

**KOOTENAY-COLUMBIA DISCOVERY CENTRE SOCIETY
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

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INDEPENDENT PRACTITIONERS' REVIEW ENGAGEMENT REPORT

To the Members of:

Kootenay-Columbia Discovery Centre Society

We have reviewed the accompanying financial statements of Kootenay-Columbia Discovery Centre Society that comprise the statement of financial position as at December 31, 2023, and the statements of revenue and expenditure, 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.

Practitioners' 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 these financial statements do not present fairly, in all material respects, the financial position of Kootenay-Columbia Discovery Centre Society as at December 31, 2023, and the results of its operations, and changes in fund balances and cash flows for the year then ended in accordance with Canadian Accounting Standards for Not-for-Profit Organizations.

Apex Accounting

Chartered Professional Accountants

Creston, BC
May 6, 2024

KOOTENAY-COLUMBIA DISCOVERY CENTRE SOCIETY
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2023

| | 2023 | 2022 |
|--|-------------------|-------------------|
| ASSETS | | |
| Current | | |
| Cash and cash equivalents (Note 2) | \$ 107,199 | \$ 106,875 |
| Inventory | 2,850 | 3,233 |
| Prepaid expenses | 1,790 | 3,327 |
| | <u>111,839</u> | <u>113,435</u> |
| Tangible capital assets (Note 3) | <u>61,956</u> | <u>69,200</u> |
| | <u>\$ 173,795</u> | <u>\$ 182,635</u> |
| LIABILITIES AND NET ASSETS | | |
| Current | | |
| Accounts payable and accrued liabilities | \$ 7,026 | \$ 6,164 |
| Government remittances payable | 4,934 | 4,928 |
| Deferred revenue (Note 4) | 51,250 | 6,972 |
| | <u>63,210</u> | <u>18,064</u> |
| Long-term debt | - | 40,000 |
| Deferred contributions (Note 5) | <u>49,819</u> | <u>55,502</u> |
| | <u>113,029</u> | <u>113,566</u> |
| NET ASSETS | | |
| Invested in tangible capital assets | 12,139 | 13,699 |
| Unrestricted net assets | <u>48,627</u> | <u>55,370</u> |
| | <u>60,766</u> | <u>69,069</u> |
| | <u>\$ 173,795</u> | <u>\$ 182,635</u> |

See accompanying notes to the financial statements

On behalf of the Board: Philip Harvey Director

KOOTENAY-COLUMBIA DISCOVERY CENTRE SOCIETY
STATEMENT OF REVENUE AND EXPENDITURE
FOR THE YEAR ENDED DECEMBER 31, 2023

| | 2023 | 2022 |
|---|-------------------|--------------------|
| REVENUES | | |
| Grant revenue (Note 6) | \$ 146,266 | \$ 110,232 |
| Public programs | 19,957 | 18,698 |
| Donations | 4,363 | 14,671 |
| Gift shop | 1,554 | 1,285 |
| Other income | 705 | 352 |
| | <u>172,845</u> | <u>145,238</u> |
| EXPENDITURES | | |
| Accounting, legal, and consultation | 10,499 | 7,704 |
| Administration | 4,170 | 7,980 |
| Amortization | 9,542 | 10,466 |
| Bank charges and interest | 818 | 1,195 |
| Gift shop | 1,135 | 1,612 |
| Insurance | 6,151 | 4,365 |
| Management costs | 84,200 | 78,781 |
| Marketing and promotional | 7,576 | 5,540 |
| Programs | 1,569 | 2,295 |
| Seasonal staff costs | 43,063 | 35,487 |
| Trail and outdoor maintenance | 81 | 26 |
| Transitional building costs | 12,344 | 12,276 |
| | <u>181,148</u> | <u>167,727</u> |
| DEFICIENCY OF REVENUES OVER EXPENDITURES | \$ (8,303) | \$ (22,489) |

See accompanying notes to the financial statements

KOOTENAY-COLUMBIA DISCOVERY CENTRE SOCIETY
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2023

| | 2023 | | | 2022 |
|--|--|---------------------|--------------|--------------|
| | Invested in Tangible Capital Assets | Unrestricted | Total | Total |
| NET ASSETS , beginning of year | \$ 13,699 | \$ 55,370 | \$ 69,069 | \$ 91,558 |
| Deficiency of revenue over expenditure for the year | (1,560) | (6,743) | (8,303) | (22,489) |
| Purchase of equipment | 2,299 | (2,299) | - | - |
| Equipment purchased utilizing grant funding | (2,299) | 2,299 | - | - |
| NET ASSETS , end of year | \$ 12,139 | \$ 48,627 | \$ 60,766 | \$ 69,069 |

