

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

**Financial Statements**

**Year Ended May 31, 2022**

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

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**Year Ended May 31, 2022**

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## INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

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

I have reviewed the accompanying financial statements of Golden District Arts Council O/A Kicking Horse Culture (the Society) that comprise the statements of financial position as at May 31, 2022 and May 31, 2021, and the statements of changes in net assets, revenues and expenditures and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

*Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian Accounting Standards for Not-for-profit Organizations (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 fraud or error.

*Practitioner's Responsibility*

My responsibility is to express a conclusion on the accompanying financial statements based on my reviews. I conducted my reviews in accordance with Canadian generally accepted standards for review engagements, which require me to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, I do not express an audit opinion on these financial statements.

*Conclusion*

Based on my reviews, nothing has come to my attention that causes me to believe that the financial statements do not present fairly, in all material respects, the financial position of Golden District Arts Council O/A Kicking Horse Culture as at May 31, 2022 and May 31, 2021, and the results of its operations and its cash flows for the years then ended in accordance with ASNPO.

Golden, British Columbia  
October 13, 2022

  
\_\_\_\_\_  
KM Cox & Company Inc.  
CHARTERED PROFESSIONAL ACCOUNTANT

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

**Statement of Financial Position**

**May 31, 2022**

	2022	2021
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash and deposits	\$ 432,234	\$ 422,015
Accounts receivable	6,856	3,345
Inventory	12,736	10,661
Goods and services tax recoverable	530	-
Prepaid expenses	500	500
	452,856	436,521
CAPITAL ASSETS <i>(Note 4)</i>	17,951	5,728
	\$ 470,807	\$ 442,249
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT</b>		
Accounts payable	\$ 12,678	\$ 11,090
Goods and services tax payable	-	1,720
Provincial sales tax payable	675	583
Employee deductions payable	74	5,178
Deferred income	81,829	85,729
	95,256	104,300
<b>NET ASSETS</b>		
Unrestricted Operating Funds	60,273	222,125
Prudent Operating Reserves	60,000	32,769
Succession Planning Fund	172,327	77,327
Risk Programming Fund	25,000	-
Equity, Diversity and Access Training & Activities	25,000	-
Policy Governance© Board Training	15,000	-
Invested in Capital Assets	17,951	5,728
	375,551	337,949
	\$ 470,807	\$ 442,249

**ON BEHALF OF THE BOARD**

\_\_\_\_\_ Director

\_\_\_\_\_ Director

See notes to financial statements

**GOLDEN DISTRICT ARTS COUNCIL O/A KICKING HORSE CULTURE**  
**Statement of Operations Breakdown**  
**Year Ended May 31, 2022**  
*(Unaudited)*

	2022	2021
	\$	\$
<b>REVENUE</b>		
Grants (Note 10)	303,021	262,465
Sponsorships, Memberships, one-time projects & cc mgmt, interest	14,572	17,921
Merchandise	182,542	135,493
Programs & Activities	44,233	7,227
Covid Support & Resiliency Funding (Note 14)	66,000	144,818
	<u>610,368</u>	<u>567,924</u>
<b>EXPENSES</b>		
<b>Cost of merchandise</b>		
Consignment Sales commission	101,496	78,190
Cost of purchased items	4,558	3,634
Credit/debit/MC bank fees	5,439	2,387
Damage, breakage, theft	657	80
	<u>112,150</u>	<u>84,291</u>
<b>Cost of programs, activities</b>		
Artist fees (Note 16)	67,383	27,639
Program Travel, Hospitality & Accommodations	15,360	3,250
Facility rental	7,199	1,773
Concession	4,178	328
Production	33,515	9,103
Promo mat design, shipping	9,731	5,694
Advertise	11,418	11,077
Marketing	2,162	2,529
Supplies – Sales	2,488	653
	<u>153,434</u>	<u>62,046</u>
<b>Cost of payroll</b>		
Wages & Salaries	196,412	183,363
Employee benefits	11,648	9,799
RRSP	2,289	2,283
WCB	1,413	944
	<u>211,762</u>	<u>196,389</u>

The accompanying notes are an integral part of these financial statements

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

**Statement of Changes in Net Assets**

Year Ended May 31, 2022

	Unrestricted Operating Funds	Prudent Operating Reserves	Succession Planning Fund	Risk Programming Fund	Equity, Diversity and Access Training & Activities	Policy Governance© Board Training	Invested in Capital Assets	2022	2021
<b>NET ASSETS - BEGINNING OF YEAR</b>	\$ 222,125	\$ 32,769	\$ 77,327	\$ -	\$ -	\$ -	\$ 5,728	\$ 337,949	\$ 214,676
Excess of revenues over expenses	37,602	-	-	-	-	-	-	37,602	123,273
Amortization of Capital Assets (Note 4)	9,152	-	-	-	-	-	(9,152)	-	-
Additions to Capital Assets	(21,375)	-	-	-	-	-	21,375	-	-
Restricted funds allocated	(187,231)	27,231	95,000	25,000	25,000	15,000	-	-	-
<b>NET ASSETS - END OF YEAR</b>	\$ 60,273	\$ 60,000	\$ 172,327	\$ 25,000	\$ 25,000	\$ 15,000	\$ 17,951	\$ 375,551	\$ 337,949

**GOLDEN DISTRICT ARTS COUNCIL O/A KICKING HORSE CULTURE**  
**Statement of Operations Breakdown**  
**Year Ended May 31, 2022**  
*(Unaudited)*

