

**CRESTON AND DISTRICT HISTORICAL AND MUSEUM SOCIETY**

Financial Statements

December 31, 2022



**CRESTON AND DISTRICT HISTORICAL AND MUSEUM SOCIETY**  
**FINANCIAL STATEMENTS**  
**December 31, 2022**

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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, 2022 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, 2022 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 12, 2023  
Creston, British Columbia

Rita Patstone Professional Corp.  
CHARTERED PROFESSIONAL ACCOUNTANTS

# CRESTON AND DISTRICT HISTORICAL AND MUSEUM SOCIETY

## STATEMENT 1

### STATEMENT OF FINANCIAL POSITION

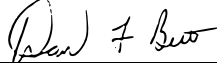
December 31, 2022

	2022	2021
<b>ASSETS</b>		
Current:		
Cash	\$ 26,196	\$ 70,003
Externally restricted - RDCK Operating Grant - note 3	364,189	249,382
Goods and services tax	577	2,131
Grants receivable	636	1,414
Accrued interest	1,952	629
Inventory	4,763	4,589
Prepaid expenses	1,343	1,289
	<hr/>	<hr/>
	399,656	329,437
Long-term:		
CDCU Membership Shares	60	60
Internally restricted building fund - note 3	71,738	39,554
Externally restricted - Gaming fund - note 3	24	88
Tangible capital assets - note 4	944,502	982,881
	<hr/>	<hr/>
	1,016,324	1,022,583
	<hr/>	<hr/>
	<b>\$ 1,415,980</b>	<b>\$ 1,352,020</b>

### LIABILITIES AND NET ASSETS

Current:		
Accounts payable and accrued liabilities	\$ 8,316	\$ 6,670
Sales tax	1	1
Deferred revenue	123,156	120,741
Long-term debt due within one year	30,000	-
	<hr/>	<hr/>
	161,473	127,412
Long-term:		
Long-term debt - note 5	-	30,000
	<hr/>	<hr/>
	161,473	157,412
Net Assets	<hr/>	<hr/>
	1,254,507	1,194,608
	<hr/>	<hr/>
	<b>\$ 1,415,980</b>	<b>\$ 1,352,020</b>

Approved on behalf of the Board

 Director

\_\_\_\_\_  
Director

2023 04 12 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, 2022

	2022	2021
<b>Revenue</b>		
Collections Revenues	\$ 884	\$ 1,347
Exhibits revenue	6,567	2,700
Donations	3,218	5,761
Gift shop	2,763	2,802
Interest income	3,125	924
Operating grants - note 6	194,085	229,175
Other grants	35,387	-
Project revenues	93,864	3,520
Programs revenue	1,526	848
Rental revenues	5,094	4,350
Memberships	536	65
	<b>347,049</b>	<b>251,492</b>
<b>Expenses</b>		
Advertising and promotion	1,911	2,627
COVID response expenses	-	632
Displays, events and promotions	550	1,281
Gift shop expenses	2,901	1,537
Occupancy costs	28,608	27,909
Interest on long-term debt	-	305
Licences, memberships and dues	633	502
Office	2,113	5,256
Programs	9,996	4,778
Professional fees	6,484	5,182
Exhibits, collections, projects	55,035	14,212
Publications and subscriptions	-	845
Education and training	3,303	1,277
Wages and benefits	137,171	108,757
	<b>248,705</b>	<b>175,100</b>
<b>Operating fund excess of revenue over expenditures</b>	<b>98,344</b>	<b>76,392</b>
<b>Other income (expense)</b>		
Gaming Fund	(65)	(72)
Building Fund	-	5,513
Capital Asset Fund	(38,378)	(40,472)
Total other expenses	(38,443)	(35,031)
<b>Excess of revenue over expenditures</b>	<b>\$ 59,901</b>	<b>\$ 41,361</b>

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, 2022

	<b>2022</b>	<b>2021</b>
<b>Net Assets, beginning of year</b>	\$ 1,194,608	\$ 1,153,249
<b>Invested in tangible capital assets beginning balance</b>	982,880	1,023,353
Amortization of capital assets	(38,378)	(40,472)
<b>Invested in capital assets - ending balance</b>	944,502	982,881
<b>Operating fund - beginning balance</b>	\$ 172,087	\$ 93,853
Transfer from (to) building fund	(32,200)	(5,500)
Transfer to tangible capital assets	38,378	40,472
transfer (to) from gaming fund	72	1,915
Mortgage principal repayment	-	-
Gaming fund patronage dividends	(7)	(13)
Bank fees - building reserve fund	-	-
<b>Operating fund - ending balance</b>	178,330	130,727
<b>Building fund - beginning balance</b>	39,551	34,038
Transfer from operating fund	32,200	-
Transfer to operating fund	-	5,500
Building fund bank fees	-	13
<b>Building fund - ending balance</b>	71,751	39,551
<b>Gaming fund - beginning balance</b>	88	2,003
Gaming fund patronage dividends	7	-
Gaming fund bank charges	(72)	(72)
Gaming fund - transfer to operating fund	-	(1,843)
<b>Gaming fund - ending balance</b>	23	88
<b>Net Income (Loss) for the Year</b>	59,901	41,361
<b>Net assets, end of year</b>	<b>\$ 1,254,507</b>	<b>\$ 1,194,608</b>

