

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

**FINANCIAL STATEMENTS**  
**For The Year Ended August 31, 2009**

# **JOHN F. MORGAN**

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## **AUDITOR'S REPORT**

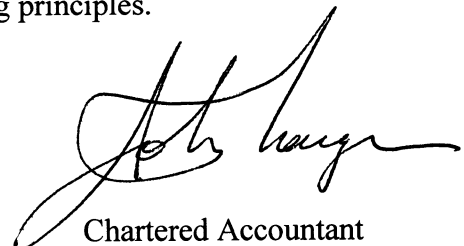
To the Members:

We have audited the balance sheet of Resource Centre for the Arts - Theatre Fund as at August 31, 2009, 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. 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 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, 2009, 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, 2009



Chartered Accountant

# RESOURCE CENTRE FOR THE ARTS - THEATRE FUND

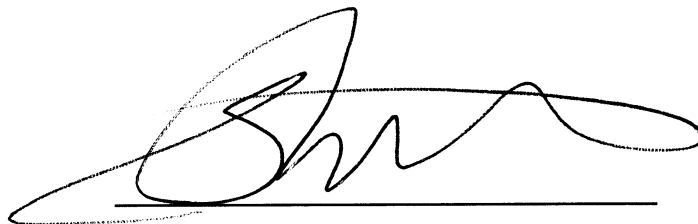
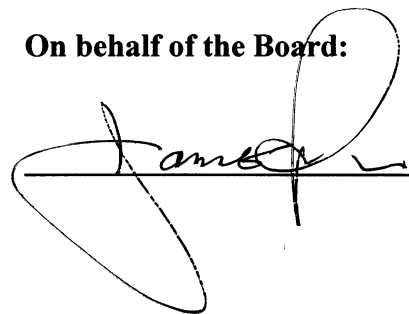
## BALANCE SHEET AS AT AUGUST 31, 2009

	2009	2008
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 133,068	\$ 42,634
Accounts receivable	11,722	481
Due from Hall Operations Fund (note 5)	2,639	26,287
HST recoverable	1,013	-
	148,442	69,402
Capital assets (note 2)	135	193
	\$ 148,577	\$ 69,595

## LIABILITIES AND ACCUMULATED SURPLUS

<b>CURRENT</b>		
Accounts payable and accrued liabilities	\$ 5,945	\$ 4,095
HST payable	-	290
Deferred revenue (note 3)	95,906	53,313
	101,851	57,698
<b>ACCUMULATED SURPLUS</b>	46,726	11,897
	\$ 148,577	\$ 69,595

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, 2009

	2009	2008
<b>REVENUES</b>		
Program grants (note 4)	\$ 154,863	\$ 173,830
Sponsors (note 7)	63,500	32,000
Fundraising	52,332	-
Box office	36,438	52,660
In kind contributions (note 6)	5,000	30,750
Donations	1,500	1,500
Miscellaneous revenue	-	1,000
	<u>313,633</u>	<u>291,740</u>
<b>EXPENSES</b>		
Mainstage	108,862	84,602
Salaries and benefits	92,264	106,838
Travel and transportation	21,277	47,033
Theatre art workshops	15,477	18,501
Promotion	11,580	15,105
Contribution to Hall Operations (note 5)	11,000	11,000
Royalties	6,751	3,609
Fundraising	3,464	2,428
Professional fees	2,839	4,051
Miscellaneous	1,870	4,941
Actor's Equity	1,579	293
Fees and dues	1,076	664
Interest and bank charges	526	930
Office supplies	181	320
Amortization	58	2,823
	<u>278,804</u>	<u>303,138</u>
Excess of expenses over revenues	34,829	(11,398)
Accumulated surplus, beginning of year	11,897	23,295
<b>Accumulated surplus, end of year</b>	<b>\$ 46,726</b>	<b>\$ 11,897</b>

See Accompanying Notes to Financial Statements

## RESOURCE CENTRE FOR THE ARTS - THEATRE FUND

### STATEMENT OF CASH FLOWS FOR THE YEAR ENDED AUGUST 31, 2009

	2009	2008
Operating activities:		
Excess of revenue over expenses (expenses over revenues) \$	34,829	\$ (11,398)
Items not affecting cash:		
Amortization of capital assets	58	2,823
Net change in non-cash working capital balances	31,899	(11,238)
Cash from (provided for) operating activities	66,786	(19,813)
Financing Activities:		
Advances from (to) Hall Operations Fund	23,648	(25,093)
Increase (decrease) in cash	90,434	(44,906)
Cash, beginning of year	42,634	87,540
<b>CASH, END OF YEAR</b>	<b>\$ 133,068</b>	<b>\$ 42,634</b>

See Accompanying Notes to Financial Statements

*John F. Morgan, Chartered Accountant*

# RESOURCE CENTRE FOR THE ARTS - THEATRE FUND

## NOTES TO FINANCIAL STATEMENTS For the Year Ended August 31, 2009

### 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%.

#### 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, 2009

### 2. Capital Assets:

	<u>2009</u>			<u>2008</u>
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net</u>	<u>Net</u>
Equipment	\$ 27,400	\$ 27,400	\$ -	\$ -
Computer Equipment	<u>2,250</u>	<u>2,115</u>	<u>135</u>	<u>193</u>
	<u>\$ 29,650</u>	<u>\$ 29,515</u>	<u>\$ 135</u>	<u>\$ 193</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.

Deferred revenue at August 31, 2009 consists of the following:

	<u>2009</u>	<u>2008</u>
Canada Council	\$ 53,750	\$ -
Newfoundland and Labrador Arts Council	21,656	43,313
Cultural Economic Development Program	14,000	-
Statoil Hydro	6,500	-
Imperial Tobacco Arts Foundation	<u>-</u>	<u>10,000</u>
	<u>\$ 95,906</u>	<u>\$ 53,313</u>

# RESOURCE CENTRE FOR THE ARTS - THEATRE FUND

## NOTES TO FINANCIAL STATEMENTS For the Year Ended August 31, 2009

### 4. Grant Revenue:

Grant revenue for the year consists of the following:

	<u>2009</u>	<u>2008</u>
Canada Council	\$ 108,250	\$ 98,250
Newfoundland and Labrador Arts Council	43,313	32,000
City of St. John's	3,300	2,850
NLAC - Project	-	18,000
Cultural Economic Development Program	-	17,500
HRE (Provincial)	-	5,230
	<u>\$ 154,863</u>	<u>\$ 173,830</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>2009</u>	<u>2008</u>
Theatre Rental – LSPU Hall	\$ -	\$ 10,050
Salary contribution	2,083	15,231
Office Rental	<u>11,000</u>	<u>11,000</u>
	<u>\$ 13,083</u>	<u>\$ 36,281</u>

As at August 31, 2008, Resource Centre for the Arts - Hall Operations Fund owed Resource Centre for the Arts - Theatre Fund \$2,639 (2008 - \$26,287). This amount is non-interest bearing and has no fixed terms of repayment.

### 6. In-Kind Contributions:

In-kind contributions from Newfoundland Power were received in the amount of \$5,000. 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, 2009

### 7. Sponsors:

	<u>2009</u>	<u>2008</u>
Statoil Hydro	\$ 33,500	\$ -
Newfoundland Power	10,000	10,000
Imperial Tobacco Arts Foundation	10,000	7,000
Exxon Mobil	5,000	5,000
Smitty's Restaurant	5,000	-
3M Canada Company	-	5,000
Debbie Hanlon	-	5,000
	<u>\$ 63,500</u>	<u>\$ 32,000</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.