

Jasper Yellowhead Historical Society

Financial Statements

December 31, 2015

(Unaudited)

Index

	Page
Review statement	1
Statement of financial position	2
Statement of operations	3
Statement of changes in fund balances	4
Statement of cash flow	5
Notes to the financial statements	6 – 11

Review Engagement Report

To the Board of Jasper Yellowhead Historical Society:

I have reviewed the statement of financial position of Jasper Yellowhead Historical Society as at December 31, 2015 and the statement of operations, statement of changes in fund balances, and cash flow for the year then ended. These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations.

The review was made in accordance with Canadian generally accepted standards for review engagements and, accordingly, consisted primarily of inquiry, analytical procedures and discussion related to information supplied by the enterprise.

A review does not constitute an audit and, consequently, I do not express an audit opinion on these financial statements.

Asset collections included in tangible capital assets could not be substantiated by management, and therefore I could not verify the plausibility of the existence and values of the asset collections.

Except for the effect of additional adjustments, if any, which we might have determined to be necessary had I been able to assess the plausibility of asset collections, as described in the preceding paragraph, nothing has come to my attention that causes us to believe that these financial statements are not, in all material respects, in accordance with Canadian accounting standards for not-for-profit organizations.

Jasper
April 19, 2016

Mark Schonken Professional Corporation
Chartered Accountant

Jasper Yellowhead Historical Society

Statement of financial position

As at December 31, 2015

(Unaudited)



	<i>Notes</i>	Total 2015	Total 2014
ASSETS			
Current assets		170,540	81,084
Cash		22,473	29,084
Accounts receivable		15,735	2,150
Inventory		24,896	26,799
Investments	5	107,436	18,040
Prepaid expenses		-	5,011
Non-current assets		1,940,815	2,051,093
Investments	5	65,645	150,497
Tangible capital assets	4	1,875,170	1,900,596
TOTAL ASSETS		<u>2,111,355</u>	<u>2,132,177</u>
LIABILITIES			
Current liabilities		22,435	8,648
Accounts payable and accruals		21,685	4,898
Deferred revenue	6	750	3,750
Fund balances		2,088,920	2,123,529
Unrestricted		(12,616)	7,675
Invested in capital assets	4	1,875,170	1,900,596
Internally restricted	7	136,425	136,425
Externally restricted	7	89,941	78,833
TOTAL LIABILITIES and FUNDS		<u>2,111,355</u>	<u>2,132,177</u>

Approved on behalf of the Board

....., Member

....., Member

See accompanying notes

Jasper Yellowhead Historical Society

Statement of operations

For the year ended December 31, 2015

(Unaudited)



	Notes	2015 \$	2014 \$
Revenue		247,510	257,930
Government grants	8	87,419	84,880
Donations and fundraising		62,444	79,761
Admissions		37,080	32,976
Memberships		7,315	8,230
Museum shop	3	35,523	35,771
Gallery commission		1,121	1,926
Archive, beverage, book and other revenue		8,181	7,830
Rental income		5,815	2,752
Investment income		2,612	3,804
Expenses		293,393	332,149
Advertising and promotion		8,732	5,881
Amortization		27,341	27,420
Fees, dues and memberships		884	764
Fundraising		10,817	14,428
Interest and bank charges		2,327	1,348
Insurance		5,011	8,553
Museum shop	3	21,132	24,764
Office expenses and supplies		7,148	8,500
Professional fees		4,725	1,140
Program and exhibit development		3,352	1,809
Repairs and maintenance		21,074	50,175
Staff volunteer and appreciation		1,115	2,195
Telephone and internet		4,478	4,831
Utilities		8,347	8,877
Wages and benefits		166,910	171,464
(Deficiency) of revenue over expenses		(45,883)	(74,219)

See accompanying notes

Jasper Yellowhead Historical Society

Statement of changes in fund balances

For the year ended December 31, 2015

(Unaudited)



<i>Notes</i>	Operating Fund \$	Internally Restricted Funds \$	Externally Restricted Funds \$	Capital Fund \$	Total \$
Balance, beginning of year	7,675	136,425	78,833	1,900,596	2,123,529
(Deficiency) of revenue over expenses	(45,883)	-	-	-	(45,883)
Annual amortization expense	27,341	-	-	(27,341)	-
Adjustment	166	-	-	-	166
Contribution received	-	-	11,108	-	11,108
Contribution to tangible capital assets	(1,915)	-	-	1,915	-
Balance, end of year	(12,616)	136,425	89,941	1,875,170	2,088,920

See accompanying notes

Jasper Yellowhead Historical Society

Cash flow statement

For the year ended December 31, 2015

(Unaudited)



