

**GOLDEN & DISTRICT ARTS COUNCIL**

**Financial Statements**

**Year Ended May 31, 2006**

**GOLDEN & DISTRICT ARTS COUNCIL**  
**Index to Financial Statements**  
**Year Ended May 31, 2006**

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**AUDITOR'S REPORT**

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To the Directors of GOLDEN & DISTRICT ARTS COUNCIL

I have audited the balance sheet of GOLDEN & DISTRICT ARTS COUNCIL as at May 31, 2006 and the statements of income, fund balances and cash flows for the year then ended. These financial statements are the responsibility of the society's management. My responsibility is to express an opinion on these financial statements based on my audit.

Except as explained in the following paragraph, I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In common with many similar organizations, the society and its committees raise revenue from various activities. The completeness of the records pertaining to such activities is not susceptible to satisfactory audit verification. Accordingly, my verification of these revenues was limited to the amounts recorded in the records of the organization and I was unable to determine whether any adjustments might be necessary to these revenues, assets and fund balances.

In my opinion, except for the effect of adjustments, if any, which might have been determined to be necessary, had I been able to examine the revenues as described in the preceding paragraph, these financial statements present fairly, in all material respects the financial position of the society as at May 31, 2006 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Golden, British Columbia  
August 21, 2006

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KM COX & COMPANY, CGA  
CERTIFIED GENERAL ACCOUNTANT

**GOLDEN & DISTRICT ARTS COUNCIL**

**Balance Sheet**

**May 31, 2006**

|   | 2006             | 2005             |
|---|------------------|------------------|
| <b>ASSETS</b>                               |                  |                  |
| <b>CURRENT</b>                              |                  |                  |
| Cash  | \$ 28,558        | \$ 17,053        |
| Accounts receivable                         | 5,600            | 200              |
| Accounts receivable from employees          | 840              | -                |
| Inventory                                   | 807              | 1,841            |
|   | <u>35,805</u>    | 19,094           |
| PROPERTY AND EQUIPMENT <i>(Note 6)</i>      | <u>3,382</u>     | 308              |
|   | <u>\$ 39,187</u> | <u>\$ 19,402</u> |
| <b>LIABILITIES AND SHAREHOLDERS' EQUITY</b> |                  |                  |
| <b>CURRENT</b>                              |                  |                  |
| Accounts payable                            | \$ 2,956         | \$ 315           |
| Due to government agencies                  | -                | 45               |
| Wages payable                               | 3,098            | -                |
| Employee deductions payable                 | 1,363            | -                |
| Deferred income <i>(Note 3)</i>             | 6,488            | 9,788            |
|   | <u>13,905</u>    | 10,148           |
| FUND BALANCES <i>(Note 3)</i>               | <u>25,282</u>    | 9,254            |
|   | <u>\$ 39,187</u> | <u>\$ 19,402</u> |

**ON BEHALF OF THE BOARD**

\_\_\_\_\_ Director

\_\_\_\_\_ Director

**GOLDEN & DISTRICT ARTS COUNCIL**

**Statement of Income**

**Year Ended May 31, 2006**

|   | 2006             | 2005            |
|---|------------------|-----------------|
| <b>REVENUE</b>                                      |                  |                 |
| Art sales   | \$ 104           | \$ 2,885        |
| Concessions   | 2,077            | 6,379           |
| Craft fair  | 2,338            | 2,218           |
| Donations & sponsors                                | 3,913            | 3,182           |
| Fundraising Gallery                                 | -                | 1,481           |
| Grants  | 66,175           | 35,255          |
| Interest income                                     | 147              | 27              |
| Membership fees                                     | 884              | 1,480           |
| Performance Contributions                           | 4,480            | 4,431           |
| Ticket sales  | 27,199           | 20,243          |
|   | <u>107,317</u>   | <u>77,581</u>   |
| <b>EXPENSES</b>                                     |                  |                 |
| Accommodations                                      | 2,908            | 2,379           |
| Advertising and promotion                           | 9,562            | 6,641           |
| Amortization  | 651              | 132             |
| Artist payments for sales                           | 150              | 1,840           |
| Arts spot openings                                  | -                | 460             |
| CBT-CKCA Grant                                      | 4,999            | 4,500           |
| Carnival expenses                                   | -                | 4,899           |
| Concession  | 2,412            | 2,874           |
| Donations & scholarship                             | 598              | 400             |
| Festival / Art camp                                 | -                | 525             |
| Fundraising expense                                 | -                | 25              |
| Hall rent   | 2,525            | 2,200           |
| Insurance   | 720              | 733             |
| Interest and bank charges                           | 11               | 62              |
| Licenses, dues and memberships                      | 90               | 592             |
| Meeting & Board expense                             | 2,175            | -               |
| Office supplies                                     | 1,782            | 1,571           |
| Performer fees                                      | 27,327           | 23,655          |
| Professional fees                                   | 1,104            | 88              |
| Rent  | 3,722            | 3,600           |
| Repairs and maintenance                             | 4,140            | 1,850           |
| Salaries and wages                                  | 19,525           | 16,170          |
| Supplies  | 5,919            | 1,453           |
| Telephone   | 1,242            | 1,032           |
| Utilities   | -                | 50              |
|   | <u>91,562</u>    | <u>77,731</u>   |
| <b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES</b> | <u>\$ 15,755</u> | <u>\$ (150)</u> |