See accompanying notes to the financial statements

KOOTENAY-COLUMBIA DISCOVERY CENTRE SOCIETY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2023

| | 2023 | 2022 |
|--|-----------------------|-----------------------|
| CASH FLOW FROM OPERATING ACTIVITIES | | |
| Deficiency of revenues over expenditures | \$ (8,303) | \$ (22,489) |
| Amortization | 9,542 | 10,466 |
| Decrease in accounts receivable | - | 1,589 |
| Decrease (increase) in inventories | 383 | (479) |
| Decrease (increase) in prepaid expenses | 1,532 | (3,327) |
| Increase (decrease) in accounts payable | 868 | (1,508) |
| Increase in government remittances payable | 6 | 1,348 |
| Increase (decrease) in deferred revenue | 44,278 | (50,208) |
| Decrease in deferred contributions | (5,683) | (6,493) |
| | <u>42,623</u> | <u>(71,101)</u> |
| CASH FLOW FROM FINANCING ACTIVITIES | | |
| Decrease in long-term debt | <u>(40,000)</u> | - |
| CASH FLOW FROM INVESTING ACTIVITIES | | |
| Additions to tangible capital assets | <u>(2,299)</u> | <u>(1,313)</u> |
| INCREASE (DECREASE) IN CASH FOR THE YEAR | 324 | (72,414) |
| CASH AND CASH EQUIVALENTS, beginning of year | <u>106,875</u> | <u>179,289</u> |
| CASH AND CASH EQUIVALENTS, end of year (Note 2) | \$ 107,199 | \$ 106,875 |

See accompanying notes to the financial statements

KOOTENAY-COLUMBIA DISCOVERY CENTRE SOCIETY

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

1. SIGNIFICANT ACCOUNTING POLICIES

a) PURPOSE

The Kootenay-Columbia Discovery Centre Society (KCDCS) was established in 2015 in response to the impending 2017 closure of the Creston Valley Wildlife Management Area Interpretive Centre. The purpose of the KCDCS is to advance knowledge of, and foster appreciation for, the Columbia Basin including its history, Ktunaxa cultural ecology and wetland ecology, and to advance the science of practice of conserving the biological diversity of the Columbia Basin. The KCDCS will maintain and oversee the management of an ecotourism and educational facility to achieve its purpose. They were incorporated under the Society's Act on October 20, 2015 and received registered charity status on February 5, 2019. Their operations fall under this act, they are not taxable under the Federal Income Tax Act.

b) BASIS OF ACCOUNTING

These financial statements have been prepared in accordance with Canadian Accounting Standards for Not-for-Profit Organizations (ASNPO).

c) FUND ACCOUNTING

The KCDCS follows the deferral fund method of accounting.

The Operating Fund accounts for the Society's contributions, other revenue and expenditures related to the operations, administration and capital funding of the organization.

The Capital Fund reports the assets, liabilities, revenues and expenditures, relating to the organization's tangible capital assets.

d) CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash on hand, bank balances, managed fund with Creston Valley Community Foundation and GICs that are readily convertible to a known amount of cash and that are subject to an insignificant risk of change in value.

e) INVENTORIES

Inventories are valued at the lower of cost and net realizable value. Cost is determined on the first-in, first-out basis.

KOOTENAY-COLUMBIA DISCOVERY CENTRE SOCIETY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

f) TANGIBLE CAPITAL ASSETS

Tangible capital assets are recorded at historical cost. Amortization, based on the estimated useful life of the asset, is provided annually on a declining basis and is applied over a consistent basis as follows:

| | |
|--------------------|-----|
| Building | 10% |
| Canoes | 15% |
| Equipment | 20% |
| Computer equipment | 55% |

g) IMPAIRMENT OF LONG-LIVED ASSETS

The Society assesses long-lived assets for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. An impairment loss is recognized on a long-lived asset to be held and used when its carrying value exceeds the total undiscounted cash flows expected from its use and disposal. The amount of the loss is determined by deducting the assets fair value from its carrying amount.

h) DEFERRED REVENUE

Deferred revenue includes funds received for specific uses for which the related expenditures have not been incurred.

i) DEFERRED CONTRIBUTIONS

Contributions received or receivable for the purpose of acquiring or developing a depreciable capital asset for use in providing services shall be recognized as deferred capital contribution. These amounts are recognized as revenue at the same rate as the related capital asset is amortized.

j) REVENUE RECOGNITION

Grant funding is recognized in the year in which the related expenses are incurred. Program, donation and other funding is recognized when received.

k) MEASUREMENT UNCERTAINTY

These financial statements have been prepared in accordance with Canadian Accounting Standards for Not-for-Profit Organizations. In preparing these financial statements, management has made estimates and assumptions that affect the amount reported. In particular, management has made estimates regarding the collectibility of accounts receivable, valuation of inventory and the useful lives of equipment and therefore their appropriate amortization rates. Actual results could differ from those estimates.

