

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

**FINANCIAL STATEMENTS
For The Year Ended August 31, 2016**

JOHN F. MORGAN

Chartered Professional Accountants
6 Lambe's Lane
St. John's, NL A1B 4E9
Office: (709) 576-6776 Fax: (709) 576-6777

INDEPENDENT AUDITOR'S REPORT

To the Members:

We have audited the accompanying financial statements of Resource Centre for the Arts – Theatre Fund, which comprise the balance sheet as at August 31, 2016, and the statements of operations and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

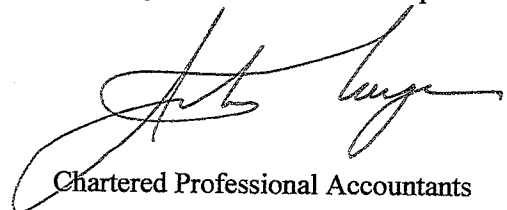
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Resource Centre for the Arts – Theatre Fund as at August 31, 2016, and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

St. John's, Newfoundland
December 2, 2016



Chartered Professional Accountants

RESOURCE CENTRE FOR THE ARTS - THEATRE FUND

BALANCE SHEET AS AT AUGUST 31, 2016

	2016	2015
ASSETS		
CURRENT		
Cash	\$ 101,241	\$ 142,234
Accounts receivable	5,272	-
Due from Hall Operations Fund (note 4)	16,548	14,076
Prepaid expenses	498	4,812
HST recoverable	575	1,249
	\$ 124,134	\$ 162,371
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities	\$ 6,362	\$ 16,713
Deferred revenue (note 2)	94,650	111,100
	101,012	127,813
NET ASSETS	23,122	34,558
	\$ 124,134	\$ 162,371

On behalf of the Board:

bstapleton
chair

Mardene Cahill
Treasurer

See Accompanying Notes to Financial Statements

RESOURCE CENTRE FOR THE ARTS - THEATRE FUND

STATEMENT OF OPERATIONS FOR THE YEAR ENDED AUGUST 31, 2016

	2016	2015
REVENUES		
Program grants (note 3)	\$ 199,200	\$ 160,000
Box office	60,069	56,842
Sponsors (note 6)	16,250	31,250
In-kind contributions (note 5)	7,205	7,500
Fundraising	6,990	2,956
Donations	6,724	8,224
	296,438	266,772
EXPENSES		
Salaries and benefits	117,851	122,848
Mainstage	110,553	66,947
Travel and transportation	20,517	5,088
Promotion	18,214	17,606
Contribution to Hall Operations (note 5)	8,600	8,600
Professional fees	6,170	3,700
Office rent	6,076	5,742
Royalties	4,248	4,083
Non-Recoverable HST	3,504	1,511
Telephone	3,256	3,626
Administration	2,584	2,109
Fundraising	2,265	500
Office supplies	1,781	2,022
Fees and dues	1,177	2,105
Interest and bank charges	616	652
Actor's equity	462	-
Amortization	-	23
	307,874	247,162
Excess of revenues over expenses (expenses over revenues)	(11,436)	19,610
Net assets, beginning of year	34,558	14,948
Net assets, end of year	\$ 23,122	\$ 34,558

See Accompanying Notes to Financial Statements

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RESOURCE CENTRE FOR THE ARTS - THEATRE FUND

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED AUGUST 31, 2016

	<u>2016</u>	<u>2015</u>
Operating activities:		
Excess of revenue over expenses (expenses over revenues)	\$ (11,436)	\$ 19,610
Items not affecting cash:		
Amortization of capital assets	-	23
Net change in non-cash working capital balances	(27,085)	40,123
Cash from (provided for) operating activities	(38,521)	59,756
Financing Activities:		
Advances from (to) Hall Operations Fund	(2,472)	3,722
Increase (decrease) in cash	(40,993)	63,478
Cash, beginning of year	142,234	78,756
CASH, END OF YEAR	\$ 101,241	\$ 142,234

