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**Gabriola Arts Council**  
**Financial Statements**  
**June 30, 2014**  
**(Unaudited)**

# Gabriola Arts Council

## Financial Statements

June 30, 2014

*(Unaudited)*

### Table of Contents

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Review Engagement Report	1
Statement of Operations	2
Statement of Changes in Net Assets	3
Statement of Financial Position	4
Statement of Cash Flows	5
Notes to the Financial Statements	6
Schedule of Administrative Expenses	8



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## **Review Engagement Report**

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I have reviewed the statement of financial position of Gabriola Arts Council as at June 30, 2014, and the statements of operations, changes in net assets and cash flows for the year then ended. My review was made in accordance with generally accepted standards for review engagements and, accordingly, consisted primarily of enquiry, analytical procedures and discussion related to information supplied to me by the society.

A review does not constitute an audit and, consequently, I do not express an audit opinion on these financial statements.

Based on my review, nothing has come to my attention that causes me to believe that these financial statements are not, in all material aspects, in accordance with Canadian accounting standards for not-for-profit organizations.

A handwritten signature in black ink, appearing to read 'K.D. Beausoleil', enclosed within a hand-drawn oval shape.

**K.D. Beausoleil & Company Inc.**  
Certified General Accountant

Nanaimo BC  
October 27, 2014

**Gabriola Arts Council**  
**Statement of Operations**  
**For the Year Ended June 30, 2014**  
*(Unaudited)*

	2014	2013
<b>Revenue</b>		
Grants	\$ 108,698	\$ 70,250
Ticket sales	32,570	17,920
Fees- workshops & classes	10,185	6,710
Fees - artist services	2,131	9,493
Donations	5,486	32,589
Fundraising	6,040	1,305
Memberships	3,075	2,290
Advertising	9,450	10,210
Other Income	2,837	438
	<b>180,472</b>	<b>151,205</b>
<b>Operating Expenses</b>		
Artistic and production	64,865	43,203
Marketing	31,951	25,593
Fundraising	4,460	1,211
Administration (Schedule of Administrative Expenses)	76,775	75,093
	<b>178,051</b>	<b>145,100</b>
<b>Excess of Revenue over Expenses</b>	<b>\$ 2,421</b>	<b>\$ 6,105</b>

The accompanying notes are an integral part of these financial statements

**Gabriola Arts Council**  
**Statement of Changes in Net Assets**  
**For the Year Ended June 30, 2014**  
*(Unaudited)*

	<u>2014</u>	<u>2013</u>
Unrestricted Funds - Beginning	\$ 4,726	\$ 6,621
Excess of Revenue over Expenses	2,421	6,105
Interfund Transfer	(11,714)	(8,000)
	<hr/>	<hr/>
Unrestricted Funds - Ending	(4,567)	4,726
Restricted funds	35,196	23,482
	<hr/>	<hr/>
<b>Net Assets</b>	<b>\$ 30,629</b>	<b>\$ 28,208</b>

The accompanying notes are an integral part of these financial statements

# Gabriola Arts Council

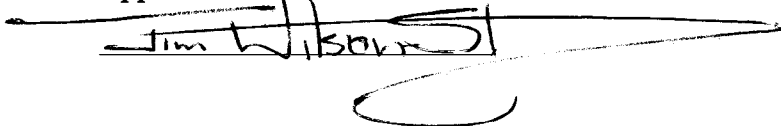
## Statement of Financial Position

June 30, 2014

(Unaudited)

	2014	2013
<b>Assets</b>		
<b>Current Assets</b>		
Cash	\$ 43,994	\$ 37,116
Accounts Receivable	406	330
Due from Government Agencies	1,052	2,539
Other Current Assets	1,966	1,081
	<u>47,418</u>	<u>41,066</u>
Equipment (Note 2)	-	479
	<u>\$ 47,418</u>	<u>\$ 41,545</u>
<b>Liabilities &amp; Net Assets</b>		
<b>Current Liabilities</b>		
Accounts Payable & Accrued Liabilities	\$ 3,677	\$ 4,598
Due to Government Agencies	1,222	829
Deferred Revenue	11,890	7,910
	<u>16,789</u>	<u>13,337</u>
	<u>16,789</u>	<u>13,337</u>
<b>Net Assets</b>		
Restricted funds	35,196	23,482
Unrestricted Funds	(4,567)	4,726
	<u>30,629</u>	<u>28,208</u>
	<u>\$ 47,418</u>	<u>\$ 41,545</u>

Approved on Behalf of the Directors:



