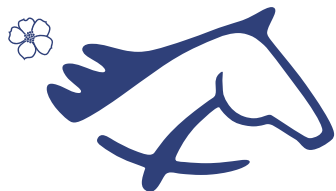




ANNUAL REPORT

2015



HORSE COUNCIL
BRITISH COLUMBIA

WWW.HCBC.CA

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COMPANY CONTACT INFORMATION

Address:	27336 Fraser Hwy., Aldergrove, BC V4W 3N5
Phone:	604-856-4304
Toll Free:	1-800-345-8055
Fax:	604-856-4302
Website:	www.hcbc.ca



PRESIDENT'S MESSAGE



It is my pleasure to re-introduce the Horse Council BC Annual Report. It has apparently been many years since the last such report.

Why has Horse Council decided to produce an Annual Report again? The answer is simple. We are a large non-profit sport organization that is the product of its membership. An Annual Report is one more way to communicate with you, the members, and provide you with information on what your organization has accomplished during the past year and provide insight into plans for 2016. As this is our first Annual Report I

thought I would start by providing you with a snap shot of the existing reporting mechanism of Horse Council. Currently we hold two Board Meetings each year with a Board that is comprised of Zone Directors, Directors at Large and Affiliate Directors. The Executive is elected from the Board of Directors and each Executive Member has a department portfolio and works with the appropriate member of staff. At each Board Meeting decisions are made on your behalf (as the Directors are elected by the members) regarding issues that affect members and the Directors provide written reports on activities, as do members of staff in cooperation with their Executive counterpart, usually known as a VP.

The Annual Report will follow a similar reporting format (minus any decision making), so you will be able to see what is happening through the Province, programs being offered to you as members and the status of Horse Council as an organization.

Any member of Horse Council can put their name forward for consideration for a position as Direct either through their Zone or the Director at Large process. These are well publicized at the appropriate time of year or you can go online or call the office at any time for more information.

In conclusion, I want to thank you for continuing to support your Provincial Equestrian Sport organization and thank the Board and the Staff for their hard work. I am proud to be the President of such a professional and active organization.

Liz Saunders
HCBC President

A herd of horses is running on a dirt path. The background shows rolling hills or mountains under a clear sky. The entire image is overlaid with a semi-transparent teal color. The text is white and reads: "A HORSE, A HORSE, MY KINGDOM FOR A HORSE!"

"A HORSE,
A HORSE,
MY KINGDOM
FOR A
HORSE!"

WILLIAM SHAKESPEARE



**Message from Horse Council
BC Executive Director,
Lisa Laycock**



**It's been another interesting
year at Horse Council BC.**

A big thank you to dedicated volunteers and professional staff for the work they do. I am proud, that at our core, it is the passion for the equine lifestyle that connects and inspires us all.

**Horse Council BC acts as the collective in the
equine community connecting and supporting
our Affiliates, Clubs, and individual members, in
the work they do within communities around B.C.**

Whether members are recreational, sport, or industry focused, our combined efforts support more projects than ever before. We remain focused on government advocacy at all levels on issues that affect our ability to enjoy the equine lifestyle in BC now, and in the future.

**The economic and social environment is
continually changing and putting pressure on the
future of the equine lifestyle.**

A few examples of this are the recreational use of public land, agriculture land use issues, and the keeping of livestock. It is critical as an equine community that we come together and work together on these important issues no matter our discipline, stripe, or focus. We strive to inspire and facilitate collective action to address common equine interests.

It is a privilege to be a part of such a great community of dedicated, committed, and caring people. Our team is as equally dedicated to equestrianism as the population we serve. We strive to be member focused, financially prudent, responsible, and effective. Thank you to the Board of Directors for your consistent encouragement to the Horse Council BC staff! Thank you to members for supporting Horse Council BC by joining! Thank you to all that are part of our vision for a thriving BC horse sector!

Sincerely,

Lisa Laycock
Executive Director

ABOUT US

Horse Council BC is a membership-driven not-for-profit association representing the interests of the equine industry in all sectors throughout British Columbia. Tradition, strong values and superior hard work provided by our volunteers has made Horse Council BC the largest and most successful multi-discipline, multi-breed equine association in Canada.



Horse Council BC continues to grow each year with membership reaching 24,608 in 2015.

Horse Council BC actively represents the equine industry in agriculture, industry, sport, and recreation through education, grant funding, club support, government lobbying, liability insurance, and participant programs

MISSION

Horse Council British Columbia is a member service organization that collaborates with business, industry and government on behalf of equine welfare, sports, recreation and the individual rider/driver.

VISION

Horse Council BC strives to represent ALL horse people in BC regardless of discipline, breed orientation, or sport. We endeavor to be an association that anyone active in the horse sector is proud to be a part of. We are accessible to all our members and communicate with them on both a professional and personal level. We ensure that we set an example for all other associations to follow.

STRATEGIES

- Increase engagement with board, staff and partners
- Create more effective ways to increase member and non-member communications and engagement
- Renew education programs to increase our value as an equine information hub
- Ensure a strong provincial grass roots competition system
- Advocate for equine lifestyle and right to ride
- Take inventory of all programs and review 25% each year

PRIORITIES 2015-2017

- Phasing out programming that doesn't align with our current strategic plan, priorities or sustainability needs
- Inspire and facilitate collective action to address common equine interests
- Develop intentional succession planning
- Develop a process to organize committees to maximize engagement and impact
- Review resources to support zone directors

We will continue to...

