

GOLDEN DISTRICT ARTS COUNCIL O/A KICKING HORSE CULTURE

Financial Statements

Year Ended May 31, 2023

GOLDEN DISTRICT ARTS COUNCIL O/A KICKING HORSE CULTURE

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Year Ended May 31, 2023

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INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

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, 2023 and May 31, 2022, 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, 2023 and May 31, 2022, and the results of its operations and its cash flows for the years then ended in accordance with ASNPO.

Golden, British Columbia
October 24, 2023


KM Cox & Company Inc.
CHARTERED PROFESSIONAL ACCOUNTANT

GOLDEN DISTRICT ARTS COUNCIL O/A KICKING HORSE CULTURE

Statement of Financial Position

May 31, 2023

	2023	2022
ASSETS		
CURRENT		
Cash and deposits	\$ 425,326	\$ 432,234
Accounts receivable	16,377	6,856
Inventory	12,504	12,736
Goods and services tax recoverable	-	530
Prepaid expenses	4,901	500
	459,108	452,856
CAPITAL ASSETS (Notes 2, 4)	23,735	17,951
	\$ 482,843	\$ 470,807
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable	\$ 21,559	\$ 12,678
Goods and services tax payable	496	-
Provincial sales tax payable	761	675
Employee deductions payable	-	74
Deferred income (Note 6)	70,829	81,829
	93,645	95,256
NET ASSETS		
Unrestricted Operating Funds	68,136	60,273
Prudent Operating Reserves	60,000	60,000
Succession Planning Fund	172,327	172,327
Risk Programming Fund	25,000	25,000
Equity, Diversity and Access Training & Activities	25,000	25,000
Policy Governance© Board Training	15,000	15,000
Invested in Capital Assets	23,735	17,951
	389,198	375,551
	\$ 482,843	\$ 470,807

ON BEHALF OF THE BOARD

_____ Director

_____ Director

See notes to financial statements

GOLDEN DISTRICT ARTS COUNCIL O/A KICKING HORSE CULTURE
Statement of Changes in Net Assets
Year Ended May 31, 2023

	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	2023	2022
NET ASSETS - BEGINNING OF YEAR	\$ 60,273	\$ 60,000	\$ 172,327	\$ 25,000	\$ 25,000	\$ 15,000	\$ 17,951	\$ 375,551	\$ 337,949
Excess of revenues over expenses	13,647	-	-	-	-	-	-	13,647	37,602
Amortization of Capital Assets <i>(Note 4)</i>	11,612	-	-	-	-	-	(11,612)	-	-
Additions to Capital Assets <i>(Note 4)</i>	(17,396)	-	-	-	-	-	17,396	-	-
Restricted funds allocated	-	-	-	-	-	-	-	-	-
NET ASSETS - END OF YEAR	\$ 68,136	\$ 60,000	\$ 172,327	\$ 25,000	\$ 25,000	\$ 15,000	\$ 23,735	\$ 389,198	\$ 375,551

See notes to financial statements

GOLDEN DISTRICT ARTS COUNCIL O/A KICKING HORSE CULTURE
Statement of Revenues and Expenditures
Year Ended May 31, 2023

	<u>2023</u>	<u>2022</u>
	\$	\$
REVENUE		
BC Arts Council – Basic Assistance	35,000	35,000
BC Arts Council – CPAP	14,000	15,000
Gaming Direct Access – Program	31,500	30,500
Canadian Heritage – CAPF	11,000	27,400
CKCA – Grants awarded to KHC	250	6,900
Kicking Horse Country – TOG CSC	120,000	120,000
Kicking Horse Country – Summer Kicks	45,000	45,000
Miscellaneous Grant Revenue	15,500	23,221
Sponsorships, Memberships, one-time projects & cc mgmt, interest	30,166	14,572
Merchandise	213,223	182,542
Programs & Activities	42,785	44,233
Covid Support & Resiliency Funding (Note 14)	80,689	66,000
	<u>639,113</u>	<u>610,368</u>
EXPENSES		
Cost of merchandise		
Consignment Sales commission	118,221	101,496
Cost of purchased items	8,417	4,558
Credit/debit/MC bank fees	6,039	5,439
Damage, breakage, theft	286	657
	<u>132,963</u>	<u>112,150</u>
Total cost of merchandise		
Cost of programs, activities		
Artist fees (Note 16)	82,962	67,383
Program Travel, Hospitality & Accommodations	27,959	15,360
Facility rental	7,666	7,199
Concession	970	4,178
Production	22,443	33,515
Promo mat design, shipping	10,336	9,731
Advertise	2,770	11,418
Marketing	348	2,162
Supplies – Sales	2,241	2,488
	<u>157,695</u>	<u>153,434</u>
Total cost of programs, activities		

See notes to financial statements

GOLDEN DISTRICT ARTS COUNCIL O/A KICKING HORSE CULTURE
Statement of Revenues and Expenditures
Year Ended May 31, 2023

