

**Yukon Arts Centre Corporation**

**Financial Statements**

**March 31, 2024**

---

**Yukon Arts Centre Corporation**

**Financial Statements**

---

**March 31, 2024**

---

	<b>Page</b>
Management Responsibility Statement	3
Independent Auditors' Report	4 - 5
Statement of Operations	6
Statement of Changes in Net Assets	7
Statement of Financial Position	8
Statement of Cash Flows	9
Notes to the Financial Statements	10 - 16

## **Management Responsibility Statement**

The management of Yukon Arts Centre Corporation is responsible for preparing the financial statements, the notes to the financial statements and other financial information contained in this annual report.

Management prepares the financial statements in accordance with Canadian accounting standards for not-for-profit organizations. The financial statements are considered by management to present fairly the management's financial position and results of operations.

The Organization, in fulfilling its responsibilities, has developed and maintains a system of internal accounting controls designed to provide reasonable assurance that management assets are safeguarded from loss or unauthorized use, and that the records are reliable for preparing the financial statements.

The financial statements have been reported on by Crowe MacKay LLP, Chartered Professional Accountants, the shareholders' auditors. Their report outlines the scope of their examination and their opinion on the financial statements.

**Corporation Executive Officer**  
**September 3, 2024**

## Independent Auditors' Report

### To the directors of Yukon Arts Centre Corporation

#### *Report on the Audit of the Financial Statements*

##### *Qualified Opinion*

We have audited the financial statements of Yukon Arts Centre Corporation, which comprise the statement of financial position as at March 31, 2024, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

Except as noted in the following paragraph, in our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at March 31, 2024 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.

##### *Basis for Qualified Opinion*

In common with many not-for profit organizations, the Yukon Arts Centre Corporation receives a material amount of revenue from donations and fundraising activities, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of Yukon Arts Centre Corporation.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

##### *Responsibilities of Management and Those Charged with Governance for the Financial Statements*

Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing the Organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization's financial reporting process.

## Independent Auditors' Report (continued)

### *Auditors' Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- ♦ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ♦ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control.
- ♦ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ♦ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Organization to cease to continue as a going concern.
- ♦ Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Whitehorse, Canada  
September 3, 2024

*Crowe Mackay LLP*

Chartered Professional Accountants

---

## Yukon Arts Centre Corporation

### Statement of Operations

---

For the year ended March 31,	2024	2023
<b>Revenues</b>		
Government of Yukon	\$ 1,102,680	\$ 1,354,490
Government of Canada	394,600	1,009,300
Facility Revenue	304,724	353,124
Ticket sales	284,537	169,812
Sponsorships and donations	70,925	56,217
Amortization of deferred capital contributions	64,415	31,039
Bar and concessions	62,616	44,168
Interest	59,723	36,023
Other grant funding	52,439	301,848
	<hr/>	<hr/>
	2,396,659	3,356,021
<b>Expenditures</b>		
Accounting and legal	25,950	30,484
Advertising and promotion	51,976	77,936
Amortization	134,156	73,586
Artists and contractors	541,722	1,235,836
Concessions and merchandise	42,081	41,502
Equipment rental	11,675	161,748
Freight	4,221	14,888
Insurance	37,852	32,228
Interest and bank charges	37,149	28,937
Internet and information technology	36,741	38,482
Janitorial	96,604	82,468
Meals and entertainment	16,511	20,789
Office	76,129	82,443
Outreach and volunteering	39,633	72,284
Professional development	12,469	1,645
Repairs and maintenance	24,551	39,244
Telephone	4,798	5,182
Travel	56,412	56,408
Wages and benefits	925,002	963,158
	<hr/>	<hr/>
	2,175,632	3,059,248
<b>Excess of revenues over expenditures</b>	<hr/>	<hr/>
	\$ 221,027	\$ 296,773

---

**Yukon Arts Centre Corporation****Statement of Changes in Net Assets**

---

**For the year ended March 31, 2024**

---

	Contributed and purchased art	Invested in property and equipment	Internally restricted reserves	Unrestricted	Total 2024	Total 2023
<b>Balance, beginning of year</b>	\$ 622,672	\$ 149,571	\$ 731,322	\$ 297,596	\$ 1,801,161	\$ 1,504,388
Excess of revenues over expenditures	-	-	-	221,027	221,027	296,773
Deferred capital contributions received	-	(461,423)	-	461,423	-	-
Purchase of capital assets	-	576,579	-	(576,579)	-	-
Amortization of capital assets	-	(134,156)	-	134,156	-	-
Amortization of deferred capital contributions	-	64,415	-	(64,415)	-	-
Purchase of art	7,000	-	-	(7,000)	-	-
<b>Balance, end of year</b>	<b>\$ 629,672</b>	<b>\$ 194,986</b>	<b>\$ 731,322</b>	<b>\$ 466,208</b>	<b>\$ 2,022,188</b>	<b>\$ 1,801,161</b>

