

**Dawson City Arts Society**  
**Financial Statements**  
For the year ended March 31, 2025  
(Unaudited)

---

**Contents**

<b>Independent Practitioner's Review Engagement Report</b>	<b>1 - 2</b>
<b>Financial Statements</b>	
Statement of Financial Position	3
Statement of Changes in Net Assets	4
Statement of Operations	5
Statement of Cash Flows	6
Notes to Financial Statements	7 - 13
Schedules	14 - 15

---

## Independent Practitioner's Review Engagement Report

---

### To the board of directors of Dawson City Arts Society

We have reviewed the accompanying financial statements of Dawson City Arts Society that comprise the statement of financial position as at March 31, 2025, 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.

### 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.

### Basis for Qualified Conclusion

In common with many not-for-profit organizations, Dawson City Arts Society derives revenue from fundraising activities, donations, and in-kind donations, the completeness of which is not susceptible to us obtaining evidence we considered necessary for the purpose of the review. Accordingly, the evidence obtained of these revenues was limited to the amounts recorded in the records of Dawson City Arts Society. Therefore, we were not able to determine whether any adjustments might be necessary to fundraising revenue, donations, in kind donations, excess of revenues over expenses, and cash flows from operations for the years ended March 31, 2024 and March 31, 2025, current assets as at March 31, 2024 and March 31, 2025, and net assets as at March 31, 2024 and March 31, 2025. Our review conclusion on the financial statements for the year ended March 31, 2025 was modified accordingly because of the possible effects of this limitation in scope.



### Qualified Conclusion

Based on our review, except for the possible effects of the matter described in the Basis for Qualified Conclusion paragraph, 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 Dawson City Arts Society as at March 31, 2025, 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.

Chartered Professional Accountants

Salmon Arm, British Columbia  
TBD

**Dawson City Arts Society**  
**Statement of Financial Position**  
**(Unaudited)**

**March 31** **2025** **2024**

**Assets**

**Current**

Cash	\$ 125,015	\$ 46,746
Short term investments (Note 2)	250,758	14,328
Accounts receivable (Note 3)	96,318	249,776
Inventory	-	6,527
Prepaid expenses	3,025	530
	475,116	317,907

<b>Tangible capital assets (Note 4)</b>	<b>888,622</b>	<b>879,398</b>
	<b>\$ 1,363,738</b>	<b>\$ 1,197,305</b>

**Liabilities and Net Assets**

**Current**

Accounts payable and accrued liabilities	\$ 34,410	\$ 67,995
Deferred revenue (Note 5)	172,640	51,549
Current portion of deferred capital contributions (Note 6)	22,512	18,585
	229,562	138,129

<b>Deferred capital contributions (Note 6)</b>	<b>231,453</b>	<b>180,212</b>
	<b>461,015</b>	<b>318,341</b>

**Net Assets**

Invested in tangible capital assets	638,195	682,106
Internally restricted	36,990	20,070
Unrestricted	227,538	176,788
	902,723	878,964
	<b>\$ 1,363,738</b>	<b>\$ 1,197,305</b>

On behalf of the Board:

\_\_\_\_\_ Director

\_\_\_\_\_ Director

**Dawson City Arts Society  
Statement of Changes in Net Assets  
(Unaudited)**

<b>For the year ended March 31</b>	<b>Invested in tangible capital assets</b>	<b>Internally Restricted</b>	<b>Unrestricted</b>	<b>2025 Total</b>	<b>2024 Total</b>
Balance, beginning of the year	\$ 682,106	\$ 20,070	\$ 176,788	\$ 878,964	\$ 903,906
Excess of revenues over expenses	(38,888)	-	62,647	23,759	(24,942)
Investment in tangible capital assets	72,439	-	(72,439)	-	-
Deferred capital contributions	(77,462)	-	77,462	-	-
Inter-fund transfer	-	16,920	(16,920)	-	-
Balance, end of the year	\$ 638,195	\$ 36,990	\$ 227,538	\$ 902,723	\$ 878,964

