

British Columbia Touring Council  
Client Information Package  
For the Year Ended October 31, 2023

Contact Information

Angie Spencer, CPA, CA  
BDO Canada LLP  
Chartered Professional Accountants  
Ph: 250-832-7171 Fax: 250-832-2429  
Email: [aspencer@bdo.ca](mailto:aspencer@bdo.ca)

British Columbia Touring Council  
Financial Statements  
For the Year Ended October 31, 2023

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## Independent Auditor's Report

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To the Board of Directors of British Columbia Touring Council

### 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, 2023, 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, 2023, 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 8 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.

### 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.

Chartered Professional Accountants

Revelstoke, British Columbia

March 14, 2024

## British Columbia Touring Council Statement of Financial Position

October 31	2023	2022
<b>Assets</b>		
Current		
Cash	\$ 240,207	\$ 323,564
Grants and accounts receivable	19,336	21,378
Prepaid expenses	16,676	4,990
	276,219	349,932
Equipment (Note 2)	1,313	2,265
	\$ 277,532	\$ 352,197
<b>Liabilities and Net Assets</b>		
Current		
Accounts payable and accrued liabilities	\$ 42,595	\$ 28,105
Deferred contributions (Note 3)	88,329	231,770
	130,924	259,875
Net Assets		
Emergency operating and ED transition fund	84,228	84,228
Next 10 legacy fund	4,085	4,085
Operating Fund	58,295	4,009
	146,608	92,322
	\$ 277,532	\$ 352,197

On behalf of the Board:



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Director

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Director

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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	2023 Total	2022 Total
Balance, beginning of the year	\$ 84,228	4,085	\$ 4,009	\$ 92,322	\$ 90,982
Excess of revenues over expenses	-	-	54,286	54,286	1,340
Balance, end of the year	\$ 84,228	\$ 4,085	\$ 58,295	\$ 146,608	\$ 92,322

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

## British Columbia Touring Council Statement of Operations

For the year ended October 31	2023	2022 (Note 7)
Revenue		
Fundings		
BC Arts Council	\$ 825,842	\$ 794,393
Canadian Heritage	145,000	75,000
Other	29,339	-
Interest	411	205
Fundraising	-	241
Memberships	28,195	25,228
Registration fees	78,025	77,955
Showcases and professional development	9,100	16,530
Sponsorship and other	14,141	9,425
	1,130,053	998,977
Expenses		
Adjudication	13,872	9,011
Advertising and promotion	5,624	969
Amortization	952	1,470
Award disbursements	580,000	625,800
Bank charges	2,205	1,994
Block booking and special projects	-	7,229
Board meetings	11,315	10,423
Conference fees	2,282	100
Contracting fees	68,978	79,011
Honorariums	4,600	-
Hospitality	22,327	30,156
Insurance	2,530	3,307
Memberships and licences	1,454	1,394
Office	8,986	9,096
Printing	6,415	3,187
Professional fees	59,139	26,822
Supplies	4,279	1,502
Technical	43,367	31,509
Transportation	6,270	7,196
Travel and meals	26,157	6,423
Website and database	4,675	12,067
Venue and equipment rental	34,944	17,585
Wages and benefits	150,246	103,318
Workshops and speakers	15,150	8,068
	1,075,767	997,637
Excess of revenues over expenses	\$ 54,286	\$ 1,340

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



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## British Columbia Touring Council Statement of Cash Flows

For the year ended October 31	2023	2022
Cash flows from operating activities		
Cash received from government agencies	\$ 820,065	\$ 1,318,428
Cash received from the community through donations, grants, memberships and other fundings	171,800	145,629
Cash paid to suppliers and employees	(1,075,633)	(1,328,477)
Interest received	411	205
	<u>(83,357)</u>	<u>135,785</u>
Cash flows from investing activities		
Acquisition of equipment	<u>-</u>	<u>(3,102)</u>
Net (decrease) increase in cash	(83,357)	132,683
Cash, beginning of the year	<u>323,564</u>	<u>190,881</u>
Cash, end of the year	<u>\$ 240,207</u>	<u>\$ 323,564</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, 2023

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### 1. Significant Accounting Policies

**Nature and Purpose of Organization** 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.

The Council is a registered charity under the *Income Tax Act* and, as such, is exempt from income tax and may issue income tax receipts to donors.