KOOTENAY-COLUMBIA DISCOVERY CENTRE SOCIETY

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

l) 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 amount of assets and liabilities, the disclosure of contingent assets and liabilities at the balance sheet date and the reported amounts of revenues and expenses for the periods covered. The main estimates relate to accrued liabilities, deferred revenue, deferred contributions, inventory and the useful life of tangible capital assets.

m) FINANCIAL INSTRUMENTS

Measurement of financial instruments

The KCDCS initially measures its financial assets and financial liabilities at fair value. The Society subsequently measures all its financial assets and financial instruments at amortized costs.

Financial assets measured at amortized cost include cash and accounts receivable.

Financial liabilities measured at amortized cost include accounts payable, government remittance payables, deferred revenue, deferred contributions and long term debt.

Impairment

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in net income. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in net income.

2. CASH AND CASH EQUIVALENTS

| | 2023 | 2022 |
|--|-------------------|-------------------|
| Cash | \$ 82,199 | \$ 41,875 |
| Creston Valley Community Foundation managed fund | 20,000 | 60,000 |
| GIC | 5,000 | 5,000 |
| | <u>\$ 107,199</u> | <u>\$ 106,875</u> |

KOOTENAY-COLUMBIA DISCOVERY CENTRE SOCIETY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

3. TANGIBLE CAPITAL ASSETS

| | Cost | Accumulated Amortization | Net 2023 | Net 2022 |
|--------------------|-------------------|-------------------------------------|---------------------|---------------------|
| Building | \$ 72,634 | \$ 31,889 | \$ 40,745 | \$ 45,272 |
| Canoes | 16,684 | 9,837 | 6,847 | 8,056 |
| Equipment | 24,499 | 11,802 | 12,697 | 15,872 |
| Computer equipment | 5,476 | 3,809 | 1,667 | |
| | \$ 119,293 | \$ 57,337 | \$ 61,956 | \$ 69,200 |

4. DEFERRED REVENUE

| | 2023 | 2022 |
|------------------------------------|------------------|-----------------|
| BC Gaming | \$ 24,500 | \$ - |
| RBC Foundation | 10,000 | - |
| SM Blair Foundation | 10,000 | - |
| RDCK Community Initiatives Program | 6,750 | 6,972 |
| | \$ 51,250 | \$ 6,972 |

5. DEFERRED CONTRIBUTIONS

The KCDCS was awarded a Columbia Basin Trust Special Initiatives Grant to purchase a laptop computer. This deferred contribution will be recorded as income at the amortization rate of the assets.

| | 2023 | 2022 |
|---------------------------|------------------|------------------|
| Opening balance | \$ 55,502 | \$ 61,996 |
| Contributions received | | |
| Columbia Basin Trust | | |
| Special Initiatives grant | 2,299 | 1,313 |
| | 57,801 | 63,309 |
| Amortized to income | 7,982 | 7,807 |
| | \$ 49,819 | \$ 55,502 |

KOOTENAY-COLUMBIA DISCOVERY CENTRE SOCIETY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

6. GRANT REVENUE

| | 2023 | 2022 |
|--|-------------------|-------------------|
| Grant revenue was received from the following sources: | | |
| Creston Valley Wildlife Management Authority | \$ 24,743 | \$ 33,780 |
| BC Gaming | 24,500 | - |
| TC Energy | 20,000 | - |
| Columbia Basin Trust | | |
| Community Initiatives Grant | 9,959 | 12,436 |
| Special Initiatives Grant | 4,289 | 54,766 |
| Tech Grant | 719 | 930 |
| FortisBC | 10,256 | 320 |
| Gainey Foundation | 10,000 | - |
| RBC Foundation | 10,000 | - |
| Takla Foundation | 10,000 | - |
| Telus Friendly Future Foundation | 10,000 | - |
| Creston Valley Community Foundation | 5,000 | 8,000 |
| Y.P. Heung Foundation | 6,800 | - |
| | \$ 146,266 | \$ 110,232 |

7. FINANCIAL INSTRUMENTS

The KCDCS is exposed to various risks through its financial instruments. The following analysis provides a measure of the KCDCS's risk exposure and concentrations at the statement of financial position date, December 31, 2023.

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 risk, interest rate risk and other price risk. The Society is mainly exposed to interest rate risk.

Credit Risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The KCDCS's credit risk is primarily attributable to cash and receivables. Management manages cash default risk by dealing with only large financial institutions with good credit ratings.

Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The KCDCS is exposed to this risk mainly in respect of its accounts payable and deferred revenues.

KOOTENAY-COLUMBIA DISCOVERY CENTRE SOCIETY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

7. FINANCIAL INSTRUMENTS (CONTINUED)

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The KCDCS is exposed to interest rate risk on its fixed interest rate financial instruments. Fixed rate instruments subject the KCDCS to a fair value risk.

9 EMPLOYEE REMUNERATION

The KCDCS had one employee that was compensated over \$75,000 in the year.