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

**Dawson City Arts Society  
Statement of Operations  
(Unaudited)**

For the year ended March 31	2025	2024
<b>Revenue</b>		
Amortization of deferred contributions	\$ 22,294	\$ 15,801
Course tuition and materials	9,236	4,696
Donation - general	24,386	40,988
Federal grants (Schedule 2)	191,285	209,887
Fundraising	37,274	57,316
Interest income	429	2,408
Membership and registrations	3,046	2,630
Merchandise sales	1,037	1,035
Municipal grants (Schedule 2)	7,708	9,100
Other grants (Schedule 2)	7,456	2,512
Other income	18,823	1,820
Programs	27,324	63,468
Rental	15,562	7,316
Yukon Government grants (Schedule 2)	479,790	539,386
	<b>845,650</b>	<b>958,363</b>
<b>Expenses</b>		
Admin wages and benefits	124,046	133,719
Advertising and promotion	4,807	5,314
Amortization	61,182	59,803
Bad debt recovery	9,233	2,768
Bank charges	3,698	2,461
Bookkeeping	35,100	34,872
Course materials	7,968	7,758
Dues and memberships	1,800	1,507
Fundraising	17,360	20,329
Insurance	25,997	24,925
Office	10,406	10,939
Other operating	13,236	9,595
Professional fees	32,441	18,408
Programs	385,960	556,482
Property taxes	18,525	17,449
Repairs and maintenance	26,582	35,062
Sales related expenses	1,994	840
Travel, training and meetings	1,377	1,753
Utilities	40,179	39,321
	<b>821,891</b>	<b>983,305</b>
<b>Excess (deficiency) of revenues over expenses</b>	<b>\$ 23,759</b>	<b>\$ (24,942)</b>

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

**Dawson City Arts Society  
Statement of Cash Flows  
(Unaudited)**

<b>For the year ended March 31</b>	<b>2025</b>	<b>2024</b>
<b>Cash flows from operating activities</b>		
Cash receipts from customers	\$ 410,211	\$ 63,203
Cash receipts from government grants	713,239	760,885
Cash paid to suppliers and employees	(788,263)	(875,522)
Interest received	429	2,408
	<u>335,616</u>	<u>(49,026)</u>
<b>Cash flows from investing activities</b>		
Net change in short term investments	(236,430)	32,592
Proceeds on disposal of assets	1,060	-
Purchase of tangible capital assets	(72,439)	(112,130)
Capital contribution received	50,462	93,292
	<u>(257,347)</u>	<u>13,754</u>
<b>Net increase (decrease) in cash</b>	<b>78,269</b>	<b>(35,272)</b>
<b>Cash, beginning of the year</b>	<b>46,746</b>	<b>82,018</b>
<b>Cash, end of the year</b>	<b>\$ 125,015</b>	<b>\$ 46,746</b>

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

---

**Dawson City Arts Society  
Notes to Financial Statements  
(Unaudited)**

**March 31, 2025**

---

**1. Significant Accounting Policies**

<b>Nature and Purpose of Organization</b>	<p>Dawson City Arts Society (the "Society") is a not-for-profit organization incorporated without share capital under the laws of the Yukon Territory. The Society's mandate is to enrich the social, cultural and economic well-being of Dawson City and the Yukon through the advancement of the arts and other cultural programming.</p> <p>The Society is a registered charity under the Income Tax Act, and, as such, is exempt from income tax under section 149(1)(F) and may issue income tax receipts to donors.</p>
<b>Basis of Accounting</b>	<p>The financial statements have been prepared using Canadian accounting standards for not-for-profit organizations.</p>
<b>Revenue Recognition</b>	<p>The Society follows the deferral method of accounting for contributions.</p> <p>Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.</p> <p>Program and service revenues are recognized as programs and services are rendered, the price is fixed or determinable and collectibility is reasonably assured.</p> <p>Endowment contributions are recognized as direct increases in net assets.</p> <p>Restricted net investment income is recognized as revenue in the year in which the related expenses are incurred. Restricted net investment income that must be added to the principal amount of resources held for endowment is recognized as a direct increase in net assets. Unrestricted net investment income is recognized as revenue when earned.</p>
<b>Short Term Investments</b>	<p>Short term investments are stated at fair value. Changes in fair value are recorded through the statement of operations.</p>
<b>Inventory</b>	<p>Included in inventory are contributed items that are recorded at its fair value at the date of contribution.</p>



