

Financial Statements of

BRITISH COLUMBIA TOURING COUNCIL

October 31, 2016

BRITISH COLUMBIA TOURING COUNCIL
Index to Audited Financial Statements
October 31, 2016

Independent Auditor's Report	- Page 1 - 2
Statement of Financial Position	- Page 3
Statement of Operations and Changes in Net Assets	- Pages 4 - 5
Statement of Cash Flows	- Page 6
Notes to Financial Statements	- Pages 7 - 9

January 23, 2017

Nelson, B.C.

INDEPENDENT AUDITORS' REPORT

To the Members
British Columbia Touring Council

We have audited the accompanying financial statements of the British Columbia Touring Council, which comprise the statement of financial position as at October 31, 2016, and the statements of operations and changes in net assets and cash flows for year 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 of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

INDEPENDENT AUDITORS' REPORT (continued)

To the Members
British Columbia Touring Council

Basis for Qualified Opinion

In common with many charitable organizations, the Society derives revenue from donations, 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 Society, 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.

Qualified Opinion

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, these financial statements present fairly, in all material respects, the financial position of the British Columbia Touring Council as at October 31, 2016, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.



Chartered Professional Accountants

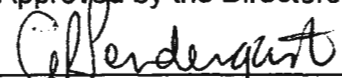
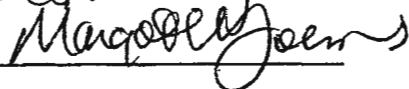
January 23, 2017

Nelson, B.C.

BRITISH COLUMBIA TOURING COUNCIL
STATEMENT OF FINANCIAL POSITION
As At October 31, 2016

ASSETS	2016	2015
CURRENT ASSETS		
Cash	\$ 255,039	\$ 257,633
Grants and accounts receivable	15,339	14,680
Prepaid expenses	13,532	2,932
	283,910	275,245
CAPITAL ASSETS (note 3)	820	1,350
	\$ 284,730	\$ 276,595
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 25,401	\$ 28,940
Government remittances payable	4,681	2,826
Deferred revenue (note 4)	218,811	204,531
	248,893	236,297
NET ASSETS	35,837	40,298
	\$ 284,730	\$ 276,595

Approved by the Directors:

BRITISH COLUMBIA TOURING COUNCIL
STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS
For the Year Ended October 31, 2016

	General Operations	Community Presenter's Assistance Program	Community Presenter's Youth Engagement Program	Aspiring and Emerging Artists Program	Pacific Contact	Total 2016	Total 2015
REVENUE							
Grants							
BC Arts Council - operating grant	\$ 70,000	\$ -	\$ -	-	\$ -	\$ 70,000	\$ 70,000
BC Arts Council - CPAP, CPYEP Awards	-	331,500	170,000	-	-	501,500	477,500
BC Arts Council - administration	-	40,607	26,397	-	-	67,004	70,426
BC Arts Council - AEA program	-	-	-	176,614	-	176,614	30,386
BC Arts Council - other	2,191	2,100	-	-	4,885	9,176	-
Canadian Heritage	31,500	-	-	-	31,500	63,000	63,000
Columbia Kootenay Cultural Alliance	4,000	-	-	-	-	4,000	-
Earned Revenue							
Advertising	-	-	-	-	4,400	4,400	2,600
Arts on Tour	1,040	-	-	-	-	1,040	1,420
Delegate services	-	-	-	-	17,255	17,255	16,011
Fund raising - Next 10 Legacy	-	-	-	-	1,412	1,412	-
In-kind donations	-	-	-	-	36,267	36,267	32,867
Management fees	15,500	-	-	-	-	15,500	16,342
Memberships	28,600	-	-	-	-	28,600	26,125
Registrations - Pacific Contact	-	-	-	-	73,261	73,261	60,780
Showcases and professional development	-	-	-	-	18,250	18,250	14,715
Special events - auction	-	-	-	-	3,935	3,935	9,601
Sponsorships and other income	195	-	-	-	7,138	7,333	11,608
Carried Forward	153,026	374,207	196,397	176,614	198,303	1,098,547	903,381

BRITISH COLUMBIA TOURING COUNCIL
STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS (Continued)
For the Year Ended October 31, 2016