- Promote and support high performance sport within BC
- Focus on promoting equine welfare through human partners
- Connect and strengthen equine community
- Improve sound management for financial sustainability and organizational health



BY JOINING HCBC YOU SHOW YOUR SUPPORT FOR...

THE RIGHT TO RIDE

The right to ride horses on public land i.e. in parks, and on designated trails in BC. HCBC communicates with provincial/local Government to support its members in their advocacy roles.

HORSE WELFARE IN BC

HCBC liaises and collaborates with governing bodies and promotes the importance of the welfare of equines in BC.

THE BC HORSE INDUSTRY

HCBC strives to provide up-to-date information to horse owners and riders across the province on horse health & care, welfare, land & pasture management, and environmental issues.

A NATIONALLY ACCREDITED COACHING PROGRAM

HCBC administers the Equine Canada coaching and instructor programs for English, Western and Driving disciplines.

FINANCIAL SUPPORT FOR THE INDUSTRY

Funding programs that help to encourage and support participation in equestrian sport and recreation activities.

THE PRESERVATION OF BC TRAIL SYSTEMS

HCBC provides funding, safety manuals, workshops, and guidance to our members interested in building and maintaining the trail systems in BC.

QUALITY SCIENCE BASED EDUCATION

HCBC hosts and supports multiple educational events throughout the year along with providing free online courses to members, all based in sound scientific research and data.



HCBC STAFF 2016

EXECUTIVE DIRECTOR

Lisa Laycock

SENIOR PROGRAM MANAGER INDUSTRY & AGRICULTURE MANAGER

Kelly Coughlin



COACHING MANAGER

Wendy Sewell

COMPETITIONS MANAGER

Ali Buchanan

MEMBERSHIP COORDINATOR

Sandy Underwood

RECREATION COORDINATOR

Jennifer Pipe

MARKETING & COMMUNICATIONS COORDINATOR

Aynsley Cairns

FINANCE & GRANTS

Lynn Wallden

RECEPTION

Lynda Eckstein

BOARD OF DIRECTORS 2016

EXECUTIVE & DIRECTORS AT LARGE

PRESIDENT

Liz Saunders

TREASURER

Carolyn Farris

SECRETARY

Lisa Mander

VP OF COMPETITION

Susan Harrison

VP OF EDUCATION

Dr. Susan Thompson

VP OF INDUSTRY

Lynda Atkinson

VP OF MEMBERSHIP & MARKETING

Allison Warren

VP OF RECREATION

Terre O'Brennan

DIRECTOR AT LARGE

Gary Patterson

DIRECTOR AT LARGE

Gord Mackenzie

ZONE DIRECTORS

ZONE 1 DIRECTORS

Arlene Ridge

Liz Saunders

ZONE 2 DIRECTOR

Dawn MacRae

ZONE 3 DIRECTORS

Nancy Olson-Beaulieu

Chris Pack

ZONE 4 DIRECTOR

Debbie Rogal

ZONE 5 DIRECTORS

Allison Warren

Cheryl Dewson

ZONE 6 DIRECTORS

Selena Pellizzari

Susan Harrison

ZONE 7 DIRECTORS

Christine Hassell

Erin Rowsell

ZONE 8 DIRECTOR

Orville Smith



AFFILIATE DIRECTORS 2016

**BACK COUNTRY HORSEMAN SOCIETY OF
BC**

Sharon Pickthorne

BC 4-H PROVINCIAL COUNCIL

Claudette Martin

BC CARRIAGE DRIVING SOCIETY

Carol Cody

BC HUNTER JUMPER ASSOCIATION

Justine Annandale

BC QUARTER HORSE ASSOCIATION

Carolyn Farris

BC THERAPEUTIC RIDING ASSOCIATION

Karen Swantje

**CANADIAN PONY CLUBS
(BC DIVISION)**

Sarah Allison

**CANADIAN THOROUGHBRED HORSE
SOCIETY (BC DIVISION)**

Jeanie Spence

DRESSAGE BC

Cat Armitage

ENDURANCE RIDERS ASSOCIATION OF BC

Terre O'Brennan

**EQUESTRIAN VAULTING ASSOCIATION OF
BC**

Marijean Maher

HARNESS RACING BC SOCIETY

Lynda Atkinson

HORSE TRIALS BC

Len Kirby





HORSE COUNCIL **BRITISH COLUMBIA**



AFFILIATE BRANCHES/CHAPTERS/DIVISIONS

Affiliate Membership includes any chapters/branches/clubs/zones and/or committees which are legally part of the Affiliate Society Registration. These chapters/branches, etc. are entitled to Horse Council BC benefits including Capri Insurance discounts as well as funding opportunities along with the Affiliate itself.

13 AFFILIATES

MAJOR GRANTS/FUNDING

Each year Horse Council BC distributes nearly \$60,000 across British Columbia to HCBC Clubs, Affiliates, and Members to help fund a variety of equestrian based projects, trails, facilities, education and clinics.



1

The **BC Equestrian Trails Fund** (BCETF) was established to provide support for HCBC clubs and affiliates who have researched and planned a specific project related to the construction and/or maintenance of an equestrian trail, trailhead, or horse camping site in British Columbia for public use.

\$24,655.00 was given in 2015.



2

Core Grants are provincial funds targeted for events or projects that support equestrian sport growth and development within the province of BC. Core Grants can be applied to all manner of things as long as it supports equestrian sport growth and is for public use (or open to the public as the case may be).

\$18,401.28 was given in 2015.



3

Participation Grants are available to any current HCBC Club who is organizing and running a clinic. Funding is received in either a \$250 or \$500 denomination per clinic until funding is exhausted.

