



Financial Statements

Community Arts & Heritage Education Project

June 30, 2008

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Auditors' Report

To the Directors of
Community Arts & Heritage Education Project

Grant Thornton LLP

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We have audited the balance sheet of Community Arts & Heritage Education Project as at June 30, 2008 and the statements of operations and net assets and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Except as explained in the following paragraph, we conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we 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 not-for-profit organizations, the Community Arts & Heritage Education Project derives a portion of its revenue from donations and fundraising, the completeness of which is not susceptible of satisfactory audit verification. Accordingly, our verification of this revenue was limited to the amounts recorded in the records of the Community Arts & Heritage Education Project and we were unable to determine whether any adjustments for unrecorded revenue might be necessary to donations and fundraising revenue, excess of revenues over expenses for the year, assets and net assets, end of year.

In our opinion, except for the effect of adjustments, if any, which we might have determined to be necessary had we been able to satisfy ourselves concerning the completeness of donations and fundraising revenues referred to in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of the Community Arts & Heritage Education Project as at June 30, 2008 and the results of its operations and changes in net assets and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Grant Thornton LLP

Thunder Bay, Canada
October 8, 2008

Chartered Accountants
Licensed Public Accountants

Community Arts & Heritage Education Project Statement of Operations and Net Assets

Year ended June 30, 2008

(with comparative figures for the six
month period ended June 30, 2007)

	2008	2007
	\$	\$
REVENUES		
Admissions, fees, sales and fundraising	20,374	4,490
Private sector contributions	16,650	11,645
Grants and funding <i>[note 4]</i>	165,853	80,811
	202,877	96,946
EXPENSES		
Administrative expenses, salaries and benefits	82,935	35,720
Artistic salaries and benefits	20,000	10,000
Artists' fees	40,260	22,881
Board and staff development	75	209
Marketing and promotion	4,119	712
Office	11,857	6,046
Professional fees	3,088	2,860
Programming	36,215	16,207
Rent	3,058	1,529
Resource production	1,270	—
	202,877	96,164
Excess of revenues over expenses for year	—	782
Net assets, beginning of year	905	123
Net assets, end of year	905	905

See accompanying notes to the financial statements.

Community Arts & Heritage Education Project Balance Sheet

As at June 30	2008	2007
	\$	\$
ASSETS		
Current		
Cash and cash equivalents	71,706	60,131
Accounts receivable	634	325
Prepaid expenses	592	—
	<hr/>	<hr/>
	72,932	60,456
<hr/>		
LIABILITIES AND NET ASSETS		
Current		
Accounts payable and accrued liabilities	3,274	2,302
Deferred revenue <i>[note 3]</i>	68,753	57,249
Total current liabilities	<hr/>	<hr/>
	72,027	59,551
Net assets		
Unrestricted	905	905
	<hr/>	<hr/>
	72,932	60,456
	<hr/>	<hr/>

See accompanying notes to the financial statements.

On behalf of the Board:

Sharon Dodwin
Director

D. Sawchuk
Director

Community Arts & Heritage Education Project Statement of Cash Flows

Year ended June 30, 2008

(with comparative figures for the six
month period ended June 30, 2007)

	2008	2007
	\$	\$
OPERATING ACTIVITIES		
Excess of revenues over expenses for year	—	782
Net change in non-cash working capital balances related to operations <i>[note 5]</i>	11,575	(17,665)
Cash provided by (used in) operating activities	11,575	(16,883)
Increase (decrease) in cash and cash equivalents during year	11,575	(16,883)
Cash and cash equivalents, beginning of year	60,131	77,014
Cash and cash equivalents, end of year	71,706	60,131

See accompanying notes to the financial statements.

Community Arts & Heritage Education Project

Notes to the Financial Statements

June 30, 2008

1. NATURE OF ORGANIZATION

The Community Arts & Heritage Education Project (CAHEP) is incorporated without share capital under the laws of the Province of Ontario and is a registered charity under the Income Tax Act.

CAHEP was established to envision, develop and implement inclusive, culturally diverse, high quality inter-generational arts and heritage programming for the benefit of the Thunder Bay community. CAHEP is created for non-profit purposes. No part of any profit, dues or donations to the organization shall be used to the benefit of any member or individual.

As a result of its not-for-profit status, CAHEP is exempt from the payment of income taxes under one or more provisions of the Income Tax Act (Canada).

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

These financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles and are within the framework of the significant accounting policies summarized below.

Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and in banks.

Revenue recognition

CAHEP follows the deferral method of accounting for contributions. 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. Contributions externally restricted are deferred and recognized as revenue in the year in which the expenses are recognized.

Unrestricted donations are recorded on a cash basis since pledges are not legally enforceable claims.

Interest, fundraising and other revenues are recognized as revenue when received or receivable based on the period in which they are earned.

Community Arts & Heritage Education Project Notes to the Financial Statements

June 30, 2008

3. DEFERRED REVENUE

Deferred revenue at year-end consists of:

	2008 \$	2007 \$
After School Program - RBC Foundation	—	3,500
FEDNOR	—	151
Teaching Drum	—	1,000
Artists in the Fifth - Thunder Bay Community Foundation	1,500	—
Arts Foundation of Ontario	9,500	—
Excluded Children and Youth Program - ECY Partners	2,500	2,500
Artists in the Fifth - RBC Foundation	3,000	—
Thunder Bay Boys & Girls Club - Ontario Arts Council	—	2,290
TBCDSB - St. Paul After School Program Operating Grant - Ontario Arts Council	5,520	—
Aboriginal Arts Education Project - Ontario Arts Council	—	200
City of Thunder Bay Cultural Services - Operating Community Arts & Heritage Education Project - Ontario Trillium Foundation	7,899	—
	38,834	41,608
	68,753	57,249

4. GRANTS AND FUNDING

Government grants and funding at year-end consist of:

	2008 \$	2007 \$
Trillium Foundation	83,274	26,017
FEDNOR	20,776	6,724
Canadian Heritage Federal Funding	5,350	—
Ontario Arts Council	20,610	15,737
Uth Ink - Playwrights Guild of Canada	3,952	—
Thunder Bay Boys & Girls Club	2,290	4,412
Municipal - Arts & Heritage Thunder Bay	2,101	3,500
Action for Neighbourhood Change	—	5,733
RBC Foundation - Afterschool project	27,500	18,688
	165,853	80,811

Community Arts & Heritage Education Project

Notes to the Financial Statements

June 30, 2008

5. STATEMENT OF CASH FLOWS

The net change in non-cash working capital balances related to operations consists of the following:

	2008	2007
	\$	\$
Decrease (increase) in current assets		
Accounts receivable	(309)	318
Prepaid expenses	(592)	—
	(901)	318
Increase (decrease) in current liabilities		
Accounts payable and accrued liabilities	972	909
Deferred revenue	11,504	(18,892)
	12,476	(17,983)
	11,575	(17,665)

6. FINANCIAL INSTRUMENTS

[a] Fair value

Financial instruments of CAHEP consist mainly of cash and cash equivalents, accounts receivable, and accounts payable and accrued liabilities. The carrying values of these financial assets and liabilities approximate their fair values due to their short maturities.

[b] Credit risk

CAHEP does not believe it is subject to any significant concentration of credit risk.

[c] Interest rate risk

CAHEP does not believe it is subject to any significant concentration of interest rate risk.

7. COMPARATIVE FINANCIAL STATEMENTS

The comparative financial statements have been reclassified from statements previously presented to conform to the presentation of the 2008 financial statements.

Comparative figures represent the six month period ended June 30, 2007.