

**GOLDEN DISTRICT ARTS COUNCIL O/A KICKING HORSE CULTURE**

**Financial Statements**

**Year Ended May 31, 2017**

*(Unaudited)*

**GOLDEN DISTRICT ARTS COUNCIL O/A KICKING HORSE CULTURE**

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**Year Ended May 31, 2017**

*(Unaudited)*

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## REVIEW ENGAGEMENT REPORT

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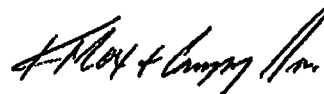
To the Members of Golden District Arts Council O/A Kicking Horse Culture

I have reviewed the statement of financial position of Golden District Arts Council O/A Kicking Horse Culture as at May 31, 2017 and the statements of operations breakdown, changes in net assets and cash flows for the year then ended. My review was made in accordance with Canadian generally accepted standards for review engagements and, accordingly, consisted primarily of inquiry, analytical procedures and discussion related to information supplied to me by the society.

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

Based on my review, nothing has come to my attention that causes me to believe that these financial statements are not, in all material respects, in accordance with Canadian accounting standards for not-for-profit organizations.

Golden, British Columbia  
August 15, 2017



CHARTERED PROFESSIONAL ACCOUNTANT

**GOLDEN DISTRICT ARTS COUNCIL O/A KICKING HORSE CULTURE**

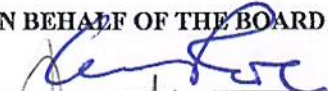
**Statement of Financial Position**

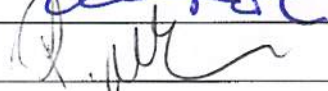
**May 31, 2017**

*(Unaudited)*

	2017	2016
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash and deposits	\$ 161,312	\$ 138,354
Accounts receivable	5,294	7,790
Inventory	8,859	9,740
Prepaid expenses	7,138	5,790
	<u>182,603</u>	<u>161,674</u>
<b>CAPITAL ASSETS (Notes 2, 4)</b>	<u>14,299</u>	<u>16,317</u>
	<u>\$ 196,902</u>	<u>\$ 177,991</u>
 <b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT</b>		
Accounts payable	\$ 8,846	\$ 11,329
Goods and services tax payable	1,259	362
Provincial sales tax payable	653	-
Employee deductions payable	-	3,535
Deferred income (Note 7)	62,756	66,054
	<u>73,514</u>	<u>81,280</u>
 <b>NET ASSETS</b>		
Unrestricted Operating Funds	22,321	14,486
Prudent Operating Reserves	39,441	39,441
Succession Planning Fund	47,327	24,000
Invested in Capital Assets	14,299	18,784
	<u>123,388</u>	<u>96,711</u>
	<u>\$ 196,902</u>	<u>\$ 177,991</u>

**ON BEHALF OF THE BOARD**

  
 \_\_\_\_\_ Director

  
 \_\_\_\_\_ Director

**GOLDEN DISTRICT ARTS COUNCIL O/A KICKING HORSE CULTURE**

**Statement of Changes in Net Assets**

**Year Ended May 31, 2017**

*(Unaudited)*

	Unrestricted Operating Funds	Prudent Operating Reserves	Succession Planning Fund	Invested in Capital Assets	2017	2016
<b>NET ASSETS - BEGINNING OF YEAR</b>	\$ 14,486	\$ 39,441	\$ 24,000	\$ 18,784	\$ 96,711	\$ 65,076
Excess of revenues over expenses	677	-	26,000	-	26,677	31,635
Interfund Transfer <i>(Note 13)</i>	2,673	-	(2,673)	-	-	-
Amortization of Capital Assets	6,007	-	-	(6,007)	-	-
Additions to Capital Assets	(3,987)	-	-	3,987	-	-
Prior year adjustment to capital assets	2,465	-	-	(2,465)	-	-
<b>NET ASSETS - END OF YEAR</b>	<b>\$ 22,321</b>	<b>\$ 39,441</b>	<b>\$ 47,327</b>	<b>\$ 14,299</b>	<b>\$ 123,388</b>	<b>\$ 96,711</b>

**GOLDEN DISTRICT ARTS COUNCIL O/A KICKING HORSE CULTURE**  
**Statement of Operations Breakdown**  
**Year Ended May 31, 2017**  
*(Unaudited)*

