

**ASSEMBLY OF BRITISH COLUMBIA ARTS COUNCILS**  
**Financial Statements**  
**Year Ended December 31, 2018**

**ASSEMBLY OF BRITISH COLUMBIA ARTS COUNCILS**  
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**Year Ended December 31, 2018**

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## INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

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To the Members of Assembly of British Columbia Arts Councils

We have reviewed the accompanying financial statements of Assembly of British Columbia Arts Councils which comprise the statement of financial position as at December 31, 2018 and the statements of revenues and expenditures, changes in net assets and cash flows 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, 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 for the Financial Statements*

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 these financial statements do not present fairly, in all material respects, the financial position of Assembly of British Columbia Arts Councils as at December 31, 2018, 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.

*McLean, Lizotte, Wheadon and Company*

Salt Spring Island, British Columbia  
April 15, 2019

**MCLEAN, LIZOTTE, WHEADON AND COMPANY**  
Chartered Professional Accountants

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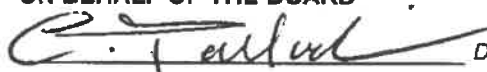
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*\*denotes partnership of professional corporations*

**ASSEMBLY OF BRITISH COLUMBIA ARTS COUNCILS**  
**Statement of Financial Position**  
**December 31, 2018**

	2018	2017
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 33,737	\$ 2,977
Accounts receivable	7,916	6,843
Prepaid expenses	1,095	1,095
	<u>42,748</u>	<u>10,915</u>
<b>CAPITAL ASSETS (Note 3)</b>	-	318
	<u>\$ 42,748</u>	<u>\$ 11,233</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT</b>		
Accounts payable	\$ 9,035	\$ 5,100
Deferred revenue	62,000	-
	<u>71,035</u>	<u>5,100</u>
<b>NET ASSETS</b>		
Unrestricted funds	(28,287)	5,815
Invested in capital assets	-	318
	<u>(28,287)</u>	<u>6,133</u>
	<u>\$ 42,748</u>	<u>\$ 11,233</u>

ON BEHALF OF THE BOARD

 Director

\_\_\_\_\_  
 Director

See notes to financial statements

**ASSEMBLY OF BRITISH COLUMBIA ARTS COUNCILS**  
**Statement of Revenues and Expenditures**  
**Year Ended December 31, 2018**

	2018	2017
<b>REVENUES</b>		
BCAC operating grant	\$ 57,000	\$ 57,000
Canada Council grant	29,000	-
Conference/workshop fees	32,030	13,690
Memberships	22,743	22,623
Sponsorships	5,690	1,350
Vancouver Foundation endowment funds	8,917	8,484
Corporate donations	-	5,075
Individual donations	100	1,600
Miscellaneous revenue and interest	3,718	3,249
	<u>159,198</u>	<u>113,071</u>
<b>EXPENSES</b>		
Amortization	318	389
Board member expenses	7,205	5,650
Conference expenses	91,522	51,063
Insurance	1,460	1,402
Interest and bank charges	1,531	1,255
Internet and website	2,594	1,251
Library and other resources	4,920	-
Memberships	381	377
Office	3,922	5,293
Professional fees	3,000	3,555
Sub-contract fees	73,194	38,593
Telephone	862	2,555
Travel and automotive	2,341	2,523
Training and development	368	2,754
	<u>193,618</u>	<u>116,660</u>
<b>DEFICIENCY OF REVENUES OVER EXPENSES</b>	<u><b>\$(34,420)</b></u>	<u><b>\$ (3,589)</b></u>

See notes to financial statements

**ASSEMBLY OF BRITISH COLUMBIA ARTS COUNCILS**  
**Statement of Changes in Net Assets**  
**Year Ended December 31, 2018**

	Unrestricted Funds	Invested in Capital Assets	<b>2018</b>	2017
<b>NET ASSETS - BEGINNING OF YEAR</b>	\$ 5,815	\$ 318	<b>\$ 6,133</b>	\$ 9,722
DEFICIENCY OF REVENUES OVER EXPENSES	(34,102)	(318)	<b>(34,420)</b>	(3,589)
<b>NET ASSETS - END OF YEAR</b>	<b>\$ (28,287)</b>	<b>\$ -</b>	<b>\$ (28,287)</b>	\$ 6,133

