

**CRESTON AND DISTRICT HISTORICAL AND MUSEUM SOCIETY**

Financial Statements

December 31, 2023



**CRESTON AND DISTRICT HISTORICAL AND MUSEUM SOCIETY**  
FINANCIAL STATEMENTS  
**December 31, 2023**

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# Rita Patstone Professional Corp.

## INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Members of  
Creston and District Historical and Museum Society

We have reviewed the accompanying financial statements of the Creston and District Historical and Museum Society which comprise the statement of financial position as at December 31, 2023 and the statements of operations, changes in net assets and changes in financial position 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.

### *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 as at, December 31, 2023 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for Not-for-Profit Organizations.

April 2, 2024  
Creston, British Columbia

Rita Patstone Professional Corp.  
CHARTERED PROFESSIONAL ACCOUNTANTS

# CRESTON AND DISTRICT HISTORICAL AND MUSEUM SOCIETY

## STATEMENT 1

### STATEMENT OF FINANCIAL POSITION

December 31, 2023

	2023	2022
<b>ASSETS</b>		
Current:		
Cash	\$ 22,437	\$ 26,196
Short term investments	351,800	364,189
Goods and services tax	3,274	577
Grants receivable	-	636
Accrued interest	3,631	1,952
Payroll remittances receivable	7,670	-
Inventory	4,855	4,763
Prepaid expenses	2,132	1,343
	<hr/>	<hr/>
	395,799	399,656
Long-term:		
CDCU Membership Shares	30	60
Restricted funds - note 4	16	71,761
Tangible capital assets - note 5	908,006	944,502
Collections and artifacts	1	1
	<hr/>	<hr/>
	908,053	1,016,324
	<hr/>	<hr/>
	<b>\$ 1,303,852</b>	<b>\$ 1,415,980</b>

### LIABILITIES AND NET ASSETS

Current:		
Accounts payable and accrued liabilities	\$ 8,146	\$ 8,316
Deferred revenue	125,621	123,156
Current portion of long-term debt	30,000	30,000
	<hr/>	<hr/>
	163,767	161,472
Net Assets	-	-
Invested in capital assets	908,007	944,502
Internally restricted - Building Fund	16	71,751
Operating fund	232,063	238,231
Externally Restricted - Gaming Fund	-	24
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	1,140,085	1,254,508
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	<b>\$ 1,303,852</b>	<b>\$ 1,415,980</b>

Approved on behalf of the Board

\_\_\_\_\_ Director

\_\_\_\_\_ Director

\_\_\_\_\_ Date

\_\_\_\_\_ Date

The accompanying notes are an integral part of these financial statements

# CRESTON AND DISTRICT HISTORICAL AND MUSEUM SOCIETY

## STATEMENT 2

### STATEMENT OF OPERATIONS

Year Ended December 31, 2023

	2023	2022
<b>Revenue</b>		
Collections Revenues	\$ 1,473	\$ 884
Exhibits revenue	4,779	6,567
Donations	6,828	3,218
Gift shop	2,029	2,763
Interest income	9,345	3,125
Operating grants - note 6	207,432	194,085
Other grants	3,564	35,387
Project revenues	145	93,864
Programs revenue	2,772	1,526
Rental revenues	2,282	5,094
Memberships	4,215	536
	<u>244,864</u>	<u>347,049</u>
<b>Expenses</b>		
Advertising and promotion	2,726	1,911
Displays, events and promotions	3,932	550
Gift shop expenses	1,353	2,901
Occupancy costs	30,680	28,608
Licences, memberships and dues	490	633
Office	6,692	2,113
Programs	5,864	9,996
Professional fees	23,132	6,484
Exhibits, collections, projects	90,037	55,035
Education and training	1,748	3,303
Wages and benefits	155,498	137,171
	<u>322,152</u>	<u>248,705</u>
<b>Excess of revenue over expenditures (expenditures over revenue)</b>	<u>(77,288)</u>	<u>98,344</u>
<b>Other income (expense)</b>		
Gaming Fund	-	(65)
Capital Asset Fund	(36,496)	(38,378)
Total other expenses	<u>(36,496)</u>	<u>(38,443)</u>
<b>Excess of revenue over expenditures (expenditures over revenue)</b>	<u>\$ (113,784)</u>	<u>\$ 59,901</u>

