

GOLDEN DISTRICT ARTS COUNCIL O/A KICKING HORSE CULTURE

Financial Statements

Year Ended May 31, 2015

(Unaudited)

GOLDEN DISTRICT ARTS COUNCIL O/A KICKING HORSE CULTURE

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Year Ended May 31, 2015

(Unaudited)

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REVIEW ENGAGEMENT REPORT

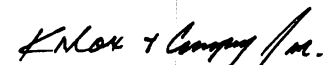
To the Directors of Golden District Arts Council O/A Kicking Horse Culture

I have reviewed the statement of financial position of Golden District Arts Council O/A Kicking Horse Culture as at May 31, 2015 and the statements of revenues and expenditures, changes in net assets and cash flow 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
July 30, 2015



KM Cox & Company Inc.
Chartered Professional Accountant



Member, Certified General Accountants
Association of British Columbia

GOLDEN DISTRICT ARTS COUNCIL O/A KICKING HORSE CULTURE

Statement of Financial Position

May 31, 2015

(Unaudited)

	2015	2014
ASSETS		
CURRENT		
Cash	\$ 72,028	\$ 185,502
Accounts receivable	43,925	5,819
Gift Certificates	549	286
Inventory	10,830	13,924
Goods and services tax recoverable	-	625
Prepaid expenses	7,571	12,466
	<u>134,903</u>	<u>218,622</u>
CAPITAL ASSETS (Notes 2, 4)	<u>24,842</u>	<u>29,100</u>
	<u>\$ 159,745</u>	<u>\$ 247,722</u>
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable	\$ 5,517	\$ 3,545
Goods and services tax payable	572	-
Wages payable	-	2,386
Employee deductions payable	3,996	-
Deferred income (Note 7)	84,584	166,184
	<u>94,669</u>	<u>172,115</u>
NET ASSETS		
Unrestricted operating funds	791	169
Prudent operating reserves (Note 13)	39,441	46,338
Invested in capital assets	24,844	29,100
	<u>65,076</u>	<u>75,607</u>
	<u>\$ 159,745</u>	<u>\$ 247,722</u>

ON BEHALF OF THE BOARD

_____ Director

_____ Director

KM Cox & Company

See notes to financial statements

GOLDEN DISTRICT ARTS COUNCIL O/A KICKING HORSE CULTURE

Statement of Changes in Net Assets

Year Ended May 31, 2015

(Unaudited)

	Unrestricted Operating Funds	Prudent Operating Reserves	Invested in Capital Assets	2015 <i>Unaudited</i>	2014 <i>Unaudited</i>
NET ASSETS - BEGINNING OF YEAR	\$ 169	\$ 46,338	\$ 29,100	\$ 75,607	\$ 115,098
Deficiency of revenue over expenses	(8,031)	(2,500)	-	(10,531)	(25,578)
Interfund Transfer	-	-	-	-	(13,913)
Amortization of Capital Assets	8,653	-	(8,653)	-	-
Additions to Capital Assets	-	(4,397)	4,397	-	-
NET ASSETS - END OF YEAR	\$ 791	\$ 39,441	\$ 24,844	\$ 65,076	\$ 75,607

GOLDEN DISTRICT ARTS COUNCIL O/A KICKING HORSE CULTURE
Statement of Operations Breakdown
Year Ended May 31, 2015
(Unaudited)

	<u>2015</u>	<u>2014</u>
	\$	\$
REVENUE		
Grants (Note 11)	241,659	231,473
Sponsorships, Memberships, one time projects & cc mgmt, interest	55,769	73,073
Merchandise	102,699	112,888
Programs & Activities	48,888	75,023
	<u>449,015</u>	<u>492,457</u>
EXPENSES		
Cost of merchandise		
Consignment Sales commission	54,537	57,818
Cost of purchased items	7,161	10,033
Credit/debit/MC bank fees	2,018	2,944
Damage, breakage, theft	203	99
Purchase Expense	-	-
	<u>63,919</u>	<u>70,894</u>
Total cost of merchandise		
Cost of programs, activities		
Artist fees	50,484	76,884
Program Travel, Hospitality & Accommodations	8,251	9,088
Facility rental	10,799	12,926
Concession	4,924	8,463
Production	14,610	13,685
Promo mat design, shipping	9,860	11,105
Advertise	10,508	9,758
Marketing	114	398
Supplies – Sales	1,195	621
Supplies – Facility	346	437
One time project expense	-	483
CKCA Program 1 Grants to Artists	4,400	4,800
	<u>115,490</u>	<u>148,648</u>
Total cost of programs, activities		
Cost of payroll		
Wages & Salaries	179,362	196,050
Employee benefits	16,907	22,080
RRSP	2,262	-
WCB	352	436
	<u>198,883</u>	<u>218,566</u>
Total cost of payroll		