---

**Dawson City Arts Society**  
**Notes to Financial Statements**  
**(Unaudited)**

**March 31, 2025**

---

**1. Significant Accounting Policies (continued)**

**Tangible Capital Assets**      Tangible capital assets are stated at cost less accumulated amortization. Contributed capital assets are recorded at fair value at the date of contribution, unless fair value is not determinable in which case contributed capital assets are recorded at nominal value at the date of contribution. Contributed capital assets are subsequently amortized. Betterments that extend the useful life of the asset are capitalized.

Amortization is calculated based on the estimated useful life of the asset as follows:

	<b>Method</b>	<b>Rate</b>
Building	Declining balance	4%
Fixtures and equipment	Declining balance	20%
Library and collections	Declining balance	20%
Computer equipment	Declining balance	30%
Leasehold improvements	Straight-line	16-19 years

When a capital asset is disposed of, the difference between the net proceeds on disposition and the net carrying amount is recognized in the statement of operations. Any unamortized deferred contribution amount related to the capital asset disposed of is recognized in revenue in the statement of operations, provided that all restrictions have been complied with.

**Deferred Revenue**      The Society has entered into agreements where the services to be performed extends beyond year end. For these agreements, the Society records an obligation and recognizes revenue over the period of the agreement as the services are rendered.

**Deferred Contributions**      Deferred contributions related to capital assets are amortized to revenue on the same basis as the related capital assets.

**In-Kind Contributions**      Contributed assets and materials which are used in the normal course of the Society's operations and would otherwise have been purchased are recorded at their fair value at the date of contribution if fair value can be reasonably estimated.

**Contributed Services**      Volunteers contribute many hours per year to assist the Society in carrying out its activities. Due to the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

---

**Dawson City Arts Society  
Notes to Financial Statements  
(Unaudited)**

**March 31, 2025**

---

**1. Significant Accounting Policies (continued)**

**Financial Instruments**

Financial Instruments are recorded at fair value at initial recognition.

In subsequent periods, equities traded in an active market are reported at fair value, with any change in fair value reported in income. All other financial instruments are reported at cost or amortized cost less impairment. Transaction costs on the acquisition, sale or issue of financial instruments are expensed for those items measured at fair value and charged to the financial instrument for those measured at amortized cost.

Financial assets are tested for impairment when indicators of impairment exist. When a significant change in the expected timing or amount of the future cash flows of the financial asset is identified, the carrying amount of the financial asset is reduced and the amount of the write-down is recognized in net income. A previously recognized impairment loss may be reversed to the extent of the improvement, provided it is not greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously, and the amount of the reversal is recognized in net income.

**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 at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future. Significant estimates include the useful life of capital assets and completeness of accounts payable and accrued liabilities.

---

**Dawson City Arts Society**  
**Notes to Financial Statements**  
**(Unaudited)**

**March 31, 2025**

**2. Short Term Investments**

The investment consists of 25,076 units (2024 - 1,433) of CIBC Canadian T-Bill Fund Premium Class held with CIBC Securities Inc. with a market value of \$250,758 (2024 - \$14,328). It is quoted in an active market and this amount represents the fair value of the investment. These funds earn a 3.30% (2024 - 4.70%) return.

Canada Deposit Insurance Corporation ("CDIC") protects eligible deposits at member institutions to a maximum of \$100,000 of eligible deposits at member financial institutions in case of their failure. CIBC Securities Inc. is not a member of the CDIC and so funds are not insured. There has been no change in the risk of this investment from prior years.