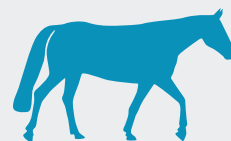
\$7,000.00 was given in 2015.



4

Zone Funding is money that is available to all current HCBC member clubs, affiliates and individuals. These funds are available throughout the year. Traditionally approval is given for small dollar amounts (less than \$500) benefiting members in the Zone.

\$11,231.71 was given in 2015.



60%

...of the 2015 BC Equestrian Trails Funding went to Back Country Horsemen Chapters throughout British Columbia.



43%

...of all 2015 Zone Grants were given out in Zone 6 - Vancouver Island and Central Coast, British Columbia.



85%

...of 2015 Core Grants were given to equestrian clubs outside of the Lower Mainland (Zones 3,4,5).

2015 BC HERITAGE CIRCUIT/COMPETITIONS

The BC Heritage Circuit & Championships is a provincial program designed to preserve the versatility of General Performance across British Columbia...

...by supporting community horse clubs, generating interest and encouraging riders, coaches and breeders to achieve personal success at competitions at an introductory or grassroots level.

Horse Council BC supports and facilitates the activities that take place at qualifying events to ensure riders of all ages, recreational or competitive, have the opportunity to Learn to Ride and Learn to Compete, keeping fees affordable and competitions accessible in all Zones around the province.

The annual BC Heritage Circuit Championship provides a suitable venue where all disciplines are able to participate over 3 days, offering rewards and recognizing achievements of developing athletes learning to compete with awards and \$10,000 in prize money!

In addition to the Heritage Circuit being affordable and accessible...

...the Heritage Championships exclusively uses HCBC Officials. The HCBC Officials Program ensures that provincial officials are trained, educated, and accessible for HCBC Clubs for reasonable costs.



30%

The 2015 BC Heritage Circuit Championships experienced a 30% growth in participation from the previous year.



+2

In 2016 the BC Heritage Championships will be adding an 1 additional discipline and 1 new class! (Endurance and a Mini Prix)



HCBC rewards athletes, owners, and coaches for their dedication to the equestrian competitive sports, after having qualified while supporting local competitions in all zones, with the annual BC Heritage Circuit Provincial Championship the first

weekend of July each year. In addition, travel assistance grants are provided for exhibitors who qualify and travel over 500 km return to attend the Championships.

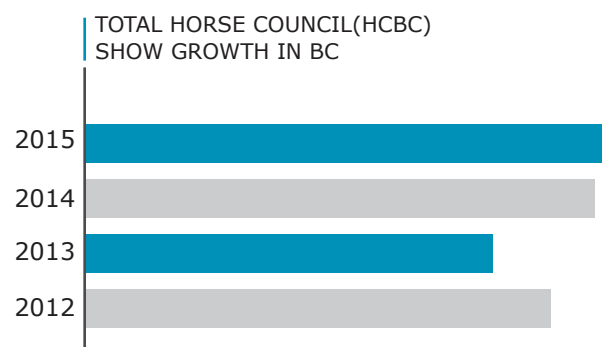
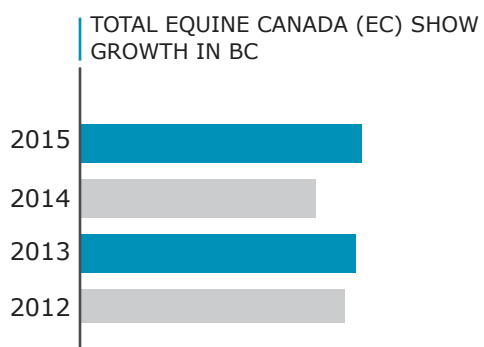


***The Disciplines of BC Heritage:
Dressage, Hunter, Jumper, Western
Dressage, General Performance, Driving,
Vaulting, and Gymkhana.***



THE 2015 HORSE SPORT SYMPOSIUM WAS HELD AT THUNDERBIRD SHOW PARK IN LANGLEY, BC ON JANUARY 31ST & FEB 1ST 2015. THE SYMPOSIUM WAS ALL ABOUT BIOMECHANICS & CORRECTNESS IN DEVELOPING HORSES IN SPORT.

Horse Council British Columbia brought together Olympic silver medallist, Ellen Bontje and veterinarian/author Dr. Gerd Heuschmann. They answered the question: "Can the way a horse is trained and ridden translate to unsoundness and a shortened athletic career?"



+166%

FEI Competitions in BC have more than doubled in the last 9 years! Increasing by 166% since 2008.

In 2016 the **BC Summer Games** will be held in Abbotsford, BC. Jumping, Dressage, Vaulting, and Para-Dressage make up the equestrian events.



There were 8 FEI Competitions in 2015 held in BC. They included the disciplines of:

Jumper
Dressage
Eventing
Vaulting
Endurance



There has been positive growth across all levels of long term athlete development in all disciplines.

Long-Term Athlete Development (LTAD) is a systemic approach being developed and adopted by Equine Canada to maximize a participant/athlete's potential and involvement in our sport.

184 HCBC Shows
37 EC Bronze Shows
2 EC Silver Shows
29 EC Gold Shows

The LTAD framework aims to define optimal training, competition and recovery programs based on biological age rather than chronological age. It is athlete-centered, coach-driven and administration, sport science and sponsor supported.

By tailoring a participant/athlete's sports development program to suit basic principles of growth and maturation, especially during the "critical" early years of their development, enables him/her to reach their full athletic potential, increase lifelong participation in equestrian sport and other physical activities and to improve health and well-being.



