

KASLO TRAILBLAZER SOCIETY

INDEX TO

FINANCIAL STATEMENTS

DECEMBER 31, 2005

AUDITOR'S REPORT	- Page 1
STATEMENT OF FINANCIAL POSITION	- Page 2
STATEMENT OF OPERATIONS AND CHANGE IN NET ASSETS	- Page 3
NOTES TO FINANCIAL STATEMENTS	- Page 4

February 20, 2006

Nelson, B.C.

AUDITOR'S REPORT

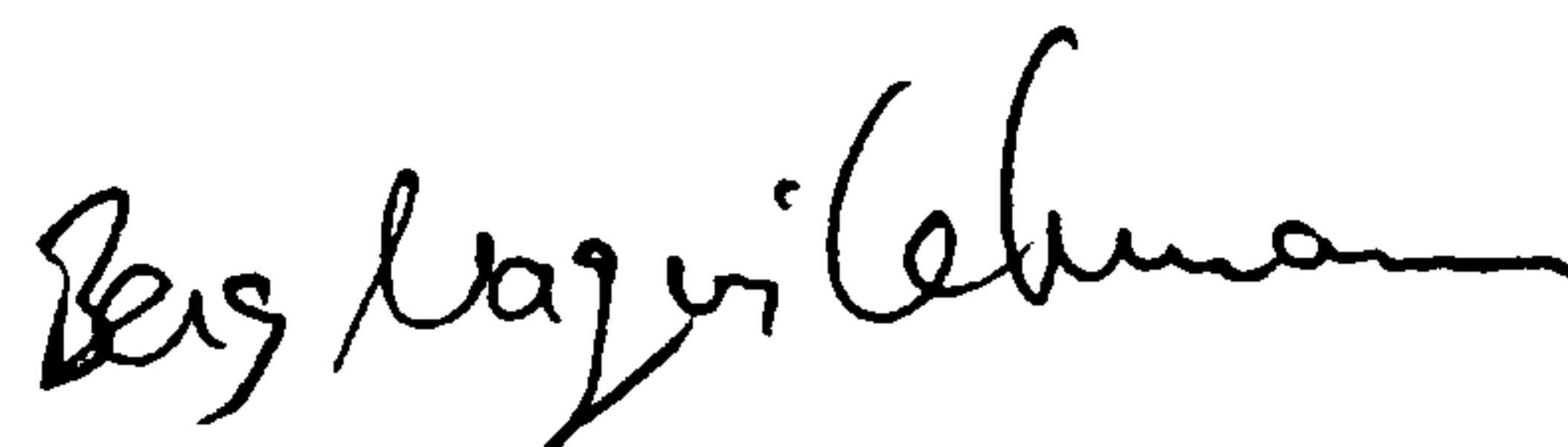
To the Directors of Kaslo Trailblazer Society
Kaslo, BC

We have audited the statement of financial position of Kaslo Trailblazer Society as at December 31, 2005 and the statement of operations and change in net assets for the year then ended. These financial statements are the responsibility of the Society'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 overall financial statement presentation.

In common with many charitable organizations, the Society derives revenue from donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Society, and we were not able to determine whether any adjustments might be necessary to contributions, excess of revenue over expenses, current assets and net assets.

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 myself concerning the completeness of the contributions referred to in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of the Society at December 31, 2005 and the results of its operations for the year then ended in accordance with Canadian generally accepted accounting principles.



Chartered Accountants

February 20, 2006

Nelson, B.C.

KASLO TRAILBLAZER SOCIETY
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2005

ASSETS

Cash and short-term investments	\$ 16,759
Donations receivable	<u>700</u>
	<u>\$ 17,459</u>

LIABILITIES AND NET ASSETS

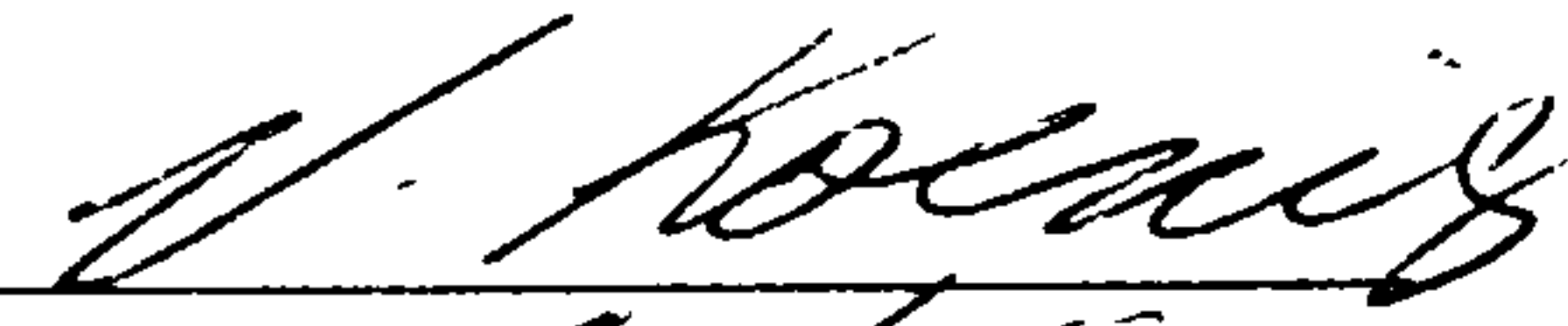

LIABILITIES

Accounts payable	\$ 749
Deferred membership fees	<u>605</u>
	1,354

NET ASSETS

Unrestricted	<u>16,105</u>
	<u>\$ 17,459</u>

Approved by the Directors:

x 
x 

KASLO TRAILBLAZER SOCIETY
STATEMENT OF OPERATIONS AND CHANGE IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2005

REVENUE

Memberships	\$ 2,470
Donations	5,842
Grants - Kaslo & District Community Forest Society	17,000
Wood sales	2,260
Bench sponsorships	3,500
Table sponsorships	1,700
Miscellaneous revenue	33
Bridge tread sponsorships	<u>2,250</u>
	<u>35,055</u>

EXPENSES

Advertising and promotion	1,108
Engineering costs	2,806
Excavation costs	9,220
Material costs	3,618
Office and administration expense	812
Open house expense	637
Professional fees	<u>749</u>
	<u>18,950</u>

EXCESS OF REVENUE OVER EXPENSES

16,105

UNRESTRICTED NET ASSETS, BEGINNING OF YEAR

-

UNRESTRICTED NET ASSETS, END OF YEAR

\$ 16,105

KASLO TRAILBLAZER SOCIETY
NOTES TO FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2005

1. PURPOSE OF THE ORGANIZATION

Kaslo Trailblazer Society was incorporated under the Society Act of British Columbia on February 10, 2005. The Society builds and maintains hiking trails and associated structures in Kaslo, British Columbia.

2. SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of the significant accounting policies of the Society.

Short-Term Investments

Short-term investments are recorded at the lower of cost and market value.

Revenue Recognition

The Society follows the deferral method of accounting for contributions. Under this method 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 amounts to be received can be reasonably estimated and collection is reasonably assured.

Donated Services

Donated services and volunteer hours are not recognized in the Society's financial statements, because of the difficulty in determining their fair value.

Financial Instruments

The Society's financial instruments consist of cash and short-term investments, accounts receivable, and accounts payable. 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 values of these financial instruments approximate their carrying values, unless otherwise noted.

Use of Accounting Estimates

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 at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

Statement of Cash Flows

These financial statements do not include a statement of cash flows, as the Society has no financing or investing activities, and cash-flow information is readily apparent in the statements of financial position, net assets and operations.