

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

**FINANCIAL STATEMENTS  
For The Year Ended August 31, 2010**

# ***JOHN F. MORGAN***

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## **AUDITOR'S REPORT**

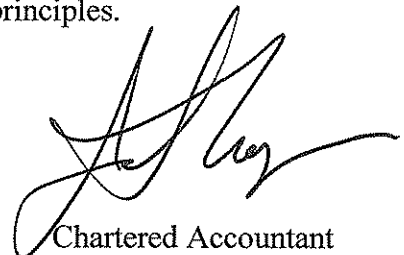
To the Members:

I have audited the balance sheet of Resource Centre for the Arts - Theatre Fund as at August 31, 2010, and the statements of revenue and expenses, accumulated surplus and cash flows for the year then ended. These financial statements are the responsibility of the fund's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my 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 my opinion these financial statements present fairly, in all material respects, the financial position of the fund as at August 31, 2010, and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

St. John's, Newfoundland  
November 16, 2010



Chartered Accountant

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

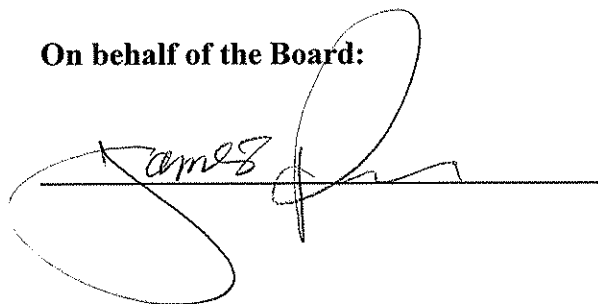
**BALANCE SHEET  
AS AT AUGUST 31, 2010**

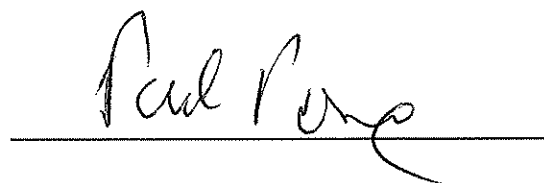
	<b>2010</b>	<b>2009</b>
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 136,866	\$ 133,068
Accounts receivable	1,000	11,722
Due from Hall Operations Fund (note 5)	4,060	2,639
HST recoverable	2,827	1,013
	144,753	148,442
Capital assets (note 2)	95	135
	\$ 144,848	\$148,577

**LIABILITIES AND ACCUMULATED SURPLUS**

<b>CURRENT</b>		
Accounts payable and accrued liabilities	\$ 7,675	\$ 5,945
Deferred revenue (note 3)	81,906	95,906
	89,581	101,851
<b>ACCUMULATED SURPLUS (note 8)</b>	55,267	46,726
	\$ 144,848	\$ 148,577

**On behalf of the Board:**

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See Accompanying Notes to Financial Statements

## RESOURCE CENTRE FOR THE ARTS - THEATRE FUND

### STATEMENT OF REVENUES, EXPENSES AND SURPLUS FOR THE YEAR ENDED AUGUST 31, 2010

	2010	2009
<b>REVENUES</b>		
Program grants (note 4)	\$ 262,253	\$ 154,863
Box office	148,575	36,438
Sponsors (note 7)	46,000	63,500
Miscellaneous revenue	1,535	-
Donations	1,500	1,500
In kind contributions (note 6)	16,576	5,000
Fundraising	-	52,332
	476,439	313,633
<b>EXPENSES</b>		
Salaries and benefits	194,551	92,264
Mainstage	148,717	108,862
Travel and transportation	70,060	21,277
Promotion	13,506	11,580
Contribution to Hall Operations (note 5)	8,650	11,000
Royalties	8,452	6,751
Theatre art workshops	6,862	15,477
Miscellaneous	4,717	1,870
Fees and dues	3,713	1,076
Professional fees	2,981	2,839
Office rent	2,800	-
Telephone	1,774	-
Office supplies	459	181
Interest and bank charges	405	526
Actor's Equity	210	1,579
Amortization	41	58
Fundraising	-	3,464
	467,898	278,804
Excess of expenses over revenues	8,541	34,829
Accumulated surplus, beginning of year	46,726	11,897
<b>Accumulated surplus, end of year</b>	<b>\$ 55,267</b>	<b>\$ 46,726</b>

See Accompanying Notes to Financial Statements

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

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED AUGUST 31, 2010**

	2010	2009
Operating activities:		
Excess of revenue over expenses (expenses over revenues) \$	8,541	\$ 34,829
Items not affecting cash:		
Amortization of capital assets	41	58
Net change in non-cash working capital balances	(3,363)	31,899
Cash from (provided for) operating activities	5,219	66,786
Financing Activities:		
Advances from (to) Hall Operations Fund	(1,421)	23,648
Increase (decrease) in cash	3,798	90,434
Cash, beginning of year	133,068	42,634
<b>CASH, END OF YEAR</b>	<b>\$ 136,866</b>	<b>\$ 133,068</b>

See Accompanying Notes to Financial Statements

# RESOURCE CENTRE FOR THE ARTS - THEATRE FUND

## NOTES TO FINANCIAL STATEMENTS For the Year Ended August 31, 2010

### General

The fund is one of two funds that constitute the Resource Centre for the Arts. The organization operates as a not for profit organization and, as such, maintains that status for income tax purposes. The organization's mission is to develop, promote and present indigenous Newfoundland and Labrador art and artists.

