

**THE COMMUNITY ARTS COUNCIL OF PRINCE
GEORGE AND DISTRICT SOCIETY**

Financial Statements

May 31, 2024

INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

**To the Members of
The Community Arts Council of Prince George & District**

Report on the financial statements

We have reviewed the accompanying financial statements of The Community Arts Council of Prince George & District that comprise the statement of financial position as at May 31, 2024 and the statements of operations and changes in net assets and cash flows for the year then ended, and the related notes, which comprise 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, 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 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 The Community Arts Council of Prince George & District as at May 31, 2024 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.

Report on Other Legal and Regulatory Requirements

As required by the Societies Act of British Columbia, we report that, in our opinion, Canadian Accounting Standards for Not-for-Profit Organizations have been applied on a basis consistent with that of the preceding year.

Partners

- Allison Beswick CPA, CA
- Norm Hildebrandt CPA, CA
- Robin Lund CPA, CGA
- Dane Soares CPA
- Taylor Turkington CPA

Beswick Hildebrandt Lund CPA
556 North Nechako Road, Suite 10,
Prince George BC, Canada V2K 1A1
T: +1 250 564 2515, F: +1 250 562 8722



CHARTERED PROFESSIONAL ACCOUNTANTS

Other Matters

The financial statements of The Community Arts Council of Prince George & District for the year ended May 31, 2023 were reviewed by another accountant who expressed an unmodified conclusion on those statements on November 27, 2023.

Beswick Hildebrandt Lund

**Prince George, BC
October 16, 2024**

Chartered Professional Accountants

Partners

- Allison Beswick CPA, CA
- Norm Hildebrandt CPA, CA
- Robin Lund CPA, CGA
- Dane Soares CPA
- Taylor Turkington CPA

● Denotes professional corporation

Beswick Hildebrandt Lund CPA
556 North Nechako Road, Suite 10,
Prince George BC, Canada V2K 1A1
T: +1 250 564 2515, F: +1 250 562 8722

THE COMMUNITY ARTS COUNCIL OF PRINCE GEORGE AND DISTRICT SOCIETY

STATEMENT OF OPERATIONS

For the year ended May 31, 2024

	2024			2023	
	Operating Fund	Capital Asset Fund	Internally Restricted Fund	Total	Total
REVENUE					
Studio fair	\$ 190,035	\$ -	\$ -	\$ 190,035	\$ 140,885
Performing arts	134,837	-	-	134,837	13,939
Projects	98,257	-	-	98,257	-
Gift shop, night market, Theater NW	81,975	-	-	81,975	81,747
Gourmet festival	61,815	-	-	61,815	12,272
B.C. Arts council	59,978	-	-	59,978	75,000
Programs and events	57,776	-	-	57,776	43,357
City of Prince George	50,228	-	-	50,228	49,243
Rentals	43,771	-	-	43,771	36,131
Other grants	30,000	-	-	30,000	63,156
Indigenous arts	12,500	-	-	12,500	-
Investment income	70	-	11,228	11,298	5,920
Donations	10,075	-	-	10,075	33,190
Province of BC- Gaming	9,400	-	-	9,400	25,035
Memberships	7,101	-	-	7,101	7,170
	<u>847,818</u>	<u>-</u>	<u>11,228</u>	<u>859,046</u>	<u>587,045</u>
EXPENSES					
Wages and benefits	333,605	-	-	333,605	239,162
Production and artists	139,979	-	-	139,979	78,944
Projects	98,257	-	-	98,257	9,134
Advertising and promotion	60,335	-	-	60,335	19,338
Gift shop	51,269	-	-	51,269	58,887
Utilities and internet	29,111	-	-	29,111	21,959
Office, insurance and administration	27,873	-	-	27,873	21,525
Guild class	26,194	-	-	26,194	26,723
Supplies	25,904	-	-	25,904	18,440
Honorarium	13,536	-	-	13,536	10,711
Fees, licences and dues	12,427	-	-	12,427	13,634
Professional services	10,324	-	-	10,324	7,969
Playhouse	10,126	-	-	10,126	-
Meetings and travel	9,799	-	-	9,799	5,778
Gaming	5,100	-	-	5,100	5,908
Concession	4,996	-	-	4,996	14
Repairs and maintenance	3,465	-	-	3,465	4,086
New facility development cost	2,359	-	-	2,359	5,388
Volunteers	2,018	-	-	2,018	1,742
Scholarships and bursaries	1,800	-	-	1,800	1,000
Rent	1,000	-	-	1,000	1,000
Interest and bank charges	165	-	-	165	254
Amortization of tangible capital assets	-	11,374	-	11,374	5,326
	<u>869,642</u>	<u>11,374</u>	<u>-</u>	<u>881,016</u>	<u>556,922</u>
EXCESS OF REVENUES OVER EXPENSES	<u>(21,824)</u>	<u>(11,374)</u>	<u>11,228</u>	<u>(21,970)</u>	<u>30,123</u>
NET ASSETS AT BEGINNING OF THE YEAR	14,477	27,041	93,246	134,764	104,641
INTERFUND TRANSFERS					
Capital asset purchases	(9,408)	9,408	-	-	-
New facility transfer	(22,000)	-	22,000	-	-
NET ASSETS AT END OF THE YEAR	<u>\$ (38,755)</u>	<u>\$ 25,075</u>	<u>\$ 126,474</u>	<u>\$ 112,794</u>	<u>\$ 134,764</u>