**GOLDEN & DISTRICT ARTS COUNCIL**  
**Statement of Fund Balances**  
**Year Ended May 31, 2006**

|  | 2006                    | 2005                   |
|--|-------------------------|------------------------|
| <b>FUND BALANCES - BEGINNING OF YEAR</b>     | <b>\$ 9,254</b>         | <b>\$ 14,404</b>       |
| EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES | <u>15,755</u>           | <u>(150)</u>           |
|  | <b>25,009</b>           | 14,254                 |
| PRIOR PERIOD ADJUSTMENTS                     | <u>273</u>              | <u>(5,000)</u>         |
| <b>FUND BALANCES - END OF YEAR</b>           | <b><u>\$ 25,282</u></b> | <b><u>\$ 9,254</u></b> |

**GOLDEN & DISTRICT ARTS COUNCIL**

**Statement of Cash Flow**

**Year Ended May 31, 2006**

|   | 2006                    | 2005                    |
|---|-------------------------|-------------------------|
| <b>OPERATING ACTIVITIES</b>                   |                         |                         |
| Net income (loss)                             | \$ 15,755               | \$ (150)                |
| Items not affecting cash:                     |                         |                         |
| Amortization                                  | 651                     | 132                     |
| Prior years' adjustments                      | 273                     | (5,000)                 |
|   | <u>16,679</u>           | <u>(5,018)</u>          |
| Changes in non-cash working capital:          |                         |                         |
| Accounts receivable                           | (5,400)                 | (200)                   |
| Accounts receivable from employees            | (840)                   | -                       |
| Inventory                                     | 1,034                   | (1,841)                 |
| Accounts payable                              | 2,641                   | (1)                     |
| Deferred income                               | (3,300)                 | 6,900                   |
| Due to government agencies                    | (45)                    | 45                      |
| Wages payable                                 | 3,098                   | -                       |
| Employee deductions payable                   | 1,363                   | -                       |
|   | <u>(1,449)</u>          | <u>4,903</u>            |
| Cash flow from (used by) operating activities | <u>15,230</u>           | <u>(115)</u>            |
| <b>INVESTING ACTIVITY</b>                     |                         |                         |
| Purchase of equipment                         | <u>(3,725)</u>          | -                       |
| Cash flow used by investing activity          | <u>(3,725)</u>          | -                       |
| <b>INCREASE (DECREASE) IN CASH FLOW</b>       | <b>11,505</b>           | <b>(115)</b>            |
| Cash - beginning of year                      | <u>17,053</u>           | <u>17,168</u>           |
| <b>CASH - END OF PERIOD</b>                   | <u><b>\$ 28,558</b></u> | <u><b>\$ 17,053</b></u> |

# GOLDEN & DISTRICT ARTS COUNCIL

## Notes to Financial Statements

Year Ended May 31, 2006

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### 1. PURPOSE OF ORGANIZATION

The Golden District Arts Council is organized as a society and has been dedicated to enriching community life for the community of Golden, British Columbia since 1970.

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### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Inventory

Inventory is valued at the lower of cost and net realizable value with the cost being determined on a first-in, first-out basis.

#### Property and equipment

Property and equipment are stated at cost less accumulated amortization. They are amortized over their estimated useful lives at the following rates and methods:

|                    |     |                          |
|--------------------|-----|--------------------------|
| Computer equipment | 30% | declining balance method |
|--------------------|-----|--------------------------|

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### 3. FUND ACCOUNTING AND 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 can be reasonably estimated and collections is reasonably assured.

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### 4. DONATED GOODS AND SERVICES

The Council records the value of donated goods and services when a fair value can be reasonably estimated.

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### 5. FINANCIAL INSTRUMENTS

The Society's financial instruments consist of cash, accounts receivable, inventory, accounts payable, wages payable, employee deductions payable and deferred income. Unless otherwise noted, it is management's opinion that the Society is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these financial instruments approximate their carrying values, unless otherwise noted.

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### 6. PROPERTY AND EQUIPMENT

|                    | Cost     | Accumulated<br>amortization | 2006<br>Net book<br>value | 2005<br>Net book<br>value |
|--------------------|----------|-----------------------------|---------------------------|---------------------------|
| Computer equipment | \$ 6,703 | \$ 3,321                    | \$ 3,382                  | \$ 308                    |

**GOLDEN & DISTRICT ARTS COUNCIL**

**Notes to Financial Statements**

**Year Ended May 31, 2006**

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7. CONTRACTUAL OBLIGATIONS

The society has entered into a general services agreement with The Golden and Area Community Economic Development Society, at an all-inclusive fixed price of \$60,000. The society must provide the delivery of cultural services as outlined in this agreement to obtain the full amount of fees by May 31, 2007.

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8. COMPARATIVE FIGURES

Comparative figures have been restated where applicable in order to conform to presentation used in the current year.

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