



Consolidated Financial Statements

The Arts Club Group:

The Arts Club of Vancouver

The Arts Club of Vancouver Theatre Society

The Arts Club of Vancouver Theatre Building Society

August 28, 2016

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Independent Auditor's Report

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To the Members of
The Arts Club Group

We have audited the accompanying consolidated financial statements of The Arts Club Group, which comprise the consolidated statement of financial position as at August 28, 2016 and the consolidated statements of operations, changes in net assets 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 consolidated 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 consolidated 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 consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated 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 consolidated financial statements present fairly, in all material respects, the consolidated financial position of The Arts Club Group as at August 28, 2016 and the results of its operations and cash flows for the year then ended, in accordance with Canadian accounting standards for not-for-profit organizations.

Vancouver, Canada
November 28, 2016

Grant Thornton LLP

Chartered Professional Accountants

The Arts Club Group

Consolidated Statement of Financial Position

	August 28, 2016	August 30, 2015
Assets		
Current		
Cash	\$ 2,053,569	\$ 2,214,836
Short-term investments (Notes 3 and 14(c))	1,713,932	1,730,521
Accounts receivable (Note 14(b))	654,882	48,104
Inventory	72,088	65,689
Prepaid expenses	671,520	320,376
Due from Bard on the Beach Theatre Society (Note 12)	499,801	-
	<u>5,665,792</u>	<u>4,379,526</u>
Property and equipment (Note 5)	1,989,791	2,421,542
Intangible assets (Note 6)	241,431	286,131
	<u>\$ 7,897,014</u>	<u>\$ 7,087,199</u>
Liabilities		
Current		
Accounts payable and accrued liabilities (Note 8)	\$ 429,630	\$ 591,058
Deferred revenue and sponsorships	4,225,232	3,760,625
Deferred contributions (Note 9)	612,250	591,000
Due to The Arts Club of Vancouver Theatre Foundation (Note 13)	514,059	16,855
	<u>5,781,171</u>	<u>4,959,538</u>
Deferred capital contributions (Note 10)	833,649	1,008,417
	<u>6,614,820</u>	<u>5,967,955</u>
Net assets (Page 5)		
Internally restricted (Note 4)	364,500	364,500
Unrestricted	917,694	754,744
	<u>1,282,194</u>	<u>1,119,244</u>
	<u>\$ 7,897,014</u>	<u>\$ 7,087,199</u>

Commitments (Note 14)

On behalf of the Board



Director



Director

The Arts Club Group

Consolidated Statement of Operations

Year ended August 28, 2016 (with comparative figures for the year ended August 30, 2015)

	August 28, 2016	August 30, 2015
Earned revenue		
Box office	\$ 8,152,045	\$ 8,146,970
Bar operations	1,319,153	1,513,284
Touring	591,342	588,437
Rental	181,448	153,717
	<u>10,243,988</u>	<u>10,402,408</u>
Other income		
Private sector fundraising (Schedule 1)	2,562,281	2,424,449
Public sector grants (Schedule 1)	893,057	2,699,823
Sundry (Schedule 1)	613,339	429,064
Facility fees	346,226	348,219
	<u>4,414,903</u>	<u>5,901,555</u>
Total revenue	<u>14,658,891</u>	<u>16,303,963</u>
Direct expenses		
Productions (Schedule 2)	4,845,510	4,614,880
Marketing and promotions	1,380,127	1,656,884
Touring expenses (Schedule 2)	610,459	615,978
Bar operations salaries and benefits	606,298	693,914
Season ticket campaign (Schedule 2)	570,342	579,763
Box office (Schedule 2)	522,309	547,342
Bar operations cost of sales	398,991	447,727
Front of house (Schedule 2)	250,864	280,743
Other bar operations expenses	174,899	176,453
Rental expenses	89,255	77,825
	<u>9,449,054</u>	<u>9,691,509</u>
Overhead expenses		
Production (Schedule 3)	1,223,693	1,200,377
Administrative (Schedule 3)	1,146,935	1,094,756
Premises (Schedule 3)	1,012,920	756,642
Private sector fundraising (Schedule 3)	711,467	580,520
Marketing (Schedule 3)	652,317	633,262
Education (Schedule 3)	57,498	35,286
	<u>4,804,830</u>	<u>4,300,843</u>
Contributions to The Arts Club of Vancouver Theatre Foundation for BMO Theatre Centre (Note 11)	304,597	2,152,117
Total expenses	<u>14,558,481</u>	<u>16,144,469</u>
Excess of revenue over expenses before amortization and other items	100,410	159,494
Gain on disposal of Revue Stage (Note 14 (b))	411,349	-
Excess of revenue over expenses before amortization	511,759	159,494
Amortization	(536,627)	(529,371)
Amortization of deferred capital contributions	187,818	190,033
Excess (deficiency) of revenue over expenses	<u>\$ 162,950</u>	<u>\$ (179,844)</u>