	<i>Notes</i>	2015	2014
OPERATING ACTIVITIES			
(Deficiency) of revenue over expenses		(45,883)	(74,219)
<i>Non-cash items:</i>			
Amortization		27,341	27,420
Other adjustments		166	-
<i>Net change in non-cash working capital:</i>			
Accounts receivable		(13,585)	(400)
Inventory		1,903	111
Prepaid expenses		5,011	(5,011)
Deferred revenue		(3,000)	(22,759)
Accounts payable and accruals		16,787	4,384
Net cash provided by operating activities		(11,260)	(70,474)
INVESTING ACTIVITIES			
Acquisition of property, plant and equipment		(1,915)	(15,428)
Acquisition of investments		(4,544)	(3,525)
		(6,459)	(18,953)
FINANCING ACTIVITIES			
Contribution received		11,108	-
(DECREASE) IN CASH		(6,611)	(89,427)
Cash, beginning of year		29,084	118,511
CASH, END OF YEAR		22,473	29,084

See accompanying notes

Jasper Yellowhead Historical Society

Notes to the financial statements

For the year ended December 31, 2015

(Unaudited)

1. General

The Jasper Yellowhead Historical Society (the “Society”) operates the Jasper Yellowhead Museum and Archives and promotes an awareness and appreciation of the natural and cultural heritage of Jasper and surroundings.

The Society is incorporated under the Societies Act of Alberta as a not-for-profit organization and is a registered charity under the Income Tax Act and is exempt from income taxes.

2. Nature of operations

The mandate of the Society is to provide public service through a human history museum, a showcase gallery, a library and archives. Future operations of the Society are dependent on the ability of the Society to obtain sufficient funding.

3. Significant accounting policies and reporting practices

These financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations (“ASNFP”) and include the following significant accounting policies:

a) *Fund accounting*

The Society follows the restricted fund method of accounting for contributions. Loans and advances and revenue and expenses among the funds are recorded in each fund and are not eliminated in the fund totals in the accompanying financial statements.

i) *Unrestricted - Operating Fund*

The Operating Fund accounts for the Society’s operations including funding activities related to the provision of care and access to the collections.

ii) *Externally restricted*

The Society maintains other funds for which the Board has the restricted authority to manage the funds for specific purposes, which are the Brewster and Mountjoy Funds. Unrestricted investment income earned on these funds is reinvested or, at the Board’s discretion, allocated to the Operating Fund (Note 3 (b)(i)).

Included in investments are funds received from Frederick A. Brewster; to be devoted to the costs of obtaining books, records, documents, artifacts and other historical items concerning the history and the preservation of local history.

Included in investments are funds received from the estate of Eric Walter Mountjoy; to support research in earth sciences in Jasper Park and the preparation of outdoor displays of geology.

Jasper Yellowhead Historical Society

Notes to the financial statements

For the year ended December 31, 2015

(Unaudited)

3. Significant accounting policies and reporting practices (*continued*)

a) *Fund accounting (continued)*

iii) Internally restricted

The Society maintains other funds for which the Board has the unrestricted authority to manage. The Board has decided to manage these funds consistently with the restricted funds. Unrestricted investment income earned on these funds is reinvested or, at the Board's discretion, allocated to the Operating Fund (Note 3 (b)(i)). Each fund is described below:

- I. The Archives & Collection Fund. Expenditures from the fund's capital are internally restricted for the future purchase of collection items.
- II. The Museum Building Fund. Expenditures from the fund's capital are internally restricted for building related expenses.
- III. A separate casino fund was established as a requirement of the Alberta Gaming and Liquor Commission. Transfers from this fund are made to the Operating Fund when the designated projects are undertaken and related expenditures are incurred

b) *Revenue recognition*

i) Allocations to Operating Fund

Allocations of investment income from the Society's Restricted Funds in support of the Society's operations are recognized as revenue of the Operating Fund in the year in which the investment income is accrued.

In addition to the annual allocations, special allocations may be authorized by the Board to provide supplemental or specified operational support.

ii) Sales and services

Revenues from admissions, memberships, sponsorships, operating grants, merchandise and publication sales, fees for service, commission and facility rentals are recognized in the year when the service is provided and persuasive evidence of an arrangement exists, the sales amount is fixed or determinable and collection is reasonably assured.

iii) Contributions

Gifts and contributions are recognized as revenue in the Operating Fund in the year received or receivable if collection is reasonably assured. In-kind contributions, including works of art, artifacts, books and other tangible gifts to the Society's own collections, are not recognized in the financial statements.

iv) Donated services

Unpaid volunteers make significant contributions of their time in support of the Society's programs. The value of this contributed time is not included in these financial statements as an objective measurement of valuation is indeterminable.

