



REGIONAL DISTRICT of Fraser-Fort George

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REPORT FOR CONSIDERATION

TO: Chair and Directors

File No.: BOA 1.8

FROM: Chris Calder, Chief Administrative Officer and
Renee McCloskey, Manager of External Relations

DATE: April 10, 2024

SUBJECT: Loan agreement for Fraser-Fort George Regional Museum Society
SUMMARY: Purpose: Consider entering into an agreement

Attachments:

1. Draft loan agreement
2. Backgrounder

Previous Reports:

1. February 2024, Item No. 11.4.1
2. January 2024, Item No. 11.4.1

RECOMMENDATION(S):

1. THAT the report be received.
2. THAT the Board authorizes entering into a Loan Agreement with the Fraser-Fort George Museum Society for a sum of \$500,000 for the term of May 1, 2024 to April 30, 2029, substantially in the form of the agreement attached to the report dated April 10, 2024.

ENTITLEMENT	HOW VOTE COUNTED
All 1 Director/1 vote	Majority
All 1 Director/1 vote	Weighted

ISSUE(S):

The Fraser-Fort George Museum Society, which operates Exploration Place, has advised the Regional District of Fraser-Fort George that it continues to face serious financial challenges.

In 2023, the Board approved adjustments to the quarterly disbursement schedule in the funding agreement it holds with the Fraser-Fort George Regional Museum Society (the "Society"), which operates Exploration Place.

At the end of 2023, the Regional District advanced the Society \$250,000 from its 2024 grant to assist with cashflow pressures. A further \$250,000 was advanced at the end of January 2024. At the time, the Board advised the funding should be considered an advancement on the 2024 grant until a loan agreement for \$500,000 could be considered.

The Board is being asked to approve entering into a loan agreement for \$500,000 with the Fraser Fort George Museum Society.

RELEVANT POLICIES:

N/A

STRATEGIC ALIGNMENT:

- Climate Action
 Economic Health
 Indigenous Relations
 Strong Communities
 None – Statutory or Routine Business

SERVICE RELEVANCE:

The Heritage Conservation Service was established to support museums and societies that have contracts with the Regional District to provide heritage services and programming within the Regional District, consistent with the Regional Cultural Plan.

FINANCIAL CONSIDERATION(S):

Since 2006, the Fraser-Fort George Museum Society has been one of eight organizations supported by the Regional District as part of the Regional Cultural Plan and as such receives annual operating grants from the Regional District. For 2024, the operating grant for the Society is \$881,290.

During 2007, the Regional District entered into an agreement with the Society to refinance their long-term debt with the Municipal Finance Authority of BC using 20-year debenture financing. The debt service payments (currently approximately \$113,000 annually) are deducted from the funding the Society receives along with the cost of annual property insurance for the Exploration Place building.

Under the proposed loan agreement attached to this report, the loan amortization schedule would commence on May 1st and repayment is scheduled to commence on January 1, 2025, splitting the payments into 18 quarterly payments. These payments will be deducted from the Society's annual operating grant payments that are made quarterly.

The attached backgrounder provides information about the Society's current financial position.

OTHER CONSIDERATION(S):

The loan agreement sets out the terms and conditions for the Society's repayment of the \$500,000 loan. Among other things, the agreement requires the Society to do the following:

- Repay the loan as per the payment schedule attached as Schedule B (payment can be deducted from the quarterly grant payments the Regional District provides the Society);
- Maintain its status as a registered society and its charitable status with the Canada Revenue Agency in good standing;
- Provide the RDFFG with monthly financial statements;
- Provide the RDFFG with Society's annual budget, for RDFFG's comment;
- Provide the RDFFG with its audited financial statements within 90 days of each fiscal year end;
- Provide the RDFFG with other records and reports as requested including banking records;
- Not to incur any other debts except those debts specifically permitted under Schedule C – "Permitted Debt/Encumbrances".

With the inclusion of the obligations above, there is a significant focus placed on the Regional District monitoring the Society's financial position throughout the term of the loan to ensure compliance with the loan agreement and the financial health to complete repayment.

The agreement allows the RDFFG to immediately demand payment in full of the loan in the event the Society fails to make payments as and when required, breaches its obligations under the agreement, becomes insolvent, or in the event the RDFFG concludes that there has been a material adverse change in the financial condition or operations of the Society.

DECISION OPTIONS:

1. Approve recommendations
 - the Loan Agreement with the Fraser-Fort George Museum Society will be entered into and executed.

Other Options:

- a. Do not authorize entering into the loan Agreement with the Fraser-Fort George Museum Society:
 - the Society will continue to face serious financial challenges.
- b. Postpone consideration if additional information is required.

COMMENTS:

The Fraser-Fort George Regional Museum Society (Exploration Place) is the largest cultural organization supported by the Regional District and plays a valuable role in supporting the goals of the Regional Cultural Plan through its own programs and services as well as support and mentoring of smaller museums and galleries in the region.

During the pandemic, the Society undertook a \$1.4 million renovation and was closed from March 2020 until its reopening in October 2022. The pandemic, along with construction issues that delayed the re-opening of the museum, has presented ongoing operational challenges for the Society. The Society has advised it continues to face serious financial pressures.

Respectfully submitted,

“Chris Calder”

Chris Calder
Chief Administrative Officer

“Renee McCloskey”

Renee McCloskey
Manager of External Relations

CC/RM

LOAN AGREEMENT

This Loan Agreement (this “**Agreement**”) dated for reference the 30th day of April, 2024

BETWEEN

FRASER-FORT GEORGE MUSEUM SOCIETY, a society duly incorporated under the Laws of the Province of British Columbia, and having a registered address at Box 1779, Prince George, BC V2L 4V7.

(the “**Society**”)

AND

REGIONAL DISTRICT OF FRASER-FORT GEORGE, a regional district incorporated pursuant to the *Local Government Act* of British Columbia, and having its offices at 155 George Street Prince George, British Columbia V2L 1P8

(the “**RDFFG**”)

- A. WHEREAS** the RDFFG provides an annual operating grant to the Society to assist in funding the Society’s operation of the Society’s Fraser Fort-George Regional Museum, also known as “Exploration Place”, which is situated on the lands and premises legally described as: PID 024-921-424, Lot A District Lots 343 and 417, Cariboo District, Plan PGP46330 (the “Museum Lands”);
- B. AND WHEREAS** the RDFFG and the Society, together with the City of Prince George, are parties to a Museum Financing Agreement dated for reference August 15, 2007, pursuant to which:
- a) the RDFFG acquired from the City of Prince George the fee simple interest in the Museum Lands;
 - b) the City agreed to utilize the purchase price paid by the RDFFG for the acquisition of the Museum Lands to pay down certain indebtedness and other financial obligations of the Society, as set out in Schedule “C” to the Museum Financing Agreement;
 - c) the RDFFG and the Society entered into a Lease Agreement pursuant to which the RDFFG leased to the Society the Museum Lands for the purpose of the Society’s continued operation of the Society’s Fraser Fort-George Regional Museum; and
 - d) the Society agreed that the annual operating grant provided to it by the RDFFG would be reduced each year by an amount equal to the annual debt servicing costs incurred by the RDFFG in respect of the borrowing it undertook pursuant to Regional District of Fraser-Fort George Loan Authorization Bylaw No. 2293, 2006 in order to acquire the Museum Lands;
- C. AND WHEREAS** it is anticipated that the debt incurred by the RDFFG to acquire the Museum Lands will be retired, and the Society’s obligation to pay the RDFFG’s debt servicing costs will be fully satisfied, during the year 2027;
- D. AND WHEREAS** the Society has requested, and the RDFFG has agreed to provide further assistance to the Society in the form of a loan, to assist the Society in refinancing certain debts which have been detrimental to the Society’s operation of the Fraser Fort-George Regional Museum, on and subject to the terms and conditions contained in this Agreement;

- E. AND WHEREAS** in December 2023 and January 2024 the RDFFG provided advances to the Society against the RDFFG's operating grant for 2024 in the total amount of \$500,000.00 (the "Operating Grant Advance"), with the understanding that the Society would use the Operating Grant Advance to fully pay the Society Debt (as defined in section 1.1(m)) pending negotiation and approval of an agreement with the RDFFG for longer term refinancing of the Society Debt, and with the further understanding that if the parties were unable to agree to terms and conditions for longer term refinancing of the Society Debt, the Operating Grant Advance would be deducted from any further grant funding payable to the Society for the year 2024 under the Operating Grant Agreement (as defined herein);
- F. AND WHEREAS** pursuant to section 263(1)(c) of the *Local Government Act* the RDFFG may provide assistance for the purpose of benefiting the community or any aspect of the community;

NOW THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1.0 DEFINITIONS AND INTERPRETATIONS