See accompanying notes and schedules to the consolidated financial statements.

The Arts Club Group

Consolidated Statement of Changes in Net Assets

Year ended August 28, 2016

	Internally Restricted (Note 4)	Unrestricted	August 28, 2016 Total	August 30, 2015 Total
Balance, beginning of year	\$ 364,500	\$ 754,744	\$ 1,119,244	\$ 1,299,088
Excess (deficiency) of revenue over expenses	-	162,950	162,950	(179,844)
Balance, end of year	\$ 364,500	\$ 917,694	\$ 1,282,194	\$ 1,119,244

The Arts Club Group

Consolidated Statement of Cash Flows

Year ended August 28, 2016 (with comparative figures for the year ended August 30, 2015)

August 28,
2016

August 30,
2015

Cash derived from (applied to)

Operating

Excess (deficiency) of revenue over expenses	\$ 162,950	\$ (179,844)
Items not involving cash		
Amortization	536,627	529,371
Amortization of deferred capital contributions	(187,818)	(190,033)
Gain on disposal of Revue Stage	(411,349)	-
	<u>100,410</u>	<u>159,494</u>
Change in non-cash operating working capital		
Accounts receivable	(81,778)	57,436
Inventory	(6,399)	(9,496)
Prepaid expenses	(351,144)	125,855
Accounts payable and accrued liabilities	(161,428)	(300,651)
Deferred revenue and sponsorships	464,607	(19,557)
Deferred contributions	21,250	187,000
	<u>(14,482)</u>	<u>200,081</u>

Investing

Decrease (increase) in short-term investments	16,589	(1,069,789)
Property and equipment acquisitions	(144,113)	(270,321)
Property and equipment dispositions	31,491	-
Intangible asset acquisitions	(61,205)	(176,889)
	<u>(157,238)</u>	<u>(1,516,999)</u>

Financing

Due from Bard on the Beach Theatre Society	(499,801)	-
Due from BMO Theatre Centre Joint Venture	-	538,345
Due to The Arts Club of Vancouver Theatre Foundation	497,204	(89,645)
Deferred capital contributions	13,050	70,559
	<u>10,453</u>	<u>519,259</u>

Net decrease in cash and cash equivalents	(161,267)	(797,659)
Cash and cash equivalents, beginning of year	<u>2,214,836</u>	<u>3,012,495</u>
Cash and cash equivalents, end of year	<u>\$ 2,053,569</u>	<u>\$ 2,214,836</u>

The Arts Club Group

Notes to the Consolidated Financial Statements

August 28, 2016

1. Purpose of organization

The Arts Club Group consists of The Arts Club of Vancouver (“Vancouver”), The Arts Club of Vancouver Theatre Society (“Theatre”) and The Arts Club of Vancouver Theatre Building Society (“Building”) (collectively, the “Arts Club” or the “Group”). The Vancouver, Theatre and Building societies are incorporated under the Society Act of British Columbia as not-for-profit organizations. The Theatre and Building societies are registered charities under the Income Tax Act.

The purpose of the Group is to acquire, equip, maintain and operate a theatre, produce and manage dramatic and musical presentations, foster and develop the talents of Canadian artists, musicians and playwrights, and encourage all forms of dramatic and musical activities.

2. Summary of significant accounting policies

Year end

It is the Group’s policy to end its fiscal year on the Sunday nearest to August 31.

Basis of presentation

These consolidated financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations (“ASNPO”). These consolidated financial statements include the accounts of the Vancouver, Theatre and Building societies.

Revenue recognition

The Group follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Endowment contributions are recognized as direct increases in net assets. Investment income from endowment funds are recognized as revenue in the statement of operations.