	<u>2017</u>	<u>2016</u>
	\$	\$
<b>REVENUE</b>		
Grants (Note 11)	253,733	255,120
Sponsorships, Memberships, one-time projects & cc mgmt, interest	59,646	59,333
Merchandise	144,387	121,288
Programs & Activities	52,807	64,596
	<u>510,573</u>	<u>500,337</u>
<b>EXPENSES</b>		
<b>Cost of merchandise</b>		
Consignment Sales commission	79,926	66,005
Cost of purchased items	1,827	7,335
Credit/debit/MC bank fees	3,125	2,092
Damage, breakage, theft	414	805
	<u>85,292</u>	<u>76,237</u>
<b>Cost of programs, activities</b>		
Artist fees	61,631	70,994
Program Travel, Hospitality & Accommodations	7,270	8,065
Facility rental	10,685	12,554
Concession	8,439	6,932
Production	16,714	12,898
Promo mat design, shipping	9,184	12,898
Advertise	16,477	14,898
Marketing	562	461
Supplies – Sales	2,906	2,195
Supplies – Facility	667	1,071
One Time Project Expense	4,047	3,530
CKCA Program 1 Grants to Artists	6,280	1,900
	<u>144,862</u>	<u>148,396</u>
<b>Cost of payroll</b>		
Wages & Salaries	157,265	150,885
Employee benefits	8,759	10,281
RRSP	2,100	2,756
WCB	392	304
	<u>168,516</u>	<u>164,225</u>
<b>Total cost of payroll</b>	<u>168,516</u>	<u>164,225</u>

The accompanying notes are an integral part of these financial statements

**GOLDEN DISTRICT ARTS COUNCIL O/A KICKING HORSE CULTURE**  
**Statement of Operations Breakdown**  
**Year Ended May 31, 2017**  
*(Unaudited)*

	<u>2017</u>	<u>2016</u>
<b>General and administration</b>		
Accounting & Legal	4,671	3,896
Amortization	6,007	8,450
Bursaries, donations, sponsorships	500	1,078
Cash Over/Short	3	21
Fees, dues, licenses	1,722	3,030
Furniture, small equipment	994	-
GC Honorarium/promo	2,934	-
Insurance	2,571	3,055
Interest & Bank Charges	121	1,279
Janitorial	-	133
Admin Meals, Travel & Accom	6,353	3,747
Admin Expense	35	121
Office Supplies	4,313	4,959
Phone & internet	4,083	4,403
Professional fees	16,467	13,130
Professional development & Training fees	1,660	1,195
Rent office & gallery	24,741	24,725
Repairs & maintenance	1,448	383
Shipping, Courier & Postage	1,591	1,627
Utilities	5,012	4,611
	<u>85,226</u>	<u>79,843</u>
<b>Total general and administration</b>		
	<u>85,226</u>	<u>79,843</u>
<b>EXCESS OF REVENUE OVER EXPENSES</b>	<u>26,677</u>	<u>31,636</u>

The accompanying notes are an integral part of these financial statements

**GOLDEN DISTRICT ARTS COUNCIL O/A KICKING HORSE CULTURE**

**Statement of Cash Flows**

**Year Ended May 31, 2017**

*(Unaudited)*

	2017	2016
<b>OPERATING ACTIVITIES</b>		
Excess Of Revenues Over Expenses	\$ 26,677	\$ 31,635
Item not affecting cash:		
Amortization of capital assets	6,007	8,450
	<u>32,684</u>	<u>40,085</u>
Changes in non-cash working capital:		
Accounts receivable	2,496	36,135
Inventory	881	1,090
Accounts payable	(2,485)	6,362
Deferred income	(3,298)	(18,530)
Prepaid expenses	(1,348)	1,781
Goods and services tax payable	897	141
PST payable (receivable)	653	(351)
Employee deductions payable	(3,535)	(461)
	<u>(5,739)</u>	<u>26,167</u>
Cash flow from operating activities	<u>26,945</u>	<u>66,252</u>
<b>INVESTING ACTIVITIES</b>		
Purchase of capital assets	(3,987)	-
Proceeds on disposal of capital assets	-	75
Cash flow from (used by) investing activities	<u>(3,987)</u>	<u>75</u>
<b>INCREASE IN CASH FLOW</b>	<b>22,958</b>	<b>66,327</b>
Cash - beginning of year	<u>138,354</u>	<u>72,028</u>
<b>CASH - END OF YEAR</b>	<b>\$ 161,312</b>	<b>\$ 138,355</b>



**GOLDEN DISTRICT ARTS COUNCIL O/A KICKING HORSE CULTURE**

**Notes to Financial Statements**

**Year Ended May 31, 2017**

*(Unaudited)*

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**1. PURPOSE OF ORGANIZATION**

The Golden District Arts Council was incorporated in 1970 as a BC not-for-profit Society. The Golden District Arts Council aka Kicking Horse Culture exists so that Kicking Horse Country values arts and culture at a use of resources that demonstrates good stewardship of funds received

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO).

Inventory

Inventory is valued at the lower of cost and net realizable value with the cost being determined on a first-in, first-out basis.

