

**GOLDEN DISTRICT ARTS COUNCIL O/A KICKING HORSE CULTURE**  
**Financial Statements**  
**Year Ended May 31, 2021**

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

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**Year Ended May 31, 2021**

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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, 2021 and May 31, 2020, 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, 2021 and May 31, 2020, and the results of its operations and its cash flows for the years then ended in accordance with ASNPO.

Golden, British Columbia  
September 3, 2021

  
KM Cox & Company Inc.  
CHARTERED PROFESSIONAL ACCOUNTANT

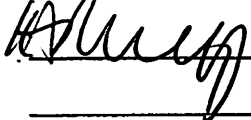
**GOLDEN DISTRICT ARTS COUNCIL O/A KICKING HORSE CULTURE**

**Statement of Financial Position**

**May 31, 2021**

	2021	2020
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash and deposits	\$ 422,015	\$ 297,230
Accounts receivable	3,345	3,471
Inventory	10,661	10,522
Prepaid expenses	500	500
	<u>436,521</u>	<u>311,723</u>
<b>CAPITAL ASSETS (Note 4)</b>	<u>5,728</u>	<u>9,535</u>
	<u>\$ 442,249</u>	<u>\$ 321,258</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT</b>		
Accounts payable	\$ 11,090	\$ 10,570
Goods and services tax payable	1,720	1,423
Provincial sales tax payable	583	-
Employee deductions payable	5,178	5,837
Deferred income	85,729	88,752
	<u>104,300</u>	<u>106,582</u>
<b>NET ASSETS</b>		
Unrestricted Operating Funds	222,125	95,045
Prudent Operating Reserves	32,769	32,769
Succession Planning Fund	77,327	77,327
Invested in Capital Assets	5,728	9,535
	<u>337,949</u>	<u>214,676</u>
	<u>\$ 442,249</u>	<u>\$ 321,258</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, 2021**

	Unrestricted Operating Funds	Prudent Operating Reserves	Succession Planning Fund	Invested in Capital Assets	2021	2020
<b>NET ASSETS - BEGINNING OF YEAR</b>	\$ 95,045	\$ 32,769	\$ 77,327	\$ 9,535	\$ 214,676	\$ 175,026
Excess of revenues over expenses	123,273	-	-	-	123,273	39,650
Amortization of Capital Assets (Note 4)	3,807	-	-	(3,807)	-	-
Additions to Capital Assets	-	-	-	-	-	-
Retroactive wages	-	-	-	-	-	-
<b>NET ASSETS - END OF YEAR</b>	<b>\$ 222,125</b>	<b>\$ 32,769</b>	<b>\$ 77,327</b>	<b>\$ 5,728</b>	<b>\$ 337,949</b>	<b>\$ 214,676</b>

See notes to financial statements

**GOLDEN DISTRICT ARTS COUNCIL O/A KICKING HORSE CULTURE**  
**Statement of Operations Breakdown**  
**Year Ended May 31, 2021**  
*(Unaudited)*

	<u>2021</u>	<u>2020</u>
	\$	\$
<b>REVENUE</b>		
Grants (Note 11) and covid assistance	407,283	278,084
Sponsorships, Memberships, one-time projects & cc mgmt, interest,	17,921	54,422
Merchandise	135,493	154,409
Programs & Activities	<u>7,227</u>	<u>56,273</u>
	<u>567,924</u>	<u>543,188</u>
<b>EXPENSES</b>		
<b>Cost of merchandise</b>		
Consignment Sales commission	78,190	84,580
Cost of purchased items	3,634	4,769
Credit/debit/MC bank fees	2,387	3,663
Damage, breakage, theft	<u>80</u>	<u>257</u>
<b>Total cost of merchandise</b>	<u>84,291</u>	<u>93,269</u>
<b>Cost of programs, activities</b>		
Artist fees	27,639	59,225
Program Travel, Hospitality & Accommodations	3,250	8,273
Facility rental	1,773	9,435
Concession	328	6,582
Production	9,103	15,587
Promo mat design, shipping	5,694	7,817
Advertise	11,077	19,945
Marketing	2,529	2,215
Supplies – Sales	653	1,504
Supplies – Facility	<u>-</u>	<u>530</u>
<b>Total cost of programs, activities</b>	<u>62,046</u>	<u>131,113</u>
<b>Cost of payroll</b>		
Wages & Salaries (Note 13)	183,363	177,499
Employee benefits	9,799	10,267
RRSP	2,283	2,303
WCB (Note 14)	<u>944</u>	<u>845</u>
<b>Total cost of payroll</b>	<u>196,389</u>	<u>190,914</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, 2021**  
*(Unaudited)*