	General Operations	Community Presenter's Assistance Program	Community Presenter's Youth Engagement Program	Aspiring and Emerging Artists Program	Pacific Contact	Total 2016	Total 2015
Brought Forward	\$ 153,026	\$ 374,207	\$ 196,397	\$ 176,614	\$ 198,303	\$ 1,098,547	\$ 903,381
EXPENDITURES							
Adjudication committee	-	5,801	2,397	-	-	8,198	8,864
Administrator's remuneration	-	30,000	20,000	-	-	50,000	49,250
Amortization	530	-	-	-	-	530	928
Awards	-	331,500	170,000	-	-	501,500	477,500
Block booking and other special projects	6,927	-	-	-	-	6,927	4,644
Board meetings	30,483	-	-	-	-	30,483	20,739
Conference fees	1,398	-	-	-	-	1,398	2,911
Delegate services	-	-	-	-	25,829	25,829	22,736
In-kind Accommodation and advertising	-	-	-	-	36,267	36,267	32,867
Insurance	4,169	-	-	-	-	4,169	3,629
Management fees	-	4,500	4,000	7,000	-	15,500	16,342
Office and supplies	14,577	306	-	-	725	15,608	15,682
Outreach - CPAP	-	2,100	-	-	-	2,100	-
Professional fees - audit and accounting	11,006	-	-	-	-	11,006	12,553
Publications and advertising	105	-	-	-	4,690	4,795	4,219
Regional meeting/symposium	19,426	-	-	-	-	19,426	2,189
Registration and fees - Pacific Contact	-	-	-	5,903	-	5,903	-
Salaries and benefits	39,155	-	-	-	39,004	78,159	78,649
Showcase selection	-	-	-	-	1,380	1,380	1,388
Theatre and equipment rental	-	-	-	-	54,271	54,271	40,624
Touring and training	-	-	-	8,460	-	8,460	-
Travel and staff accommodations	3,463	-	-	-	3,326	6,789	7,218
Youth friendly venues	-	-	-	22,505	-	22,505	-
Warming up the act	-	-	-	45,123	-	45,123	-
Website and other contract services	19,257	-	-	-	25,973	45,230	44,963
Workshops	-	-	-	87,623	13,829	101,452	40,887
	150,496	374,207	196,397	176,614	205,294	1,103,008	888,782
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	\$ 2,530	\$ -	\$ -	-	\$(6,991)	(4,461)	14,599
NET ASSETS, BEGINNING OF YEAR						40,298	25,699
NET ASSETS, END OF YEAR						\$ 35,837	\$ 40,298

BRITISH COLUMBIA TOURING COUNCIL
STATEMENT OF CASH FLOWS
For the Year Ended October 31, 2016

	2016	2015
OPERATING ACTIVITIES		
Excess (deficiency) of revenue over expenditures	\$(4,461)	\$ 14,599
Items not affecting cash flow - amortization	530	928
	(3,931)	15,527
Changes in non-cash working capital		
Accounts receivable	(659)	(855)
Prepaid expenses	(10,600)	467
Accounts payable	(3,539)	3,908
Government remittances payable	1,855	1,469
Deferred contributions	14,280	174,763
	1,337	179,752
Cash Provided by (Used for) Operating Activities	(2,594)	195,279
INCREASE (DECREASE) IN CASH	(2,594)	195,279
CASH, BEGINNING OF YEAR	257,633	62,354
CASH, END OF YEAR	\$ 255,039	\$ 257,633

1. PURPOSE OF THE ORGANIZATION

The Council is incorporated under the Society 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 registered with Canada Revenue Agency as a charitable organization under registration number 106812233. As such, it is exempt from federal income tax and can issue tax-deductible charitable donation receipts.

2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

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 four funds presented on the Statement of Operations and Changes in Net Assets:

- i) General Operations, reflecting general operations and activities.
- ii) Community Presenter's Assistance program.
- iii) Community Presenter's Youth Engagement program.
- iv) Aspiring and Emerging Artists program.
- v) Pacific Contact.

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.

Capital Assets

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

Computer and office equipment	20% - 45% declining balance
-------------------------------	-----------------------------

Donations-In-Kind

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

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Allocation of Expenditures

The Society allocates its payroll costs between general operations and the Pacific Contact program based on the estimated time spent between the functions. All other expenditures are specifically identified and expensed to the appropriate function.

Financial Instruments

All financial instruments are measured at fair value on initial recognition. The Society subsequently measures all its financial assets and financial liabilities at amortized cost. The financial assets subsequently measured at amortized cost include cash, grants and accounts receivable and financial liabilities measured at amortized costs include accounts payable.

Use of Estimates

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations 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.

3. CAPITAL ASSETS

	2016		2015	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Computer and office equipment	\$ 5,506	\$ 4,686	\$ 5,506	\$ 4,156
Cost less accumulated amortization	\$ 820		\$ 1,350	

4. DEFERRED CONTRIBUTIONS

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

	2016	2015
BC Arts Council - AEA Grant	\$ 191,000	\$ 167,615
BC Arts Council - CPAP Administration Grant	393	9,176
BC Arts Council - CPYEP Administration Grant	1,103	-
Memberships	17,105	15,950
Pacific Contact Showcase fees	9,210	11,790
	\$ 218,811	\$ 204,531

5. IN-KIND DONATIONS

In-kind donations are made up of room rentals provided at no charge or with significant discounts by the Hilton Vancouver Metrotown Hotel for Pacific Contact as well as an event application for Pacific Contact provided by Myeventapps. All in-kind donations are recorded at fair market value.

6. FINANCIAL INSTRUMENTS

The Society is exposed to various risks through its financial instruments.

Credit Risk

For accounts receivable, the Society assesses amounts receivable on the basis of amounts it is virtually certain to receive based on their estimated realizable value.

Liquidity Risk

Liquidity risk is the risk of being unable to meet cash requirements or to fund obligations as they become due. Trade accounts payable are generally repaid within 30 days.
