

Financial Statements of

BRITISH COLUMBIA TOURING COUNCIL

October 31, 2010

BRITISH COLUMBIA TOURING COUNCIL
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October 31, 2010

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January 14, 2011

Nelson, B.C.

AUDITORS' REPORT

To the Members of
British Columbia Touring Council

We have audited the statement of financial position of British Columbia Touring Council as at October 31, 2010 and the statement of operations, changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the Council's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Except as explained in the following paragraph, we conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial presentation.

In common with many charitable organizations, the Council may derive revenue from donations over which the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the accounting records of the Council, and we were not able to determine whether any adjustments might be necessary to contributions, excess of revenues over expenses, current assets and net assets.

In our opinion, except for the effect of adjustments, if any, which we might have determined to be necessary had we been able to satisfy ourselves concerning the completeness of the donations referred to in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of the Society as at October 31, 2010 and the results of its operations and the changes in its financial position and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Chartered Accountants

January 14, 2011

Nelson, B.C.

BRITISH COLUMBIA TOURING COUNCIL
STATEMENT OF FINANCIAL POSITION
As At October 31, 2010

ASSETS	2010	2009
CURRENT ASSETS		
Cash	\$ 58,111	\$ 71,262
Grants and accounts receivable	97,771	30,424
Prepaid expenses	2,272	6,548
	158,154	108,234
CAPITAL ASSETS (note 3)	1,296	1,819
	\$ 159,450	\$ 110,053
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 98,876	\$ 21,796
Deferred contributions (note 4)	30,716	30,916
	129,592	52,712
NET ASSETS	29,858	57,341
	\$ 159,450	\$ 110,053

Approved by the Directors:

BRITISH COLUMBIA TOURING COUNCIL
STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS
For the Year Ended October 31, 2010

	General Operations	Community Presenter's Assistance Program	Pacific Contact	Total 2010	Total 2009
REVENUE					
Grants					
BC Arts Council - operating grant	\$ 36,400	\$ -	\$ -	\$ 36,400	\$ 70,000
BC Arts Council-CPA awards	-	231,909	-	231,909	275,000
BC Arts Council-CPA administration	-	38,522	-	38,522	41,360
2010 Legacies Now Society	-	-	-	-	3,200
Canadian Heritage	35,000	-	35,000	70,000	63,000
Columbia Kootenay Cultural Alliance	2,500	-	-	2,500	-
Earned Revenue					
Advertising	-	-	4,850	4,850	4,357
Administration fee	3,500	-	-	3,500	3,500
Arts on Tour	800	-	-	800	1,320
Delegate services	-	-	20,785	20,785	20,040
Fund raising - silent auction	-	-	6,329	6,329	4,609
In-kind donations	-	-	25,128	25,128	2,803
Memberships	26,136	-	-	26,136	26,343
Registrations - Pacific Contact	-	-	54,737	54,737	55,585
Showcases and professional development	-	-	15,525	15,525	15,300
Sponsorships and other income	2,060	-	4,290	6,350	4,657
Carried Forward	106,396	270,431	166,644	543,471	591,074

BRITISH COLUMBIA TOURING COUNCIL
STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS (Continued)
For the Year Ended October 31, 2010

	General Operations	Community Presenter's Assistance Program	Pacific Contact	Total 2010	Total 2009
Brought Forward	\$ 106,396	\$ 270,431	\$ 166,644	\$ 543,471	\$ 591,074
EXPENDITURES					
Adjudication committee	-	3,357	-	3,357	5,225
Administration fee	-	3,500	-	3,500	3,500
Administrator's remuneration	-	30,000	-	30,000	31,371
Amortization	523	-	-	523	630
Awards	-	231,909	-	231,909	275,000
Bank charges and interest	2,260	-	-	2,260	2,259
Board and Regional meetings	10,341	-	-	10,341	14,120
Conference fees and travel	4,398	-	-	4,398	2,619
Delegate services	-	-	28,277	28,277	31,512
Insurance	2,715	-	-	2,715	2,934
Office and supplies	4,678	1,120	1,003	6,801	5,204
Professional fees	9,194	-	-	9,194	8,863
Promotion and advertising	615	-	1,747	2,362	3,454
Publications	-	-	3,577	3,577	4,263
Rent and utilities	8,400	-	-	8,400	8,400
Salaries and benefits	34,672	-	38,272	72,944	68,209
Showcase selection	-	-	5,049	5,049	2,997
Special projects					
Coordinated online block booking	5,941	-	-	5,941	6,613
Arts summit	4,064	-	-	4,064	-
Telephone	4,240	545	-	4,785	5,262
Theatre and equipment rental	-	-	45,659	45,659	45,904
Travel	6,875	-	-	6,875	6,435
Website and other contract services	18,460	-	22,469	40,929	35,311
Workshops, seminars, rentals and accommodations	-	-	37,094	37,094	12,228
	117,376	270,431	183,147	570,954	582,313
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	\$(10,980)	\$ -	\$(16,503)	(27,483)	8,761
NET ASSETS, BEGINNING OF YEAR				57,341	48,580
NET ASSETS, END OF YEAR				\$ 29,858	\$ 57,341