	<u>2021</u>	<u>2020</u>
<b>General and administration</b>		
Accounting & Legal	4,645	8,334
Amortization	3,808	4,478
Bad debt	500	-
Bursaries, donations, sponsorships	22,100	1,400
Fees, dues, licenses	4,096	1,753
Furniture, small equipment	6,329	1,751
GC Honorarium/promo	-	1,500
Insurance	3,264	3,036
Interest & Bank Charges	405	255
Janitorial	4,468	362
Admin Meals, Travel & Accom	976	1,356
Admin Expense	-	4
Office Supplies	5,323	4,388
Phone & internet	5,685	4,690
Professional fees	7,720	17,025
Professional development & Training fees	1,990	521
Rent office & gallery	25,317	30,748
Repairs & maintenance	746	631
Shipping, Courier & Postage	717	1,479
Utilities	3,836	4,535
<b>Total general and administration</b>	<u>101,925</u>	<u>88,244</u>
<b>EXCESS OF REVENUE OVER EXPENSES</b>	<u>123,273</u>	<u>39,650</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, 2021**

	2021	2020
<b>OPERATING ACTIVITIES</b>		
Excess of revenues over expenses	\$ 123,273	\$ 39,650
Item not affecting cash:		
Amortization of capital assets	3,808	4,478
	<u>127,081</u>	<u>44,128</u>
Changes in non-cash working capital:		
Accounts receivable	126	2,214
Inventory	(139)	(157)
Accounts payable	519	(38,386)
Deferred income	(3,023)	26,000
Prepaid expenses	-	1,027
Goods and services tax payable	297	(603)
PST payable (receivable)	583	(565)
Employee deductions payable	(659)	5,837
	<u>(2,296)</u>	<u>(4,633)</u>
<b>INCREASE IN CASH FLOW</b>	<b>124,785</b>	<b>39,495</b>
Cash - beginning of year	<u>297,230</u>	<u>257,735</u>
<b>CASH - END OF YEAR</b>	<b>\$ 422,015</b>	<b>\$ 297,230</b>

See notes to financial statements



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

**Notes to Financial Statements**

**Year Ended May 31, 2021**

*(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, 2021**

*(Unaudited)*

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**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

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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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**4. CAPITAL ASSETS**

	Cost	Accumulated amortization	2021 Net book value	2020 Net book value
Equipment	\$ 12,633	\$ 11,976	\$ 657	\$ 1,314
Computer equipment	24,185	22,954	1,231	2,462
Furniture and fixtures	24,238	24,238	-	-
Leasehold Improvements	41,652	37,812	3,840	5,759
	<u>\$ 102,708</u>	<u>\$ 96,980</u>	<u>\$ 5,728</u>	<u>\$ 9,535</u>

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**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%.

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

**Notes to Financial Statements**

**Year Ended May 31, 2021**

*(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>2021</u>	<u>2020</u>
<b>Deferred revenues</b>		
British Columbia Arts Council	\$ 35,000	\$ 52,500
Province of BC - Gaming Policy	30,500	1,000
Civic Centre (Opening Projects)	4,229	4,229
Canadian Heritage CAPF	15,000	12,000
Covid-19 Assistance	-	7,000
CBT	-	12,023
Gaming Direct - Ice Kicks	1,000	-
<b>Total deferred revenues</b>	<b><u>\$ 85,729</u></b>	<b><u>\$ 88,752</u></b>

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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, 2021**

*(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 (\$60,000), 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."

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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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