See notes to financial statements

**ASSEMBLY OF BRITISH COLUMBIA ARTS COUNCILS**  
**Statement of Cash Flows**  
**Year Ended December 31, 2018**

	2018	2017
<b>OPERATING ACTIVITIES</b>		
deficiency of revenues over expenses	\$(34,420)	\$ (3,589)
Item not affecting cash:		
Amortization of capital assets	318	389
	<u>(34,102)</u>	<u>(3,200)</u>
Changes in non-cash working capital:		
Accounts receivable	(1,072)	(1,667)
Accounts payable	3,934	1,877
Prepaid expenses	-	(235)
Wage costs payable	-	(1,261)
Deferred revenue	62,000	-
	<u>64,862</u>	<u>(1,286)</u>
<b>INCREASE (DECREASE) IN CASH FLOW</b>	<b>30,760</b>	<b>(4,486)</b>
Cash - beginning of year	<u>2,977</u>	<u>7,463</u>
<b>CASH - END OF YEAR</b>	<b><u>\$ 33,737</u></b>	<b><u>\$ 2,977</u></b>

See notes to financial statements

**ASSEMBLY OF BRITISH COLUMBIA ARTS COUNCILS**  
**Notes to Financial Statements**  
**Year Ended December 31, 2018**

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**1. PURPOSE OF THE SOCIETY**

Assembly of British Columbia Arts Councils (the "Society") is a not-for-profit organization incorporated provincially under the Society Act of British Columbia. The Society is a registered charity and is exempt from the payment of income taxes under the Income Tax Act.

The purpose of the Society is to provide advocacy and educational services to its member arts councils and to advance community cultural development throughout British Columbia.

As a registered not-for-profit, the Society is dependent on various government, foundation, corporate and individual grants and donations to fund its operations. The Board of Directors is confident that support will continue through the next fiscal year. Subsequent to the year end, the Society received an operating grant from British Columbia Arts Council in the amount of \$68,500.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

(a) Basis of presentation

The financial statements of the Society are the responsibility of management. They have been prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPPO).

(b) Revenue recognition

Assembly of British Columbia Arts Councils follows the deferral method of accounting for contributions.

Revenue and contributions are recognized as income when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Donated services are not recorded in the accounting records.

(c) Capital assets

Capital assets are comprised of computer equipment recorded at cost and amortized on a declining balance at 55% per year. The net value was written down to nil as of the fiscal year end.

(d) Use of estimates

The preparation of financial statements in accordance with generally accepted accounting principles 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.



**ASSEMBLY OF BRITISH COLUMBIA ARTS COUNCILS**  
**Notes to Financial Statements**  
**Year Ended December 31, 2018**

**3. CAPITAL ASSETS**

	Cost	Accumulated amortization	2018 Net book value	2017 Net book value
Computer equipment	\$ 2,166	\$ 2,166	\$ -	\$ 318

**4. DEFERRED REVENUE**

In May 2018 the Society received a grant from the Canada Council for the Arts of \$91,000 in support of the Society's digital literacy program for British Columbia arts and culture workers .An amount of \$62,000 is deferred to 2019.

**5. LEASE COMMITMENT**

The Society maintains a virtual office for mail, call forwarding and meetings if required. The Society has an agreement in the amount of \$249/month to November 30, 2019.

**6. VANCOUVER FOUNDATION ENDOWMENT FUND**

In December 2008, a benefactor of the organization donated \$86,603 directly to an endowment fund maintained by the Vancouver Foundation for the organizations benefit. The Provincial government, through the BC Arts Renaissance Fund endowment matching program, donated a further \$71,014.

This endowment fund is permanently held and administered by the Vancouver Foundation and is not recorded as an asset of the Society, A portion of the fund's income is granted to the Society annually. The amount granted in the current year was \$8,917 (2017 - \$8,484). The market value of the Fund at December 31, 2018 was estimated at \$230,448 (2017 - \$242,816).

**7. REMUNERATION**

On November 23, 2016, the new British Columbia Societies Act came into force. Included in the new Act is a requirement to disclose remuneration over \$75,000 paid to any director, employee or contractor.

During the year, the organization did not pay any remuneration in excess of \$75,000 to any one director, employee or contractor.