The accompanying notes are an integral part of these financial statements

**Gabriola Arts Council**  
**Statement of Cash Flows**  
**For the Year Ended June 30, 2014**  
*(Unaudited)*

	<u>2014</u>	<u>2013</u>
<b>Cash Provided By (Used For)</b>		
<b>Operations:</b>		
Excess of Revenue over Expenses	\$ 2,421	\$ 6,105
<b>Items Not Requiring an Outlay of Funds</b>		
Amortization	479	205
Non-cash Transactions	-	(1,825)
	<u>2,900</u>	<u>4,485</u>
<b>Changes in Non-Cash Working Capital</b>		
Accounts Receivable	(76)	(330)
Other Current Assets	(885)	(1,081)
Deferred Revenue	3,980	(20,365)
Accounts Payable	(920)	3,711
Due to Government Agencies	1,880	732
	<u>6,879</u>	<u>(12,848)</u>
<b>Increase/(Decrease) in Cash</b>	6,879	(12,848)
<b>Cash, Beginning of Period</b>	<u>37,115</u>	<u>49,964</u>
<b>Cash, End of Period</b>	<u><u>\$ 43,994</u></u>	<u><u>\$ 37,116</u></u>

The accompanying notes are an integral part of these financial statements

**Gabriola Arts Council**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2014**  
*(Unaudited)*

**1. Significant Accounting Policies**

**a. Nature of Business**

The Gabriola Arts Council is an organization that provides administration and funding support to local visual and performance artists, musicians and writers. The Council was incorporated under the Societies Act of British Columbia as a not-for-profit organization on April 15, 1997, and is a registered charity under the Income Tax Act.

**b. Other Accounting Policies**

**i. Basis of Accounting**

The Gabriola Arts Council prepares its financial statements in accordance with Canadian accounting standards for not-for-profit organizations.

**ii. Other Accounting Policies**

Contributed capital assets are recorded at fair value.

Contributed material and services are not recorded in the financial statements

Pledges receivable are recorded when received.

**iii. Capital Assets**

Capital assets are recorded at cost. Amortization is provided annually at rates calculated to write off the assets over their estimated useful lives as follows:

Computer equipment	30% straight line
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Additions during the year are amortized at one-half their normal rate and no amortization is taken in the year of disposition.

**iv. Other Revenue Recognition Points**

Membership fees are recognized over the membership period.

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.

Revenue from activities and events is recognized when the activity or event occurs.

The cut-off date for donations is the same as the cut-off date for receipts issued in a year, and is based on the postage date on the envelope for mail, or the date the donation is received.

Legacies or bequests are recorded when received.

**v. Use of Estimates**

When preparing financial statements according to Canadian accounting standards for not-for-profit organizations, the Council makes estimates and assumptions. Management's assumptions are based on a number of factors, including historical experience, current events



**Gabriola Arts Council**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2014**  
*(Unaudited)*

**1. Significant Accounting Policies (Continued)**

**b. Other Accounting Policies (Continued)**

**v. Use of Estimates (Continued)**

and actions that the organization may undertake in the future, and other assumptions that we believe are reasonable under the circumstances. Actual results could differ from those estimates under different conditions and assumptions. Estimates were used when accounting for certain items, such as the useful lives of capital assets and impairment of long-lived assets .

**2. Capital Assets**

			2014	2013
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Computer	\$ 2,705	\$ 2,705	\$ -	\$ 479
	\$ 2,705	\$ 2,705	\$ -	\$ 479

**3. Financial Instruments**

The Association's financial instruments consist of cash, accounts receivables and accounts payable. Unless otherwise noted, it is management's opinion that the Association is not exposed to significant interest, currency or credit risk arising from these financial instruments. The fair value of the instruments approximates their carrying values, unless otherwise stated.

**4. Comparative Figures**

Certain prior year's figures have been reclassified for comparative purposes to conform with current year presentation.

**Gabriola Arts Council**  
**June 30, 2014**  
**Schedule of Administrative Expenses**  
*(Unaudited)*

	<b>2014</b>	<b>2013</b>
Accounting & legal	\$ 10,956	\$ 2,500
Wages & benefits	50,413	55,917
Rent	1,639	3,015
Interest & bank charges	46	64
Amortization	479	205
Insurance	823	224
Office	2,938	3,527
Telephone	1,439	1,119
GST - non recoverable	1,052	2,322
Travel	1,270	3,738
Other	5,720	2,462
<b>Total</b>	<b>\$ 76,775</b>	<b>\$ 75,093</b>

The accompanying notes are an integral part of these financial statements