

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

**FINANCIAL STATEMENTS
For The Year Ended August 31, 2015**

JOHN F. MORGAN

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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, 2015, 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.

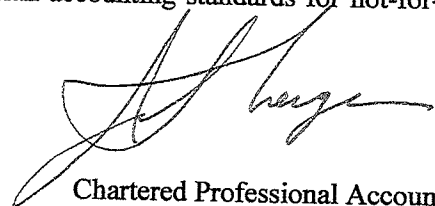
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or 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, 2015, 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
November 27, 2015



Chartered Professional Accountant,
Chartered Accountant

John F. Morgan, Chartered Professional Accountant, Chartered Accountant

RESOURCE CENTRE FOR THE ARTS - THEATRE FUND

BALANCE SHEET AS AT AUGUST 31, 2015

	2015	2014
ASSETS		
CURRENT		
Cash	\$ 142,234	\$ 78,756
Accounts receivable	-	15,078
Due from Hall Operations Fund (note 5)	14,076	17,798
Prepaid expenses	4,812	1,289
HST recoverable	1,249	-
	162,371	112,921
Capital assets (note 2)	-	23
	\$ 162,371	\$ 112,944
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities	\$ 16,713	\$ 5,570
Deferred revenue (note 3)	111,100	91,100
HST payable	-	1,326
	127,813	97,996
NET ASSETS (DEFICIT)	34,558	14,948
	\$ 162,371	\$ 112,944

On behalf of the Board:

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M. Cahill

See Accompanying Notes to Financial Statements.

John F. Morgan, Chartered Professional Accountant, Chartered Accountant

RESOURCE CENTRE FOR THE ARTS - THEATRE FUND

STATEMENT OF OPERATIONS FOR THE YEAR ENDED AUGUST 31, 2015

	<u>2015</u>	<u>2014</u>
REVENUES		
Program grants (note 4)	\$ 160,000	\$ 156,000
Box office	56,842	29,104
Sponsors (note 7)	31,250	37,500
Donations	8,224	1,500
In-kind contributions (note 6)	7,500	11,419
Fundraising	2,956	-
Miscellaneous revenue	-	30
	<u>266,772</u>	<u>235,553</u>
EXPENSES		
Salaries and benefits	122,848	123,845
Mainstage	66,947	78,750
Promotion	17,606	13,694
Contribution to Hall Operations (note 5)	8,600	8,000
Office rent	5,742	6,322
Travel and transportation	5,088	12,342
Royalties	4,083	4,882
Professional fees	3,700	3,625
Telephone	3,626	3,392
Administration	2,109	3,398
Fees and dues	2,105	1,618
Office supplies	2,022	957
Non-Recoverable HST	1,511	-
Interest and bank charges	652	592
Fundraising	500	400
Amortization	23	10
Actor's equity	-	46
	<u>247,162</u>	<u>261,873</u>
Excess of revenues over expenses	19,610	(26,320)
Net assets, beginning of year	14,948	41,268
Net assets, end of year	\$ 34,558	\$ 14,948

See Accompanying Notes to Financial Statements

John F. Morgan, Chartered Professional Accountant, Chartered Accountant

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

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED AUGUST 31, 2015**

	<u>2015</u>	<u>2014</u>
Operating activities:		
Excess of revenue over expenses (expenses over revenues)	\$ 19,610	\$ (26,320)
Items not affecting cash:		
Amortization of capital assets	23	10
Net change in non-cash working capital balances	40,123	54,820
Cash from (provided for) operating activities	59,756	28,510
Financing Activities:		
Advances from (to) Hall Operations Fund	3,722	(5,535)
Increase (decrease) in cash	63,478	22,975
Cash, beginning of year	78,756	55,781
CASH, END OF YEAR	\$ 142,234	\$ 78,756

See Accompanying Notes to Financial Statements.

John F. Morgan, Chartered Professional Accountant, Chartered Accountant

RESOURCE CENTRE FOR THE ARTS - THEATRE FUND

NOTES TO FINANCIAL STATEMENTS For the Year Ended August 31, 2015

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 Canadian accounting standards for not-for-profit organizations, 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. Computer equipment is amortized on a declining balance basis over the assets estimated useful life at a rate of 30%. As at August 31, 2015, the computer equipment has been completely amortized.

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, 2015

2. Capital Assets:

	2015			2014
	Cost	Accumulated Amortization	Net	Net
Computer Equipment	\$ 2,250	\$ 2,250	\$ -	\$ 23

3. 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, 2015 consists of the following:

	2015	2014
Canada Council	51,600	51,600
Government of Newfoundland and Labrador	22,500	-
Newfoundland and Labrador Arts Council	22,000	22,000
City of St. John's	15,000	-
Exxon Mobil	-	17,500
	\$ 111,100	\$ 91,100

4. Grant Revenue:

Grant revenue for the year consists of the following:

	2015	2014
Canada Council	\$ 103,200	\$ 103,200
Newfoundland and Labrador Arts Council	44,000	45,000
City of St. John's	7,800	7,800
Cultural Economic Development Program	5,000	-
	\$ 160,000	\$ 156,000

RESOURCE CENTRE FOR THE ARTS - THEATRE FUND

NOTES TO FINANCIAL STATEMENTS For the Year Ended August 31, 2015

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:

	2015	2014
Theatre Rental – LSPU Hall	\$ 10,386	\$ 5,357
Salary contribution	7,000	10,000
Office Rental	<u>8,600</u>	<u>8,000</u>
	<u>\$ 25,986</u>	<u>\$ 23,357</u>

As at August 31, 2015, Resource Centre for the Arts - Hall Operations Fund owed Resource Centre for the Arts - Theatre Fund \$14,076 (2014 - \$17,798).

6. In-Kind Contributions:

In-kind contributions were received from E.C. Boone Ltd. in the amount of \$5,300 (2014 - \$8,363) and from NL Power in the amount of \$2,200 (2014 - 3,056). These amounts were recorded as in-kind revenue and promotion.

7. Sponsors:

	2015	2014
Exxon Mobil	\$ 17,500	\$ 17,500
Vale	10,000	10,000
AW Harvey	2,500	-
Atlantic Lottery	1,250	-
Nalcor Energy	-	5,000
Small Holdings	-	<u>5,000</u>
	<u>\$ 31,250</u>	<u>\$ 37,500</u>