- 1.1 Definitions.** For the purposes of this Agreement, and the recitals above, unless otherwise indicated or defined herein, capitalized terms shall be defined as follows:
- (a) **"Applicable Laws"** means, with respect to any Person, property, transaction, or event, all applicable laws, statutes, regulations, rules, orders, codes, treaties, conventions, judgments, awards, determinations, and decrees of any governmental, or regulatory body or court of competent jurisdiction in an applicable jurisdiction;
 - (b) **"Business Day"** means a day, excluding Saturday, Sunday, and any other day which shall be a legal holiday or a day on which banking institutions are closed in the Province of British Columbia;
 - (c) **"Debt"** of the Society includes all indebtedness for borrowed money, obligations under notes, bonds, debentures, or similar instruments, or guarantees to any Person;
 - (d) **"Encumbrance"** means any mortgage, charge, pledge, security interest, assignment, lien, or other encumbrance of any nature or any other arrangement or condition that in substance secures payment or performance of an obligation;
 - (e) **"Insolvency Event"** means the occurrence of any of the following: (a) the Society is unable to pay its debts as such debts become due; (b) the Society is declared to be, or admits to be, bankrupt or insolvent; or (c) any notice of intention is filed or proceeding is commenced for bankruptcy, liquidation, winding-up, dissolution, or the suspension of the general operation of the Society, or the possession, foreclosure, retention, or sale or other disposition of all or any significant part of the assets of the Society;

- (f) **“Loan”** means the loan from the RDFFG to the Society as described in Section 2.1;
- (g) **“Loan Maturity Date”** means the maturity date of the Loan, as set out in Section 5.1;
- (h) **“Obligations”** means, collectively, all amounts, obligations, indebtedness, and liabilities owing by the Society, whether direct or indirect, which are due or become due, now existing or hereafter arising and however acquired, and whether or not evidenced by any instrument or for the payment of money and arising under, in connection with or otherwise related to this Agreement, and including all other fees, expenses, interest, charges, costs, disbursements, indemnities, and reimbursement of amounts paid and other sums chargeable to the Society under this Agreement;
- (i) **“Operating Grant Agreement”** means the unsigned agreement between the RDFFG and the Society, approved by the RDFFG Board on October 22, 2022, under which the RDFFG has agreed to provide operating grants to the Society in the amount of \$848,000.00 per year for each of the calendar years 2023 to 2027, and under which the Society has agreed to use those operating grants to provide museum services, and has further agreed to undertake and perform the other obligations referred to in the Operating Grant Agreement;
- (j) **“Permitted Debt”** means Debt (a) to the RDFFG under this Agreement, and (b) other Debt and Obligations as the Society may incur in the normal course of its operation of the Fraser Fort-George Regional Museum, subject always to the limitations set out in Schedule “C”.
- (k) **“Permitted Encumbrances”** means in respect of the Society, any one or more of the following:
- (i) Encumbrances for taxes, assessments, or government charges or levies which are not delinquent or the validity of which the Society is contesting in good faith by proper legal proceedings and which, in the RDFFG’s opinion, will not materially affect the Society’s performance of its obligations under this Agreement;
 - (ii) non-consensual Encumbrances arising by operation of law in the ordinary course of business and which, in the RDFFG’s opinion, will not in the aggregate materially affect the Society’s performance of its obligations under this Agreement;
 - (iii) those Encumbrances existing as of the date of this Agreement and set out in Schedule “C”;
- (l) **“Person”** includes any individual, partnership, joint venture, trust, unincorporated organization, company, corporation, association, governmental entity, and any other incorporated or unincorporated entity;
- (m) **“Society Debt”** means the balance owed by the Society to the Royal Bank of Canada pursuant (“RBC”) to an operating line of credit with RBC as well as the

other Debts and Obligations of the Society as listed in the letters dated January 17, 2024 and February 9, 2024, as attached to this Agreement as Schedule "A".

1.2 **Interpretation.** In this agreement:

- (a) "this Agreement" means the Agreement as the same may from time to time be amended, restated, modified, or supplemented;
- (b) The words "herein", "hereof", "hereunder", and other words of similar nature of import refer to this Agreement as a whole and not to any particular paragraph or subdivision thereof;
- (c) The headings in this agreement are for convenience only and do not form a part of this Agreement and are not intended to interpret, define, or limit the scope, intent, or extent of this Agreement or any provision hereof;
- (d) The singular of any term includes the plural, and vice versa;
- (e) The use of any term is generally applicable to any gender, and where applicable, body corporate;
- (f) The word "or" is not exclusive, and the word "including" is not limited, regardless of whether non-limiting language, such as "without limitation" or "but not limited to" or words of a similar nature or import are used with reference thereto;
- (g) Except as otherwise expressly provided herein, where the time for doing an act falls on or expires on a day which is not a Business Day, the time for doing such act is extended to the next Business Day;
- (h) Unless otherwise noted, all reference to "Dollars" and "\$" in this Agreement will be references to the lawful currency of Canada; and
- (i) This Agreement shall be construed without regard to any presume or rule requiring construction or interpretation against the party drafting an instrument or causing any instrument to be drafted.

1.3 **Schedules** – The following are the Schedules annexed hereto, which are incorporated by reference and deemed to be part of this Agreement:

- (a) Schedule "A" - Society Debt
- (b) Schedule "B" - Loan Schedule
- (c) Schedule "C" - Permitted Debt/Permitted Encumbrances

2.0 LOAN

2.1 **Agreement to Provide Loan.** Subject to the terms and conditions of this Agreement, the RDFFG agrees to loan the Society the amount of \$500,000.00 for the purposes stated in section 2.2.

- 2.2 **Purpose of Loan.** The purpose of the Loan is to allow the Society to repay and refinance the Society Debt on terms and conditions that will be more conducive to the continued provision of museum services operating as the Fraser-Fort George Regional Museum.
- 2.3 **Loan Fully Advanced.** The Society confirms that the Loan has been fully advanced by the RDFFG through the payment of the Operating Grant Advance, and the Society acknowledges receipt of the Loan amount.
- 2.4 **No Deduction From 2024 Operating Grant.** The RDFFG confirms that with the execution of this Agreement and the establishment of the terms and conditions for the Society's repayment of the Loan, the full amount of the operating grant to the Society for the year 2024 will be advanced pursuant to the Operating Grant Agreement, subject to the terms and conditions of that agreement, without any deduction on account of the Operating Grant Advance, and that the Operating Grant Advance will for the purposes of this Agreement be deemed to be the full advance of the Loan.
- 3.0 REPAYMENT AND MATURITY**
- 3.1 **Loan Term.** The Loan shall have a term of five (5) years from May 1, 2024 and shall mature on the earlier of (i) April 30, 2029 (the "**Loan Maturity Date**") and (ii) the date on which the RDFFG demands repayment of the balance of the Loan then outstanding following the occurrence of an Event of Default.
- 3.2 **Repayment of the Loan.** The Society shall repay the Loan, with interest at the rate of 4% per annum, in 18 equal quarterly instalments of \$31,115.44 commencing on January 1, 2025. Such payments shall be made, and interest calculated, in accordance with the Loan Schedule that is attached to this Agreement as Schedule "B".
- 3.3 **Interest.** Interest on any outstanding principal amount and all other amounts payable hereunder, including any unpaid interest, shall be calculated at the rate of 4% per annum accrued monthly in advance and payable on the first day of each and every quarter starting January 1, 2025, as shown in Schedule "B". If the due date of any interest payments as shown in Schedule "B" is not a Business Day, then the interest shall continue to accrue on said principal amount and shall also be paid on such next Business Day.
- 3.4 **Prepayments.** Upon and not less than three Business Days' prior written notice to the RDFFG, the Society may make a prepayment on account of the amount the Loan then outstanding in a minimum amount of \$10,000.00 without payment of any penalty or fee. Any such voluntary payment shall be applied against the Society's obligations to make scheduled payments under the Loan in reverse chronological order, and the Loan amount shall be automatically and permanently reduced by any such voluntary repayment. In the event of any such prepayment the RDFFG shall provide the Society with a replacement Loan Schedule showing the recalculated amounts of future quarterly payments and interest.
- 3.5 **Method and Timing of Payments.** Amounts payable to the Society hereunder shall be paid by wire transfer to the account specified from time to time by the RDFFG, or by such other payment method as the RDFFG may specify from time to time. Amounts due on a day other than a Business Day shall be deemed to be due on the Business Day next following such day.

- 3.6 **Application of Payments.** Except as otherwise provided herein, all payments made hereunder shall be applied first to accrued interest, and second to the payment of the principal amount outstanding under the Loan.
- 3.7 **Deduction From Operating Grant.** Notwithstanding section 3.5, the RDFFG may in its discretion withhold any quarterly instalment payment or other amount due and payable by the Society under this Agreement from any operating grant instalment payable to the Society under the Operating Grant Agreement.

4.0 REPRESENTATIONS AND WARRANTIES

- 4.1 **Representations and Warranties.** The Society represents and warrants to the RDFFG as follows:

- (a) The Society is duly organized and validly existing under the *Societies Act* (British Columbia) and is authorized by its constating documents to operate the Fraser Fort-George Regional Museum, and to incur and perform the obligations of the Society under this Agreement;
- (b) The execution, delivery, and performance by the Society of this Agreement have been duly authorized by all necessary corporate and other actions and do not violate any constating documents of the Society or any agreement to which the Society is subject or bound;
- (c) All financial statements of the Society provided to the RDFFG, at the RDFFG's request, fairly and accurately present the financial position of the Society as of the date thereof and since such date there has occurred no material adverse change in the business or financial condition of the Society;
- (d) There is no claim, action, or other proceeding of any kind pending or threatened against the Society or any of its assets or properties before any court or administrative body which could reasonably be expected to have any material adverse effect upon the financial position of the Society or its ability to perform its obligations under this Agreement;
- (e) The Society is in compliance with all Applicable Laws;
- (f) The Society possesses all licences, patents, trademarks, and copyrights, free from any and all material restrictions, which are necessary for the ownership, maintenance, and operation of its assets and the Fraser Fort-George Regional Museum, and is not knowingly in violation of any rights of others with respect to any of the foregoing; and
- (g) No event has occurred which constitutes or which, with notice, lapse of time, or both, would constitute an Event of Default or a breach of any covenant or other term or condition of this Agreement.