INDUSTRY & AGRICULTURE

THROUGHOUT 2015 BIOSECURITY, DISASTER PREPAREDNESS, EQUINE WELFARE ISSUES, AND FIRE SAFETY WERE THE MOST POPULAR TOPICS OF INTEREST ON HORSE COUNCIL BC'S INDUSTRY & AGRICULTURE WEBPAGES.

Additional emergency response training and education was requested by the Maple Ridge Fire Department.

\$15,000 in funding was approved from the Equine Foundation of Canada for training. A Life-size horse mannequin was purchased for use in training. The mannequin will be available for training to any fire hall in BC and HCBC will offer formalized extrication training in select locations around the province.

HCBC attended the Canadian Livestock Transportation Conference that was held in Calgary, Alberta in May 2015. Diverse topics were covered but all relayed the importance of industry adopting strong welfare policies and being proactive with factual messaging.

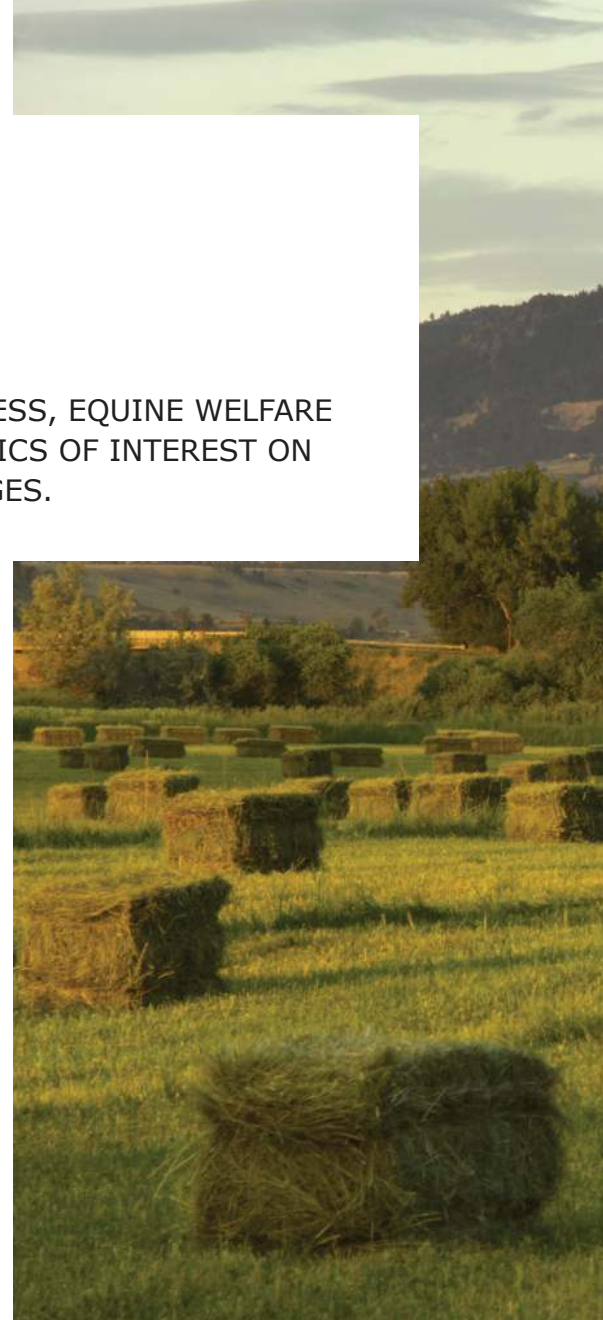
HCBC was contacted by the Ministry of Agriculture for input on the Ministry's review of:

- Strengthening Farming Program;
- The Right to Farm suite of legislation;
- The Livestock Lien Act;
- The Livestock Act.

HCBC also sponsored and attended the International Society of Equitation Science's 11th Annual Conference in 2015. The conference was held at UBC and Southlands.