**3. Accounts Receivable**

	2025	2024
Grants receivable	\$ 91,534	\$ 159,261
GST	1,784	1,933
Trade	3,000	401
	<u>\$ 96,318</u>	<u>\$ 161,595</u>

**4. Tangible Capital Assets**

	2025		2024	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Fixtures and equipment	\$ 461,634	\$ 355,563	\$ 426,779	\$ 329,044
Building	1,448,530	671,496	1,412,947	639,036
Leasehold improvements	1,648,458	1,648,456	1,648,458	1,648,456
Library	4,063	4,027	4,063	4,018
Collections	3,994	3,131	3,994	2,917
Computer equipment	74,011	69,395	75,856	69,228
	<u>\$ 3,640,690</u>	<u>\$ 2,752,068</u>	<u>\$ 3,572,097</u>	<u>\$ 2,692,699</u>
Net book value		<u>\$ 888,622</u>		<u>\$ 879,398</u>

**Dawson City Arts Society**  
**Notes to Financial Statements**  
**(Unaudited)**

**March 31, 2025**

**5. Deferred Revenue**

Deferred revenue represents funding received in the current period that is related to expenses of a subsequent period. Donations and fundraising were allocated to the reservation fund as they relate to a fundraising campaign with all proceeds designated for future expenses related to the Society's building. Changes in deferred revenue balances and the reservation fund are as follows:

	March 31, 2024	Funding Received	Transfer to capital contributions	Revenue Recognized	March 31, 2025
<b>Federal Grants</b>					
Community Foundation of Canada	\$ 19,588	\$ -	\$ -	\$ 19,588	\$ -
Heritage Canada	2,900	-	-	2,900	-
	<u>22,488</u>	<u>-</u>	<u>-</u>	<u>22,488</u>	<u>-</u>
<b>Yukon Government Grants</b>					
Yukon Community Development Fund	-	125,000	-	-	125,000
Yukon Volunteer Society	4,489	-	-	4,489	-
	<u>4,489</u>	<u>125,000</u>	<u>-</u>	<u>4,489</u>	<u>125,000</u>
<b>Other Deferred Funds</b>					
Art Festival June 2024	2,288	-	-	2,288	-
Film Festival April 2025	-	6,400	-	-	6,400
Building Reservation Fund	16,670	16,920	-	-	33,590
DC General Store Donation	500	-	-	500	-
Reprise Music Scholarship	5,114	-	-	1,000	4,114
SOVA Insurance	-	3,536	-	-	3,536
	<u>24,572</u>	<u>26,856</u>	<u>-</u>	<u>3,788</u>	<u>47,640</u>
	<u>\$ 51,549</u>	<u>\$ 151,856</u>	<u>\$ -</u>	<u>\$ 30,765</u>	<u>\$ 172,640</u>

---

**Dawson City Arts Society**  
**Notes to Financial Statements**  
**(Unaudited)**

**March 31, 2025**

---

**6. Deferred Contributions Related to Capital Assets**

Deferred contributions related to capital assets represent the unamortized portion of contributed capital assets and restricted contributions used to purchase capital assets. The changes in the deferred contributions balance for the period are as follows:

	2025	2024
Beginning balance	\$ 198,797	\$ 121,306
Add: restricted contributions related to capital assets	77,462	93,292
Less: amounts amortized to revenue	(22,294)	(15,801)
	\$ 253,965	\$ 198,797
Less: current portion	(22,512)	(18,585)
Ending Balance	\$ 231,453	\$ 180,212

---

**7. Economic Dependence**

Approximately 86% (2024 - 80%) of the society's funding recorded as revenue is derived from government grants. Should this funding be substantially curtailed, the ongoing viability of the society would be significantly affected.

---

**8. Commitments**

The society has entered into a lease with the Yukon Government to rent the old liquor store building until 2043. The lease is payable on the first day of each year and is valued at \$1 per year.

---

**9. Financial Instruments**

The Society is exposed to risks that arise from its use of financial instruments. This note describes the Society's objectives, policies and processes for managing those risks.

There have been no substantive changes in the Society's exposure to financial instruments risks or its objectives, policies and processes for managing those risks from previous periods unless otherwise stated in this note.

---

**Dawson City Arts Society  
Notes to Financial Statements  
(Unaudited)**

**March 31, 2025**

---

**9. Financial Instruments (continued)**

**General Objectives, Policies, and Processes**

***Principal Financial Instruments***

The principal financial instruments used by the Society, from which financial instrument risk arises, are as follows:

- short-term investments;
- accounts payable and accrued liabilities;
- inventory

The Board has overall responsibility for the determination of the Society's risk management objectives and policies and, while retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Society's administration function. The Board receives financial statements through which it reviews the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets. The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Society's competitiveness and flexibility. Further details regarding these policies are set out below.