5.0 COVENANTS

- 5.1 **Covenants.** The Society covenants and agrees with the RDFFG, while this Agreement is in effect:

- (a) To pay all sums of money when due by it under this Agreement;
- (b) To provide the RDFFG with prompt written notice of an event which constitutes, or which, with notice, lapse of time, or both, would constitute an Event of Default or a breach of any covenant or other term of conditions of this Agreement or any security agreement given in connection therewith;
- (c) To permit the RDFFG or its representatives, from time to time, to visit and inspect the Society's premises, properties, and assets and examine and obtain copies of the Society's records or other information and discuss the Society's affairs with counsel and other professional advisors of the Society as required;
- (d) To keep its assets fully insured in such manner as would be customarily insured by organization carrying on a similar business or owning a similar asset;
- (e) To file all tax returns which are to be filed by it from time to time;
- (f) To maintain its status as a registered charity, and to observe and perform all requirements and obligations under the *Income Tax Act* (Canada) that are necessary to maintain that status;
- (g) To maintain its status as a registered society under the *Societies Act* (British Columbia) in good standing and to file when due all reports necessary to maintain that status;
- (h) To comply in all material respects with all Applicable Laws;
- (i) Not to grant, create, or assume any Encumbrance affecting any of its assets, or other rights other than the Permitted Encumbrances;
- (j) Not to sell, lease, assign, or otherwise dispose of any of its assets other than in the ordinary course of the Society's business and on commercially reasonable terms; and
- (k) Not to merge, amalgamate, or otherwise enter into any other form of business combination with any other Person.

5.2 **Reporting.** The Society covenants and agrees with the RDFFG, while this Agreement is in effect, to provide the RDFFG with:

- (a) Annual audited financial statements for the Society within ninety days of each fiscal year end;
- (b) The Society's proposed annual operating budget for each year this Agreement is in effect, for the RDFFG's review and comment, prior to the Society's adoption of the budget;
- (c) Monthly financial statements of the Society, including a balance sheet showing assets and liabilities, and a statement of income and expenses for the current month and year to date within fifteen days of each fiscal month end;

- (d) Such other financial and operating statements and reports, and bank records and statements, as and when the RDFFG may reasonably require.

5.3 **Financial Covenants.** The Society covenants and agrees with the RDFFG, while amount of the Loan remains outstanding, not to, without the prior written consent of the RDFFG:

- (a) Create, incur, or assume any Debt other than Permitted Debt, or guarantee or agree to indemnify the obligations of any other Person, and for certainty the Society agrees that it shall take steps over time to reduce the limit of its operating line of credit with RBC to the limits identified in Schedule "C";
- (b) Make any repayments, whether principal, interest, or other amounts, towards any Debt other any Permitted Debt.

6.0 EVENTS OF DEFAULT

6.1 Without limiting any other rights of the RDFFG under this Agreement, if any one or more of the following events (each an "**Event of Default**") has occurred and is continuing:

- (a) The Society fails to pay when due any instalment payment, interest, or other amounts under this Agreement, and such failure remains unremedied for three Business Days;
- (b) The Society breaches any provision of this Agreement or any term or condition of the Operating Grant Agreement;
- (c) Any representation or warranty made or deemed to have been made under this Agreement shall prove to be false or inaccurate in any materially adverse respect at any time;
- (d) There is, in the reasonable opinion of the RDFFG, a material adverse change in the financial condition or operation of the Society;
- (e) The Society has incurred a Debt that is not a Permitted Debt;
- (f) An Insolvency Event;
- (g) Any secured creditor, encumbrancer or lienholder, or any trustee, receiver, or similar official appointed by or acting for any secured creditor, encumbrancer, or lienholder, takes possession of, forecloses, or otherwise disposes of all or any significant part to the assets of the Society or gives notice of its intention do any of the foregoing;
- (h) The Society's annual audited financial statements provided to the RDFFG under this Agreement include qualifications, statements or notes of the auditor which in the opinion of the RDFFG, acting reasonably, indicates that there has been a material adverse change in the financial condition or operation of the Society;

then, in such event, the RDFFG may, by written notice to the Society, declare the amount of the Loan then outstanding to be immediately due and payable. Upon receipt of written

notice, the Society shall immediately pay to the RDFFG the amount of the Loan then outstanding as directed by the RDFFG.

- 6.2 **Other Remedies.** In addition to any other rights of the RDFFG hereunder, upon the occurrence of an Event of Default, the RDFFG may, in its sole discretion, exercise any right of recourse available at law or equity and proceed by any action, suit, remedy, or proceeding against the Society as the RDFFG is entitled to take under any applicable law, this Agreement, or any other documents and agreements delivered and executed in connection with this Agreement, for the full recovery and payment of all obligations of the Society to the RDFFG under this Agreement.

7.0 GENERAL

- 7.1 **Binding Agreement.** This Agreement shall be binding upon and enure to the benefit of the parties and their respective successors and permitted assigns.

- 7.2 **Assignment.** The RDFFG may assign all or part of its rights and obligations under this Agreement to any Person. The rights and obligations of the Society under this Agreement may not be assigned without the prior written consent of the RDFFG, which may be withheld at its sole discretion.

- 7.3 **Disclosure.** The RDFFG may disclose to potential or actual assignees confidential information regarding the Society and shall not be liable for any such disclosure.

- 7.4 **Expenses.** Each party to this Agreement shall be responsible for its own costs and expenses incurred in connection with the preparation, negotiation, and documentation of this Agreement and the security provided for herein.

- 7.5 **Indemnity.** In addition to any other liability of the Society hereunder, the Society covenants and agrees with the RDFFG to indemnify and save harmless the RDFFG, and its successors and assigns, and their respective officers, directors, and employees (the "**Indemnitees**") from and against all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses, or disbursements, including reasonable legal fees, of any kind or nature whatsoever, which may be imposed on, incurred by, or asserted against the Indemnitees, which relate or arise out of a result from any failure by the Society to pay or satisfy its Obligations hereunder.

- 7.6 **Review.** The RDFFG may conduct periodic reviews of the affairs of the Society, as and when determined by the RDFFG, for the purpose of evaluating the financial condition of the Society, and the Society shall make available to the RDFFG such financial statements as the RDFFG may reasonably require thereto.

- 7.7 **Set-off.** The RDFFG is authorized, but not obligated, at any time, to apply any amount, whether or not then due, which the RDFFG otherwise owes the Society towards the satisfaction of the Obligations of the Society due to the RDFFG under this Agreement. The RDFFG may, at its sole discretion, treat any such set-off amounts as prepayment amounts, on the same terms as provided for under Section 3.4.

- 7.8 **Notices.** Any notices required under this Agreement shall, except as otherwise permitted, be in writing and given by delivering it in person or by facsimile or electronic mail transmission as follows:

To the RDFFG:	To the Society:
Maureen Connelly, Corporate Officer 155 George Street, Prince George, BC V2L 1P8	Helena Trudel, President 333 Becott Place Prince George, BC V2L 1G6
Email: maureen.connelly@rdffg.bc.ca Fax: (250) 563-7520	Email: info@theexplorationplace.com Fax:

Any such notice shall be deemed to have been duly given upon delivery if delivered in person, and on the day following transmission if given by facsimile or electronic mail.

- 7.9 **Amendments, waivers, remedies.** No waiver, addition to or amendment of this Agreement will be effective unless made in writing and signed by the authorized signatories of the parties and expressly stated to be a waiver, addition to or amendment of this Agreement, and no such waiver, addition, or amendment will apply beyond the specific facts in respect of which such waiver, addition, or amendment was given. The rights, remedies, powers, and privileges of the RDFFG herein provided are cumulative and not exclusive of any rights, remedies, powers, and privileges provided by law.
- 7.10 **Severability.** If any court of competent jurisdiction determines any provision of this Agreement, or any portion thereof, to be illegal, unenforceable, or otherwise invalid, that provision or portion thereof will be severed from this Agreement without affecting the remaining provisions of this Agreement and without affecting the validity or enforceability of such provision in any other jurisdiction.
- 7.11 **Governing law.** This Agreement shall be governed by and interpreted and construed in accordance with the laws prevailing in the Province of British Columbia and the parties irrevocably attorn to the exclusive jurisdiction of the courts of British Columbia and all courts having appellate jurisdiction thereover in relation to the interpretation and enforcement of this Agreement.
- 7.12 **Entire agreement.** This Agreement (including any modifications, schedules, appendices, or other documents attached thereto) constitutes and contains the entire agreement of the parties with respect to the subject matter hereof, and supersedes any prior understandings or written or oral agreements between them respecting the subject matter of this Agreement.
- 7.13 **Time.** Time is of the essence in all provisions of this Agreement.
- 7.14 **Public disclosure.** Except to the extent required by Applicable Law, neither the RDFFG nor the Society shall issue any press release or any other public announcements or statements with respect to this Agreement or the Loan Facility without the prior written approval of the other party, such approval not to be unreasonably withheld or unduly delayed.

7.15 **Counterparts and electronic delivery.** This Agreement may be executed in any number of counterparts, each of which shall constitute one and the same agreement. A counterpart may be delivered by facsimile or any other form of electronic transmission.