BRITISH COLUMBIA TOURING COUNCIL
STATEMENT OF CASH FLOWS
For the Year Ended October 31, 2010

	2010	2009
OPERATING ACTIVITIES		
Excess of revenue over expenditures	\$(27,483)	\$ 8,761
Items not affecting cash flow - amortization	523	630
	<u>(26,960)</u>	<u>9,391</u>
Changes in non-cash working capital		
Accounts receivable	(67,347)	(16,325)
Prepaid expenses	4,276	661
Accounts payable	77,080	(11,980)
Deferred contributions	(200)	6,300
	<u>13,809</u>	<u>(21,344)</u>
Cash Provided By Operating Activities	<u>(13,151)</u>	<u>(11,953)</u>
INVESTING ACTIVITIES		
Capital asset additions	-	(455)
INCREASE (DECREASE) IN CASH	(13,151)	(12,408)
CASH, BEGINNING OF YEAR	71,262	83,670
CASH, END OF YEAR	\$ 58,111	\$ 71,262

1. PURPOSE OF THE ORGANIZATION

The Council is incorporated under the Societies Act of British Columbia. The purpose of the Council is to expand and support touring through services provided for professional performing artists and sponsors, to promote audience development, to advocate for British Columbia artists and sponsors, and to develop facilities and regional workshops.

The Council is a registered charitable organization under registration number 484386-22.

2. SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of the significant accounting policies of the Society.

Fund Accounting

The accounts of the Society are maintained in accordance with the principles of fund accounting, whereby resources and expenditures of the Society are classified into funds associated with the specific activities or objectives. For financial reporting purposes, there are three funds presented on the Statement of Operations and Changes in Net Assets:

- i) General Operations, reflecting general operations and activities.
- ii) Community Presenters Assistance program.
- iii) Pacific Contact.

Capital Assets

Capital assets are recorded at cost with amortization provided as follows:

Computer and office equipment	20% - 45% declining balance
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Donations In Kind

Donations received other than by cash are recorded at their estimated fair market value.

Financial Instruments

The Council's financial instruments consist of cash, accounts receivable, accounts payable, and deferred contributions. It is the Council's opinion that the Council is not exposed to significant interest, currency, or credit risks arising from these financial instruments. The fair values of these financial instruments approximate their carrying values, unless otherwise noted.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition

The organization 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 amounts to be received can be reasonably estimated and collection is reasonably assured. Annual membership fees are recorded in the year to which they relate, and registration fees are recognized as revenue when the events are held.

Use of Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates. The Society's most significant estimate is the useful lives of assets for amortization.

Change in Accounting Policy

Effective November 1, 2009, the Society revised its accounting policy with respect to prepaid expenses to comply with the revisions made by the CICA to Handbook Section 1000 "Financial Statement Concepts" which clarifies the criteria for the recognition of an asset. In accordance with the requirements of these revised standards, the Society no longer defers costs which relate to the planning and organization of events to be held in future fiscal periods; these costs are now expensed as incurred.

3. CAPITAL ASSETS

	2010		2009	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Computer and office equipment	\$ 10,705	\$ 9,409	\$ 10,705	\$ 8,886
Cost less accumulated amortization	\$ 1,296		\$ 1,819	

BRITISH COLUMBIA TOURING COUNCIL
NOTES TO FINANCIAL STATEMENTS (Continued)
As At October 31, 2010

4. DEFERRED CONTRIBUTIONS

Deferred contributions represent unspent externally restricted grants and subsequent year membership dues and application fees received.

	2010	2009
BC Arts Council - CPAP Awards	\$ 6,404	\$ 5,000
BC Arts Council - CPAP Administration Grant	1,314	8,536
Memberships	15,498	9,030
Pacific Contact Showcase application fees	<u>7,500</u>	<u>8,350</u>
	<u>\$ 30,716</u>	<u>\$ 30,916</u>

5. IN-KIND DONATIONS

In-kind donations are made up of rooms rentals provided at no charge or with significant discounts by the Hilton Vancouver Metrotown and are recorded at fair market value. In the prior year, only the sponsorship rooms were recorded.

6. PACIFIC CONTACT EXPENDITURES

Due to the change in accounting policy as outlined in Note 1, expenditures relating to the planning of subsequent year events are no longer included in prepaid expenses on the balance sheet. In the current year, \$2,181 of the Pacific Contact expenditures relate to planning for the 2011 event.