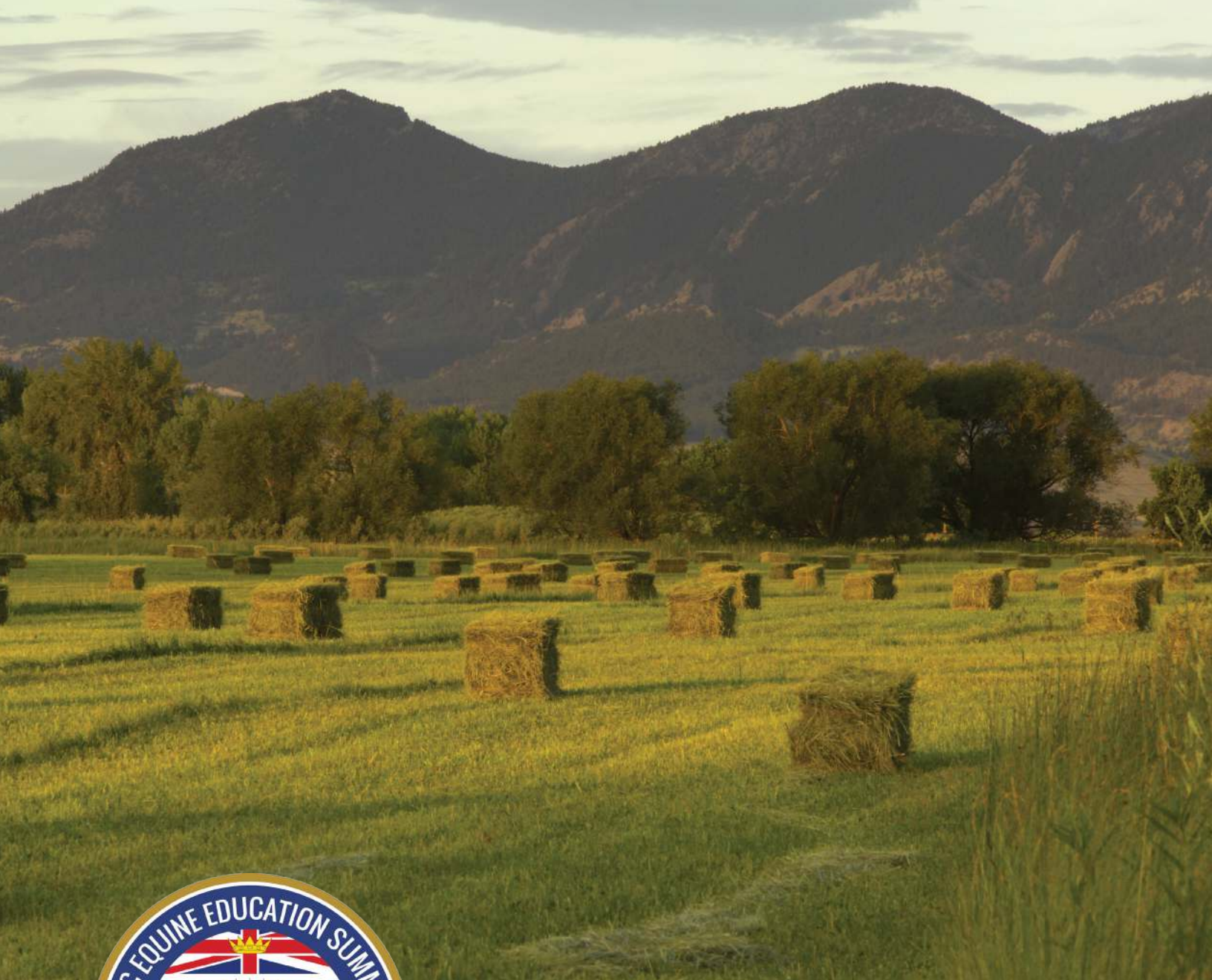
Ag Days 2015 in Victoria, BC.

BC farmers and food producers joined Agriculture Minister Norm Letnick to celebrate BC Agrifoods Day at the Parliament Buildings in Victoria.



Equestrian was represented at Ag Days by Horse Council BC, BC Thoroughbred, and BC Harness Racing.





The 2015 BC Equine Education Summit was held March 14 + 15, 2015 at the Radisson Hotel Vancouver Airport. 200 people from across BC attended the two day conference.

- Dr. Robert Bowker DVM PhD - *Barefoot or Not?*
- Dr. Tania Cubitt PhD - *What is the Best Hay for Your Horse?*
- Dr. Antonio Cruz DVM MVM Msc DrVet Dipl.ACVS Dipl.ECVS Dipl.ACVS MRDr - *Sport Conditioning & Rehabilitating Your Horse*
- Dr. James Carmalt MA VetMB MVetSc FRCVS Dipl. ABVP (Equine) Dipl. AVDC (Equine) Dipl. ACVS - *Equine Dentistry & Equine TMJ Disease: Fact or Fiction?*
- Jochen Schleese CMS CSE - *Saddle Fitting For Horse and Rider*
- Dr. Rebecca Gimenez PhD of TLAER, Inc. - *Emergency Preparedness for Horse Owners*





COACHING, EDUCATION & RECREATION

IN 2015 HORSE COUNCIL BC HOSTED 7 COACHING EVALUATIONS ACROSS BRITISH COLUMBIA. THERE WERE A TOTAL OF 18 NEW COACHING CERTIFICATIONS APPROVED.

HCBC SCHOLARSHIP PROGRAM

Horse Council BC scholarships are available to Horse Council BC members in good standing, who are a BC graduate from grade 12 and entering into an accredited College or University Study program. HCBC received 13 qualified scholarship applications in 2015, 5 of which received a \$1000 scholarship towards their post secondary education.

HCBC has over 14 online courses that are available for free to current HCBC Members. There are also 6 '5 Minute Videos' on HCBC's YouTube channel about the basics of horse care.



Horse Day is a fun-filled family event held during the Pacific National Exhibition in Vancouver, BC that gives the public a chance to see what horses have to offer. Horse Day on August 29, 2015 at the PNE was a success despite weather and closure setbacks.

2015 ROAD & TRAIL SAFETY CAMPAIGN

- Road Safety Rack cards were distributed to every ICBC broker office across BC.
- 525 Trail Markers were distributed across 8 different HCBC clubs throughout 2015.



HCBC's annual Share the Trails workshop was a smashing success, thanks to the entertaining, engaging, and educational feature presentation of the Powell River Experience. Speakers Hugh Prichard, Paul Kamon, and Eagle Walz brought the audience along with them as they toured the Sunshine Coast Trail, exploring the different infrastructure along the way and looking at the communities that the trail runs through.



22%

OF HCBC MEMBERS LIVE IN ZONE 6. THAT IS CURRENTLY THE LARGEST ZONE!



24,608

HORSE COUNCIL BC MEMBERS IN 2015
(THAT'S THE MOST EVER!)



+ \$60,000

IS HOW MUCH HCBC GAVE AWAY IN GRANTS & FUNDING IN 2015

181

HCBC PROVINCIALY SANCTIONED COMPETITIONS

109

RIDER EXAMS WERE PROCESSED IN 2015.