Operating grants received during the fiscal year are recognized as income in the period to which the related grant application applies. Grants for special projects are deferred until completion of the projects.

Government assistance and donations related to the acquisition of property and equipment and intangible assets are capitalized and amortized to income on the same basis as the related depreciable asset.

Box office revenue and related costs include the results of all productions for the season which conclude prior to the fiscal year end.

Lounge and other revenue are recognized as revenue in the period when earned.

Deferred revenue from season tickets and sponsorships is allocated to various productions and recognized as revenue over the run of the production.

The Arts Club Group

Notes to the Consolidated Financial Statements

August 28, 2016

2. Summary of significant accounting policies (continued)

In-kind donations

The Group benefits from the donation of certain materials and services, including the services of volunteers, which are used in the normal course of the organization's operations and otherwise would have been purchased. These are recorded in the financial statements at fair value \$842,159 (August 30, 2015 - \$803,870), with the exception of services of volunteers which are not recorded due to the difficulty of determining fair value.

Management's estimates

The preparation of consolidated financial statements in conformity with ASNPO requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of revenues and expenses during the reported periods. Significant areas requiring the use of management estimates include amortization of property and equipment. Actual results could differ from those estimates.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, balances with banks and short-term deposits with original maturities of three months or less.

Short-term investments

Short-term investments include securities with original terms to maturity of greater than three months and less than one year when purchased.

Inventory

Inventory is valued at the lower of cost or net realizable value.

Prepaid expenses

Prepaid expenses include costs incurred for future productions, prepaid property taxes and insurance.

Property and equipment

Purchased property and equipment are recorded at cost. Contributed property and equipment are recorded at fair value as of the date of contribution.

The Group provides for amortization of its property and equipment on the following bases:

Lounge furniture and equipment	15% declining balance method
Theatre equipment	10% straight-line method
Furniture and equipment	15% declining balance method
Computer equipment	20% straight-line method
Vehicles	10% declining balance method
Leasehold improvements	10% straight-line method

The Arts Club Group

Notes to the Consolidated Financial Statements

August 28, 2016

2. Summary of significant accounting policies (continued)

Intangible assets

Intangible assets are carried at cost less any accumulated amortization. The Group provides for amortization of its intangible assets over the estimated useful life as follows:

Tessitura Arts Enterprise Software	10% straight-line method
On-line Purchase Path Software	20% declining balance method

Financial instruments

The Group initially measures its financial assets and financial liabilities at fair value. The Group subsequently measures all of its financial assets and financial liabilities at amortized cost.

Financial assets measured at amortized cost include cash, short-term investments, accounts receivable and due from Bard on the Beach Theatre Society.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities and due to The Arts Club of Vancouver Theatre Foundation.

Comparative figures

Certain prior year amounts have been reclassified to conform with the financial statement presentation in the current year.

3. Short-term investments	August 28, 2016	August 30, 2015
Term deposits, with average yield of 1.05% to 1.20% (2015 - 1.05% to 1.70%)	\$ 1,713,932	\$ 1,730,521

4. Internally restricted net assets	August 28, 2016	August 30, 2015
VAST	\$ 364,500	\$ 364,500

Vancouver Arts Stabilization Team ("VAST")

Under an agreement with VAST dated November 30, 1999, the Group was entitled to receive annual grants to assist as revolving working capital during the year provided that the amount was reinstated before the year end balance sheet date. The five year term of the agreement ended in fiscal 2005. The Group exited the program with VAST without a written agreement between the Group and VAST detailing the future use of the grant monies. The Group confirmed that the funds do not need to be repaid but are restricted to use as working capital.

The Arts Club Group

Notes to the Consolidated Financial Statements

August 28, 2016

5. Property and equipment

			August 28, 2016
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>
Lounge furniture and equipment	\$ 411,119	\$ 372,673	\$ 38,446
Theatre equipment	434,512	400,892	33,620
Furniture and equipment	1,225,486	854,353	371,133
Computer equipment	828,066	749,287	78,779
Vehicles	64,181	19,124	45,057
Leasehold improvements	5,104,749	3,681,993	1,422,756
	<u>\$ 8,068,113</u>	<u>\$ 6,078,322</u>	<u>\$ 1,989,791</u>
			<u>August 30, 2015</u>
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>
Lounge furniture and equipment	\$ 496,997	\$ 433,200	\$ 63,797
Theatre equipment	558,133	518,682	39,451
Furniture and equipment	1,154,100	786,943	367,157
Computer equipment	814,381	706,989	107,392
Vehicles	64,181	14,117	50,064
Leasehold improvements	5,989,866	4,196,185	1,793,681
	<u>\$ 9,077,658</u>	<u>\$ 6,656,116</u>	<u>\$ 2,421,542</u>