The accompanying notes are an integral part of these financial statements

# CRESTON AND DISTRICT HISTORICAL AND MUSEUM SOCIETY

## STATEMENT 3

### STATEMENT OF CHANGES IN NET ASSETS

Year Ended December 31, 2023

	<b>2023</b>	<b>2022</b>
<b>Net Assets, beginning of year</b>	\$ 1,254,508	\$ 1,194,608
<b>Invested in tangible capital assets beginning balance</b>	944,502	982,880
Amortization of capital assets	(36,496)	(38,378)
<b>Invested in capital assets - ending balance</b>	908,006	944,502
<b>Operating fund - beginning balance</b>	\$ 238,230	\$ 172,087
Transfer from (to) building fund	71,650	(32,200)
Transfer to tangible capital assets	36,496	38,378
transfer (to) from gaming fund	32	72
Gaming fund patronage dividends	(9)	(7)
Bank fees - building reserve fund	85	-
Prior year adj	(637)	-
Net Income (Loss) for the Year	(113,784)	59,901
<b>Operating fund - ending balance</b>	232,063	238,231
<b>Building fund - beginning balance</b>	71,751	39,551
Transfer from (to) operating fund	(71,650)	32,200
Building fund bank fees	(85)	-
<b>Building fund - ending balance</b>	16	71,751
<b>Gaming fund - beginning balance</b>	23	89
Gaming fund patronage dividends	9	7
Gaming fund bank charges	(52)	(72)
Gaming fund - transfer to operating fund	20	-
<b>Gaming fund - ending balance</b>	-	24
<b>Net assets, end of year</b>	<b>\$ 1,140,085</b>	<b>\$ 1,254,508</b>

The accompanying notes are an integral part of these financial statements

# CRESTON AND DISTRICT HISTORICAL AND MUSEUM SOCIETY

## STATEMENT 4

### STATEMENT OF CASH FLOWS

Year Ended December 31, 2023

	2023	2022
<b>Cash flows from (for) operating activities:</b>		
Excess of Revenue over Expenditures (Expenditures over Revenue) for the year	\$ (113,784)	\$ 59,901
Item not requiring an outlay of funds		
Amortization of tangible assets	36,496	38,378
	(77,288)	98,279
Changes in non-cash working capital		
Decrease (increase) in accounts receivable	(10,977)	1,554
Decrease (increase) in inventory	(92)	(174)
Decrease (increase) in grants receivable	636	780
Decrease (increase) in accrued interest	(1,679)	(1,323)
Decrease (increase) in prepaid expenses	(787)	(54)
Increase (decrease) in accounts payable and accrued liabilities	(170)	1,646
Increase (decrease) in deferred revenue	2,463	2,415
	(87,894)	103,123
<b>Increase (decrease) in cash</b>	(87,894)	103,123
<b>Cash, beginning of year</b>	462,147	359,024
<b>Cash, end of year</b>	<b>\$ 374,253</b>	<b>\$ 462,147</b>
<b>Cash is defined as</b>		
Cash	\$ 22,437	\$ 26,196
Restricted funds	16	71,762
Short term investments	351,800	364,189
	<b>\$ 374,253</b>	<b>\$ 462,147</b>

The accompanying notes are an integral part of these financial statements

# CRESTON AND DISTRICT HISTORICAL AND MUSEUM SOCIETY

## NOTES TO THE FINANCIAL STATEMENTS

Year Ended December 31, 2023

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### 1. STATUS AND PURPOSE OF THE ORGANIZATION

Creston and District Historical and Museum Society is the primary caretaker of the human history of the area surrounding Creston, British Columbia. In that capacity, it collects and preserves physical evidence of that history, and uses its collections to present that history to the public. The Organization is incorporated under the British Columbia Society's Act as a not-for-profit organization and is exempt from income tax as a registered charity under the Income Tax Act.

### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Organization have been prepared in accordance with Canadian accounting standards for not-for-profit organizations in part III of the CPA Canada Handbook and include the following significant accounting policies:

#### (a) Fund Accounting

The Society follows the restricted fund method of accounting. The society administers funds for a number of different purposes. Each fund's receipts and expenditures are specifically allocated to that particular fund

The Operating Fund accounts for the Society's program delivery and administrative activities. This fund reports unrestricted resources and operating grants.

The Capital Asset Fund reports the ownership and equity related to the Society's tangible capital assets.

The Building Fund reports internally restricted funds, held by the society for tangible capital approved projects.

The Gaming Fund reported externally restricted fund from gaming grants and funding through gaming events. This fund was closed in 2023.

#### b Cash and Cash equivalents

Cash equivalents are comprised of highly liquid investments with maturities of one year or less from the date of acquisition.

#### c 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, and the reported amounts of revenue and expenses. The main estimates include, estimated useful lives of tangible capital assets, impairment of tangible capital assets and accrued liabilities.