91 ENGLISH
18 WESTERN



HCBC CLUBS IN 2015



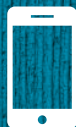
HCBC BUSINESSES IN 2015



HCBC AFFILIATES IN 2015

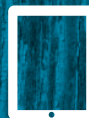
7,591

AVERAGE VISITS TO THE WWW.HCBC.CA WEBSITE PER MONTH



1,163

"FOLLOWERS" ON TWITTER



11,426 "LIKES" ON FACEBOOK

% OF EC CERTIFIED COACHES THAT TEACH ENGLISH RIDING IN BC

77%

% OF EC CERTIFIED COACHES THAT TEACH WESTERN RIDING IN BC

13%

TOTAL NUMBER OF EC CERTIFIED COACHES IN BC

316



31%

OF HCBC'S MEMBERSHIP IS 17 YEARS OF AGE & UNDER



77%

OF HCBC'S MEMBERSHIP IS FEMALE



HORSE DAY

171 VOLUNTEERS
48 HORSES
3 PERFORMANCES



139

TOTAL NUMBER OF HORSE COUNCIL BC OFFICIALS.

12

NEW OFFICIALS WERE ADDED IN 2015.

HERITAGE CHAMPIONSHIPS

117 COMPETITORS IN 8 DISCIPLINES OVER 3 DAYS OF COMPETITION

Horse Council of British Columbia
Financial Statements
Year Ended December 31, 2015

Horse Council of British Columbia

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Year Ended December 31, 2015

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Schedule of General Revenue and Expenses (<i>Schedule 1</i>)	12
Schedule of Reallocated Expenses (<i>Schedule 2</i>)	13



WEBSTER & ASSOCIATES*

Chartered Professional Accountants

300 - 2955 Gladwin Road, Abbotsford, B.C. V2T 5T4
Tel & Fax: (604) 853-6122 Toll Free: (844) 345-1898

INDEPENDENT AUDITOR'S REPORT

To the Members of Horse Council of British Columbia

We have audited the accompanying financial statements of Horse Council of British Columbia, which comprise the statement of financial position as at December 31, 2015 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.

Auditor's Responsibility

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 comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

(continues)

*Denotes professional corporation.

Independent Auditor's Report to the Members of Horse Council of British Columbia *(continued)*

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Horse Council of British Columbia as at December 31, 2015 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. As required by the Society Act, British Columbia, we report that, in our opinion, these principles have been applied on a basis consistent with that of the preceding year.

Abbotsford, British Columbia
March 17, 2016

Webster & Associates

CHARTERED PROFESSIONAL ACCOUNTANTS

Horse Council of British Columbia

Statement of Financial Position

December 31, 2015

	2015	2014
Assets		
Current		
Cash	\$ 359,833	\$ 338,788
Term deposit (Note 3)	455,101	441,632
Accounts receivable (Note 4)	770	3,245
Inventory	30,450	21,680
Prepaid expenses	3,518	8,057
	<u>849,672</u>	<u>813,402</u>
Tangible capital assets (Note 5)	<u>1,457,044</u>	<u>1,424,094</u>
	<u>\$ 2,306,716</u>	<u>\$ 2,237,496</u>
Liabilities		
Current		
Accounts payable and accrued liabilities (Note 6)	\$ 139,947	\$ 129,155
Goods and services tax payable	9,907	12,981
Zone liability (Note 7)	16,143	38,290
Deferred revenue and restricted amounts (Note 8)	413,370	413,200
Current portion of long term debt (Note 9)	31,377	29,330
	<u>610,744</u>	<u>622,956</u>
Long term debt (Note 9)	<u>413,024</u>	<u>464,568</u>
	<u>1,023,768</u>	<u>1,087,524</u>
Net Assets		
Unrestricted	270,305	219,776
Equity in capital assets	<u>1,012,643</u>	<u>930,196</u>
	<u>1,282,948</u>	<u>1,149,972</u>
	<u>\$ 2,306,716</u>	<u>\$ 2,237,496</u>

Commitments (Note 10)

On behalf of the Board

Director

Director

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

Horse Council of British Columbia

Statement of Operations

Year Ended December 31, 2015

	Budget (Unaudited) 2015	2015	2014
Revenue			
Building	\$ 106,562	\$ 56,459	\$ 55,108
Coaching	30,500	17,217	20,826
Competition	62,000	60,978	65,927
General(Schedule 1)	1,533,958	1,571,201	1,336,050
Industry	29,500	22,097	28,782
Marketing	9,000	11,400	8,746
Recreation	3,500	3,305	1,885
Sales	39,500	38,278	34,965
	<u>1,814,520</u>	<u>1,780,935</u>	<u>1,552,289</u>
Expenses			
Administration	263,804	262,784	275,960
Board of directors	43,150	28,942	36,276
Building operating	74,000	66,401	95,711
Coaching	45,250	24,703	18,633
Competition	68,000	54,563	78,615
Cost of sales	23,000	16,827	30,711
General(Schedule 1)	483,844	479,162	471,249
Industry	66,000	44,043	48,412
Marketing	81,530	66,834	42,877
Recreation	59,328	58,366	21,386
Staff costs	556,046	545,335	502,789
	<u>1,763,952</u>	<u>1,647,960</u>	<u>1,622,619</u>
Excess (deficiency) of revenue over expenses	<u>\$ 50,568</u>	<u>\$ 132,975</u>	<u>\$ (70,330)</u>