The Arts Club Group

Notes to the Consolidated Financial Statements

August 28, 2016

6. Intangible assets

			<u>August 28, 2016</u>
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>
Tessitura Arts Enterprise software	\$ 582,862	\$ 531,906	\$ 50,956
On-line Purchase Path Software	<u>238,094</u>	<u>47,619</u>	<u>190,475</u>
	<u>\$ 820,956</u>	<u>\$ 579,525</u>	<u>\$ 241,431</u>
			<u>August 30, 2015</u>
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>
Tessitura Arts Enterprise software	\$ 582,862	\$ 473,620	\$ 109,242
On-line Purchase Path Software	<u>176,889</u>	<u>-</u>	<u>176,889</u>
	<u>\$ 759,751</u>	<u>\$ 473,620</u>	<u>\$ 286,131</u>

7. Line of credit

The Group has an operating line of credit available to a maximum of \$5,000. The rate of interest is prime plus 2.0%. As of August 28, 2016, the total amount outstanding is \$Nil (August 30, 2015 - \$Nil).

8. Accounts payable and accrued liabilities

Included in accounts payable and accrued liabilities are government remittances of \$68,125 (August 30, 2015 - \$110,352).

The Arts Club Group

Notes to the Consolidated Financial Statements

August 28, 2016

9. Deferred contributions

Deferred contributions represent government contributions received in the current year that are related to the subsequent year. These funds are externally restricted for operating funding. Changes in the deferred contributions balance are as follows:

	<u>August 28, 2016</u>	<u>August 30, 2015</u>
Balance, beginning of year	\$ 591,000	\$ 404,000
Amount received in the fiscal year	968,307	1,140,823
Amount recognized as revenue in the year	<u>(947,057)</u>	<u>(953,823)</u>
Balance, end of year	<u>\$ 612,250</u>	<u>\$ 591,000</u>

10. Deferred capital contributions

Deferred capital contributions represent restricted grants and other funding received for the purchase of equipment relating to the implementation of the Tessitura Arts Enterprise software, repairs to the Granville Island Stage and furniture purchased for the BMO Theatre. The capital contributions are amortized with the corresponding capital purchase. The amortization of capital contributions is recorded within the statement of operations.

	<u>August 28, 2016</u>	<u>August 30, 2015</u>
Tessitura Arts Enterprise software		
Balance, beginning of year	\$ 24,420	\$ 39,700
Less amortization	<u>(15,280)</u>	<u>(15,280)</u>
Balance, end of year	<u>9,140</u>	<u>24,420</u>
Granville Island Stage		
Balance, beginning of year	983,997	1,088,191
Amounts received in the year	2,500	70,559
Less amortization	<u>(170,955)</u>	<u>(174,753)</u>
Balance, end of year	<u>815,542</u>	<u>983,997</u>
BMO Theatre Centre Furnishings		
Balance, beginning of year	-	-
Amounts received in the year	10,550	-
Less amortization	<u>(1,583)</u>	<u>-</u>
Balance, end of year	<u>8,967</u>	<u>-</u>
Total	<u>\$ 833,649</u>	<u>\$ 1,008,417</u>

The Arts Club Group

Notes to the Consolidated Financial Statements

August 28, 2016

11. Related party transactions

During the year the Group paid \$280,000 (August 30, 2015 - \$115,000) in rent to the Arts Club of Vancouver Theatre Foundation ("Foundation") (a related party under common control) for the use of the Stanley Theatre and the BMO Theatre Centre. In turn, the Foundation contributed to the Society an amount generated by net investment earnings and rental income earned from the Group. The amount that was received by the Group totalled \$378,000 (August 30, 2015 - \$195,000).

During the year, the Group received \$Nil (August 30, 2015 - \$1,800,000) from the Department of Canadian Heritage for the BMO Theatre Centre.