---

See accompanying notes

7

---

# Yukon Arts Centre Corporation

## Statement of Financial Position

---

March 31, 2024 2023

---

### Assets

#### Current

Cash	\$ 1,384,574	\$ 1,073,435
Accounts receivable	109,021	60,671
Inventory	2,265	4,118
Prepaid expenses	72,986	96,686
GST receivable	25,464	27,384

---

1,594,310

1,262,294

#### Property and equipment (note 3)

639,941

197,520

#### Art collection

629,672

622,672

---

**\$ 2,863,923**

**\$ 2,082,486**

---

### Liabilities

#### Current

Accounts payable and accrued liabilities	\$ 196,151	\$ 58,392
Salaries payable (note 4)	70,142	63,398
Unearned revenue and deferred contributions (note 5)	130,486	111,587
Current portion of deferred capital contributions (note 5)	62,615	20,513

---

459,394

253,890

#### Deferred capital contributions (note 5)

382,341

27,435

---

841,735

281,325

---

### Net Assets

Contributed and purchased art	629,672	622,672
Invested in property and equipment	194,986	149,571
Internally restricted reserves (note 6)	731,322	731,322
Unrestricted	466,208	297,596

---

2,022,188

1,801,161

---

**\$ 2,863,923**

**\$ 2,082,486**

---

Approved on behalf of the Board:



Member



Member

---

## Yukon Arts Centre Corporation

### Statement of Cash Flows

---

For the year ended March 31,	2024	2023
<b>Cash provided by (used for)</b>		
<b>Operating activities</b>		
Excess of revenues over expenditures	\$ 221,027	\$ 296,773
Items not affecting cash		
Amortization	134,156	73,586
Amortization of deferred capital contributions	(64,415)	(31,039)
	<b>290,768</b>	<b>339,320</b>
Change in non-cash working capital items		
Accounts receivable	(48,350)	(54,461)
Inventory	1,853	(4,051)
Prepaid expenses	23,700	(80,258)
GST	1,920	(12,542)
Accounts payable and accrued liabilities	137,761	(45,042)
Salaries payable	6,744	16,098
Unearned revenue and deferred contributions	18,899	(59,021)
	<b>433,295</b>	<b>100,043</b>
<b>Financing activity</b>		
Capital contributions received	461,423	-
<b>Investing activities</b>		
Purchase of property and equipment	(576,579)	(55,692)
Art collection	(7,000)	(123,115)
	<b>(583,579)</b>	<b>(178,807)</b>
<b>Increase (decrease) in cash</b>	<b>311,139</b>	<b>(78,764)</b>
<b>Cash, beginning of year</b>	<b>1,073,435</b>	<b>1,152,199</b>
<b>Cash, end of year</b>	<b>\$ 1,384,574</b>	<b>\$ 1,073,435</b>

---

# Yukon Arts Centre Corporation

## Notes to the Financial Statements

---

March 31, 2024

---

### 1. Nature of operations

Yukon Arts Centre Corporation (the "Organization") is a not-for-profit, charitable organization, whose objectives are to carry out programs for the presentation and development of the fine arts at the Yukon Arts Centre and to assist other arts groups and the Government of Yukon in the development of those arts elsewhere in the Yukon. The Organization was incorporated through the Yukon Arts Centre Act in 1988 and as a not-for-profit organization is exempt from income tax.

### 2. Significant accounting policies

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations. The significant accounting policies are detailed as follows:

#### (a) Donated material and services

The Organization relies on and donated goods and services, as well as volunteer time, to achieve its purposes. Because of the difficulty of determining their fair values, volunteer time and donated goods and services are not recognized in these financial statements.

#### (b) Cash

Cash consists of cash on hand and bank deposits.

#### (c) Inventory

Inventories are measured at the lower of cost and net realizable value. The cost of inventories comprises all costs of purchase, conversion and other costs incurred in bringing the inventories to their present location and condition. Net realizable value is the estimated selling price in the ordinary course of business, less any applicable variable selling costs. The costs of purchase comprise the purchase price, import duties, non-recoverable taxes and transport, handling and other costs directly attributable to the acquisition and inbound delivery of the inventory. Costs are determined using the first-in, first-out method.

---

# Yukon Arts Centre Corporation

## Notes to the Financial Statements

---

March 31, 2024

---

### 2. Significant accounting policies (continued)

#### (d) Revenue recognition

The Organization follows the deferral method of accounting for contributions. 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. Endowment contributions are recognized as direct increases in net assets.

Restricted investment income is recognized as revenue in the year in which the related expenses are incurred. Unrestricted investment income is recognized as revenue when earned.