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

Horse Council of British Columbia

Statement of Changes in Net Assets

Year Ended December 31, 2015

	<i>Unrestricted</i>	<i>Equity in Capital Assets</i>	2015	2014
Net assets, beginning of year	\$ 219,778	\$ 930,195	\$ 1,149,973	\$ 1,220,302
Excess of revenue over expenses	175,281	(42,306)	132,975	(70,330)
Purchase of tangible capital assets	(75,257)	75,257	-	-
Repayment of long term debt	(49,497)	49,497	-	-
Net assets, end of year	\$ 270,305	\$ 1,012,643	\$ 1,282,948	\$ 1,149,972

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

Horse Council of British Columbia

Statement of Cash Flows

Year Ended December 31, 2015

	2015	2014
Operating activities		
Excess (deficiency) of revenue over expenses	\$ 132,975	\$ (70,330)
Items not affecting cash:		
Loss on disposal of tangible capital assets	42,306	36,949
	-	4,079
	<u>175,281</u>	<u>(29,302)</u>
Changes in non-cash working capital:		
Accounts receivable	2,475	(1,748)
Inventory	(8,770)	(2,409)
Prepaid expenses	4,539	(1,257)
Accounts payable and accrued liabilities	10,794	11,461
Goods and services tax payable	(3,074)	5,096
Zone liability	(22,147)	3,088
Deferred revenue and restricted amounts	170	(922)
	<u>(16,013)</u>	<u>13,309</u>
Cash flow from (used by) operating activities	<u>159,268</u>	<u>(15,993)</u>
Investing activity		
Purchase of tangible capital assets	<u>(75,257)</u>	<u>(20,100)</u>
Cash flow used by investing activity	<u>(75,257)</u>	<u>(20,100)</u>
Financing activity		
Repayment of long term debt	<u>(49,497)</u>	<u>(161,402)</u>
Increase (decrease) in cash flow	34,514	(197,495)
Cash, beginning of year	780,420	977,915
Cash, end of year	\$ 814,934	\$ 780,420
Cash consists of:		
Cash	\$ 359,833	\$ 338,788
Term deposit	455,101	441,632
	<u>\$ 814,934</u>	<u>\$ 780,420</u>

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

Horse Council of British Columbia

Notes to Financial Statements

Year Ended December 31, 2015

1. Description of operations

The Society provides programs and financial support to various equestrian groups, societies in the province of British Columbia and its members. The Society is incorporated under the Society Act of British Columbia. The Society is exempt from income taxes under paragraph 149(l) of the Income Tax Act, Canada.

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).

The Society records its revenue and expenses on a functional basis. Accordingly, expenses are allocated to various reporting categories based on logical functional relationships. Because of this allocation, the Society has prepared an additional schedule (Schedule 2) that reallocates the expenses by major expense category rather than function.

Revenue recognition

The Society follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue of the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or when receivable, if the amount to be received can be reasonably estimated and collection is reasonably assured.

Inventory

Inventory is valued at the lower of cost and net realizable value.

Tangible capital assets

Tangible capital assets are stated at cost less accumulated amortization. Tangible capital assets are amortized over their estimated useful lives at the following rates and methods:

Building	4%	declining balance method
Automotive	30%	declining balance method
Computer equipment	30%	declining balance method
Computer software	25%	straight-line method
Furniture and fixtures	20%	declining balance method

Measurement uncertainty

The preparation of financial statements in conformity with Canadian generally accepted accounting principles 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 include providing for amortization of capital assets, estimating the deferred portion of revenue received and estimating the unexpended portion of restricted revenue. Actual results could differ from these estimates.

Horse Council of British Columbia

Notes to Financial Statements

Year Ended December 31, 2015

3. Term deposit

	2015	2014
Issued October 7, 2015, interest starts at 0.70% for the first 18 months and then increases to 3% for the remaining 18 months, maturing October 7, 2018	\$ 455,101	\$ 441,632

4. Accounts receivable

	2015	2014
Accrued interest	\$ 742	\$ 3,137
Other	28	108
	\$ 770	\$ 3,245

5. Tangible capital assets

	Cost	Accumulated amortization	2015 Net book value	2014 Net book value
Land	\$ 722,422	\$ -	\$ 722,422	\$ 722,422
Building	774,409	85,615	688,794	669,044
Automotive	6,782	2,035	4,747	-
Computer equipment	20,100	12,842	7,258	5,081
Computer software	11,353	11,283	70	93
Furniture and fixtures	55,209	21,456	33,753	27,454
	\$ 1,590,275	\$ 133,231	\$ 1,457,044	\$ 1,424,094

6. Accounts payable and accrued liabilities

	2015	2014
Trade accounts payable	\$ 99,839	\$ 87,880
Media partners liability	4,651	2,975
Payroll and employee benefits	35,457	38,300
	\$ 139,947	\$ 129,155

7. Zone liability

Zone liability is an accumulation of funds that is used for zone functions or programs at the discretion of the zone executive. The board has mandated that, after December 31st of each year, zone accounts over \$ 1,500 will be reallocated to grant funding programs for the following year.