#### d Revenue recognition

The Organization recognizes collections revenues, exhibit revenues, gift shop revenues, programs revenue and rental revenue in the period in which the services are provided.

The Organization recognizes a project revenue, in the period in which the revenues are received.

The organization recognized interest income in the period in which the interest is earned.

The society recognizes funds from grants in the period that they are earned.



# CRESTON AND DISTRICT HISTORICAL AND MUSEUM SOCIETY

## NOTES TO THE FINANCIAL STATEMENTS

Year Ended December 31, 2023

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Pledges are not recognized until collected, as the Organization cannot make a reasonable estimate of the amount that will be collected and collection is not reasonably assured.

**e Valuation of inventory**

Inventory consists of small souvenirs promoting Creston, Creston Valley and the Kootenay region of the province of British Columbia, books, local products, small snacks and beverages. Inventories are valued at the lower of cost and net realizable value. Cost of inventory items is assigned by using the first-in, first-out formula.

**f Contributed services**

In its day-to-day operations the organization uses the services of many volunteers. Because of the difficulty of determining the fair value, contributed services are not recognized in the financial statements.

The Organization recognizes contributions of materials and services only when a fair value can be reasonably estimated and when the materials and services are used in the normal course of the Organization's operations and would otherwise have been purchased.

**g Tangible capital assets**

Tangible capital assets are recorded at cost. Amortization is provided annually at rates and methods over their estimated useful lives as follows. Estimates of useful lives of the assets are reviewed every year and adjusted on a prospective basis, if needed.

Building	5%	declining balance
Equipment	20%	declining balance
Paving	8%	declining balance

Impairment of Tangible capital assets is reviewed whenever events or changes in the circumstances indicate that the carrying value may not be recoverable. If the total of the estimated undiscounted future cash flows is less than the carrying value of the asset, an impairment loss is recognized for the excess of the carrying value over the fair value of the asset during the year the impairment occurs.

**h Collections and Artifacts**

Collections and artifacts are recorded at a nominal value due to the practical difficulties of determining a meaningful value for these assets. Additions to the collections are made by donations and are not recorded during the year.

The collections and artifacts of the museum comprise a wide range material that reflect all aspects of the local story, past and present. The collections reflect the inhabitants of the Creston Valley in all their diversity, including all cultural groups. The collections are relevant to the Creston Valley and have been continually acquired since the institution's foundation in 1971 when the Historical Society was established.

There were no significant changes to the Museum's collections and artifacts during the year.

# CRESTON AND DISTRICT HISTORICAL AND MUSEUM SOCIETY

## NOTES TO THE FINANCIAL STATEMENTS

Year Ended December 31, 2023

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### 3 FINANCIAL INSTRUMENTS RISK

The Society initially measures its financial assets and liabilities at fair value except where otherwise indicated. They are subsequently measured at amortized cost. Changes in fair value are recognized in income.

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates

The Organization is exposed to interest rate risk with respect to the following financial instruments:

Interest bearing investments

Liquidity risk is the risk that the Organization will encounter difficulty in meeting its obligations associated with financial liabilities.

The Organization is exposed to liquidity risk in meeting its obligations associated with financial liabilities, which is dependent on receipt of funds from contributors and continued support by financial institutions providing sufficient operating lending facilities.

# CRESTON AND DISTRICT HISTORICAL AND MUSEUM SOCIETY

## NOTES TO THE FINANCIAL STATEMENTS

Year Ended December 31, 2023

### 4 RESTRICTED CASH

Restricted cash comprises the following amounts internally and externally restricted

	2023	2022
Building fund - internally restricted	\$ 16	\$ 71,738
Gaming fund - externally restricted	-	24
	\$ 16	\$ 71,762

### 5. TANGIBLE CAPITAL ASSETS

			2023	2022	
	Rate	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Land		\$ 53,207	\$ -	\$ 53,207	\$ 53,207
Buildings	4%	1,166,113	322,472	843,641	878,220
Computer equipment	55%	2,514	2,481	33	74
Equipment	20%	15,906	13,237	2,669	3,336
Office equipment	20%	15,859	12,946	2,913	3,641
Parking lot	8%	10,799	5,257	5,542	6,024
		\$ 1,264,398	\$ 356,393	\$ 908,005	\$ 944,502

### 6. Grant Revenue

	2023	2022
BC Arts Council Grant	\$ 53,915	\$ 44,000
RDCK Tax Amount Revenue	123,156	120,741
Staffing Grants	30,361	29,344
	\$ 207,432	\$ 194,085

### 7 Extraordinary Expenses

During the year the board approved extraordinary expenses and fees to address the dismissal of an employee and to verify the validity of the museum membership application process.