

British Columbia Touring Council  
Client Information Package  
For the Year Ended October 31, 2022

Contact Information

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British Columbia Touring Council  
Financial Statements  
For the Year Ended October 31, 2022

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## Independent Auditor's Report

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To the Board of Directors of British Columbia Touring Council

### Report on the Audit of Financial Statements

#### Opinion

We have audited the financial statements of British Columbia Touring Council (the "Council"), which comprise the statement of financial position as at October 31, 2022, and the statements of operations, changes in net assets, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Council as at October 31, 2022, and its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

#### Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Council in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Other Matters

We draw attention to the fact that the supplementary information included in Schedules 1 to 5 does not form part of the financials statements. We have not audited or reviewed this supplementary information and, accordingly, we do not express an opinion, a review conclusion or any other form of assurance on this supplementary information.

The comparative amounts presented in these financial statements were audited by another firm of Chartered Professional Accountants who expressed an unmodified opinion on February 27, 2022.

#### Responsibilities of Management and Those Charged with Governance 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, 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.

In preparing the financial statements, management is responsible for assessing the Council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Council or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Council's financial reporting process.

#### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Council's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Council's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Council to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Report on Other Legal and Regulatory Requirements

As required by the Society's Act (British Columbia), we report that, in our opinion, the accounting principles in Canadian accounting standards for not-for-profit organizations have been applied on a basis consistent with that of the preceding year.

*BDO Canada LLP*

Chartered Professional Accountants

Revelstoke, British Columbia  
April 3, 2023

## British Columbia Touring Council Statement of Financial Position

October 31	2022	(Note 7) 2021
<b>Assets</b>		
<b>Current</b>		
Cash	\$ 323,564	\$ 190,881
Grants and accounts receivable	21,378	332,154
Prepaid expenses	4,990	5,247
	<u>349,932</u>	<u>528,282</u>
Equipment (Note 2)	2,265	634
	<u>\$ 352,197</u>	<u>\$ 528,916</u>
<b>Liabilities and Net Assets</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	\$ 28,105	\$ 335,046
Deferred contributions (Note 3)	231,770	102,888
	<u>259,875</u>	<u>437,934</u>
<b>Net Assets</b>		
Emergency operating and ED transition fund	84,228	84,228
Next 10 legacy fund	4,085	4,835
Operating Fund	4,009	1,919
	<u>92,322</u>	<u>90,982</u>
	<u>\$ 352,197</u>	<u>\$ 528,916</u>

On behalf of the Board:

*Galen Alsted*

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Director

DocuSigned by:

*Jim Harding*

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Director

British Columbia Touring Council  
Statement of Changes in Net Assets

For the year ended October 31	Emergency operating & ED transition fund	Next 10 legacy fund	Operating Fund	2022 Total	(Note 7) 2021 Total
Balance, beginning of the year	\$ 84,228	4,835	\$ 1,919	\$ 90,982	\$ 98,498
Excess of revenues (deficiency) over expenses	-	-	1,340	1,340	(7,516)
Internal restrictions (Note 5)	-	(750)	750	-	-
Balance, end of the year	\$ 84,228	\$ 4,085	\$ 4,009	\$ 92,322	\$ 90,982

The accompanying notes are an integral part of these financial statements.

## British Columbia Touring Council Statement of Operations

For the year ended October 31	2022	(Note 7) 2021
Revenue		
Fundings		
BC Arts Council	\$ 794,393	\$ 849,681
Canadian Heritage	75,000	90,625
Interest Income	205	23
Fundraising	241	1,732
Memberships	25,228	16,650
Registration fees	77,955	11,567
Showcases and professional development	16,530	-
Sponsorship and other income	9,425	231
	<u>998,977</u>	<u>970,509</u>
Expenses		
Amortization	1,470	313
Aspiring and emerging artists program	82,000	129,104
Bank charges	1,994	517
Block booking and special projects	7,229	430
Board meetings	10,423	11,815
Community presenters assistance program	605,585	540,816
Insurance	3,307	4,636
Memberships and licences	1,394	1,090
Mentorship and youth engagement program	1,348	55,380
Office and general administration	8,285	15,274
Pacific contact	144,890	38,148
Professional fees	26,822	17,358
Travel and meals	3,441	282
Website and database	36,131	27,628
Contracting fees	63,318	135,234
	<u>997,637</u>	<u>978,025</u>
Excess (deficiency) of revenues over expenses	<u>\$ 1,340</u>	<u>\$ (7,516)</u>

The accompanying notes are an integral part of these financial statements.



## British Columbia Touring Council Statement of Cash Flows

For the year ended October 31	2022	(Note 7) 2021
Cash flows from operating activities		
Cash received from government agencies	\$ 1,318,428	\$ 152,725
Cash received from the community through donations, grants, memberships and other fundings	145,629	45,930
Cash paid to suppliers and employees	(1,328,477)	(663,939)
Interest received	205	23
	<u>135,785</u>	<u>(465,261)</u>
Cash flows from investing activities		
Acquisition of equipment	<u>(3,102)</u>	<u>-</u>
Net increase (decrease) in cash	132,683	(465,261)
Cash, beginning of the year	<u>190,881</u>	<u>656,142</u>
Cash, end of the year	<u>\$ 323,564</u>	<u>\$ 190,881</u>

The accompanying notes are an integral part of these financial statements.