Jasper Yellowhead Historical Society

Notes to the financial statements

For the year ended December 31, 2015

(Unaudited)

3. Significant accounting policies and reporting practices (*continued*)

b) *Revenue recognition (continued)*

v) *Investment income*

Interest, dividends and capital gains are recognized in the period in which the income is earned. Unrealized increases or decreases in the market value of investments held for resale are recognized on the last day of each accounting period based on the closing market prices of the underlying securities.

c) *Collections*

Collections owned by the Parks Canada are not recorded as assets in these financial statements.

d) *Grants and pledges receivable*

Grants and pledges receivable are recorded when signed documents provide reasonable evidence of a valid grant or pledge and collection is reasonably assured.

e) *Merchandise for resale*

Merchandise for resale is recorded at the lower of cost or net realizable value and is relieved from inventory on a first-in, first-out basis. Net realizable value is determined using current estimated selling prices less selling costs. The estimated selling price takes into account management's best estimate of the most probable set of economic conditions.

f) *Tangible capital assets*

Tangible capital assets are recorded at cost and amortized on a declining balance basis of the assets: furniture and equipment includes computer equipment 30%, vehicles and equipment 20%.

Leasehold improvements are recorded at cost and amortized over the expected lives of the improvements or exhibitions.

g) *Financial instruments*

Financial instruments are initially recorded at cost. Instruments that are quoted in an active market are subsequently adjusted to reflect their fair values. All other financial instruments are recorded at cost or amortized cost, unless management has elected to record at fair value.

Transaction costs are added to the carrying value of the asset or netted against the carrying value of the liability and are then recognized over the expected life of the instrument using the straight-line method.

The Society's financial risks are as follows:

Liquidity risk

The Society may be subject to liquidity risk if required to realize its long-term investments in the near term.

Interest rate risk

The Society is exposed to interest rate risk given that its fixed income investments have varying maturity dates.

Jasper Yellowhead Historical Society

Notes to the financial statements

For the year ended December 31, 2015

(Unaudited)

3. Significant accounting policies and reporting practices (continued)

g) Financial instruments (continued)

Credit risk

A major source of revenue is from government sources which is received through the year. Sponsorships, grants and pledges receivable are not concentrated in one particular sector or group, but are from a broad variety of individuals and organizations. Therefore management is of the opinion that the Society is not substantially exposed to credit risk.

h) Use of estimates

The preparation of financial statements in conformity with ASNFPO requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses, as well as disclosures of contingent assets and liabilities. The most significant of these estimates are related to the allowances for amounts receivable, valuation of merchandise held for sale, the accrual of liabilities, and the amortization period and potential impairment of tangible capital assets. Actual results could differ from these estimates.

4. Tangible Capital Assets

	Cost	Accumulated amortization	2015 Net book value	2014 Net book value
	\$	\$	\$	\$
Leased land	1,406,605	-	1,406,605	1,406,605
Buildings	971,252	534,188	437,064	461,345
Collections	10,666	-	10,666	10,666
Computer equipment	6,455	5,082	1,373	1,961
Furniture and equipment	25,130	17,950	7,180	8,975
Leasehold improvements	13,540	1,258	12,282	11,044
	2,433,648	558,478	1,875,170	1,900,596

Leased land includes two lots leased from Parks Canada, one has the museum building on it and another is vacant.

Amortization provided for in the current year is \$27,341 (2014 - \$27,420).

Jasper Yellowhead Historical Society

Notes to the financial statements

For the year ended December 31, 2015

(Unaudited)



5. Investments

	2015	2014
	\$	\$
Short term investments	107,436	18,040
Long term investments	65,645	150,497
	<u>173,081</u>	<u>168,537</u>

Investments consist of Guaranteed Investments Certificates maturity at various dates between 2016 to 2019; and with interest ranging from 0.8% to 1.8% per annum.

6. Deferred revenue

The Society has received grants from Parks Canada with the stipulation that these funds be used for specific purposes. These grants are recognized over the term of the agreement.

7. Restricted funds

	2015	2014
	\$	\$
<i>Internally restricted</i>		
Archives and Collections Fund	23,000	23,000
Museum Building Fund	57,000	57,000
Re-capitalization Fund	13,425	13,425
Casino Fund	3,000	3,000
Museum Operating Fund	40,000	40,000
	<u>136,425</u>	<u>136,425</u>
<i>Externally restricted</i>		
Brewster Fund	13,083	13,083
Mountjoy Fund	76,858	65,750
	<u>89,941</u>	<u>78,833</u>
Total	<u>226,366</u>	<u>215,258</u>

Jasper Yellowhead Historical Society

Notes to the financial statements

For the year ended December 31, 2015

(Unaudited)

8. Government grants

	2015	2014
	\$	\$
Alberta Museum Association	20,856	22,775
Municipality of Jasper	47,235	47,105
Parks Canada	15,000	15,000
CMA	4,328	-
	<u>87,419</u>	<u>84,880</u>

9. Contingent liability

The Society may have a GST obligation as it was required to be registered for GST. The GST obligation was not calculated as it is uncertain whether Canada Revenue Agency will calculate the GST obligation retroactively.

10. Going concern

The Society receives grants from various government agencies and undertakes various fund raising activities during the year to fund operations. During the last couple of years, the Society utilized reserve funding to fund operational costs, which is not sustainable in the long term.