Capital assets

Capital assets are stated at cost less accumulated amortization. They are amortized over their estimated useful lives at the following rates and methods:

Equipment	4 years	straight-line method
Computer equipment	4 years	straight-line method
Computer software	2 years	straight-line method
Furniture and fixtures	4 years	straight-line method
Leasehold improvements	5 years	straight-line method

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**3. USE OF ESTIMATES**

In preparing the society's financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Actual results could differ from these estimates.

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**GOLDEN DISTRICT ARTS COUNCIL O/A KICKING HORSE CULTURE**

**Notes to Financial Statements**

**Year Ended May 31, 2017**

*(Unaudited)*

**4. CAPITAL ASSETS**

	Cost	Accumulated amortization	2017 Net book value	2016 Net book value
Equipment	\$ 10,004	\$ 10,004	\$ -	\$ 725
Computer equipment	18,807	17,739	1,068	1,601
Computer software	432	-	432	-
Furniture and fixtures	24,238	24,238	-	1,117
Leasehold Improvements	41,652	28,853	12,799	12,874
	<b>\$ 95,133</b>	<b>\$ 80,834</b>	<b>\$ 14,299</b>	<b>\$ 16,317</b>

**5. FUND ACCOUNTING AND REVENUE RECOGNITION**

The Council 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 can be reasonably estimated and collections is reasonably assured.

**6. BANK INDEBTEDNESS**

The society has arranged an operating line of credit with the Columbia Valley Credit Union to a limit of \$15,000. The interest charged on any advances is 5.00%.

**7. DEFERRED REVENUES**

Deferred revenues reported in the financial statements represents restricted operating funding received in the current period that are related to the subsequent period. The following amounts of funding are deferred at year end:

	2017	2016
<b>Deferred revenues</b>		
British Columbia Arts Council	\$ 14,320	\$ 13,570
Province of BC - Gaming Policy	30,000	30,000
Civic Centre (Opening Projects)	8,436	-
Canadian Heritage CAPF	10,000	10,000
Other Deferred Project Funds	-	12,484
	<b>\$ 62,756</b>	<b>\$ 66,054</b>

**GOLDEN DISTRICT ARTS COUNCIL O/A KICKING HORSE CULTURE**

**Notes to Financial Statements**

**Year Ended May 31, 2017**

*(Unaudited)*

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**8. DONATED GOODS AND SERVICES**

The Council records the value of donated goods and services when a fair value can be reasonably estimated.

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**9. FINANCIAL INSTRUMENTS**

The Society's financial instruments consist of cash, accounts receivable, inventory, accounts payable, wages payable, employee deductions payable and deferred income. Unless otherwise noted, it is management's opinion that the Society is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these financial instruments approximate their carrying values, unless otherwise noted.

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**10. CONTRACTUAL OBLIGATIONS**

For 2017, the society has a general services agreement with The Town of Golden at an all-inclusive fixed price of \$120,000.

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**11. SOURCES OF FUNDING**

The society has many different service delivery funding agreements in place with local, regional, provincial and federal funders to build operational capacity and program delivery. As stated in Note 10, under a General Services Agreement between the society and the Town of Golden and the CSRD, the society received \$120,000 in funding to provide the delivery of cultural services to the community of Golden during the year per a fee for service delivery agreement. Similarly, the society receives considerable annual operation and program support funds from the Province of BC Gaming (\$30,000), the BC Arts Council (\$34,970), and Canadian Heritage (\$10,000). As well, the society has funding agreements with agencies to deliver specific one-off program projects.

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**12. CONTROLLED FUNDS**

The society has entered into a management agreement with the Town of Golden to manage the Golden Civic Centre. In return for providing management services the society receives a management fee and ongoing operational funding to pay for expenses. Financial Statements have not been consolidated into the Golden District Arts Council and separate financial statements are available for members to review.

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**GOLDEN DISTRICT ARTS COUNCIL O/A KICKING HORSE CULTURE**

**Notes to Financial Statements**

**Year Ended May 31, 2017**

*(Unaudited)*

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**13. RESTRICTED FUNDS**

The GDAC, by board resolution, maintains a prudent operating reserve with the purpose of ensuring that adequate operating funds exist, special projects and future capital replacement goals are met. In addition, at its board meeting on August 9, 2016, the Board passed a motion to direct \$24,000 from operating funds into a restricted fund called "Succession Planning". Though this work continues into 17/18, \$2,673 from operating was disbursed for the work on developing a detailed Succession Plan prior to the end of fiscal May 31, 2017. Therefore, at its Board meeting on August 21, 2017, the Board passed a motion to move \$2,673 from the restricted "Succession Planning" fund into 16/17 Operating Funds. The board also passed a second motion to direct \$26,000 from operating funds into the restricted fund called "Succession Planning."

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**14. COMPARATIVE FIGURES**

Comparative figures have been restated where applicable in order to conform to presentation used in the current year.

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