**Basis of Accounting** The financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations.

**Revenue Recognition** The Council 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. 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.

**Fund Accounting** 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:

The operating fund reports general operations.

The emergency operating & ED transition fund reports amounts internally restricted to assist in the transition process for the Executive Director and emergency operations.

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.

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# British Columbia Touring Council

## Notes to Financial Statements

October 31, 2023

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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.

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## British Columbia Touring Council Notes to Financial Statements

October 31, 2023

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### 1. Significant Accounting Policies (continued)

Programs	The Council operates various programs, the operations of which have been outlined in the unaudited Schedules 2 through 8. Management fee expenses are internal charges that are allocated through the management fee revenue on Schedule 1. The management fee charged in 2023 was \$13,000 (2022 - \$16,250) and this amount is eliminated in the audited statement of operations.
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 charges to the financial instrument.

## British Columbia Touring Council Notes to Financial Statements

October 31, 2023

### 2. Equipment

	2023		2022	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Computer equipment	\$ 3,741	\$ 2,428	\$ 3,741	\$ 1,353
Office equipment	2,422	2,422	2,422	2,545
	<u>6,163</u>	<u>4,850</u>	<u>6,163</u>	<u>3,898</u>
Net book value		<u>\$ 1,313</u>		<u>\$ 2,265</u>

### 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:

	2022	Contributions Received	Transfers	Revenue Recognized	2023
BC Arts Council:					
Arts Impact	\$ 30,000	\$ -	\$ -	\$ 30,000	\$ -
Aspiring and Emerging Artists Mentorship and Youth Engagement	109,434	-	(109,434)	-	-
Canadian Heritage	12,436	-	-	-	12,436
Community Presented Assistance	70,000	75,000	-	145,000	-
Community Services Recovery Fund	-	474,000	26,000	500,000	-
Creative BC	-	71,277	-	29,339	41,938
Into The Act	-	24,000	-	-	24,000
Pacific Contact Showcase fees	-	51,000	82,500	133,500	-
Other	9,900	9,955	-	9,900	9,955
	<u>-</u>	<u>139,508</u>	<u>934</u>	<u>140,442</u>	<u>-</u>
	<u>\$ 231,770</u>	<u>\$ 844,740</u>	<u>\$ -</u>	<u>\$ 988,181</u>	<u>\$ 88,329</u>

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## British Columbia Touring Council Notes to Financial Statements

October 31, 2023

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#### 4. Interfund Transfers

During the year, no interfund transfers occurred. In 2022, \$750 was withdrawn from the Next 10 legacy fund to subsidize attendance of Pacific Contact.

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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.

Included in wages and benefits is one employee (2022 - none) with remuneration exceeding \$75,000. The total remuneration paid to this individual for the year ended October 31, 2023 is \$83,280 (2022 - \$nil). No honoraria were paid to members of the Board of Directors for the 2023 and 2022 year.

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#### 6. Economic Dependence

Funding from government agencies and BC Arts Council represents 86% (2022 - 78%) 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, 2023

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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	2023	2022
<b>Revenue</b>		
Grants		
BC Arts Council - Operating Grant	\$ 70,000	\$ 70,000
BC Arts Council - Enhanced Capacity	-	5,000
BC Arts Council - Arts Impact	30,000	-
BC Arts Council - Resilience Fund	79,408	14,155
Canadian Heritage	75,000	35,000
AEA Programs - Historical	934	-
Management fees	13,000	16,250
Memberships	28,195	25,228
Sponsorships & donations	2,741	241
	<u>299,278</u>	<u>165,874</u>
<b>Expenses</b>		
Amortization	952	1,470
Bank charges	2,173	1,994
Block booking and special projects	-	7,229
Board meetings	11,315	10,423
Conference fees	782	100
Consulting fees	20,050	-
Contracting fees	54,978	63,464
Honorariums	750	-
Hospitality	486	-
Insurance	-	3,307
Memberships and licenses	-	1,394
Office	10,589	8,186
Partnership and sponsorship	1,750	-
Professional fees	33,789	26,822
Salaries and benefits	87,654	35,984
Travel and meals	16,753	3,441
Website and database	4,558	-
	<u>246,579</u>	<u>163,814</u>
Other income		
Bank interest	411	-
Excess of revenues over expenses	<u>\$ 53,110</u>	<u>\$ 2,060</u>