### 1. Summary of Significant Accounting Policies:

These financial statements have been prepared in accordance with generally accepted accounting principles, the more significant of which are as follows:

#### Basis of Accounting:

The fund uses the accrual basis of accounting to account for all revenues and expenditures with the exception of donations which are recorded as received.

#### Capital Assets and Amortization:

Capital assets are recorded at cost. Equipment is being amortized over its estimated useful life of 10 years using the straight-line method of amortization. Computer equipment is amortized on a declining balance basis over the assets estimated useful life at a rate of 30%.

#### Revenue Recognition:

Resource Centre for the Arts – Theatre Fund follows the deferral method of accounting for contributions. Contributions are recognized when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Donations are recognized on a cash basis.

Box office revenue is recognized when earned.

# RESOURCE CENTRE FOR THE ARTS - THEATRE FUND

## NOTES TO FINANCIAL STATEMENTS For the Year Ended August 31, 2010

### 2. Capital Assets:

	2010			2009
	Cost	Accumulated Amortization	Net	Net
Equipment	\$ 27,400	\$ 27,400	\$ -	\$ -
Computer Equipment	2,250	2,155	95	135
	\$ 29,650	\$ 29,555	\$ 95	\$ 135

### 3. Deferred Revenue:

Deferred revenue consists of grant revenue received during the year but which had not been earned by year end due to either the grant funds not having been used by year end or the grant which was issued for a stated period and had not expired by year end.

Deferred revenue at August 31, 2010 consists of the following:

	2010	2009
Canada Council	\$ 53,750	\$ 53,750
Newfoundland and Labrador Arts Council	21,656	21,656
Statoil Hydro	6,500	6,500
Cultural Economic Development Program	-	14,000
	\$ 81,906	\$ 95,906

# RESOURCE CENTRE FOR THE ARTS - THEATRE FUND

## NOTES TO FINANCIAL STATEMENTS For the Year Ended August 31, 2010

### 4. Grant Revenue:

Grant revenue for the year consists of the following:

	2010	2009
Canada Council	\$ 107,500	\$ 108,250
Canadian Parents for French	78,440	-
Newfoundland and Labrador Arts Council	43,313	43,313
Cultural Economic Development Program	28,000	-
City of St. John's	5,000	3,300
	\$ 262,253	\$ 154,863

### 5. Related Party Transactions:

During the year, the Resource Centre for the Arts - Theatre Fund paid the following amounts to Resource Centre for the Arts - Hall Operations Fund:

	2010	2009
Theatre Rental – LSPU Hall	\$ 16,847	\$ -
Salary contribution	1,333	2,083
Office Rental	8,650	11,000
	\$ 26,830	\$ 13,083

As at August 31, 2010, Resource Centre for the Arts - Hall Operations Fund owed Resource Centre for the Arts - Theatre Fund \$4,060 (2009 - \$2,639). This amount is non-interest bearing and has no fixed terms of repayment.

### 6. In-Kind Contributions:

In-kind contributions from Fortis Properties' were received in the amount of \$10,000. This amount was recorded as in kind revenue and travel.

In-kind contributions from E.C. Boone Ltd. were received in the amount of \$3,312. This amount was recorded as in kind revenue and promotion.

In-kind contributions from Newfoundland Power were received in the amount of \$3,264. This amount was recorded as in kind revenue and promotion.



# RESOURCE CENTRE FOR THE ARTS - THEATRE FUND

## NOTES TO FINANCIAL STATEMENTS For the Year Ended August 31, 2010

### 7. Sponsors:

	<u>2010</u>	<u>2009</u>
Statoil Hydro	\$ 30,000	\$ 33,500
Newfoundland Power	10,000	10,000
Smitty's Restaurant	5,000	5,000
Debbie Hanlon	1,000	-
Imperial Tobacco Arts Foundation	-	10,000
Exxon Mobil	-	5,000
	<u>\$ 46,000</u>	<u>\$ 63,500</u>

### 8. Accumulated Surplus:

The surplus has been held for two years. It was originally accumulated from the Suits Do Codco fundraiser in 2008-2009 to raise funds to ensure an expanded RCAT mainstage season for the reopening of the LSPU Hall. Due to delays in the reopening these funds were held and management is of the opinion that they will be used in 2010-2011 season.