

CENTRAL CARIBOO ARTS & CULTURE SOCIETY
Financial Statements
Year Ended December 31, 2020

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INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Members of Central Cariboo Arts & Culture Society

We have reviewed the accompanying financial statements of Central Cariboo Arts & Culture Society (the Society) that comprise the statement of financial position as at December 31, 2020, and the statements of changes in net assets, revenues and expenditures and cash flow for the 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 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

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us 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, we do not express an audit opinion on these financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of Central Cariboo Arts & Culture Society as at December 31, 2020, and the results of its operations and its cash flows for the year then ended in accordance with ASNPO.

Williams Lake, BC
May 11, 2021


PMT CHARTERED PROFESSIONAL
ACCOUNTANTS LLP

CENTRAL CARIBOO ARTS & CULTURE SOCIETY

Statement of Financial Position

December 31, 2020

	2020	2019
ASSETS		
Current		
Cash	\$ 33,977	\$ 3,600
Accounts receivable	11,671	-
Goods and services tax recoverable	139	-
Prepaid expenses	786	787
	<u>46,573</u>	4,387
Tangible capital assets (Note 6)	2,234	2,317
Restricted cash (Note 7)	38,058	48,461
	<u>\$ 86,865</u>	<u>\$ 55,165</u>
LIABILITIES		
Current		
Accounts payable and accrued liabilities	\$ 8,129	\$ 7,271
Deposits received	622	420
Goods and services tax payable	-	148
Deferred income	26,775	-
	<u>35,526</u>	7,839
Contingent liability (Note 13)		
NET ASSETS		
General Fund	13,281	(1,135)
Operating Reserve	16,439	16,403
Opportunity Reserve	21,619	32,058
	<u>51,339</u>	47,326
	<u>\$ 86,865</u>	<u>\$ 55,165</u>

APPROVED BY THE DIRECTORS



Director



Director

The accompanying notes are an integral part of this statement

CENTRAL CARIBOO ARTS & CULTURE SOCIETY**Statement of Changes in Net Assets****Year Ended December 31, 2020**

	General Fund	Operating Reserve	Opportunity Reserve	2020	2019
Net assets - beginning of year	\$ (1,135)	\$ 16,403	\$ 32,058	\$ 47,326	\$ 73,755
Excess of revenue over expenditures	3,886	36	91	4,013	(26,429)
Transfers (Note 8)	10,530	-	(10,530)	-	-
Net assets - end of year	\$ 13,281	\$ 16,439	\$ 21,619	\$ 51,339	\$ 47,326

The accompanying notes are an integral part of this statement

CENTRAL CARIBOO ARTS & CULTURE SOCIETY**Statement of Revenues and Expenditures****Year Ended December 31, 2020**

	2020	2019
Revenue		
Municipal and regional contract revenue	\$ 90,000	\$ 90,000
Grant program	25,000	-
Project revenue	21,250	21,250
Rental income	7,178	14,174
Other income	973	1,759
	<u>144,401</u>	<u>127,183</u>
Expenditures		
Amortization	1,570	2,155
Bank charges and interest	265	334
Central Cariboo Arts and Culture Society grants	25,000	-
Insurance	1,051	1,049
Licences, dues and fees	857	1,630
Office	1,669	2,451
Professional fees	2,469	4,327
Projects and workshops	21,683	25,509
Repairs and maintenance	5,965	7,353
Research	-	74
Staff expenses	306	419
Support grants	-	9,628
Telephone and utilities	6,719	9,722
Travel	389	605
Wages and benefits	87,302	88,391
	<u>155,245</u>	<u>153,647</u>
Deficiency of revenue over expenditures from operations	<u>(10,844)</u>	<u>(26,464)</u>
Other income		
Interest income	127	554
Loss on disposal of tangible capital assets	-	(519)
Rent subsidy	1,386	-
Wage subsidy	13,344	-
	<u>14,857</u>	<u>35</u>
Excess (deficiency) of revenue over expenditures	<u>\$ 4,013</u>	<u>\$ (26,429)</u>

The accompanying notes are an integral part of this statement

CENTRAL CARIBOO ARTS & CULTURE SOCIETY**Statement of Cash Flow****Year Ended December 31, 2020**