IN WITNESS WHEREOF the parties have duly executed this Agreement.

FRASER-FORT GEORGE MUSEUM SOCIETY, by its authorized signatories:

President

Date

Executive Director

Date

REGIONAL DISTRICT OF FRASER-FORT GEORGE, by its authorized signatories:

Chair

Date

General Manager, Legislative and Corporate Services

Date

SCHEDULE "A" SOCIETY DEBT



January 17, 2024

Lara Beckett, Chair
Regional District Fraser-Fort George
155 George Street
Prince George, BC V2L 1P8

Dear Chair Beckett

In late December, the Fraser-Fort George Regional Museum Society received \$250,000 from the Regional District of Fraser-Fort George.

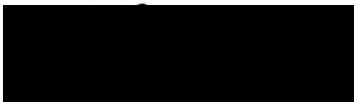
This support is greatly appreciated as we manage through financial challenges related to the COVID-19 pandemic and construction issues that delayed the re-opening of the museum last year.

The table below shows how this funding has been applied:

Debt Type	Payment Amount
Accounts Payable	\$167,165.64
Dec 22/23 Payroll	\$53,264.12
Line of Credit	\$10,962.84
EFT Kitchen Vendors pay online	\$6,607.42
WorkSafe 3 rd Quarter	\$3,503.38
GST 3 rd Quarter	\$8,496.60
Total	\$250,000.00

Thank you again for your support during this challenging time. We will continue to keep you updated on the progress we are making to address the financial challenges we face.

Sincerely



Herena Trudei, President
Fraser-Fort George Regional Museum Society



February 9, 2024

Lara Beckett, Chair
Regional District Fraser-Fort George
155 George Street
Prince George, BC V2L 1P8

Dear Chair Beckett

In late January, the Fraser-Fort George Regional Museum Society received \$250,000 from the Regional District of Fraser-Fort George.


This support is greatly appreciated as we manage through financial challenges related to the COVID-19 pandemic and construction issues that delayed the re-opening of the museum last year.

The table below shows how this funding has been applied:

Debt Type	Payment Amount
Line of Credit	\$225,000
Bank Account (overdraft)	\$25,000
Total	\$250,000.00

Thank you again for your support during this challenging time. We will continue to keep you updated on the progress we are making to address the financial challenges we face.

Sincerely


 Helena Trudel, President
 Fraser-Fort George Regional Museum Society

SCHEDULE "B" LOAN SCHEDULE

Exploration Place Loan Schedule

Interest Rate 4%

Loan/interest start date May 1, 2024

Repayments to start 2025 Q1 and end 2029 Q2 (18 Payments)

Date	Interest	Payment	Balance
			500,000.00
01-May-24	1,666.67		501,666.67
01-Jun-24	1,672.22		503,338.89
01-Jul-24	1,677.80		505,016.69
01-Aug-24	1,683.39		506,700.07
01-Sep-24	1,689.00		508,389.07
01-Oct-24	1,694.63		510,083.70
01-Nov-24	1,700.28		511,783.98
01-Dec-24	1,705.95		513,489.93
01-Jan-25	1,711.63	31,115.44	484,086.12
01-Feb-25	1,613.62		485,699.74
01-Mar-25	1,619.00		487,318.74
01-Apr-25	1,624.40	31,115.44	457,827.70
01-May-25	1,526.09		459,353.79
01-Jun-25	1,531.18		460,884.97
01-Jul-25	1,536.28	31,115.44	431,305.81
01-Aug-25	1,437.69		432,743.50
01-Sep-25	1,442.48		434,185.98
01-Oct-25	1,447.29	31,115.44	404,517.82
01-Nov-25	1,348.39		405,866.22
01-Dec-25	1,352.89		407,219.10
01-Jan-26	1,357.40	31,115.44	377,461.06
01-Feb-26	1,258.20		378,719.27
01-Mar-26	1,262.40		379,981.66
01-Apr-26	1,266.61	31,115.44	350,132.83
01-May-26	1,167.11		351,299.94
01-Jun-26	1,171.00		352,470.94
01-Jul-26	1,174.90	31,115.44	322,530.40
01-Aug-26	1,075.10		323,605.50
01-Sep-26	1,078.69		324,684.19
01-Oct-26	1,082.28	31,115.44	294,651.03
01-Nov-26	982.17		295,633.20
01-Dec-26	985.44		296,618.64
01-Jan-27	988.73	31,115.44	266,491.93
01-Feb-27	888.31		267,380.24
01-Mar-27	891.27		268,271.50
01-Apr-27	894.24	31,115.44	238,050.30
01-May-27	793.50		238,843.80
01-Jun-27	796.15		239,639.95
01-Jul-27	798.80	31,115.44	209,323.31
01-Aug-27	697.74		210,021.05
01-Sep-27	700.07		210,721.12
01-Oct-27	702.40	31,115.44	180,308.09
01-Nov-27	601.03		180,909.11
01-Dec-27	603.03		181,512.15
01-Jan-28	605.04	31,115.44	151,001.75
01-Feb-28	503.34		151,505.08
01-Mar-28	505.02		152,010.10
01-Apr-28	506.70	31,115.44	121,401.36
01-May-28	404.67		121,806.03
01-Jun-28	406.02		122,212.05
01-Jul-28	407.37	31,115.44	91,503.99
01-Aug-28	305.01		91,809.00
01-Sep-28	306.03		92,115.03
01-Oct-28	307.05	31,115.44	61,306.64
01-Nov-28	204.36		61,511.00
01-Dec-28	205.04		61,716.03
01-Jan-29	205.72	31,115.44	30,806.31
01-Feb-29	102.69		30,909.00
01-Mar-29	103.03		31,012.03
01-Apr-29	103.37	31,115.44	(0.04)
	60,077.88	560,077.92	

SCHEDULE "C"
PERMITTED DEBT/ENCUMBRANCES

1. Permitted Encumbrances

- a) PPSA Security Agreement – Royal Bank of Canada (Base Registration Number 986794E)

2. Permitted Debt

- a) Royal Bank of Canada Line of Credit the limit of which shall be no more than as follows:
- a. as of the date of this Agreement, \$225,000.00
 - b. as of December 31, 2024, \$175,000.00
 - c. as of December 31, 2025, \$125,000.00
 - d. as of December 31, 2026, \$75,000.00
 - e. as of December 31, 2027, \$50,000.00
- b) Royal Bank of Canada Overdraft, not to exceed \$25,000.00
- c) All other Debt and Obligations incurred by the Society in the operation of the Fraser Fort-George Regional Museum, which shall not exceed a total of \$225,000.00 at any time without the written consent of the RDFFG.

Backgrounder

Audited Financial Statements – December 31, 2023:

Audited Financial Statements of the FFG Museum Society for the year ended December 31, 2023 are attached for review. The statements are watermarked as unapproved as they still require approval from the Society membership at their AGM in May; however, the statements have been approved by the FFG Museum Society Board. These statements reflect a line of credit balance of \$285,000 as well as a bank overdraft balance of \$82,858.

The Society’s auditors have provided additional information on the going concern in note 2 of the financial statements. This highlights that the Society incurred a net deficit of \$417,332 (2022 - \$71,009) and the Society's current liabilities exceeded its current assets in the amount of \$364,609 (2022 - \$444,908).

This note also states: “Management has prepared a detailed cash flow plan and projection for the coming years and has determined the Society will continue to utilize its line of credit as needed for the year ending December 31, 2024. The Society has reached out to its bank and funders to attempt to continue to receive advances on their operating funding as well as reducing its operating hours to cut wage and operating costs in non-peak seasons to assist with cash flows over the coming years.”

2024 Revised Budget:

Exploration Place staff provided amended 2024 budget information to the Regional District. A summary of the changes provided are as follows:

	2023 Budget	2024 Preliminary Budget	Budget Amendments	2024 Revised Budget
Total Revenue	2,541,750	2,759,902	25,000	2,784,902
Total Operating Expenses	2,473,615	2,459,753	56,071	2,515,824
Surplus/(Deficit)	(68,135)	300,149	(31,071)	269,078

The changes involved a re-alignment of some revenue items; increasing program fees and decreasing admissions revenue by \$30,000 and an increase of \$25,000 related to the railway. Increases to the expenditure budgets included an additional \$10,000 for insurance, \$11,010 for electricity and utilities, \$7,400 for security and \$27,661 related to wages and benefits.

2024 January to March (Q1) Financial Results:

According to internal financial statements provided to the Regional District, Exploration place recognized a net surplus of \$11,946 for the first three months of 2024. Comparing against one quarter of the revised budget figures, this is a shortfall of \$55,324 from their budget target. Seasonality of revenues and expenditures will affect this variance.

	2024 Q1 Actuals	2024 Q1 Revised Budget	2024 Q1 Variance
Total Revenue	576,440	696,226	(119,786)
Total Operating Expenses	564,494	628,956	64,462
Surplus/(Deficit)	11,946	67,270	(55,324)

As of the end of March, the society had a balance of \$145,000 in their line of credit and approximately \$25,000 in bank overdraft.