	<u>2023</u>	<u>2022</u>
	\$	\$
Cost of payroll		
Wages & Salaries	220,306	196,412
Employee benefits	15,515	11,648
RRSP	2,339	2,289
WCB	1,179	1,413
	<u>239,339</u>	<u>211,762</u>
General and administration		
Accounting & Legal	6,567	6,160
Amortization	11,612	9,152
Bad debt	40	86
Bursaries, donations, sponsorships	1,500	650
Fees, dues, licenses	6,054	4,701
Furniture, small equipment	1,041	2,601
GC Honorarium/promo	1,200	900
Insurance	4,285	4,003
Interest & Bank Charges	461	705
Janitorial	3,025	3,557
Admin Meals, Travel & Accom	2,524	2,650
Admin Expense	88	235
Office Supplies	6,688	4,938
Phone & internet	3,452	3,746
Professional fees	8,137	13,451
Professional development & Training fees	4,904	2,396
Rent office & gallery	27,525	27,525
Repairs & maintenance	996	1,973
Shipping, Courier & Postage	1,249	1,150
Utilities	4,121	4,841
	<u>95,469</u>	<u>95,420</u>
EXCESS OF REVENUE OVER EXPENSES	<u>13,647</u>	<u>37,602</u>

See notes to financial statements

GOLDEN DISTRICT ARTS COUNCIL O/A KICKING HORSE CULTURE

Statement of Cash Flows

Year Ended May 31, 2023

	2023	2022
OPERATING ACTIVITIES		
Excess of revenues over expenses	\$ 13,647	\$ 37,602
Item not affecting cash:		
Amortization of capital assets	11,612	9,152
	<u>25,259</u>	<u>46,754</u>
Changes in non-cash working capital:		
Accounts receivable	(9,521)	(3,511)
Inventory	232	(2,075)
Accounts payable	8,881	1,588
Deferred income	(11,000)	(3,900)
Prepaid expenses	(4,401)	-
Goods and services tax payable	1,026	(2,250)
PST payable (receivable)	86	92
Employee deductions payable	(74)	(5,104)
	<u>(14,771)</u>	<u>(15,160)</u>
Cash flow from operating activities	<u>10,488</u>	<u>31,594</u>
INVESTING ACTIVITY		
Purchase of capital assets	<u>(17,396)</u>	<u>(21,375)</u>
Cash flow used by investing activity	<u>(17,396)</u>	<u>(21,375)</u>
INCREASE (DECREASE) IN CASH FLOW	(6,908)	10,219
Cash - beginning of year	<u>432,234</u>	<u>422,015</u>
CASH - END OF YEAR	\$ <u>425,326</u>	\$ <u>432,234</u>

See notes to financial statements

GOLDEN DISTRICT ARTS COUNCIL O/A KICKING HORSE CULTURE

Notes to Financial Statements

Year Ended May 31, 2023

(Unaudited)

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

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).

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.

(continues)

GOLDEN DISTRICT ARTS COUNCIL O/A KICKING HORSE CULTURE

Notes to Financial Statements

Year Ended May 31, 2023

(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	2023 Net book value	2022 Net book value
Equipment	\$ 48,088	\$ 26,011	\$ 22,077	\$ 13,544
Computer equipment	27,501	25,843	1,658	2,487
Furniture and fixtures	24,238	24,238	-	-
Leasehold improvements	41,652	41,652	-	1,920
	\$ 141,479	\$ 117,744	\$ 23,735	\$ 17,951

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 8.70%.

GOLDEN DISTRICT ARTS COUNCIL O/A KICKING HORSE CULTURE

Notes to Financial Statements

Year Ended May 31, 2023

(Unaudited)

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>2023</u>	<u>2022</u>
Deferred revenues		
British Columbia Arts Council	\$ 25,000	\$ 35,000
Civic Centre (Opening Projects)	4,229	4,229
Canadian Heritage CAPF	16,000	16,000
BCAC Covid Funds	25,600	25,600
Gaming Direct - Ice Kicks	-	1,000
	<hr/>	<hr/>
Total deferred revenues	\$ 70,829	\$ 81,829

7. DONATED GOODS AND SERVICES

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

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.

9. CONTRACTUAL OBLIGATIONS

For 2021-2025, the society has a general services agreement with The Town of Golden at an all-inclusive fixed price of \$120,000 per year.

GOLDEN DISTRICT ARTS COUNCIL O/A KICKING HORSE CULTURE

Notes to Financial Statements

Year Ended May 31, 2023

(Unaudited)

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 (\$11,000). As well, the society has funding agreements with agencies to deliver specific one-off program projects.

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.

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.

13. COMPARATIVE FIGURES

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

GOLDEN DISTRICT ARTS COUNCIL O/A KICKING HORSE CULTURE

Notes to Financial Statements

Year Ended May 31, 2023

(Unaudited)

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.

15. 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.