See notes to the financial statements.

THE COMMUNITY ARTS COUNCIL OF PRINCE GEORGE AND DISTRICT SOCIETY

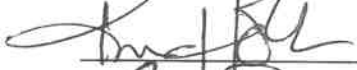
STATEMENT OF FINANCIAL POSITION

May 31, 2024

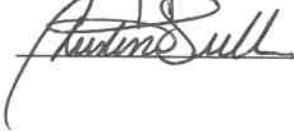
ASSETS

	<u>2024</u>	<u>2023</u>
CURRENT ASSETS		
Cash and equivalents	\$ 74,374	\$ 280,019
Cash-restricted (Note 3)	26,604	14,003
Investments (Note 4)	99,870	88,643
Accounts receivable	19,236	2,626
Inventories	136	2,149
Prepaid expenses	6,644	13,931
	<u>226,864</u>	<u>401,371</u>
TANGIBLE CAPITAL ASSETS (Note 5)	<u>25,075</u>	<u>27,041</u>

Approved by the Directors:



Director



Director

\$ 251,939 \$ 428,412

See notes to the financial statements.

LIABILITIES

	<u>2024</u>	<u>2023</u>
CURRENT LIABILITIES		
Accounts payable and accrued liabilities (Note 6)	\$ 36,657	\$ 26,301
GST payable	356	1,572
PST payable	-	347
Deferred contributions (Note 7)	51,328	131,775
Unearned revenue (Note 8)	<u>50,804</u>	<u>103,653</u>
	139,145	263,648
LONG-TERM DEBT (Note 9)	<u>-</u>	<u>30,000</u>
	<u>139,145</u>	<u>293,648</u>
NET ASSETS		
INVESTMENT IN TANGIBLE CAPITAL ASSETS	25,075	27,041
INTERNALLY RESTRICTED	126,474	93,246
UNRESTRICTED	<u>(38,755)</u>	<u>14,477</u>
	<u>112,794</u>	<u>134,764</u>
	<u>\$ 251,939</u>	<u>\$ 428,412</u>

See notes to the financial statements.

THE COMMUNITY ARTS COUNCIL OF PRINCE GEORGE AND DISTRICT SOCIETY

STATEMENT OF CASH FLOWS

For the year ended May 31, 2024

	<u>2024</u>	<u>2023</u>
OPERATING ACTIVITIES		
Excess (expenses) revenue for the year	\$ (21,970)	\$ 30,123
Items not involving cash:		
Unrealized gain	(9,490)	(4,540)
Dividends	(1,737)	(1,360)
Amortization	<u>11,374</u>	<u>5,326</u>
	(21,823)	29,549
Changes in non-cash working capital items:		
Accounts receivable	(16,610)	4,155
Inventories	2,013	2,506
Prepaid expenses	7,287	(7,050)
Accounts payable and accrued liabilities	8,793	(8,995)
Deferred	(52,849)	63,963
Unearned revenue	<u>(80,447)</u>	<u>50,087</u>
Cash from operations	<u>(153,636)</u>	<u>134,215</u>
INVESTING ACTIVITIES		
Acquisition of tangible capital assets	<u>(9,408)</u>	<u>(13,203)</u>
FINANCING ACTIVITIES		
Repayment of long-term debt	<u>(30,000)</u>	<u>-</u>
INCREASE (DECREASE) IN CASH DURING THE YEAR	(193,044)	121,012
CASH AT BEGINNING OF THE YEAR	<u>294,022</u>	<u>173,010</u>
CASH AT END OF THE YEAR	<u><u>\$ 100,978</u></u>	<u><u>\$ 294,022</u></u>

See notes to the financial statements.