Cash Flow Projections:

Exploration Place has provided cash flow projections to the end of August 2024. Based on this information, the projected variance anticipated for April to June (Q2) is as follows:

	2024 Q2 Projected	2024 Q2 Budget	2024 Q2 Variance
Total Revenue	614,450	696,226	(81,776)
Total Operating Expenses	671,530	628,956	(42,574)
Surplus/(Deficit)	(57,080)	67,270	(124,350)

FRASER-FORT GEORGE MUSEUM
SOCIETY

(The Exploration Place)

FINANCIAL STATEMENTS

For the year ended December 31, 2023

**FRASER-FORT GEORGE MUSEUM SOCIETY
(THE EXPLORATION PLACE)
FINANCIAL STATEMENTS
For the year ended December 31, 2023**

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UNAPPROVED



**CHARTERED
PROFESSIONAL
ACCOUNTANTS LLP**

#101 - 1440 Second Avenue, Prince George, BC, V2L 3B6
Telephone: 250-563-0026 FAX: 250-561-7331

INDEPENDENT AUDITOR'S REPORT

To the trustees of

Fraser-Fort George Museum Society

Opinion

We have audited the financial statements of Fraser-Fort George Museum Society (The Exploration Place), which comprise the statement of financial position as at December 31, 2023, 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.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Society as at December 31, 2023, and its results of operations and its cash flows for the year then ended in accordance with ASNPO.

Basis for Opinion

In common with many not-for-profit organizations, the Society derives revenue from 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 the Society. Therefore, we were not able to determine whether any adjustments might be necessary to fundraising revenue, excess of revenues over expenses, and cash flows from operations for the years ended December 31, 2023 and 2022, current assets as at December 31, 2023 and 2022, and net assets as at January 1 and December 31 for both the 2023 and 2022 years. Our audit opinion on the financial statements for the year ended December 31, 2022 was modified accordingly because of the possible effects of this limitation in scope.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Society 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 opinion.

Other Matter

The financial statements for the year ended December 31, 2021 were audited by another auditor who expressed a qualified opinion on those financial statements on May 4, 2022 for the reasons described in the Basis for Qualified Opinion section.

Material Uncertainty Related to Going Concern

We draw attention to Note 2 in the 's financial statements, which indicates that the Society incurred a net deficit of \$417,332 during the year ended December 31, 2023 and, as of that date, the Society's current liabilities exceeded its total assets by \$364,609. As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the Society's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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 ASNPO, 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

INDEPENDENT AUDITOR'S REPORT, continued

fraud or error.

In preparing the financial statements, management is responsible for assessing the Society'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 Society or to cease operations, or has no realistic alternative but to do so.

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

Auditor's 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 auditor's 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 Society'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 Society's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's 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 auditor's report. However, future events or conditions may cause the Society 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.

INDEPENDENT AUDITOR'S REPORT, continued

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.

Report on Other Legal and Regulatory Requirements

As required by Societies Act (British Columbia), we report that, in our opinion, the accounting policies applied in preparing and presenting financial statements in accordance with Canadian accounting standards for not-for-profit organizations, have been applied on a basis consistent with that of the preceding period.

Prince George, BC
February 14, 2024

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ACCOUNTANTS LLP

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FRASER-FORT GEORGE MUSEUM SOCIETY

(THE EXPLORATION PLACE)

STATEMENT OF OPERATIONS

For the year ended December 31, 2023

	<u>2023</u>	<u>2022</u>
REVENUES		
Fees for service	\$ 145,806	\$ 123,331
Donations	16,323	67,250
Gaming	43,100	98,750
Memberships	84,871	37,429
Miscellaneous	6,268	5,609
Gift shop sales	140,067	76,820
Admissions	287,449	80,343
Commercial kitchen	373,421	81,210
Program fees	41,805	3,355
Interest income	274	1,448
Sponsorships	8,000	8,125
Federal grants	145,118	888,585
Provincial grants	467,828	166,600
Municipal grants	7,625	170,756
Other grants	80,000	132,869
RDFFG operating grant	848,000	800,000
Amortization of deferred capital contributions	99,419	99,425
	<u>2,795,374</u>	<u>2,841,905</u>
Less: deferred capital contributions	<u>-</u>	<u>329,298</u>
	2,795,374	2,512,607
EXPENDITURES, Schedule 1	<u>3,204,690</u>	<u>2,809,863</u>
DEFICIENCY OF REVENUES OVER EXPENDITURES FROM OPERATIONS	<u>(409,316)</u>	<u>(297,256)</u>
OTHER EXPENSES (INCOME)		
Loss on sale of tangible capital assets	8,016	-
Canadian federal wages and rent subsidies	<u>-</u>	<u>(226,247)</u>
	<u>8,016</u>	<u>(226,247)</u>
DEFICIENCY OF REVENUES OVER EXPENDITURES	<u>\$ (417,332)</u>	<u>\$ (71,009)</u>

See accompanying notes

FRASER-FORT GEORGE MUSEUM SOCIETY

(THE EXPLORATION PLACE)

STATEMENT OF CHANGES IN NET ASSETS

For the year ended December 31, 2023

	<u>Unrestricted</u>	<u>Invested in tangible capital assets</u>	<u>Total 2023</u>	<u>Total 2022</u>
NET ASSETS, BEGINNING OF YEAR	\$ (504,906)	\$ 1,376,888	\$ 871,982	\$ 942,991
Deficiency of revenues over expenditures	(159,103)	(258,229)	(417,332)	(71,009)
Investment in tangible capital assets	(45,423)	45,423	-	-
Proceeds on disposal	<u>34,824</u>	<u>(34,824)</u>	<u>-</u>	<u>-</u>
NET ASSETS, END OF YEAR	<u>\$ (674,608)</u>	<u>\$ 1,129,258</u>	<u>\$ 454,650</u>	<u>\$ 871,982</u>

See accompanying notes

FRASER-FORT GEORGE MUSEUM SOCIETY
(THE EXPLORATION PLACE)
STATEMENT OF FINANCIAL POSITION
As at December 31, 2023

	<u>2023</u>	<u>2022</u>
ASSETS		
CURRENT ASSETS		
Accounts receivable (note 4)	\$ 16,458	\$ 56,186
Inventory (note 5)	192,576	124,722
Prepaid expenses	89,508	126,054
Restricted cash (note 6)	116	692
GST receivable	-	11,232
	<u>298,658</u>	<u>318,886</u>
TANGIBLE CAPITAL ASSETS (note 7)	1,458,276	1,805,326
ARTIFACTS (note 8)	<u>1</u>	<u>1</u>
	<u>\$ 1,756,935</u>	<u>\$ 2,124,213</u>
LIABILITIES		
CURRENT LIABILITIES		
Bank indebtedness (note 9)	\$ 82,858	\$ 189,704
Accounts payable and accrued liabilities (note 10)	249,302	352,888
Deferred contributions (note 11)	40,479	51,202
Line of credit (note 12)	285,000	170,000
GST payable	5,628	-
	<u>663,267</u>	<u>763,794</u>
LONG-TERM DEBT (note 13)	310,000	60,000
DEFERRED CAPITAL CONTRIBUTIONS (note 14)	<u>329,018</u>	<u>428,437</u>
	1,302,285	1,252,231
NET ASSETS (note 15)	<u>454,650</u>	<u>871,982</u>
	<u>\$ 1,756,935</u>	<u>\$ 2,124,213</u>

On behalf of the Trustees

Trustee

Trustee

See accompanying notes

FRASER-FORT GEORGE MUSEUM SOCIETY

(THE EXPLORATION PLACE)

STATEMENT OF CASH FLOWS

For the year ended December 31, 2023

	<u>2023</u>	<u>2022</u>
OPERATING ACTIVITIES		
Deficiency of revenues over expenditures	\$ (417,332)	\$ (71,009)
Items not affecting cash		
Amortization	349,632	273,258
Amortization of deferred capital contributions	(99,419)	(99,425)
Loss on sale of tangible capital assets	8,016	-
	<u>(159,103)</u>	<u>102,824</u>
Change in non-cash working capital items		
Accounts receivable	39,728	242,884
Inventory	(67,854)	(83,515)
Prepaid expenses	36,546	(28,794)
GST receivable	11,232	3,764
Accounts payable and accrued liabilities	(103,585)	56,080
Deferred contributions	(10,723)	(35,608)
GST payable	5,628	-
	<u>(248,131)</u>	<u>257,635</u>
INVESTING ACTIVITIES		
Purchase of tangible capital assets	(45,423)	(1,473,928)
Proceeds on disposal of tangible capital assets	34,824	-
	<u>(10,599)</u>	<u>(1,473,928)</u>
FINANCING ACTIVITIES		
Repayment of long-term debt	250,000	-
Deferred capital contributions	-	329,298
	<u>250,000</u>	<u>329,298</u>
INCREASE IN BANK INDEBTEDNESS	(8,730)	(886,995)
(BANK INDEBTEDNESS) CASH, BEGINNING OF YEAR	<u>(359,012)</u>	<u>527,983</u>
BANK INDEBTEDNESS, END OF YEAR	<u>\$ (367,742)</u>	<u>\$ (359,012)</u>
BANK INDEBTEDNESS CONSISTS OF:		
Restricted cash	\$ 116	\$ 692
Bank indebtedness	(82,858)	(189,704)
Line of credit	(285,000)	(170,000)
	<u>\$ (367,742)</u>	<u>\$ (359,012)</u>

See accompanying notes

FRASER-FORT GEORGE MUSEUM SOCIETY

(THE EXPLORATION PLACE)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2023

1. Nature of operations

The Fraser-Fort George Museum Society is incorporated under the Societies Act (British Columbia) and operates under the registered trade name The Exploration Place ("The Exploration Place"). It is responsible for the operation of the Fraser-Fort George Regional Museum, situated in Prince George, British Columbia. The Exploration Place is a non-profit organization under Section 149(1)(f) of the Income Tax Act and is a registered charity.