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

For the year ended October 31	2023	2022
Revenue		
Grants		
BC Arts Council - Administration	\$ 34,000	\$ 56,890
BC Arts Council - CPA Awards	446,500	555,000
AEA Programs - Historical	26,000	-
	<u>506,500</u>	<u>611,890</u>
Expenses		
Adjudication committee	4,690	6,625
Administrator's remuneration	-	42,500
Awards	465,000	555,000
Management fees	5,000	6,250
Office	810	1,460
Resilience funding awarded	-	-
Salaries and benefits	31,000	-
	<u>506,500</u>	<u>611,835</u>
Excess (deficiency) of revenues over expenses	\$ -	\$ 55

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

For the year ended October 31	2023	2022
Revenue		
Grants		
BC Arts Council - Administration	\$ -	\$ 1,348
Expenses		
Administrator's remuneration	-	1,348
Excess of revenues over expenses	\$ -	-

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

For the year ended October 31	2023	2022
Revenue		
Grants		
BC Arts Council	\$ -	\$ 92,000
Expenses		
Adjudication	-	2,386
Administrator's remuneration	-	9,000
Management fees	-	10,000
Publications and promotion	-	614
Warming up the act	-	40,000
Youth friendly venues	-	30,000
	-	92,000
Excess of revenues over expenses	\$ -	\$ -

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

For the year ended October 31	2023	2022
<b>Revenue</b>		
Grants		
Canada - Services Recovery Fund	\$ -	\$ 40,000
Canadian Heritage - Supplemental Re-engaging Audiences	15,000	-
Advertising	30,000	-
Registration fees	1,100	-
Showcases and professional development	78,025	77,955
Sponsorship and other	9,100	16,530
	<u>10,300</u>	<u>9,630</u>
	143,525	144,115
<b>Expenses</b>		
Adjudication	5,086	-
Advertising	3,874	-
Consulting fees	1,500	-
Contracting fees	-	42,100
Hospitality	24,683	32,058
Honorariums	450	-
Office	610	250
Printing	5,654	-
Publications and promotion	-	3,544
Showcase selection	-	3,528
Technical	42,283	-
Theatre and equipment rental	32,806	52,363
Transportation	6,270	-
Travel and meals	3,983	2,979
Workshops and speakers	15,150	8,068
	<u>142,349</u>	<u>144,890</u>
Excess (deficiency) of revenues over expenses before transfers	1,176	(775)
Interfund transfer	-	750
<b>Excess (deficiency) of revenues over expenses</b>	<u>\$ 1,176</u>	<u>\$ (25)</u>

British Columbia Touring Council  
Schedule 6 - Festival Programs  
(Unaudited)

For the year ended October 31	2023	2022
Revenue		
Canada - Services Recovery Fund	\$ 29,339	\$ -
Expenses		
Conference fees	1,500	-
Contracting fees	9,000	-
Consulting fees	3,800	-
Equipment rental	1,638	-
Honorariums	3,400	-
Hospitality	960	-
Printing	761	-
Salaries and benefits	3,000	-
Service	89	-
Technical	1,084	-
Travel	3,990	-
Website and database	117	-
	29,339	-
Excess of revenues over expenses	\$ -	\$ -

British Columbia Touring Council  
Schedule 7 - Into The Act (ITA)  
(Unaudited)

For the year ended October 31	2023	2022
Revenue		
Grants		
BC Arts Council - ITA Awards	\$ 56,500	\$ -
AEA - Touring and training	56,500	-
AEA Programs - Historical	26,000	-
	<u>139,000</u>	<u>-</u>
Expenses		
Adjudication	4,096	
Awards	115,000	
Contracting fees	5,000	
Management fees	8,000	
Office	904	
Wages and benefits	6,000	
	<u>139,000</u>	<u>-</u>
Excess of revenues over expenses	<u>\$ -</u>	<u>\$ -</u>

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British Columbia Touring Council  
Schedule 8 - Block Booking  
(Unaudited)

For the year ended October 31	2023	2022
Revenue		
Re-engaging Audiences	\$ 25,000	\$ -
Expenses		
Hospitality	477	
Salaries and benefits	22,592	
Theatre and equipment rental	500	
Travel	1,431	
	<u>25,000</u>	<u>-</u>
Excess of revenues over expenses	\$ -	\$ -

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