

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

**FINANCIAL STATEMENTS**  
**For The Year Ended August 31, 2008**

# ***JOHN F. MORGAN***

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*Chartered Accountant*  
*Suite 901, TD Place, 140 Water Street*  
*St. John's, NL A1C 6H6*  
Office: (709) 576-6776  
Fax: (709) 576-6777

## **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

# RESOURCE CENTRE FOR THE ARTS - THEATRE FUND

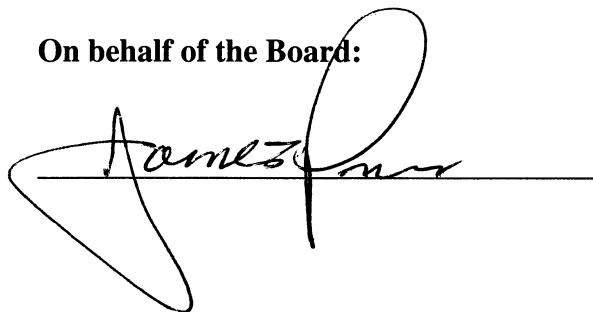
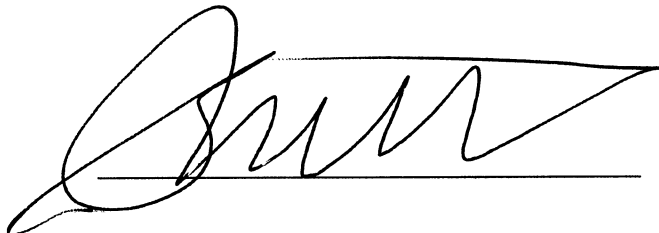
## BALANCE SHEET AS AT AUGUST 31, 2008

	2008	2007
<b>ASSETS</b>		
<b>CURRENT</b>		
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

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

On behalf of the Board:

See Accompanying Notes to Financial Statements

*John F. Morgan, Chartered Accountant*

# RESOURCE CENTRE FOR THE ARTS - THEATRE FUND

## STATEMENT OF REVENUES, EXPENSES AND SURPLUS FOR THE YEAR ENDED AUGUST 31, 2008

	2008	2007
<b>REVENUES</b>		
Program grants (note 4)	\$ 173,830	\$ 165,850
Box office	52,660	27,979
Sponsors (note 7)	32,000	45,400
In kind contributions (note 6)	30,750	5,985
Donations	1,500	1,500
Miscellaneous revenue	1,000	-
Fundraising	-	546
	291,740	247,260
<b>EXPENSES</b>		
Salaries and benefits	106,838	89,584
Mainstage	84,602	98,448
Travel & Transportation	47,033	12,635
Theatre art workshops	18,501	11,939
Promotion	15,105	23,066
Hall rental (note 5)	11,000	11,000
Miscellaneous	4,941	1,345
Professional fees	4,051	2,575
Royalties	3,609	2,221
Amortization	2,823	2,858
Fundraising	2,428	1,906
Membership Bank charges & interest	930	141
Fees and dues	664	1,688
Office supplies	320	1,958
Actor's Equity	293	296
	303,138	261,660
Excess of expenses over revenues	(11,398)	(14,400)
Accumulated surplus, beginning of year	23,295	37,695
<b>Accumulated surplus, end of year</b>	<b>\$ 11,897</b>	<b>\$ 23,295</b>

See Accompanying Notes to Financial Statements

# RESOURCE CENTRE FOR THE ARTS - THEATRE FUND

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED AUGUST 31, 2008

	2008	2007
Operating activities:		
Excess of revenue over expenditure (deficiency)	\$ (11,398)	\$ (14,400)
Items not affecting cash:		
Amortization of capital assets	2,823	2,858
Net change in non-cash working capital balances	(11,238)	1,495
Cash from (provided for) operating activities	(19,813)	(10,047)
Financing Activities:		
Advances from (to) Hall Operations Fund	(25,093)	22,082
Increase (decrease) in cash	(44,906)	12,035
Cash, beginning of year	87,540	75,505
<b>CASH, END OF YEAR</b>	<b>\$ 42,634</b>	<b>\$ 87,540</b>

See Accompanying Notes to Financial Statements

# RESOURCE CENTRE FOR THE ARTS - THEATRE FUND

## NOTES TO FINANCIAL STATEMENTS For the Year Ended August 31, 2008

### General

The fund is one of three 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%.

### 2. Capital Assets:

	<u>2008</u>			<u>2007</u>
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net</u>	<u>Net</u>
Equipment	\$ 27,400	\$ 27,400	\$ -	\$ 2,740
Computer Equipment	<u>2,250</u>	<u>2,057</u>	<u>193</u>	<u>276</u>
	<u>\$ 29,650</u>	<u>\$ 29,457</u>	<u>\$ 193</u>	<u>\$ 3,016</u>

### 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.

# RESOURCE CENTRE FOR THE ARTS - THEATRE FUND

## NOTES TO FINANCIAL STATEMENTS For the Year Ended August 31, 2008

### 4. Grant Revenue:

Grant revenue for the year consists of the following:

	<u>2008</u>	<u>2007</u>
Canada Council	\$ 98,250	\$ 98,500
Newfoundland and Labrador Arts Council	32,000	32,000
NLAC - Project	18,000	7,500
Cultural Economic Development Program	17,500	25,000
HRE (Provincial)	5,230	-
City of St. John's	<u>2,850</u>	<u>2,850</u>
	<u>\$ 173,830</u>	<u>\$ 165,850</u>

### 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:

	<u>2008</u>	<u>2007</u>
Theatre Rental	\$ 10,050	\$ 13,274
Salary contribution	15,231	10,000
Office Rental	<u>11,000</u>	<u>11,000</u>
	<u>\$ 36,281</u>	<u>\$ 34,274</u>

As at August 31, 2008, Resource Centre for the Arts - Hall Operations Fund owed Resource Centre for the Arts - Theatre Fund \$26,287 (2007 - \$1,194). This amount is non-interest bearing and has no fixed terms of repayment. On August 28, 2008 a deposit was made in error to the Resource Centre for the Arts - Hall Operations Fund for \$21,656. This amount was related to a grant from the Newfoundland and Labrador Arts Council which was intended for the Resource Centre for the Arts - Theatre Fund. On September 5, 2008 the \$21,656 was paid to Resource Centre for the Arts - Theatre Fund from Resource Centre for the Arts - Hall Operations Fund to correct this error.

# RESOURCE CENTRE FOR THE ARTS - THEATRE FUND

## NOTES TO FINANCIAL STATEMENTS For the Year Ended August 31, 2008

### 6. In-Kind Contributions:

In-kind contributions from VALE INCO were received in the amount of \$20,000. This amount was recorded as in kind revenue and travel expense.

In-kind contributions from DRAY Media were received in the amount of \$10,750. This amount was recorded as in kind revenue and promotion expense.

### 7. Sponsors:

	<u>2008</u>	<u>2007</u>
Newfoundland Power	\$ 10,000	\$ 10,000
Imperial Tobacco Art Foundation	7,000	5,400
3M Canada Company	5,000	-
Exxon Mobil	5,000	5,000
Debbie Hanlon	5,000	-
Petro Canada	-	15,000
Voisey's Bay Nickel Company	-	10,000
	<u>\$ 32,000</u>	<u>\$ 45,400</u>

### 8. Subsequent Events:

The LSPU Hall closed for renovations on July 19, 2008. The Resource Centre for the Arts – Theatre Fund will continue to operate during the upcoming season by making use of alternative venues throughout the city.