During the year, the Group received \$304,597 (August 30, 2015 - \$352,117) in capital contributions for the BMO Theatre Centre and transferred these to the Foundation.

12. Due from Bard on the Beach Theatre Society	August 28, 2016	August 30, 2015
Promissory note receivable	\$ 499,801	\$ -

The promissory note arising from the BMO Theatre Centre Project is receivable on demand. The note is unsecured and bears interest at prime plus 1%. For the year ended August 28, 2016 the Group charged interest at 3.7% (August 30, 2015 – 0%).

13. Due to The Arts Club of Vancouver Theatre Foundation	August 28, 2016	August 30, 2015
Promissory note payable	\$ 499,801	\$ -
Non-interest bearing loan	14,258	16,855
	\$ 514,059	\$ 16,855

The promissory note payable and non-interest bearing loan are both payable on demand. The promissory note arising from the BMO Theatre Centre Project is unsecured and bears interest at prime plus 1%. For the year ended August 28, 2016 the Foundation charged interest at 3.7% (August 30, 2015 – 0%).

The Arts Club Group

Notes to the Consolidated Financial Statements

August 28, 2016

14. Commitments

(a) BMO Theatre Centre

In September 2014, the Group entered into a joint venture with the Foundation, Bard on the Beach Theatre Society ("Bard") and The Arts Club and Bard Project Company Ltd. ("Bartco"). The purpose of the joint venture was to design and construct improvements to the property located at 162 West 1st Avenue, Vancouver, BC. The Group committed to a fundraising agreement with Bard whereby both parties were responsible for fundraising to cover the total capital costs of approximately \$13.4 million. When the construction of the non-theatre space was completed in August 2016, the Group entered into a premises rental agreement with the Foundation. The annual rent for the first five years is \$165,000 per annum payable in advance. The Group and Bard allocate operating expenses in shared spaces in accordance with an operating management agreement.

- (b) The Group has a lease agreement for land and buildings located on Granville Island from the Canada Mortgage and Housing Corporation ("CMHC"). The lease term expires in February 2019 with an annual rental fee of \$70,491. The agreement provides for an option to renew the lease for ten years at rents to be negotiated.

The Group and CMHC mutually agreed that the Revue Stage, known as Building 6, would be surrendered to CMHC as landlord on or before January 1, 2016. In consideration of the surrender, CMHC has agreed to pay the Group \$525,000. The balance of \$525,000 is currently classified as accounts receivable as it had not been received as of August 28, 2016.

In addition, the Group leases storage space for production materials on a year to year basis.

The Group's future minimum lease payments before the partial surrender of Building 6 to CMHC are as follows:

	CMHC	Other	Total
2017	\$ 75,030	\$ 30,948	\$ 105,978
2018	75,030	30,948	105,978
2019	37,515	10,316	47,831
	<u>\$ 187,575</u>	<u>\$ 72,212</u>	<u>\$ 259,787</u>

- (c) Certain short-term investments have been pledged as security for letters of guarantee for certain suppliers in the amount of \$99,000 (August 30, 2015 - \$109,000).

15. The Arts Club of Vancouver Endowment Fund

By an agreement dated March 15, 1984, the Group formed a permanent endowment fund with the Vancouver Foundation whereby the capital of the fund is held permanently by the Vancouver Foundation and the Group receives the annual income from the fund. As the capital is not available to the Group, the Vancouver Foundation endowment fund is not included as assets of the Group in these financial statements. In the Vancouver Foundation's last reporting period ended June 30, 2016, the endowment fund's book value was \$896,795 (June 30, 2015 - \$896,795) and market value was \$1,300,320 (June 30, 2015 - \$1,291,163).

During the year, the Group received income in the amount of \$ 46,684 (August 30, 2015 - \$45,669), which is reported as private sector fundraising revenue in these financial statements.

The Arts Club Group

Notes to the Consolidated Financial Statements

August 28, 2016

16. Financial instruments risk exposure and management

The carrying amount of financial assets measured at amortized cost is \$4,922,184 as at August 28, 2016 (August 30, 2015 - \$3,993,461).

The carrying amount of financial liabilities measured at amortized cost is \$943,689 as at August 28, 2016 (August 30, 2015 - \$607,913).