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# British Columbia Touring Council

## Notes to Financial Statements

October 31, 2022

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### 1. Significant Accounting Policies

Nature and Purpose of Organization	<p>British Columbia Touring Council (the "Council") is a non-profit organization incorporated without share capital 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.</p> <p>The Council is a registered charity under the <i>Income Tax Act</i> and, as such, is exempt from income tax and may issue income tax receipts to donors.</p>
Basis of Accounting	<p>The financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations.</p>
Revenue Recognition	<p>The Council follows the deferral method of accounting for contributions.</p> <p>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. Annual membership fees are recorded in the year to which they relate, and registration fees are recognized as revenue when the associated event is held.</p>
Fund Accounting	<p>The Council records accounting transactions using the fund accounting method generally in use for non-profit organizations. A fund is determined for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations. The Council maintains the following funds:</p> <p>The operating fund reports general operations.</p> <p>The emergency operating &amp; ED transition fund reports amounts internally restricted to assist in the transition process for the Executive Director and emergency operations.</p> <p>The Next 10 legacy fund reports amounts internally restricted which were fundraised to offer scholarships and subsidies to attend Pacific Contact, and to create opportunities for specialized training, mentorship and leadership.</p>

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## British Columbia Touring Council Notes to Financial Statements

October 31, 2022

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### 1. Significant Accounting Policies (continued)

**In-Kind Contributions** All other contributed assets, materials and services which are used in the normal course of the Council's operations and would otherwise have been purchased are not recorded by the Council, as their fair value cannot be reasonably estimated and tracked.

**Equipment** Purchased capital assets are stated at cost less accumulated amortization. Contributed capital assets are recorded at fair value at the date of contribution and are amortized, unless fair value is not determinable in which case contributed capital assets are recorded at nominal value at the date of contribution. Expenditures for repairs and maintenance are expensed as incurred. Betterments that extend the useful life of the tangible capital asset are capitalized.

Amortization based on the estimated useful life of the asset is calculated as follows:

	Method	Rate
Computer equipment	Declining-balance	45%
Office equipment	Declining-balance	20%

When a capital asset is disposed of, the difference between the net proceeds on disposition and the net carrying amount is recognized in the statement of operations.

**Contributed Services** Volunteers contribute many hours per year to assist the Council in carrying out its activities. Due to the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

**Use of Estimates** The preparation of financial statements in accordance 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 period. Actual results could differ from management's best estimates as additional information becomes available in the future. Significant estimates include amortization of capital assets and completeness of accounts payable and accrued liabilities.

**Financial Instruments** Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial instruments are reported either at cost or amortized cost less impairment when changes in circumstances indicate the asset could be impaired. Transaction costs on the acquisition, sale or issue of financial instruments are charged to the financial instrument.

## British Columbia Touring Council Notes to Financial Statements

October 31, 2022

### 2. Equipment

	2022		2021	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Computer equipment	\$ 3,741	\$ 1,353	\$ 640	\$ 367
Office equipment	2,422	2,545	2,422	2,061
	6,163	3,898	3,062	2,428
Net book value	\$ 2,265		\$ 634	

### 3. Deferred Revenue

Deferred revenue represents unspent resources externally restricted in the current period that is related to expenses of a subsequent period. Deferred revenue is made up of the following balances:

	2021	Contributions Received	Transfer	Revenue Recognized	2022
BC Arts Council:					
Arts Impact	\$ -	\$ 30,000	\$ -	\$ -	\$ 30,000
Aspiring and Emerging Artists	52,934	148,500	-	92,000	109,434
Community Presenters Assistance	7,868	596,890	6,787	611,545	-
Mentorship and Youth Engagement Memberships	20,571	-	(6,787)	1,348	12,436
Canadian Heritage	-	145,000	-	75,000	70,000
Pacific Contact Showcase fees	21,515	92,500	-	104,115	9,900
	\$ 102,888	\$ 1,012,890	\$ -	\$ 884,008	\$ 231,770

### 4. Interfund Transfers

During the year, amounts of \$750 were withdrawn from the Next 10 legacy fund to subsidize attendance of Pacific Contact. In 2021, \$1,732 was contributed to this fund.

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## British Columbia Touring Council Notes to Financial Statements

October 31, 2022

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### 5. Salaries, Honoraria and Benefits

The Society Act (British Columbia) requires certain information to be reported with regards to remuneration of employees, contractors and directors.

No employees received remuneration exceeding \$75,000 for the year ended October 31, 2022 (2021 - \$135,947). No honoraria were paid to members of the Board of Directors for the 2022 and 2021 years.

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### 6. Economic Dependence

Funding from government agencies and BC Arts Council represents 78% (2021 - 88%) of the Council's total revenue for the year. Should these sources substantially curtail their funding, the future operations of the Council would be in question.

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### 7. Comparative Figures

Certain comparative figures have been reclassified to conform to current year presentation.