2. Going concern

These financial statements have been prepared on a going concern basis which contemplates the realization of assets and the payment of liabilities in the ordinary course of business. Should the Society be unable to continue as a going concern, it may be unable to realize the carrying value of its assets and to meet its liabilities as they become due.

During the year ended December 31, 2023, the Society incurred a net deficit of \$417,332 (2022 - \$71,009) and the Society's current liabilities exceeded its current assets in the amount of \$364,609 (2022 - \$444,908). Management notes the net deficit includes non-cash expenditures in the form of amortization in the amount of \$349,632 and loss on disposal on tangible capital assets in amount of \$8,016 for the year ended December 31, 2023. During the year, the Society's expansion project completed in 2022 continued to be a source of cash flow challenges.

Management has prepared a detailed cash flow plan and projection for the coming years and has determined the Society will continue to utilize its line of credit as needed for the year ending December 31, 2024. The Society has reached out to its bank and funders to attempt to continue to receive advances on their operating funding as well as reducing its operating hours to cut wage and operating costs in non-peak seasons to assist with cash flows over the coming years. Management was successful in obtaining a one-time relief financing from the Regional District of Fraser Fort George in 2024 for another \$250,000 (\$250,000 received in 2023). Management believes this funding and their other cost-cutting measures is sufficient to eliminate current line of credit and operating cash flow shortfalls and return the Society to positive cash flows going forward.

The accompanying financial statements do not include any adjustments relating to the recoverability of assets and to the reclassification of asset and liability amounts that might be necessary should the Society be unable to continue its operations.

FRASER-FORT GEORGE MUSEUM SOCIETY

(THE EXPLORATION PLACE)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2023

3. Accounting policies and general information

The Society applies the Canadian accounting standards for not-for-profit organizations.

(a) Revenue recognition

The Society 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.

Externally restricted contributions for the purchase of tangible capital assets that will be amortized are recorded as deferred capital contributions and recognized as revenue on the same basis as the amortization expense related to the acquired tangible capital assets. Externally restricted contributions for the purchase of tangible capital assets that will not be amortized are recognized as direct increases in net assets to the Investment in Capital Assets balance.

(b) Inventory

Inventory is measured at the lower of cost and net realizable value. Cost is determined on a first-in, first-out basis. Cost includes all costs of purchase, direct labour, variable and fixed production overheads, and other costs incurred in bringing the inventories to their present location and condition.

(c) Tangible capital assets

Tangible capital assets are recorded at cost. The Society provides for amortization using the straight-line method at rates designed to amortize the cost of the tangible capital assets over their estimated useful lives. The annual amortization rates are as follows:

Vehicles	7 years
Exhibits	7 years
Office equipment	5 years
Leasehold improvements	3 years
Computer equipment	3 years

The estimated useful lives of assets are reviewed by management and adjusted if necessary.

The Society regularly reviews its tangible capital assets to eliminate obsolete items. Upon retirement or disposition of tangible capital assets, the capitalized cost and related accumulated amortization are removed from the balance sheet and any resulting gain or loss is recognized in the statement of income.

FRASER-FORT GEORGE MUSEUM SOCIETY

(THE EXPLORATION PLACE)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2023

3. Accounting policies and general information, continued

(c) Tangible capital assets, continued

Full amortization is recorded in the year of acquisition.

(d) Artifacts

The artifacts of The Exploration Place are comprised of documents, pictures, textiles, 3D artifacts, and paleontology materials. The artifacts are shown as an asset at a nominal value of \$1 due to the practical difficulties of determining a meaningful value for the assets. Items purchased for the artifacts are recorded as an expense in the year of acquisition. Contributed artifacts items are not recorded in the books of accounts. All preservation costs are expensed in the period incurred. The artifacts are not amortized as these assets are rare and unique and have cultural and historical significance.

(e) Contributed services

Volunteers contribute their time to assist The Exploration Place in carrying out its service delivery activities. Due to the difficulty of determining their fair market value, contributed services are not recognized in the financial statements.

FRASER-FORT GEORGE MUSEUM SOCIETY

(THE EXPLORATION PLACE)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2023

3. Accounting policies and general information, continued

(f) Financial instruments

(i) Measurement of financial instruments

The Society initially measures its financial assets and financial liabilities at fair value adjusted by, in the case of a financial instrument that will not be measured subsequently at fair value, the amount of transaction costs directly attributable to the instrument.

The Society subsequently measures its financial assets and financial liabilities at amortized cost.

Financial assets measured at amortized cost include cash, GST receivable and accounts receivable. Financial liabilities measured at amortized cost include bank indebtedness, accounts payable and accrued liabilities and line of credit.

(ii) Impairment

Financial assets measured at amortized cost are tested for impairment when there are indicators of possible impairment. When a significant adverse change has occurred during the period in the expected timing or amount of future cash flows from the financial asset or group of assets, a write-down is recognized in net income. The write down reflects the difference between the carrying amount and the higher of:

- ♦ the present value of the cash flows expected to be generated by the asset or group of assets;
- ♦ the amount that could be realized by selling the assets or group of assets;
- ♦ the net realizable value of any collateral held to secure repayment of the assets or group of assets.

When the events occurring after the impairment confirm that a reversal is necessary, the reversal is recognized in net income up to the amount of the previously recognized impairment.

(g) Use of estimates

The preparation of financial statements in conformity 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. By their nature, these estimates are subject to measurement uncertainty. The effect of changes in such estimates on the financial statements in future periods could be significant. Accounts specifically affected by estimates in these financial statements are the useful lives of tangible capital assets and provision for inventory obsolescence.

FRASER-FORT GEORGE MUSEUM SOCIETY

(THE EXPLORATION PLACE)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2023

4. Accounts receivable

	<u>2023</u>	<u>2022</u>
Other	\$ 16,458	\$ 56,186

5. Inventory

	<u>2023</u>	<u>2022</u>
Gift shop inventory	\$ 152,469	\$ 124,722
Origins Kitchen inventory	40,107	-
	<u>\$ 192,576</u>	<u>\$ 124,722</u>

As at December 31, 2022, the Origins Kitchen inventory was not counted and was estimated to be a non-material amount (\$2,000-\$3,000), therefore no amount of kitchen inventory was recorded for the year ended December 31, 2022.

Included in gift shop inventory above is \$27,224 worth of merchandise that is stored separately offsite as overstock until that in the gift shop is sold.

6. Restricted cash

	<u>2023</u>	<u>2022</u>
Gaming	\$ 102	\$ 410
Internally restricted reserve account	14	282
	<u>\$ 116</u>	<u>\$ 692</u>

The gaming funds are externally restricted and subject to conditions pertaining to the B.C. Gaming Commission grants received.

The internally restricted reserve account consists of funds restricted from general operations and are separately accounted for as they are spent.

FRASER-FORT GEORGE MUSEUM SOCIETY

(THE EXPLORATION PLACE)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2023

7. Tangible capital assets

			<u>2023</u>	<u>2022</u>
	<u>Cost</u>	<u>Accumulated amortization</u>	<u>Net</u>	<u>Net</u>
Vehicles	\$ 56,348	\$ 41,008	\$ 15,340	\$ 18,627
Exhibits	1,799,830	1,592,944	206,886	262,028
Office equipment	589,647	452,211	137,436	184,796
Leasehold improvements	1,973,531	897,405	1,076,126	1,285,892
Computer equipment	<u>371,774</u>	<u>349,286</u>	<u>22,488</u>	<u>53,983</u>
	<u>\$ 4,791,130</u>	<u>\$ 3,332,854</u>	<u>\$ 1,458,276</u>	<u>\$ 1,805,326</u>

8. Artifacts

The Exploration Place maintains an extensive collection of documents, pictures, textiles, 3D artifacts, and paleontology materials featuring life in the Regional District of Fraser-Fort George.

The Exploration Place acquires artifacts by purchase, gift and bequest.

9. Bank indebtedness

Bank indebtedness consists of cheques issued in excess of funds held on deposit as at December 31, 2023.

10. Accounts payable and accrued liabilities

	<u>2023</u>	<u>2022</u>
Trade payables and accrued liabilities	\$ 59,290	\$ 134,805
Payroll and withholding taxes	33,547	24,812
Vacation and banked time	76,589	127,297
Sales taxes payable	2,457	2,710
Wages payable	<u>77,419</u>	<u>63,264</u>
	<u>\$ 249,302</u>	<u>\$ 352,888</u>

FRASER-FORT GEORGE MUSEUM SOCIETY

(THE EXPLORATION PLACE)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2023

11. Deferred contributions

	<u>2023</u>	<u>2022</u>
Gift certificates	\$ 5,795	\$ 3,018
The Discovery Centre	<u>34,684</u>	<u>48,184</u>
	<u>\$ 40,479</u>	<u>\$ 51,202</u>

Deferred contributions is comprised of funding received prior to expenditures being made in respect of the above projects or programs. The value of outstanding gift certificates is estimated based on those issued that are known to still be outstanding.

12. Line of credit

The Exploration Place has an operating line of credit, authorized to \$220,000 with a temporary bump to \$285,000, bearing interest at prime plus 2.4%, at December 31, 2023 the interest rate is 9.6% (2022 – 8.85%) and secured by a general security agreement. The amount outstanding at December 31, 2023 is \$285,000 (2022 - 170,000).