Investment income includes dividends and interest income recorded on the accrual basis, as well as realized investment gains and losses and unrealized gains and losses on financial instruments subsequently measured at fair value. Investment income is included in the statement of operations, deferred or reported directly in net assets depending on the nature of any external restrictions imposed on the investment income.

Revenue from the sale of services is recognized upon provision of the services to the purchaser.

#### (e) Property and equipment

Property and equipment are recorded at cost. The Organization provides for amortization using the straight-line method at rates designed to amortize the cost of the assets over their estimated useful lives, as set out below.

When property and equipment are sold or retired, the related cost and accumulated amortization are removed from the accounts and any gain or loss is charged against earnings in the period.

Property and equipment acquired or constructed during the year are not amortized until they are put into use.

Computer equipment	5 years
Computer software	5 years
Equipment	5 years
Leasehold improvements	5 years
Office equipment	5 years
Sound Equipment	5 years
Website	3 years

#### (f) Collections

The Organization owns a collection of art. Purchased additions to the collection are recorded at cost. Donated additions are recorded at fair value on the date of donation when an objective appraisal of value has been obtained. The carrying amount of the collection is not amortized. Proceeds from sale of any items from the collection are held for acquisitions for and maintenance of the collection.

---

# Yukon Arts Centre Corporation

## Notes to the Financial Statements

---

March 31, 2024

---

### 2. Significant accounting policies (continued)

#### (g) Impairment of long-lived assets

The Organization tests for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. Recoverability is assessed by comparing the carrying amount to the projected undiscounted future net cash flows the long-lived assets are expected to generate through their direct use and eventual disposition. When a test for impairment indicates that the carrying amount of an asset is not recoverable, an impairment loss is recognized to the extent carrying value exceeds its fair value.

#### (h) Financial instruments

##### Initial measurement

Financial assets originated or acquired or financial liabilities issued or assumed in an arm's length transaction are initially measured at their fair value. In the case of a financial asset or financial liability not subsequently measured at its fair value, the initial fair value is adjusted for financing fees and transaction costs that are directly attributable to its origination, acquisition, issuance or assumption. Such fees and costs in respect of financial assets and liabilities subsequently measured at fair value are expensed.

Financial assets or liabilities originated or exchanged in related party transactions except for those that involve parties whose sole relationship with the Organization is in the capacity of management, are initially measured at cost. The cost of a financial instrument in a related party transaction depends on whether the instrument has repayment terms. If the instrument does, the cost is determined using the instruments undiscounted cash flows, excluding interest and dividend payments, less any impairment losses previously recognized by the transferor. Otherwise cost is determined using the considered transferred or received by the Organization in the transaction.

Transactions, with parties whose sole relationship with the Organization is in the capacity of management, are accounted for as arm's length transactions.

##### Subsequent measurement

The Organization subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments in debt instruments, equity instruments and forward exchange contracts that are quoted in an active market, which are measured at fair value without any adjustment for transaction costs. Changes in fair value are recognized in net income in the period in which they occur.

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

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities and salaries payable.

---

# Yukon Arts Centre Corporation

## Notes to the Financial Statements

---

March 31, 2024

---

### 2. Significant accounting policies (continued)

#### Transaction costs

Transaction costs attributable to financial instruments subsequently measured at fair value and to those originated or exchanged in a related party transaction are recognized in income in the period incurred. Transaction cost for financial instruments originated or exchanged in an arm's length transaction that are subsequently measured at amortized cost are recognized in the original cost of the instrument and recognized in income over the life of the instrument using the straight-line method.

#### Impairment

At the end of each reporting period, management assesses whether there are any indications that financial assets measured at cost or amortized cost may be impaired. If there is an indication of impairment, management determines whether a significant adverse change has occurred in the expected timing or the amount of future cash flows from the asset, in which case the asset's carrying amount is reduced to the highest expected value that is recoverable by either holding the asset, selling the asset or by exercising the right to any collateral. The carrying amount of the asset is reduced directly or through the use of an allowance account and the amount of the reduction is recognized as an impairment loss in operations. Previously recognized impairment losses may be reversed to the extent of any improvement. The amount of the reversal, to a maximum of the related accumulated impairment charges recorded in respect of the particular asset, is recognized in operations.

#### (i) Use of estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the period in which they become known.

### 3. Property and equipment

	2024			2023
	Cost	Accumulated amortization	Net book value	Net book value
Computer equipment	\$ 92,928	\$ 88,837	\$ 4,091	\$ 5,626
Computer software	9,048	9,048	-	-
Equipment	2,179,302	1,839,943	339,359	108,553
Leasehold improvements	227,393	192,392	35,001	58,591
Office equipment	208,892	204,730	4,162	6,834
Sound Equipment	611,486	415,758	195,728	17,916
Website	77,000	15,400	61,600	-
	<b>\$ 3,406,049</b>	<b>\$ 2,766,108</b>	<b>\$ 639,941</b>	<b>\$ 197,520</b>

---

---

## Yukon Arts Centre Corporation

### Notes to the Financial Statements

---

March 31, 2024

---

#### 4. Salaries payable

Included in the salaries payable balance is \$27,353 (2023 - \$40,077) in government remittances payable for payroll deductions.