	<u>2022</u>	<u>2021</u>
<b>General and administration</b>		
Accounting & Legal	6,160	4,645
Amortization	9,152	3,808
Bad debt	86	500
Bursaries, donations, sponsorships	650	2,500
Covid Resiliency Funds contributions (Note 15)	-	19,600
Fees, dues, licenses	4,701	4,096
Furniture, small equipment	2,601	6,329
GC Honorarium/promo	900	-
Insurance	4,003	3,264
Interest & Bank Charges	705	405
Janitorial	3,557	4,468
Admin Meals, Travel & Accom	2,650	976
Admin Expense	235	-
Office Supplies	4,938	5,323
Phone & internet	3,746	5,685
Professional fees	13,451	7,720
Professional development & Training fees	2,396	1,990
Rent office & gallery	27,525	25,317
Repairs & maintenance	1,973	746
Shipping, Courier & Postage	1,150	717
Utilities	4,841	3,836
<b>Total general and administration</b>	<u>95,420</u>	<u>101,925</u>
<b>EXCESS OF REVENUE OVER EXPENSES</b>	<u><u>37,602</u></u>	<u><u>123,273</u></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, 2022**

	2022	2021
<b>OPERATING ACTIVITIES</b>		
Excess of revenues over expenses	\$ 37,602	\$ 123,273
Item not affecting cash:		
Amortization of capital assets	9,152	3,808
	<b>46,754</b>	<b>127,081</b>
Changes in non-cash working capital:		
Accounts receivable	(3,511)	126
Inventory	(2,075)	(139)
Accounts payable	1,588	519
Deferred income	(3,900)	(3,023)
Goods and services tax payable	(2,250)	297
PST payable (receivable)	92	583
Employee deductions payable	(5,104)	(659)
	<b>(15,160)</b>	<b>(2,296)</b>
Cash flow from operating activities	<b>31,594</b>	<b>124,785</b>
<b>INVESTING ACTIVITY</b>		
Purchase of capital assets	(21,375)	-
Cash flow from (used by) investing activity	<b>(21,375)</b>	<b>-</b>
<b>INCREASE IN CASH FLOW</b>	<b>10,219</b>	<b>124,785</b>
Cash - beginning of year	<b>422,015</b>	<b>297,230</b>
<b>CASH - END OF YEAR</b>	<b>\$ 432,234</b>	<b>\$ 422,015</b>

See notes to financial statements



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

**Notes to Financial Statements**

**Year Ended May 31, 2022**

*(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).

Revenue recognition

The society recognizes revenues when they are earned, specifically when all the following conditions are met:

- services are provided or products are delivered to customers
- there is clear evidence that an arrangement exists
- amounts are fixed or can be determined
- the ability to collect is reasonably assured.

Revenue recognition

Golden District Arts Council O/A Kicking Horse Culture 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.

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.

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

**Notes to Financial Statements**

**Year Ended May 31, 2022**

*(Unaudited)*

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

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.

4. CAPITAL ASSETS

	Cost	Accumulated amortization	<b>2022 Net book value</b>	2021 Net book value
Equipment	\$ 30,692	\$ 17,148	\$ 13,544	\$ 657
Computer equipment	27,501	25,014	2,487	1,231
Furniture and fixtures	24,238	24,238	-	-
Leasehold improvements	41,652	39,732	1,920	3,840
	<b>\$ 124,083</b>	<b>\$ 106,132</b>	<b>\$ 17,951</b>	<b>\$ 5,728</b>

5. 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%.

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

**Notes to Financial Statements**

**Year Ended May 31, 2022**

*(Unaudited)*

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6. 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:

	<u>2022</u>	<u>2021</u>
<b>Deferred revenues</b>		
British Columbia Arts Council	\$ 35,000	\$ 35,000
Province of BC - Gaming Policy	-	30,500
Civic Centre (Opening Projects)	4,229	4,229
Canadian Heritage CAPF	16,000	15,000
BCAC Covid Funds	25,600	-
Gaming Direct - Ice Kicks	1,000	1,000
	<hr/>	<hr/>
Total deferred revenues	\$ 81,829	\$ 85,729

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7. 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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8. 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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9. CONTRACTUAL OBLIGATIONS

For 2021, 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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**GOLDEN DISTRICT ARTS COUNCIL O/A KICKING HORSE CULTURE**

**Notes to Financial Statements**

**Year Ended May 31, 2022**

*(Unaudited)*

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**10. 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 9, 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 (\$30,500), the BC Arts Council (\$50,000), and Canadian Heritage (\$12,000). As well, the society has funding agreements with agencies to deliver specific one-off program projects.

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**11. 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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**12. 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 it's 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 it's 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." The Board passed a motion on August 28, 2018 to direct \$30,000 from operating funds into the restricted fund called "Succession Planning." On September 13, 2021, the Board passed Motions to move unrestricted operating funds into these pre-existing restricted funds: 1. Prudent Operating Reserves \$27,231; 2. Succession Planning Fund \$17,673. On September 13, 2021, the Board also passed Motions to move unrestricted operating funds in the following amounts to three new restricted funds: 3. Risk Programming Fund \$25,000; Equity, Diversity and Access Training & Activities \$25,000; Policy Governance© Board Training \$15,000.

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**13. COMPARATIVE FIGURES**

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

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

**Notes to Financial Statements**

**Year Ended May 31, 2022**

*(Unaudited)*

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**14. COVID SUPPORT & RESILIENCY FUNDING**

Covid resiliency funding from Canada Employee Wage Subsidy; BC Arts Council; Canadian Heritage; Columbia Basin Trust for organizational support and support to cultural workers. Funds can be used at the Society's discretion and can be carried over into 2022/23 fiscal.

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**15. COVID RESILIENCY FUNDS CONTRIBUTIONS**

Covid Resiliency funding distributed by GDAC to local & regional artists, cultural workers and local organizations.

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**16. ARTIST FEES**

This expense includes the portion of funds provided by funders and paid to performing artists whose shows were cancelled due to Covid restrictions.

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