

**RESOURCE CENTRE FOR THE ARTS -
THEATRE FUND**

FINANCIAL STATEMENTS
For The Year Ended August 31, 2008

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AUDITORS' REPORT

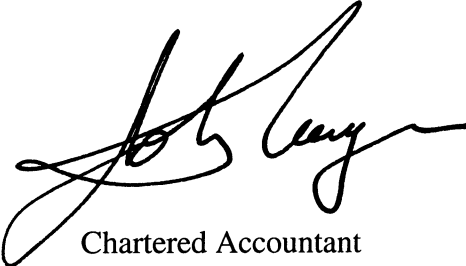
To the Members:

We have audited the balance sheet of Resource Centre for the Arts - Theatre 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. These financial statements are the responsibility of the fund's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with 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 our opinion these financial statements present fairly, in all material respects, the financial position of the fund as at August 31, 2008 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles.

St. John's, Newfoundland
October 31, 2008


Chartered Accountant

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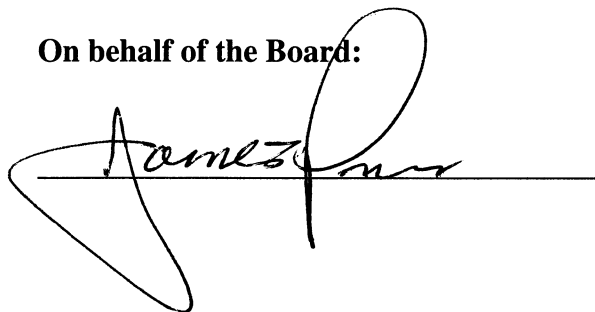
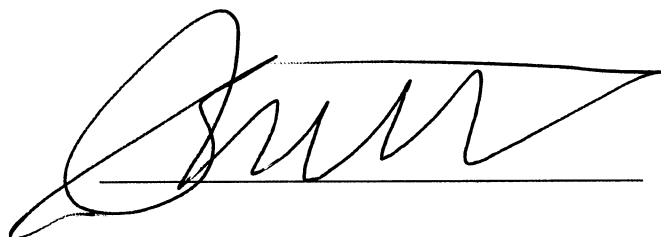
**BALANCE SHEET
AS AT AUGUST 31, 2008**

| | 2008 | 2007 |
|--|-----------|------------|
| ASSETS | | |
| CURRENT | | |
| Cash | \$ 42,634 | \$ 87,540 |
| Accounts receivable | 481 | 5,000 |
| Due from Hall Operations Fund (note 5) | 26,287 | 1,194 |
| HST recoverable | - | 159 |
| Prepaid Expenses | - | 6,607 |
| | 69,402 | 100,500 |
| Capital assets (note 2) | 193 | 3,016 |
| | \$ 69,595 | \$ 103,516 |

LIABILITIES AND ACCUMULATED SURPLUS

| | | |
|--|-----------|------------|
| CURRENT | | |
| Accounts payable and accrued liabilities | \$ 4,095 | \$ 4,221 |
| HST payable | 290 | - |
| Deferred revenue (note 3) | 53,313 | 76,000 |
| | 57,698 | 80,221 |
| ACCUMULATED SURPLUS | 11,897 | 23,295 |
| | \$ 69,595 | \$ 103,516 |

On behalf of the Board:

See Accompanying Notes to Financial Statements