	2020	2019
Operating activities		
Excess (deficiency) of revenue over expenditures	\$ 4,013	\$ (26,429)
Items not affecting cash:		
Amortization of tangible capital assets	1,570	2,155
Loss on disposal of tangible capital assets	-	519
	<u>5,583</u>	<u>(23,755)</u>
Changes in non-cash working capital:		
Accounts receivable	(11,671)	-
Accounts payable and accrued liabilities	857	5,549
Deferred income	26,775	-
Deposits received	202	171
Goods and services tax payable	(287)	151
Prepaid expenses	1	(1)
	<u>15,877</u>	<u>5,870</u>
Cash flow from (used by) operating activities	<u>21,460</u>	<u>(17,885)</u>
Investing activity		
Purchase of tangible capital assets	<u>(1,486)</u>	-
Increase (decrease) in cash flow	19,974	(17,885)
Cash - beginning of year	<u>52,061</u>	<u>69,946</u>
Cash - end of year	<u>\$ 72,035</u>	<u>\$ 52,061</u>
Cash consists of:		
Cash	\$ 33,977	\$ 3,600
Restricted cash	<u>38,058</u>	<u>48,461</u>
	<u>\$ 72,035</u>	<u>\$ 52,061</u>

The accompanying notes are an integral part of this statement

CENTRAL CARIBOO ARTS & CULTURE SOCIETY

Notes to Financial Statements

Year Ended December 31, 2020

1. Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

2. Purpose of the Society

Central Cariboo Arts & Culture Society (the "Society") is a not-for-profit organization incorporated provincially under the Society Act of British Columbia. Management has determined that they are exempt from payment of income tax under Section 149(1) of the Income Tax Act.

The Society operates to provide the Arts Centre for meetings and events for the Central Cariboo Arts and Cultural organizations and members of the community, offers a grants program to distribute project grants to groups and societies in the Central Cariboo, as well as offers assistance with respect to arts and culture matters.

3. Economic dependence

A significant portion of the Society's gross operating revenue, \$90,000 (2019 - \$90,000), is comprised of annual funding from the Cariboo Regional District and the City of Williams Lake. The Society's ability to continue operations is dependent upon the continuation of such funding.

4. Significant accounting policies

Fund accounting

Revenues and expenses related to program delivery and administrative activities are reported in the General Fund.

Opportunity Reserve Funds are internally restricted by the board to provide funds to enable the Society to pursue opportunities for acquiring outside funding which requires some monetary contribution from the Society.

Operating Reserve Funds are internally restricted by the board to provide a cushion against unexpected and unbudgeted operating expenses and to fund a program designed to be operated independent of taxpayer allocations. The reserve is to not exceed \$25,000 without express board approval.

Financial instruments

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

Financial assets measured at amortized cost include cash and goods and services tax receivable.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities and goods and services tax payable.

Financial assets measured at fair value include restricted cash.

(continues)

CENTRAL CARIBOO ARTS & CULTURE SOCIETY

Notes to Financial Statements

Year Ended December 31, 2020

4. Significant accounting policies (*continued*)

Cash and cash equivalents

Cash and cash equivalents consist of cash on hand less outstanding cheques and deposits with a maturity of less than three months at the time of purchase. When outstanding cheques are in excess of cash on hand, the excess is reported in bank indebtedness.

Term deposits

Short term investments, which consist primarily of guaranteed investment certificates (GIC's), are carried at market value.

Tangible capital assets

Tangible capital assets are stated at cost or deemed cost less accumulated amortization and are amortized over their estimated useful lives at the following rates and methods:

Computer equipment	55%	declining balance method
Computer software	100%	declining balance method
Furniture and fixtures	20%	declining balance method
Leasehold improvements	60 months	straight-line method
Art	60 months	straight-line method

The Society regularly reviews its tangible capital assets to eliminate obsolete items. Government grants are treated as a reduction of tangible capital assets cost.

Tangible capital assets acquired during the year but not placed into use are not amortized until they are placed into use.

Revenue recognition

Central Cariboo Arts & Culture Society 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.

Restricted investment income is recognized as revenue in the year in which the related expenses are incurred. Unrestricted investment income is recognized as revenue when earned.

Contributed goods and services

The Society and its members benefit from contributed goods and services in the form of volunteer time for various committees. Contributed services are not recognized in these financial statements. Donated goods are recorded at their fair market value at the time of the donation. During the year \$NIL in goods were donated (2019 - \$1,529).

