

**RESOURCE CENTRE FOR THE ARTS -
HALL OPERATIONS FUND**

UNAUDITED FINANCIAL STATEMENTS
For The Year Ended August 31, 2008

JOHN F. MORGAN

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REVIEW ENGAGEMENT REPORT

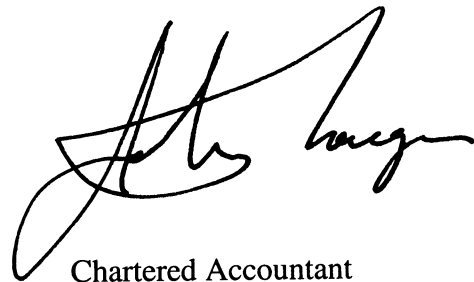
To the Members:

We have reviewed the balance sheet of Resource Centre for the Arts - Hall Operations Fund as at August 31, 2008 and the statement of revenue and expenses and accumulated surplus and statement of cash flows for the year then ended. Our 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 us by management.

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

Based on our review, nothing has come to our attention that causes us to believe that these financial statements are not, in all material respects, in accordance with generally accepted accounting principles.

St. John's, Newfoundland
October 31, 2008



Chartered Accountant

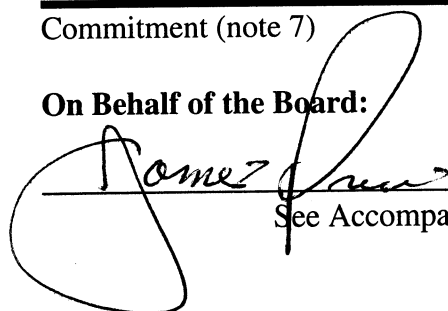
RESOURCE CENTRE FOR THE ARTS - HALL OPERATIONS FUND

BALANCE SHEET (Unaudited) AS AT AUGUST 31, 2008

| | 2008 | 2007 |
|--|-------------|-------------|
| ASSETS | | |
| CURRENT | | |
| Cash | \$ 27,003 | \$ 5,809 |
| Cash - Capital Construction Project (note 6) | 488,040 | - |
| Accounts receivable | 5,040 | 2,500 |
| Due from Gallery Fund | 65 | 1,587 |
| Inventory | - | 108 |
| | 520,148 | 10,004 |
| Investment | - | 477,173 |
| Capital construction project | 27,731 | 20,687 |
| Capital assets (note 2) | 16,731 | 19,827 |
| | \$ 564,610 | \$ 527,691 |
| LIABILITIES AND OPERATING DEFICIT | | |
| CURRENT | | |
| Accounts payable and accrued liabilities | \$ 15,242 | \$ 47,315 |
| Due to Theatre Fund (note 4) | 26,287 | 1,194 |
| HST payable | 1,134 | 1,147 |
| Deferred revenue (note 3) | 6,250 | 13,718 |
| Due to Director | - | 300 |
| | 48,913 | 63,674 |
| Equity Contribution | | |
| Government of Newfoundland and Labrador (note 6) | 500,000 | 500,000 |
| ACCUMULATED SURPLUS (DEFICIT) | 15,697 | (35,983) |
| | 515,697 | 464,017 |
| | \$ 564,610 | \$ 527,691 |

Commitment (note 7)

On Behalf of the Board:



See Accompanying Notes to Unaudited Financial Statements

John F. Morgan, Chartered Accountant