u>\$ 539,669</u>

### 11. Fundraising activities

In 2008, The Barkerville Heritage Trust committed to undertake an aggressive revenue development program. A \$20 Million capital campaign and an annual fundraising drive are in the planning stages. Major campaigns, such as this, typically require an up-front investment of between 5 – 10% of the program goal to develop the necessary infrastructure. To the end of 2009, the The Barkerville Heritage Trust has invested a total of \$310,057 in developing this campaign. The campaign is scheduled to be launched in the 2011/12 fiscal year.

### 12. Service Contracts

During the year, the service contracts for the Trust were as follows:

	<u>2010</u>	<u>2009</u>
Program contracts	\$ 565,135	\$ 393,833
Consulting services	<u>74,540</u>	<u>11,777</u>
	<u>\$ 639,675</u>	<u>\$ 405,610</u>

# THE BARKERVILLE HERITAGE TRUST

## Notes To The Financial Statements For The Year Ended March 31, 2010

### 13. *Travel and meeting expenses*

During the year, the travel and meeting expenses for the Trust were as follows:

	<u>2010</u>	<u>2009</u>
Annual general meeting	\$ 4,891	\$ 4,806
Board travel	34,547	19,272
Staff and site meetings	4,339	1,567
Staff travel	<u>11,223</u>	<u>13,351</u>
	<u>\$ 55,000</u>	<u>\$ 38,996</u>

### 14. *Commitments*

The Trust has a lease commitment for photocopiers for an annual cost of \$4,176. The lease expires on May 1, 2013.

### 15. *Capital disclosure*

The Trust considers its capital to be the balance maintained in its unrestricted net assets. The primary objective of the Trust is to invest its capital in a manner that will allow it to continue as a going concern and comply with its stated objectives. Capital is invested under the direction of the Board of Directors of the Trust with the objective of providing a reasonable rate of return, minimizing risk and ensuring adequate liquid investments are on hand for current cash flow requirements.

### 16. *Gas bar*

The net assets in the gas bar are subject to externally imposed requirements. Capital is invested under the direction of the Board of Directors of the Trust, the District of Wells and Wells with the objective of promoting tourism in the area.

### 17. *Economic dependency*

A significant portion of the Trust's revenue is operating grants from the Province of British Columbia. Accordingly, the Trust's continued operations are dependent on the continuation of such funding.

### 18. *Comparative figures*

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

The allocation of net assets at the beginning of the year has been re-stated to include additional expenses allocated to the Gas bar from the Operating Fund.