The accompanying notes are an integral part of these financial statements

# CRESTON AND DISTRICT HISTORICAL AND MUSEUM SOCIETY

## STATEMENT 4

### STATEMENT OF CHANGES IN FINANCIAL POSITION

Year Ended December 31, 2022

	2022	2021
<b>Cash flows from (for) operating activities:</b>		
Excess of Revenue over Expenditures for the year	\$ 59,901	\$ 41,361
Item not requiring an outlay of funds		
Amortization of tangible assets	38,378	40,472
	98,279	81,833
Changes in non-cash working capital		
Decrease (increase) in GST receivable	1,554	(1,113)
Decrease (increase) in inventory	(174)	(276)
Decrease (increase) in grants receivable	780	-
Decrease (increase) in accrued interest	(1,323)	(625)
Decrease (increase) in prepaid expenses	(54)	(152)
Increase (decrease) in accounts payable and accrued liabilities	1,646	(88)
Increase (decrease) in deferred revenue	2,415	2,367
	103,123	81,946
<b>Cash flows from (for) financing activities:</b>		
Repayment of long-term debt	-	(9,206)
<b>Increase in cash</b>	103,123	72,740
<b>Cash, beginning of year</b>	359,084	286,344
<b>Cash, end of year</b>	<b>\$ 462,207</b>	<b>\$ 359,084</b>
<b>Cash is defined as</b>		
Cash	\$ 26,196	\$ 70,003
Internally restricted building fund	71,738	39,551
CDCU Membership Shares	60	60
Externally restricted - RDCK Operating Grant	364,189	249,382
Externally restricted - Gaming fund	24	88
	<b>\$ 462,207</b>	<b>\$ 359,084</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, 2022

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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 restricted 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.

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**

Membership fees are recognized as contributions as they are non-refundable and do not relate directly to the services provided.

The Organization recognizes admission fees, archive services, catering, donations, gift shop sales, interest income and rental income as revenue in the period in which it the service is provided.

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.

The Organization uses the deferral method of accounting for contributions under which restricted contributions related to expenses of future periods are deferred and recognized as revenue in the period in which the related expenses are incurred. Endowment contributions are reported as direct increases in net assets. All other contributions are reported as revenue of the current period.

# CRESTON AND DISTRICT HISTORICAL AND MUSEUM SOCIETY

## NOTES TO THE FINANCIAL STATEMENTS

Year Ended December 31, 2022

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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.

**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, except in the year of acquisition when one half of the rate is used. 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 Property and equipment 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**

The Society's operations includes collecting artifacts and other collectible items for display. The value of these items has not been recorded due to the difficulty in assessing a value.

**(i) Financial instruments**

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

Bank indebtedness

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, 2022

### 3 RESTRICTED CASH

Restricted cash comprises the following amounts internally and externally restricted

	<b>2022</b>	<b>2021</b>
Building fund - internally restricted	\$ 71,738	\$ 39,551
Gaming fund - externally restricted	24	88
CEBA loan repayment - Internally restricted	30,000	-
	<b>\$ 101,762</b>	<b>\$ 39,639</b>

### 4. TANGIBLE CAPITAL ASSETS

				<b>2022</b>	<b>2021</b>
	Rate	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Land		\$ 53,207	\$ -	\$ 53,207	\$ 53,207
Buildings	4%	1,166,113	287,893	878,220	914,239
Computer equipment	55%	2,514	2,440	74	166
Equipment	20%	15,906	12,570	3,336	4,170
Office equipment	20%	15,859	12,218	3,641	4,551
Parking lot	8%	10,799	4,775	6,024	6,548
		<b>\$ 1,264,398</b>	<b>\$ 319,896</b>	<b>\$ 944,502</b>	<b>\$ 982,881</b>

# CRESTON AND DISTRICT HISTORICAL AND MUSEUM SOCIETY

## NOTES TO THE FINANCIAL STATEMENTS

Year Ended December 31, 2022

### 5 LONG TERM DEBT

	2022	2021
Less: amount included in current liabilities	\$ 30,000	\$ -
Canadian Emergency Business Account (CEBA). No interest applies before January 1, 2024. Beginning January 1, 2024 interest accrues on the balance at 5% per annum.	30,000	40,000
Amount included in income (forgivable portion)	-	(10,000)
	<b>\$ -</b>	<b>\$ 30,000</b>

Creston and District Historical and Museum Society is internally restricting \$1,000 per month for repayment of this loan. As of December 31, 2022, \$30,000 has been set aside for repayment of the Canadian Emergency Business Loan.

### 6. Grant Revenue

	2022	2021
BC Arts Council Grant	\$ 44,000	\$ 41,000
RDCK Grants	120,741	118,374
Other Grants (BC Gaming, Other Resiliences)	-	18,000
Staffing Grants	29,344	51,801
Project grants	93,864	3,520
MAP Reopening	35,387	-
	<b>\$ 323,336</b>	<b>\$ 232,695</b>

### 7 Logging Arch Restoration

The Logging Arch Restoration was completed in 2022 at a cost of \$39,416, with most of the funds for this project coming from donations and grants.

### 8 Research Curator - Early Career Development

Funded through BC Arts Council: \$30,000 was received to support the salary of an intern for a one-year position at the Museum to help develop their career in museums, arts, culture, heritage fields. Originally intended for Alyson, but BCAC approved hiring another eligible young professional.

# **CRESTON AND DISTRICT HISTORICAL AND MUSEUM SOCIETY**

## **NOTES TO THE FINANCIAL STATEMENTS**

Year Ended December 31, 2022

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### **9 Archives Shelving project**

In 2022 \$96,247 was internally restricted to replace the valut shelving with high-density mobile system.

### **10 Donations in Kind**

The Creston and District Historical and Museum Society received a donation in kind from Maurice Murphy in historic machinery with an appraised value of \$10,000, The Creston and District Historical and Museum Society also received a donation in kind from Model Railway Club of the materials associated with the model railroad which was already set up at the Creston Museum.