THE COMMUNITY ARTS COUNCIL OF PRINCE GEORGE & DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

For the year ended May 31, 2024

(unaudited)

1. PURPOSE

The Community Arts Council of Prince George & District (the "Organization") is a not-for-profit organization incorporated under the laws of British Columbia on April 24, 1970. The organization is registered as a charity under the Canada Income Tax Act and is exempt from income taxes. The organization's mission is to foster the arts by providing events, programs and services to residents and artists in our community.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The Organization prepares its financial statements in accordance with Canadian accounting standards for not-for-profit organizations, which include the following significant accounting policies:

Fund Accounting

- i) The Operating Fund accounts for organization's program delivery and administrative activities. This fund reports unrestricted resources and restricted operating grants.
- ii) The Internally Restricted Fund reports internally restricted funds designated for the development of a cultural facility within the District of Prince George.
- iii) The Capital Asset Fund reports the assets, liabilities, revenues and expenses related to the organization's capital assets.

Revenue Recognition

The Organization uses the deferral method of accounting for restricted contributions whereby restricted contributions are recognized as revenue of the appropriate fund in the years in which the related expenses are incurred.

Unrestricted contributions are recognized as revenue of the appropriate fund when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Cash and Equivalents

Cash includes cash on hand, cash on deposit net of cheques issued and outstanding at the reporting date, and short-term deposits with maturity dates of less than 3 months.

Cash - restricted includes amounts on deposit with financial institutions which have been internally or externally restricted for a specific purpose.

THE COMMUNITY ARTS COUNCIL OF PRINCE GEORGE & DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

For the year ended May 31, 2024

(unaudited)

2. SIGNIFICANT ACCOUNTING POLICIES, continued

Tangible Capital Assets

Tangible capital assets are recorded at cost. Amortization is based on the useful lives of tangible capital assets using the following methods and rates:

	<u>Method</u>	<u>Rate</u>
Furniture and fixtures	Straight-line	5 years
Leasehold improvements	Straight-line	10 years

Inventory

Inventory is measured at the lower of cost, determined by using the specific identification method, and net realizable value. Inventory recognized in direct expenses amounted to \$2,013 (2023 - \$2,506)

Investments

Investments are held on deposit with financial institutions and are reported at fair value. Investments consist of marketable securities.

Financial Instruments

Measurement of financial instruments

The Organization initially measures its financial assets and liabilities at fair value.

The Organization subsequently measures all its financial assets and financial liabilities at cost.

Financial assets measured at cost include cash (restricted and unrestricted), investments and accounts receivable.

Financial liabilities measured at cost include accounts payable and accrued liabilities, deferred and unearned revenue.

Impairment

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in net income. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in net income.

THE COMMUNITY ARTS COUNCIL OF PRINCE GEORGE & DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

For the year ended May 31, 2024

(unaudited)

2. SIGNIFICANT ACCOUNTING POLICIES, continued

Transaction costs

The Organization's transaction costs related to financial instruments that will be subsequently measured at fair value are recognized in net income in the period occurred. The carrying amount of the financial instruments that will not be subsequently measured at fair value is adjusted for transaction costs directly attributable to the origination, issuance or assumption of these instruments.

Donated Services and Consumable Materials

The Organization and its members benefit greatly from donated services in the form of volunteer time. Because of the difficulty in determining their fair value, the value of these donated services is not recognized in these financial statements.

Measurement of Uncertainty

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 and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Material measurement uncertainties include estimates of useful lives of tangible capital assets and estimates of collectability of accounts receivable. The resolution of these uncertainties will be determined by future events.

3. RESTRICTED – CASH AND INVESTMENTS

Cash- Restricted includes cash which has been internally restricted by the Board for the future building of a cultural facility within the District of Prince George, currently valued at \$26,604 (2023- \$4,603), and cash received from the province of B.C. – Community Gaming Grants externally restricted for use in approved expenses, currently valued at \$nil (2023- \$9,400).

Investments includes securities which have been internally restricted by the Board for the future building of a cultural facility within the District of Prince George.

4. INVESTMENTS

	2024		2023	
	<u>Market Value</u>	<u>Cost</u>	<u>Market Value</u>	<u>Cost</u>
Mutual funds	\$ 99,870	\$ 98,289	\$ 88,643	\$ 91,421

THE COMMUNITY ARTS COUNCIL OF PRINCE GEORGE & DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

For the year ended May 31, 2024

(unaudited)

5. TANGIBLE CAPITAL ASSETS

	2024		2023	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Furniture and Fixtures	\$ 47,371	\$ 25,432	\$ 21,939	\$ 24,606
Leasehold improvements	4,272	1,136	3,136	2,435
	<u>\$ 51,643</u>	<u>\$ 26,568</u>	<u>\$ 25,075</u>	<u>\$ 27,041</u>

6. ACCOUNTS PAYABLE

	2024	2023
Accounts payable and accrued liabilities	\$ 17,074	\$ 11,493
Government remittances	8,132	6,980
Vacation payable	7,677	5,253
Wages payable	3,623	2,575
Consignment deductions	151	-
	<u>\$ 36,657</u>	<u>\$ 26,301</u>

7. DEFERRED CONTRIBUTIONS

Deferred contributions are represented by funding grants received for which related program expenses will be incurred at a later date.