**Credit risk**

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Society is exposed to credit risk principally from accounts receivable. A significant portion of the Society's accounts receivable is from low risk government entities and so exposure is limited. This risk has not changed from the prior period.

**Liquidity risk**

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. It is the risk that the counterpart fails to discharge its obligation in this respect of the instrument. The Society manages liquidity risk through policy to ensure that they will have sufficient cash to allow it to meet its liabilities when they become due. The Society holds temporary investments in CIBC Securities funds. Amounts are transferred to/from the cash account as required to meet its financial obligations.

---

**10. Comparative Figures**

Certain comparative figures have been reclassified to conform to current year presentation.

**Dawson City Arts Society**  
**Schedule 1 - Operating Activities**  
**(Unaudited)**

<b>For the year ended March 31</b>	<b>2025</b>	<b>2024</b>
<b>Revenue</b>		
Course tuition and materials	\$ 9,236	\$ 4,696
Donation - general	24,386	40,988
Fundraising	37,274	57,316
Merchandise sales	1,037	1,035
Interest income	429	2,408
Membership and registrations	3,046	2,630
Other income	18,823	1,820
Programs	27,324	63,468
Rental	15,562	7,316
Federal Grants	191,285	209,887
Yukon Government grants	479,790	539,386
Municipal grants	7,708	9,100
Other grants	7,456	2,512
	<u>823,356</u>	<u>942,562</u>
<b>Expenses</b>		
Advertising and promotion	4,807	5,314
Bank charges	3,698	2,461
Bookkeeping	35,100	34,872
Course materials	7,968	7,758
Dues and memberships	1,800	1,507
Fundraising	17,360	20,329
Insurance	25,997	24,925
Office	10,406	10,939
Other operating	13,236	9,595
Professional fees	32,441	18,408
Property taxes	18,525	17,449
Repairs and maintenance	26,582	35,062
Sales related expenses	1,994	840
Special programs	155,001	424,141
Travel, training and meetings	1,377	1,753
Utilities	40,179	39,321
Wages and benefits	364,238	268,829
	<u>760,709</u>	<u>923,503</u>
	<u>\$ 62,647</u>	<u>\$ 19,059</u>

**Dawson City Arts Society  
Schedule 2 - Grant Funding  
(Unaudited)**

<b>For the year ended March 31</b>	<b>2025</b>	<b>2024</b>
<b>Federal Grants</b>		
Canada Arts Presentation Fund	\$ 35,000	\$ 20,000
Canada Council, Core funding	81,500	76,500
Canada Summer Jobs	14,454	8,012
Community Foundation of Canada	19,588	40,412
Cultural Human Resources Council	9,443	13,463
Heritage Canada: Building Communities Through Arts and Heritage	21,300	29,000
Telefilm Canada	10,000	22,500
	<u>\$ 191,285</u>	<u>\$ 209,887</u>
<b>Yukon Government grants</b>		
Yukon Culture Quest	\$ -	\$ 5,000
Tourism Coop Marketing Fund	2,762	-
Youth Developmental Asset Program	17,500	23,500
Yukon Every Student Every Day	-	2,000
Yukon Food Literacy	-	4,550
Yukon Government, Core funding	459,000	459,000
Yukon Media Development	528	12,836
Yukon School of Visual Arts Housing Feasibility	-	20,000
Yukon Youth Roots Funding	-	5,000
Yukon 125 Fund	-	7,500
	<u>\$ 479,790</u>	<u>\$ 539,386</u>
<b>Municipal grants</b>		
Community grants	<u>\$ 7,708</u>	<u>\$ 9,100</u>
<b>Other grants</b>		
Association Franco-Yukonnaise	\$ -	\$ 2,012
Klondike Visitors Association	2,000	-
Klondike Train Fund	468	-
Mass Culture DNA	-	500
Yukon Volunteer Society	4,988	-
	<u>\$ 7,456</u>	<u>\$ 2,512</u>