13. Long-term debt

	<u>2023</u>	<u>2022</u>
Canada Emergency Business Account (CEBA), unsecured, non-interest bearing with no specific terms of repayment maturing December 2023. If not repaid in full by maturity, the term is extended for three years bearing interest at 5%. If the Canada Emergency Business Account is paid on or before December 31, 2023, \$20,000 of the loan will be forgiven.	\$ 60,000	\$ 60,000
Regional District of Fraser-Fort George temporary relief loan with terms currently being determined	<u>250,000</u>	<u>-</u>
Due beyond one year	<u>\$ 310,000</u>	<u>\$ 60,000</u>

FRASER-FORT GEORGE MUSEUM SOCIETY

(THE EXPLORATION PLACE)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2023

14. Deferred capital contributions

Contributions related to tangible capital assets are amortized into revenue over the same basis as the related tangible capital asset.

	<u>Balance, beginning of year</u>	<u>Recognized</u>	<u>Balance, end of year</u>
Capital contributions	\$ 428,437	\$ (99,419)	\$ 329,018

15. Net assets

	<u>2023</u>	<u>2022</u>
Unrestricted	\$ (674,608)	\$ (504,906)
Net assets invested in tangible capital assets	<u>1,129,258</u>	<u>1,376,888</u>
	<u>\$ 454,650</u>	<u>\$ 871,982</u>

Net assets invested in tangible capital assets consist of the following:

	<u>2023</u>	<u>2022</u>
Balance, beginning of year	\$ 1,376,888	\$ 406,091
Acquisition of tangible capital assets	45,423	1,473,928
Amortization of tangible capital assets	(349,632)	(273,258)
Amortization of deferred capital contributions	99,419	99,425
Deferred capital contributions received	-	(329,298)
Loss on disposal	(8,016)	-
Proceeds on disposal	<u>(34,824)</u>	<u>-</u>
	<u>\$ 1,129,258</u>	<u>\$ 1,376,888</u>

16. Commitments

The Exploration Place is committed to rent the land and building it uses from the Regional District of Fraser-Fort George payable in annual payments of \$1 to August 2027. This amount is included in rental expense.

As at December 31, 2023, the fair value for this contributed service is not readily available, therefore the Society has elected to recognize these services at cost.

FRASER-FORT GEORGE MUSEUM SOCIETY

(THE EXPLORATION PLACE)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2023

17. Contingent liabilities

The Exploration Place is contingently liable as a guarantor of credit cards with a maximum credit limit of \$52,500 (2022 - \$52,500). The amount outstanding at December 31, 2023 is \$4,942 (2022 - \$29,997) and is recorded in accounts payable and accrued liabilities.

Under the terms of the Canadian Emergency Wage Subsidy and Canadian Emergency Rent Subsidy there may be repayable amounts to the Federal government.

18. Endowment fund beneficiary

The Exploration Place is the income beneficiary of a permanent endowment in the amount of \$28,608 (2022 - \$27,450) at the Prince George Community Foundation for the purpose of funding arts and cultural activities. These funds are not included in the asset balances of The Exploration Place.

During 2023, contributions of \$nil (2022 - \$nil) were made to this endowment fund.

The investment return on these funds is provided to The Exploration Place annually. In 2023, The Exploration Place received \$242 (2022 - \$4,883) in investment income from this endowment fund.

19. 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.

(a) Liquidity risk

The Society does have a liquidity risk in the bank indebtedness and accounts payable and accrued liabilities of \$332,160 (2022 - \$542,592). Liquidity risk is the risk that the Society cannot repay its obligations when they become due to its creditors. The Society reduces its exposure to liquidity risk by ensuring that it documents when authorized payments become due; maintains an adequate line of credit to repay trade creditors and repays long term debt interest and principal as they become due. In the opinion of management the liquidity risk exposure to the Society is low and is not material.

(b) Credit risk

The Society does have credit risk in accounts receivable of \$16,458 (2022 - \$56,186). Credit risk is the risk that one party to a transaction will fail to discharge an obligation and cause the other party to incur a financial loss. The Exploration Place provides credit on a selective basis and has carried out specific procedures to minimize the risk. The majority of the receivables are from government bodies. In the opinion of management the credit risk exposure to the Society is low and is not material.

FRASER-FORT GEORGE MUSEUM SOCIETY

(THE EXPLORATION PLACE)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2023

19. Financial instruments, continued

(c) Interest rate risk

Cash flow risk is the risk that future cash flows associated with a monetary financial instrument will fluctuate in amount, such as a debt instrument held with a floating interest rate.

20. Economic dependence

The operations of The Exploration Place are economically dependent on the continuing financial support of the Regional District of Fraser-Fort George. In 2023, The Exploration Place received 30% (2022 – 29%) of its revenue from the Regional District of Fraser-Fort George. The Regional District of Fraser-Fort George considers debt relief funding for the loan held for the land and building in which The Exploration Place is situated as part of the financial support provided. During the year, \$113,141 (2022 - \$89,040) was provided through a reduction in the annual grant funding actually received. This financial support is considered non-repayable and is recorded in the statement of operations.

21. Remuneration of employees, contractors and directors

The B.C. Societies Act requires the society to disclose the remuneration paid to employees and contractors whose remuneration during the year was at least \$75,000 and all remuneration paid to directors.

Included in wages and benefits, are six employees who received total remuneration in excess of \$75,000 (2022 - two employees).

No remuneration was paid to directors during the year ended December 31, 2023 (2022 - Nil).

22. Related party transactions

The Exploration Place paid in total \$91,386 (2022 - \$91,032) in wage expenses to direct family members of the management team.

The transaction is in the normal course of operations and is measured at the exchange amount, which is the amount of consideration established and agreed to by the related party.

23. Subsequent event

Subsequent to the year end, the Society obtained interim financing from the Regional District of Fraser-Fort George in the amount of \$250,000. The terms of the funding are in the process of being established, along with the \$250,000 received in 2023.

FRASER-FORT GEORGE MUSEUM SOCIETY
(THE EXPLORATION PLACE)
SCHEDULE OF EXPENDITURES
For the year ended December 31, 2023

	<u>2023</u>	<u>2022</u>
Advertising and promotion	\$ 64,097	\$ 94,542
Amortization	349,632	273,258
Automotive	2,120	2,884
Janitorial	10,720	19,378
Computer expense	34,864	31,023
Contract service	93,622	142,418
Equipment lease	3,674	6,955
Housing for animals	254	25,599
Insurance	57,656	48,129
Interest and bank charges	39,482	19,522
Debt relief fund	113,141	89,040
Gift Shop merchandise, food and beverage purchases	189,670	80,389
Food and beverage - meetings	5,344	3,889
Memberships and subscriptions	13,078	12,491
Office	8,536	7,294
Postage and courier	2,265	3,234
Professional fees	11,112	26,267
Rent	93,612	53,893
Repairs and maintenance	18,195	12,455
Security	9,032	3,250
Shop supplies	5,406	26,290
Staff appreciation	1,564	6,885
Permits and licenses	9,723	16,201
Telephone and internet	14,272	19,269
Travel	16,639	11,351
Training and professional development	8,779	6,830
Utilities	136,445	149,441
Supplies	45,143	155,296
Wages and benefits	1,840,782	1,453,352
Veterinary and animal food	5,831	9,038
	<u>\$ 3,204,690</u>	<u>\$ 2,809,863</u>



2023 - 2024 Budget Comparison

January 15th 2024

*2023 Actuals based on Period 12 Income Statement

** Provided April 2024

Revenue	2023 Budget	2023 Actual*	2023 Variance	2024 Budget	2024 Revised Budget**	Change
Fee For Service	150,000	145,806	(4,194)	67,082	92,082.00	25,000
Donations in Kind	-	-	-	-	-	-
Donations Corporate	5,000	500	(4,500)	10,000	10,000.00	-
Donations	52,000	15,823	(36,177)	45,000	45,000.00	-
Gaming Revenue	98,750	43,500	(55,250)	98,750	98,750.00	-
Memberships	150,000	84,627	(65,373)	110,000	110,000.00	-
Misc. Revenue	5,000	674	(4,326)	-	-	-
Gift Shop Sales	250,000	140,060	(109,940)	175,000	175,000.00	-
Interest Revenue	-	(126)	(126)	-	-	-
Commercial Kitchen Revenue	300,000	289,344	(10,656)	350,000	340,000.00	(10,000)
Kitchen Catering Revenue	-	75,829	75,829	150,000	150,000.00	-
Kitchen Wholesale Revenue	-	1,428	1,428	25,000	25,000.00	-
Kitchen Liquor Revenue	-	5,490	5,490	25,000	25,000.00	-
Kitchen Programming - outside sales	-	-	-	-	10,000.00	10,000
Admissions	205,000	287,449	82,449	360,000	330,000.00	(30,000)
Program Fees	43,000	42,805	(195)	90,000	120,000.00	30,000
Facilities Enhancement Fee	-	-	-	-	-	-
Sponsorships	76,000	8,000	(68,000)	30,000	30,000.00	-
Sponsorship - capital	-	-	-	-	-	-
Facility Rental	10,000	5,594	(4,406)	60,000	60,000.00	-
Federal Grant	162,000	145,118	(16,882)	78,500	78,500.00	-
Municipal Grant	-	7,625	7,625	9,000	9,000.00	-
Prov. Grant BC Arts Council	117,000	457,121	340,121	93,150	93,150.00	-
Provincial Grant	-	8,212	8,212	1,500	1,500.00	-
Other Grants (Private Foundation)	30,000	80,000	50,000	100,000	100,000.00	-
RDFFG Operating Grant	848,000	843,655	(4,345)	881,920	881,920.00	-
Gain (Loss) on Dis. Cap Assets	40,000	(9,804)	(49,804)	-	-	-
Total Revenue	2,541,750	2,678,730	136,980	2,759,902	2,784,902	25,000