Measurement uncertainty

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 amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

CENTRAL CARIBOO ARTS & CULTURE SOCIETY

Notes to Financial Statements

Year Ended December 31, 2020

5. Financial instruments

The Society is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the Society's risk exposure and concentration as of December 31, 2020.

Unless otherwise noted, it is management's opinion that the Society is not exposed to significant other price risks arising from these financial instruments.

6. Tangible capital assets

	Cost	Accumulated amortization	2020 Net book value	2019 Net book value
Art	\$ 10,604	\$ 10,604	\$ -	\$ -
Computer equipment	7,994	7,302	692	778
Computer software	1,764	1,764	-	-
Furniture and fixtures	5,968	4,426	1,542	1,072
Leasehold improvements	9,608	9,608	-	467
	<u>\$ 35,938</u>	<u>\$ 33,704</u>	<u>\$ 2,234</u>	<u>\$ 2,317</u>

During the year, the amount of contributed tangible capital assets is \$NIL (2019 - \$NIL).

During the year, the amount of write-downs is \$NIL (2019 - \$2,971).

7. Restricted cash

Restricted cash consists of amounts set aside to cover future anticipated costs. These amounts are held in separate bank accounts.

	2020	2019
Opportunity Reserve Funds		
Guaranteed Investment Certificate	\$ 5,257	\$ 15,753
Guaranteed Investment Certificate	16,362	16,305
	<u>21,619</u>	<u>32,058</u>
Operating Reserve Funds		
Cash	6,557	6,555
Guaranteed Investment Certificate	9,882	9,848
	<u>16,439</u>	<u>16,403</u>
	<u>\$ 38,058</u>	<u>\$ 48,461</u>

Funds invested in guaranteed investment certificates mature on December 23, 2021 and are earning interest at 0.20% (2019 - 0.35%).

8. Transfers

During the year, \$10,530 (2019 - \$9,450) has been transferred from the Operating Reserve Fund to the General Fund to support the grants program.

CENTRAL CARIBOO ARTS & CULTURE SOCIETY

Notes to Financial Statements

Year Ended December 31, 2020

9. Project revenue

	2020	2019
Contracted services	\$ 15,000	\$ 15,000
Performances in the park sponsorships	6,250	6,250
	<u>\$ 21,250</u>	<u>\$ 21,250</u>

10. Other income

	2020	2019
Cleaning fee	\$ -	\$ 120
Donations	590	1,529
Membership dues	35	35
Rebates	100	75
	<u>\$ 725</u>	<u>\$ 1,759</u>

11. Remuneration

As required by the Society Act of British Columbia, remuneration above \$75,000 paid to directors, employees and contractors must be disclosed. During the year, there is no compensation paid to directors and no remuneration, including benefits, to employees in excess of \$75,000.

There is one permanent, full-time employee whose compensation is in the salary range of \$40,000 - \$79,999.

12. Government assistance

The Society received subsidies for salaries and wages from the Canada Emergency Wage Subsidy in the amount of \$11,671 and the Temporary Wage Subsidy in the amount of \$1,673. In addition, the Society received subsidies for rental income from the Canada Emergency Commercial Rental Assistance program. These amounts have been recorded as income and are reported in the Statement of Revenues and Expenditures as other income.

13. Contingent liability

During the course of the year, the Society may be a defendant in a lawsuit. The Society reviews any claims or potential claims made against it on a yearly basis to determine if they would be covered by insurance, and if not, whether a claim that would not be successfully defended would have any material effect on the financial statements. The management of the Society is not aware of any claims or potential claims that if not successfully defended would have a material effect on the financial statements. If a claim was paid as a result of the outcome of litigation it would be treated as an expenditure.

CENTRAL CARIBOO ARTS & CULTURE SOCIETY

Notes to Financial Statements

Year Ended December 31, 2020

14. Capital disclosure

The Society considers its capital to be the balance maintained in its Unrestricted Net Assets. The primary objective of the Society is to invest its capital in a manner that will allow it to continue as a going concern and comply with its stated objectives. Capital is invested under the direction of the Board of Directors of the Society with the objective of providing a reasonable rate of return, minimizing risk and ensuring adequate liquid investments are on hand for current cash flow requirements. The Society is not subject to any externally imposed requirements of its capital.

15. Impact of COVID-19

The COVID-19 pandemic has continued to cause disruptions to the Society's operations, which has resulted in the cancellation of rental and other activities however, the Society is unable to estimate this impact upon future operations.