#### 5. Unearned revenue and deferred contributions

Tickets sold in advance and contributions received for expenditures after year-end are recorded as unearned revenue and recognized in revenue when the show is performed or the expenditures made.

	2024	2023
Advanced ticket sales	\$ 42,957	\$ 98,653
Advanced rental deposits	3,062	3,412
Outstanding gift certificates	9,467	9,522
Canada Council for the Arts and Government of Yukon: Honouring our Future exhibit	75,000	-
	<b>\$ 130,486</b>	<b>\$ 111,587</b>

In addition, the Organization receives contributions towards the construction and purchase of capital assets. The contributions are deferred and recognized into revenue at the same rate as the related capital asset is amortized into expenses.

The deferred contributions are as follows:

	2024	2023
Lotteries Yukon	\$ 387,768	\$ 76,193
CANNOR	111,792	70,000
Government of Yukon	64,644	9,000
Cultural Spaces Canada	41,732	-
Yukon Historical and Museums Association	7,500	-
City of Whitehorse	3,180	-
	<b>616,616</b>	<b>155,193</b>
Less: accumulated amortization of contributions	<b>(171,660)</b>	<b>(107,245)</b>
Less: current portion of amortization of contributions	<b>(62,615)</b>	<b>(20,513)</b>
	<b>\$ 382,341</b>	<b>\$ 27,435</b>

During the year, contributions received amounted to \$461,423 (2023- \$nil) for purchased capital assets. Contributions amortized to revenue for the year amounted to \$64,415 (2023 - \$31,039).

---

# Yukon Arts Centre Corporation

## Notes to the Financial Statements

---

March 31, 2024

---

### 6. Internally restricted reserves

Yukon Arts Centre Corporation has internally restricted reserves to provide for future expenditures. Those internally restricted amounts are not available for any other purpose without prior approval of the board of directors. Reserves are as follows:

	2024	2023
Restricted for contingencies	\$ 100,310	\$ 100,310
Restricted for capital purchases	150,000	150,000
Restricted for hiring of management	100,000	100,000
Restricted for art purchases	72,358	72,358
Restricted for wages	308,654	308,654
	<b>\$ 731,322</b>	<b>\$ 731,322</b>

### 7. Donated Services

The Organization provides discounted facility rental and technical support to other arts groups. The value of these donated services provided during the year has been determined by management to be \$66,723 (2023 - \$108,262). This value is not included in the Statement of Operations.

### 8. Economic dependence

The Organization receives the majority of its revenue through the negotiation of funding agreements, with major funders including the Government of Yukon and Canada Council for the Arts.

The Organization has signed an agreement with the Government of Yukon to occupy, manage and operate the Yukon Arts Centre for the three year period beginning April 1, 2023 and ending March 31, 2026. The Government of Yukon will continue to provide utilities at no cost, pay property taxes and provide building and grounds maintenance services.

### 9. Financial instruments

Transactions in financial instruments may result in an entity assuming or transferring to another party one or more of the financial risks described below. The required disclosures provide information that assists users of financial statements in assessing the extent of risk related to financial instruments.

---

# Yukon Arts Centre Corporation

## Notes to the Financial Statements

---

March 31, 2024

---

### 9. Financial instruments (continued)

#### (a) 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 Organization is exposed to credit risk in the event of non-performance by counterparties in connection with accounts receivable. The Organization does not obtain collateral or other security to support the accounts receivable subject to credit risk.

81% (2023 - 70%) of accounts receivable are from Government of Yukon departments and related entities. Credit risk is considered to be low. Change in this risk is not substantially different from the prior year.

The Organization is exposed to credit risk to the extent that substantially all cash is held at one financial institution. The financial institution is a major Canadian bank. The deposits held by the bank are insured by the Canadian Deposit Insurance Corporation. In the event of default, the Organization's cash is insured up to \$100,000. Change in this risk is not substantially different from the prior year.

#### (b) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting its obligations associated with financial liabilities. The Organization's exposure to liquidity risk relates to accounts payable and accrued liabilities and salaries payable and arises from the possibility that the timing and amount of its cash inflows will not be sufficient to enable it to meet its financial obligations as they become due. The Organization reduces its exposure to liquidity risk by ensuring that it documents when authorized payments become due. Change in this risk is not substantially different from the prior year.

The Organization has taken the following measures to manage its liquidity risk:

- ◆ Cash flow from operations provides a significant component of the entity's working capital requirement
- ◆ Management of expenses
- ◆ Accounts receivable management
- ◆ Cash and cash on hand management