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, 2015****(Unaudited)**

	<u>2015</u>	<u>2014</u>
General and administration		
Accounting & Legal	3,855	2,749
Amortization	8,653	9,425
Bursaries, donations	1,114	500
Cash Over/Short	141	402
Exchange	-	-
Fees, dues, licenses	1,935	3,911
Furniture, small equipment	831	1,522
Insurance	2,911	3,040
Interest & Bank Charges	677	684
Janitorial	639	458
Admin Meals, Travel & Accom	3,790	6,192
Admin Expense	38	168
Office Supplies	4,220	3,416
Phone & internet	3,802	4,046
Professional fees	17,241	12,964
Rent office & gallery	24,784	24,556
Repairs & maintenance	1,045	475
Shipping, Courier & Postage	2,148	1,317
Utilities	3,428	4,102
Total general and administration	<u>81,254</u>	<u>79,927</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	<u>(10,531)</u>	<u>(25,578)</u>

The accompanying notes are an integral part of these financial statements

GOLDEN DISTRICT ARTS COUNCIL O/A KICKING HORSE CULTURE

Statement of Cash Flow

Year Ended May 31, 2015

(Unaudited)

	2015	2014
OPERATING ACTIVITIES		
Deficiency of revenue over expenses	\$ (10,531)	\$ (25,578)
Items not affecting cash:		
Amortization of property, plant and equipment	8,653	9,425
Interfund transfer	-	(13,914)
	<u>(1,878)</u>	<u>(30,067)</u>
Changes in non-cash working capital:		
Accounts receivable	(38,106)	23,500
Gift Certificates	(263)	(1,119)
Inventory	3,094	6,407
Accounts payable	1,974	(39,949)
Deferred income	(81,600)	112,266
Prepaid expenses	4,895	13,454
Goods and services tax payable	1,197	(2,588)
Wages payable	(2,386)	2,386
Employee deductions payable	3,996	-
	<u>(107,199)</u>	<u>114,357</u>
Cash flow from (used by) operating activities	<u>(109,077)</u>	<u>84,290</u>
INVESTING ACTIVITY		
Purchase of property, plant and equipment	<u>(4,397)</u>	<u>(36,669)</u>
INCREASE (DECREASE) IN CASH FLOW	(113,474)	47,621
Cash - beginning of year	<u>185,502</u>	<u>137,881</u>
CASH - END OF YEAR	<u>\$ 72,028</u>	<u>\$ 185,502</u>

KM Cox & Company

GOLDEN DISTRICT ARTS COUNCIL O/A KICKING HORSE CULTURE

Notes to Financial Statements

Year Ended May 31, 2015

(Unaudited)

1. PURPOSE OF ORGANIZATION

The Golden District Arts Council is organized as a not-for-profit society and has been dedicated to enriching community life for the community of Golden, British Columbia since 1970.

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 (ASNFPPO).

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

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.

GOLDEN DISTRICT ARTS COUNCIL O/A KICKING HORSE CULTURE

Notes to Financial Statements

Year Ended May 31, 2015

(Unaudited)

4. CAPITAL ASSETS

	Cost	Accumulated amortization	2015 Net book value	2014 Net book value
Equipment	\$ 10,004	\$ 8,917	\$ 1,087	\$ -
Computer equipment	18,882	16,672	2,210	-
Furniture and fixtures	24,238	22,004	2,234	3,351
Leasehold improvements	38,528	19,217	19,311	25,749
	\$ 91,652	\$ 66,810	\$ 24,842	\$ 29,100

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 5.25%.

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:

	2015	2014
Deferred revenues		
British Columbia Arts Council	\$ 19,070	\$ 30,070
Province of BC - Gaming Policy	30,000	30,000
BC Touring Council	9,400	-
Civic Centre (Opening Projects)	16,114	16,114
Dept. of Canadian Heritage	10,000	10,000
Town of Golden - Cultural Services Contract	-	40,000
Town of Golden - Summer Kicks 2014	-	40,000
	\$ 84,584	\$ 166,184
Total deferred revenues		

GOLDEN DISTRICT ARTS COUNCIL O/A KICKING HORSE CULTURE

Notes to Financial Statements

Year Ended May 31, 2015

(Unaudited)

8. DONATED GOODS AND SERVICES

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

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.

10. CONTRACTUAL OBLIGATIONS

For 2015, the society has a general services agreement with The Town of Golden at an all-inclusive fixed price of \$120,000.

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 (\$35,911), and Canadian Heritage (\$10,000). As well, the society has funding agreements with agencies to deliver specific one-off program projects.

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.

13. PRUDENT OPERATING RESERVES

The Arts Council, 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.

GOLDEN DISTRICT ARTS COUNCIL O/A KICKING HORSE CULTURE

Notes to Financial Statements

Year Ended May 31, 2015

(Unaudited)

14. COMPARATIVE FIGURES

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