	2023	Funds Received	Included in 2024 Revenue	2024
City of Prince George	\$ 50,228	\$ 51,328	\$ 50,228	\$ 51,328
Artist in Residence	3,569	-	3,569	-
Province of British Columbia	68,578	-	68,578	-
Province of British Columbia - Gaming	9,400	-	9,400	-
	<u>\$ 131,775</u>	<u>\$ 51,328</u>	<u>\$ 131,775</u>	<u>\$ 51,328</u>

THE COMMUNITY ARTS COUNCIL OF PRINCE GEORGE & DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

For the year ended May 31, 2024

(unaudited)

8. UNEARNED REVENUE

Unearned revenue is represented by funds received for services to be provided subsequent to the year-end.

	<u>2024</u>	<u>2023</u>
Studio Fair	\$ 43,415	\$ 78,651
Rental Income	4,496	180
Night Market	1,375	1,415
Arts North registrations	590	-
Artists in Residence	569	-
Arts Camp	225	-
Fibre Arts PG Community Foundation	134	-
Gourmet Arts	-	16,307
Angela Hewit Concert Project	-	7,000
Guild Donations	-	100
	<u>\$ 50,804</u>	<u>\$ 103,653</u>

9. LONG TERM DEBT

Canada Emergency Business Account (CEBA), funded by Canada Revenue Agency through HSBC Bank Canada - repayable at 0% interest and with a 25% forgiveness if repaid by January 18, 2024. Outstanding balances at January 19, 2024 will convert to a term loan bearing interest at 5% per annum and must be repaid in full by Decemer 31, 2026, including any forgiveable portion.

	<u>2024</u>	<u>2023</u>
	\$ -	\$ 30,000

10. FINANCIAL INSTRUMENTS

Risks and concentrations

The Organization is exposed to various risks through its financial instruments. The organization's financial instruments consist of cash, accounts receivable, investments and accounts payable. Unless otherwise noted, it is management's opinion that there are no significant currency, interest rate, liquidity, or other price risks arising from these financial instruments. The fair values of the financial instruments approximate their carrying values.

THE COMMUNITY ARTS COUNCIL OF PRINCE GEORGE & DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

For the year ended May 31, 2024

(unaudited)

10. FINANCIAL INSTRUMENTS, CONTINUED

Credit risk

Credit risk is the risk that one party to a financial instrument will cause financial loss for the other party by failing to discharge an obligation. The Organization's main credit risks relate to its accounts receivable. A significant portion of the organization's receivables is concentrated in the local geographic area. The organization's exposure to credit risk did not change significantly during the year.

Market risk

Market risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The organization's main market risk is related to its investment in securities. The organization's exposure to market risk increased during the year due to additional securities investments.

11. REMUNERATION OF DIRECTORS AND OFFICERS

Remuneration of directors

Remuneration paid to elected directors during the year ended May 31, 2024 was \$4,140 (2023 - \$6,480).

Remuneration of employees

Nil employee (2023 – nil) received compensation, including benefits, in excess of \$75,000 for the year ended May 31, 2024 totaling \$nil (2023 – \$nil).

12. LEASE COMMITMENTS

The organization has been provided premises for its operations by the City of Prince George at an annual rent of \$1,000.

THE COMMUNITY ARTS COUNCIL OF PRINCE GEORGE & DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

For the year ended May 31, 2024

(unaudited)

13. FEES PAID TO PROFESSIONAL ARTISTS

During the year, the following fees were paid to professional artists:

	<u>2024</u>	<u>2023</u>
Ballet Kelowna	\$ 7,000	\$ -
Middle Raged	5,000	-
Jonothan Crow	5,000	-
Land's End Ensemble	4,950	-
Kutapira	3,000	-
Canadiana Musical Theatre Co.	2,100	-
Saltwater Hank	2,000	-
Danny Bell	1,500	-
Kym Gouchie	1,500	-
Reckless Burning	1,400	-
Joely Triana	1,000	-
Britt AM	1,000	-
Grande Maul	900	-
Big Fancy	800	-
Angela Hewitt	-	12,948
	<u>\$ 37,150</u>	<u>12,948</u>

14. ENDOWMENT FUND

The community Arts Council of Prince George & District has established an Endowment Fund with the Prince George Community Foundation. The purpose of the fund is to sustain the operations of The Community Arts Council of Prince George & District as and when required. The funds will be held and managed by the Prince George Community Foundation in accordance with the fund creation agreement. The fund balance at May 31, 2024 was \$74,503 (2023- \$67,452).

15. COMPARATIVE INFORMATION

Certain comparative amounts have been reclassified to conform with the current year classification.