Expense	2023 Budget	2023 Actual*	2023 Variance	2024 Budget		
Gift Shop Merchandise	60,000	52,021	(7,979)	60,000	60,000	-
Food & Beverage	120,000	155,602	35,602	215,000	215,000	-
Liquor purchases	-	7,070	7,070	10,000	10,000	-
Wages & Benefits	1,468,000	1,627,684	159,684	1,334,782	1,348,762	13,980
CPP & EI	87,450	116,026	28,576	106,124	107,409	1,285
Oassis	31,275	51,380	20,105	54,406	60,000	5,595
RRSP	20,000	20,962	962	24,043	30,664	6,621
CHILD CARE	-	5,880	5,880	-	-	-
Work Safe BC	10,320	10,666	346	10,483	10,663	180
Training	4,500	6,370	1,870	1,800	1,800	-
Staff Uniforms	4,000	10,978	6,978	1,000	1,000	-
Professional Development	-	2,321	2,321	-	-	-
Travel & Accom	6,000	8,387	2,387	5,000	5,000	-
Travel Meals	1,500	2,908	1,408	1,000	1,000	-
Mileage	2,150	5,936	3,786	5,850	5,850	-
Food & Bev - Meetings	4,600	5,344	744	2,500	2,500	-
Staff Appreciation	6,500	1,564	(4,936)	-	-	-
Janitorial Contract	30,000	2,616	(27,384)	-	-	-
Janitorial Supplies	5,000	8,057	3,057	7,100	7,100	-
Janitorial Extra	-	-	-	-	-	-
Maintenance	15,500	13,542	(1,958)	8,000	8,000	-
Security	11,700	14,538	2,838	2,600	10,000	7,400
City Utilities	8,400	8,670	270	10,300	14,310	4,010
Heating Fuels	53,000	59,999	6,999	59,000	59,000	-
Electricity	43,500	60,881	17,381	54,000	61,000	7,000
Garbage & Recycling	100	3,480	3,380	2,400	2,400	-
Rental	97,000	92,980	(4,020)	49,500	49,500	-
Bank Charges	8,500	17,738	9,238	18,000	18,000	-
Interest	2,500	20,667	18,167	22,000	22,000	-
Financial Serv. Fee - Office	5,300	732	(4,568)	600	600	-
US Exchange	-	(6)	(6)	-	-	-
Cash Short/Over	-	(1,513)	(1,513)	-	-	-
Memberships & Subscriptions	10,590	13,022	2,432	13,360	13,360	-
Office Supplies	7,000	5,438	(1,562)	2,700	2,700	-
Photo Copier Lease	3,000	3,194	194	3,300	3,300	-
Lease Other kitchen	-	3,674	3,674			-

Licenses & Permits	12,730	9,723	(3,007)	8,210	8,210	-
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Expense	2023 Budget	2023 Actual*	2023 Variance	2024 Budget		
Telephone	13,150	8,228	(4,922)	7,750	7,750	-
Internet & Email	7,450	6,044	(1,406)	5,910	5,910	-
Legal Fees	-	-	-	-	-	-
Audit Fees	15,000	11,112	(3,888)	11,500	11,500	-
Consultant Fees	1,500	21,901	20,401	1,500	1,500	-
Contract Service	43,000	70,193	27,193	45,000	45,000	-
Software	21,300	25,950	4,650	50,000	50,000	-
Hardware	2,500	1,059	(1,441)	-	-	-
Postage	750	279	(471)	500	500	-
Courier Service	-	270	270	-	-	-
Shipping	2,500	1,717	(783)	1,000	1,000	-
Marketing Traditional	76,900	60,911	(15,989)	5,000	5,000	-
Marketing Digital	3,500	3,161	(339)	5,000	5,000	-
Insurance	28,000	46,734	18,734	30,596	40,596	10,000
Shop Tools	25,050	259	(24,791)	1,000	1,000	-
Materials & Supplies	52,150	66,049	13,899	33,600	34,600	1,000
Shop Supplies	4,250	5,146	896	6,700	5,700	(1,000)
HVAC Supplies	-	-	-	-	-	-
PPE Material & Supplies	1,600	15,050	13,450	500	500	-
Fuel - Vehicles	2,500	1,968	(532)	1,000	1,000	-
Gift Shop - Other Expenses	-	-	-	-	-	-
Misc. Expenses	6,500	517	(5,983)	30,000	30,000	-
Gift Shop Promo/Donations/Damaged	-	9,902	9,902	-	-	-
Conservation	-	-	-	-	-	-
Animal Purchases	-	(12,750)	(12,750)	-	-	-
Veterinary	5,000	1,026	(3,974)	2,000	2,000	-
Animal Food	5,000	4,217	(783)	4,000	4,000	-
Housing	5,900	254	(5,646)	1,000	1,000	-
Field Trips	-	-	-	-	-	-
Plant Purchases	-	-	-	-	-	-
Repatriation Collections	10,000	-	(10,000)	-	-	-
Donations in Kind Offset	-	-	-	-	-	-
Debt Relief	-	123,140	123,140	123,140	123,140	-
Total Operating Expenses	2,473,615	2,900,868	427,253	2,459,753	2,515,824	56,071
Surplus/(Deficit)	(68,135)	222,138	290,273	(300,149)	(269,078)	31,071

Budget Variances

Revenue	2023 Budget	2023 Actual (unaudited)	2023 Variance	2024 Budget
Total Revenue	2,541,750	2,678,730	136,980	2,759,902
Total Operating Expenses	2,473,615	2,900,868	(427,253)	2,459,753
Surplus/(Deficit)	(68,135)	222,138	(290,273)	300,149

2024 Q1 Actuals	2024 Q1 Budget	2024 Q1 Variance
572,343	689,976	(117,633)
692,613	614,938	(77,675)
(120,270)	75,037	(195,307)

2024 Q2 Projected	2024 Q2 Budget	2024 Q2 Variance
614,450	689,976	(75,526)
671,530	614,938	(56,592)
(57,080)	75,037	(132,117)

<i>Wages & Benefits *</i>	1,468,000	1,627,684	159,684	1,495,312
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404,151	373,828	(30,323)
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378,480	373,828	(4,652)
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* Excludes Worksafe and RRSP

* Revised Budget Provided April 2024

	2023 Budget	2023 Audited Financial Statements		2024 Preliminary Budget	Budget Amendments	2024 Revised Budget
Total Revenue	2,541,750	2,795,374		2,759,902	25,000	2,784,902
Total Operating Expenses	2,473,615	3,212,706		2,459,753	56,071	2,515,824
Surplus/(Deficit)	(68,135)	(417,332)		300,149	81,071	269,078

2024 Q1 Actuals	2024 Q1 Revised Budget	2024 Q1 Variance
576,440	696,226	(119,786)
564,494	628,956	64,462
11,946	67,270	(55,324)

2024 Q2 Projected	2024 Q2 Budget	2024 Q2 Variance
614,450	696,226	(81,776)
671,530	628,956	(42,574)
(57,080)	67,270	(124,350)

Cash Flow Summary

	January 2024	February 2024	March 2024	April 2024	May 2024	June 2024	July 2024	August 2024	
Bank Balance	2,128	(14,596)	(37,128)	(177,194)	(197,373)	(164,681)	(234,274)	(19,570)	
RDFFG Payments	439,037	-	-	50,000	135,000		189,037		
Other Grants	15,323	120,476	26,111	65,000			97,394	50,925	
General Revenues	26,916	32,325	82,075	62,775	76,275	76,900	96,900	90,400	
Kitchen Revenues	20,956	22,624	36,500	51,500	45,000	52,000	64,000	62,500	
	502,232	175,425	144,686	229,275	256,275	128,900	447,331	203,825	-
Auto Debits	17,156	18,676	19,626	20,878	20,919	21,419	21,419	20,919	
Quarterly Payments	2,571	11,511		21,653	3,577	-	15,821	3,577	
Payroll	127,703	121,123	155,325	132,480	120,500	125,500	129,000	177,000	
Montly Online Payments	4,303	9,147	16,970	25,194	22,074	24,074	24,074	27,074	
Utilities & Accounts Payable	98,521	37,500	52,481	49,249	56,513	27,500	42,313	30,500	
Operating Expenditures	250,254	197,957	244,402	249,454	223,583	198,493	232,627	259,070	-
Bank Balance	254,106	(37,128)	(136,844)	(197,373)	(164,681)	(234,274)	(19,570)	(74,815)	-
Loan Payments (LOC, Payroll Overdraft, CEBA)	(268,702)		(40,350)						
Net Cash Balance	(14,596)	(37,128)	(177,194)	(197,373)	(164,681)	(234,274)	(19,570)	(74,815)	-
O/S Cheques		13,486							
Per Internal F/S									
Revenues	267,720	174,328	134,392	576,440					
Expenditures	126,829	176,522	261,143	564,494					
Surplus/Deficit	140,891	(2,194)	(126,751)	11,946					