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## British Columbia Touring Council Notes to Financial Statements

October 31, 2022

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### 8. Financial Instruments

#### Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Council is exposed to credit risk resulting from the possibility that counterparty to a financial instrument defaults on their financial obligations; if there is a concentration of transactions carried out with the same counterparty; or of financial obligations which have similar economic characteristics such that they could be similarly affected by changes in economic conditions. The Council's financial instruments that are exposed to concentrations of credit risk relate primarily to its accounts and contributions receivable. The majority of the Council's receivables are from government sources and the Council works to ensure it meets all eligibility criteria in order to qualify to receive the funding.

The Council is also exposed to credit risk arising from all of its bank accounts being held at one financial institution.

#### Liquidity risk

Liquidity risk is the risk that the Council will encounter difficulty in meeting its obligations associated with financial liabilities. Liquidity risk includes the risk that, as a result of operational liquidity requirements, the Council will not have sufficient funds to settle a transaction on the due date; will be forced to sell financial assets at a value, which is less than what they are worth; or may be unable to settle or recover a financial asset. The Council is exposed to this risk mainly in respect of its accounts payable.

#### Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Council is not significantly exposed to these risks on any of its financial instruments.

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British Columbia Touring Council  
Schedule 1 - General Operations  
(Unaudited)

For the year ended October 31	2022	2021
Revenue		
Grants		
BC Arts Council - Operating Grant	\$ 70,000	\$ 70,000
BC Arts Council - Enhanced capacity	5,000	-
BC Arts Council - Resilience fund	14,155	40,000
Canadian heritage	35,000	64,298
Fundraising	241	1,732
Management fees	16,250	14,381
Memberships	25,228	16,650
	<u>165,874</u>	<u>207,061</u>
Expenses		
Amortization	1,470	313
Bank charges	1,994	517
Block booking and special projects	7,229	430
Board meetings	10,423	11,815
Conference fees	100	439
Insurance	3,307	4,636
Memberships and licenses	1,394	1,090
Office and general administration	8,186	14,833
Professional fees	26,822	17,358
Salaries and benefits	35,984	106,534
Travel and meals	3,441	282
Contracting fees	63,464	56,329
	<u>163,814</u>	<u>214,576</u>
Excess (deficiency) of revenues over expenses	\$ 2,060	\$ (7,515)

British Columbia Touring Council  
Schedule 2 - Community Presenters Assistance (CPA) Program  
(Unaudited)

For the year ended October 31	2022	2021
Revenue		
Grants		
BC Arts Council - Administration	\$ 56,890	\$ 26,410
BC Arts Council - CPA Awards	555,000	516,787
	<u>611,890</u>	<u>543,197</u>
Expenses		
Adjudication committee	6,625	3,620
Administrator's remuneration	42,500	20,250
Awards	555,000	406,787
Management fees	6,250	2,381
Office and general administration	1,460	159
Resilience funding awarded	-	110,000
	<u>611,835</u>	<u>543,197</u>
Excess of revenues over expenses	\$ 55	\$ -



British Columbia Touring Council  
Schedule 3 - Mentorship and Youth Engagement (MYE) Program  
(Unaudited)

For the year ended October 31	2022	2021
Revenue		
Grants		
BC Arts Council - Administration	\$ 1,348	\$ 1,880
BC Arts Council - Awards	-	53,500
	<u>1,348</u>	<u>55,380</u>
Expenses		
Adjudication committee	-	630
Administrator's remuneration	1,348	1,250
Awards	-	53,500
	<u>1,348</u>	<u>55,380</u>
Excess (deficiency) of revenues over expenses	\$ -	\$ -

British Columbia Touring Council  
Schedule 4 - Aspiring and Emerging Artists (AEA) Program  
(Unaudited)

For the year ended October 31	2022	2021
Revenue		
Grants		
BC Arts Council	\$ 92,000	\$ 141,104
Expenses		
Adjudication committee	2,386	-
Administrator's remuneration	9,000	40,000
Advisory council	-	6,864
Management fees	10,000	12,000
On the road workshops	-	18,715
Publications and promotion	614	200
Warming up the act	40,000	35,325
Youth friendly venues	30,000	28,000
	-	-
	92,000	141,104
Excess (deficiency) of revenues over expenses	\$ -	\$ -

British Columbia Touring Council  
Schedule 5 - Pacific Contact  
(Unaudited)

For the year ended October 31	2022	2021
Revenue		
Grants		
Canadian Heritage	\$ 40,000	\$ 26,327
Registration fees	77,955	11,567
Showcases and professional development	16,530	-
Sponsorship and other income	9,630	254
	<u>144,115</u>	<u>38,148</u>
Expenses		
Delegate services	32,058	8,518
Office and general administration	250	-
Publications and promotion	3,544	217
Contracting fees	42,100	29,413
Showcase selection	3,528	-
Theatre and equipment rental	52,363	-
Travel and meals	2,979	-
Workshops	8,068	-
	<u>144,890</u>	<u>38,148</u>
Deficiency of revenues over expenses before transfer	(775)	-
Interfund transfer	750	-
Deficiency of revenues over expenses	<u>\$ (25)</u>	<u>\$ -</u>