See Accompanying Notes to Financial Statements

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RESOURCE CENTRE FOR THE ARTS - THEATRE FUND

NOTES TO FINANCIAL STATEMENTS For the Year Ended August 31, 2016

1. Summary of Significant Accounting Policies (Continued):

Fair Value of Financial Instruments (Continued)

The Organization considers any contract creating a financial asset, liability or equity instrument as a financial instrument, except in certain limited circumstances. The Organization accounts for the following as financial instruments:

- Cash and cash equivalents
- Trade and other receivables
- Due from (to) companies under common control
- Bank indebtedness
- Payables and accruals
- Long-term debt

A financial asset or liability is recognized when the Organization becomes party to contractual provisions of the instruments.

Financial assets or liabilities obtained in arm's length transactions are initially measured at their fair value. In the case of a financial asset or liability not being subsequently measured at fair value, the initial fair value will be adjusted for financing fees and transaction costs that are directly attributable to its origination, acquisition, issuance or assumption.

Financial assets and financial liabilities are subsequently measured according to the following methods:

<i>Financial instrument</i>	<i>Subsequent measurement</i>
Cash and cash equivalents	Amortized cost
Trade and other receivables	Amortized cost
Due from (to) companies under common control	Amortized cost
Bank indebtedness	Amortized cost
Payables and accruals	Amortized cost
Long-term debt	Amortized cost

The Organization removes financial liabilities, or portion of, when the obligation is discharged, cancelled or expires.

RESOURCE CENTRE FOR THE ARTS - THEATRE FUND

NOTES TO FINANCIAL STATEMENTS For the Year Ended August 31, 2016

2. Deferred Revenue:

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

Deferred revenue at August 31, 2016 consists of the following:

	<u>2016</u>	<u>2015</u>
Canada Council	51,600	51,600
Newfoundland and Labrador Arts Council	22,000	22,000
Government of Newfoundland and Labrador	19,800	22,500
Public Service Credit Union	1,250	-
City of St. John's	-	15,000
	<u>\$ 94,650</u>	<u>\$ 111,100</u>

3. Grant Revenue:

Grant revenue for the year consists of the following:

	<u>2016</u>	<u>2015</u>
Canada Council	\$ 103,200	\$ 103,200
Newfoundland and Labrador Arts Council	44,000	44,000
City of St. John's	22,000	7,800
Cultural Economic Development Program	30,000	5,000
	<u>\$ 199,200</u>	<u>\$ 160,000</u>

4. 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:

	<u>2016</u>	<u>2015</u>
Theatre Rental – LSPU Hall	\$ 12,739	\$ 10,386
Salary contribution	7,000	7,000
Office Rental	8,600	8,600
	<u>\$ 28,339</u>	<u>\$ 25,986</u>

As at August 31, 2016, Resource Centre for the Arts - Hall Operations Fund owed Resource Centre for the Arts - Theatre Fund \$16,548 (2015 - \$14,076).

RESOURCE CENTRE FOR THE ARTS - THEATRE FUND

NOTES TO FINANCIAL STATEMENTS For the Year Ended August 31, 2016

5. In-Kind Contributions:

In-kind contributions were received from E.C. Boone Ltd. in the amount of \$5,205 (2015 - \$5,300) and from NL Power in the amount of \$2,000 (2015 - \$2,200). These amounts were recorded as in-kind revenue and promotion.

6. Sponsors:

	<u>2016</u>	<u>2015</u>
Exxon Mobil	\$ 5,000	\$ 17,500
AW Harvey	5,000	2,500
Redpoll Foundation	2,500	-
Cox and Palmer	2,500	-
Public Service Credit Union	1,250	-
Vale	-	10,000
Atlantic Lottery	-	1,250
	<u>\$ 16,250</u>	<u>\$ 31,250</u>