Horse Council of British Columbia

Notes to Financial Statements

Year Ended December 31, 2015

8. Deferred revenue and restricted amounts

	2015	2014
BC Trails Funds	\$ 13,317	\$ 1,456
Equine Foundation	11,791	-
Rental deposit	2,271	2,271
Sport funding	-	13,801
Unearned membership fees	385,991	395,672
	<u>\$ 413,370</u>	<u>\$ 413,200</u>

9. Long term debt

	2015	2014
Envision Credit Union loan bearing interest at 4.06% per annum, repayable in monthly blended payments of \$4,070. The loan matures on April 26, 2018 and is secured by first mortgage over land and building.	\$ 444,401	\$ 493,898
Amounts payable within one year	(31,377)	(29,330)
	<u>\$ 413,024</u>	<u>\$ 464,568</u>

Principal repayment terms are approximately:

2016	\$ 31,377
2017	32,675
2018	380,349
	<u>\$ 444,401</u>

In early 2016, a payment of \$47,000 was made as allowed under the mortgage as a lump sum principal repayment.

The carrying amount of the secured land and buildings as of December 31, 2015 was \$ 1,411,216.

10. Commitments

The Society, as of December 31, 2015, was committed to two equipment leases (photocopier and mail machine). The mail machine and photocopier leases extend to 2018 and 2020 respectively.

The Society is committed to annual lease payments as follows:

2016	\$ 8,728
2017	8,728
2018	6,358
2019	3,988
2020	3,988
	<u>\$ 31,790</u>

Horse Council of British Columbia

Notes to Financial Statements

Year Ended December 31, 2015

11. Related party transactions

The Society has a relationship with and a number of transactions annually with Equine Canada, which is the federal governing body for equestrian sport. In addition, one of the Society's directors is also a director of Equine Canada. The Society made expenditures of \$ 1,908 (\$ 100 - 2014) to and had revenue of \$ 4,565 (\$ 2,941 - 2014) from Equine Canada. In addition, the Society sets aside a levy of 10% of membership fees received. In 2015, this levy totalled \$ 100,744 (\$ 93,669 - 2014). As at December 31, 2015, there was \$ 1,614 (\$ 1,408 - 2014) owing to Equine Canada. Transactions are recorded at the exchange amount which approximates fair market value.

In addition, there are five (two - 2014) directors of the Society that have received consideration for subcontract services provided to the Society. During the year, the Society paid the directors \$ 2,918 (\$ 1,450 - 2014). Transactions are recorded at the exchange amount which approximates fair market value.

12. Non-monetary transaction

The Society has media contracts with six member commercial entities. In exchange for providing the businesses with a subscription service on its website, the Society receives free advertising in the members' publications. The Society has estimated that the value of that advertising for 2015 was approximately \$ 57,635 (\$ 54,207 - 2014).

This non-monetary transaction meets one of the exceptions for fair market measurement in that it is an exchange of a service for a service in the same line of business to facilitate sales to customers other than the parties to the exchange. Accordingly, this transaction is measured at its carrying amount (i.e. the cost of the service given up), which is nil.

13. Financial instruments

The Society is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the Society's risk exposure and concentration as of December 31, 2015.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Society is exposed to this risk mainly in respect of its receipt of funds from its members and customers and other related sources, long-term debt, and accounts payable.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency rate risk, interest rate risk and other price risk. Of these three risks, the Society is only exposed to interest rate risk.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the Society manages exposure through its normal operating and financing activities. The Society is not overly exposed to interest rate risk as its main source of financing (i.e. long term debt) has a fixed rate of interest.

Horse Council of British Columbia

Notes to Financial Statements

Year Ended December 31, 2015

14. Comparative figures

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

Horse Council of British Columbia

Schedule of General Revenue and Expenses

(Schedule 1)

Year Ended December 31, 2015

	2015	2014
General revenue		
Cost recovery	\$ 193	\$ 1,580
Best Ever Revenue	2,870	-
Administrative fees	3,819	2,695
Interest revenue	11,416	11,403
National Sport Trust	13,094	-
Animal Relief Revenue	3,209	-
Miscellaneous revenue	18,050	14,462
Gaming	55,834	-
Equine Canada levy	99,708	93,296
Members optional insurance	136,820	129,885
Sport funding	204,795	122,877
Memberships	1,021,393	959,852
	\$ 1,571,201	\$ 1,336,050
General expenses		
Animal Relief Expenses	\$ 5,907	\$ -
Athlete support	17,836	17,835
Best Ever	2,870	-
Club grants	25,401	48,121
Equine Canada levy	99,336	93,669
Equine Canada membership fee	100	100
Improving Performance Expense	6,312	-
Members insurance	172,643	166,485
Members optional insurance	106,520	116,715
National Sport Trust	13,094	-
Scholarships	5,000	5,000
Travel support	1,300	1,300
Zone support	22,843	22,024
	\$ 479,162	\$ 471,249

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

Horse Council of British Columbia

Schedule of Reallocated Expenses

(Schedule 2)

Year Ended December 31, 2015

	2015	2014
Expenses by Expense Category		
Advertising and promotion	\$ 61,592	\$ 40,189
Contract payments	35,535	32,126
Credit card processing charges	39,690	41,934
Equipment rental	47,680	48,336
Insurance	397,486	393,575
Interest and bank charges	294	350
Interest on long term debt	19,316	21,348
Inventory purchases	15,750	30,711
Meetings	11,499	17,374
Memberships and dues	5,102	15,553
Office and miscellaneous	65,593	67,915
Professional fees	15,225	12,750
Program supplies	178,977	165,609
Property taxes	24,003	21,427
Repairs and maintenance	6,657	40,143
Salaries and benefits	535,969	495,660
Support and grants	100,564	94,280
Telephone	10,326	10,261
Travel	34,396	32,050
<i>Subtotal</i>	1,605,654	1,581,591
Amortization of tangible capital assets	42,306	36,949
Loss on disposal of tangible capital assets	-	4,079
Total Expenses	\$ 1,647,960	\$ 1,622,619

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

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