Credit risk

The Group is exposed to the risk that a counterparty defaults or becomes insolvent. Financial instruments that potentially subject the Group to concentrations of credit risk are accounts receivable and short-term investments. Management believes that the Group does not have significant credit risk.

Liquidity risk

Liquidity risk is the risk that the Group cannot meet a demand for cash or fund its obligations as they come due. Maximum exposure to liquidity risk is \$943,689 as at August 28, 2016 (August 30, 2015 - \$607,913). The Group retains sufficient cash positions to maintain liquidity. In addition, a line of credit is available in the amount of \$5,000 (Note 7).

17. Controlled organization

The Arts Club of Vancouver Theatre Foundation is incorporated under the British Columbia Society Act and is a registered charity under the Income Tax Act. The constitution of the Foundation requires that one third of its board of directors also be directors of the Arts Club. The purpose of the Foundation is to solicit and receive funds from the community. All resources of the Foundation are for the funding of the Arts Club. The Foundation follows the deferral method of accounting for contributions.

The Group does not combine the financial information of the Foundation in these financial statements.

The financial information of the Foundation is presented below:

The Arts Club of Vancouver Theatre Foundation statement of financial position

	August 31, 2016	August 31, 2015
Assets	\$ 16,349,950	\$ 14,229,541
Liabilities	9,922,622	8,103,534
Net assets		
Endowments	5,004,758	5,055,281
Stanley Theatre Legacy Fund	135,000	135,000
Unrestricted	1,287,570	935,726
	6,427,328	6,126,007
	\$ 16,349,950	\$ 14,229,541

The Arts Club Group

Notes to the Consolidated Financial Statements

August 28, 2016

17. Controlled organization (continued)

The Arts Club of Vancouver Theatre Foundation statement of operations and changes in net assets

	Year ended August 31, 2016	Year ended August 31, 2015
Revenue	\$ 1,214,730	\$ 274,706
Expenses	933,409	320,143
Excess (deficiency) of revenue over expenses	\$ 281,321	\$ (45,437)
Net assets, beginning of year	\$ 6,126,007	\$ 5,928,930
Excess (deficiency) of revenue over expenses	281,321	(45,437)
Endowment contributions	20,000	242,514
Net assets, end of year	\$ 6,427,328	\$ 6,126,007

The Arts Club Group

Consolidated Schedule of Private Sector Fundraising, Public Sector Grants and Sundry

Year ended August 28, 2016 (with comparative figures for the year ended August 30, 2015)	August 28, 2016	August 30, 2015
Private sector fundraising		
Sponsorships	\$ 1,062,969	\$ 1,022,337
Private donations	709,688	571,053
Contributions for BMO Theatre Centre	304,597	352,117
Special events	169,834	199,371
Foundation donations	108,419	120,721
Corporate donations	152,774	104,850
Gaming revenue	54,000	54,000
	<u>\$ 2,562,281</u>	<u>\$ 2,424,449</u>
Public sector grants		
Department of Canadian Heritage - BMO Theatre Centre	\$ -	\$ 1,800,000
The Canada Council	384,000	384,000
British Columbia Arts Council	345,000	350,000
City of Vancouver	160,000	160,000
Other	4,057	5,823
	<u>\$ 893,057</u>	<u>\$ 2,699,823</u>
Sundry		
Contribution from The Arts Club of Vancouver Theatre Foundation (Note 11)	\$ 378,000	\$ 195,000
Other	215,002	188,395
Interest and other investment income	20,337	45,669
	<u>\$ 613,339</u>	<u>\$ 429,064</u>

The Arts Club Group

Consolidated Schedule of Direct Expenses

Year ended August 28, 2016 (with comparative figures for
the year ended August 30, 2015)

August 28,
2016

August 30,
2015

Productions		
Salaries and benefits		
Crew	\$ 1,590,661	\$ 1,527,336
Actors	1,313,800	1,155,784
Royalties	742,693	787,326
Designer and musician fees	526,084	494,894
Supplies and materials	314,145	309,990
Guarantees	150,408	121,909
Director fees	145,369	104,657
Travel and touring	47,956	87,272
Delivery and freight	8,476	19,588
Theatre rental	5,918	6,124
	<u>\$ 4,845,510</u>	<u>\$ 4,614,880</u>
Touring expenses		
Salaries and benefits		
Crew	\$ 164,412	\$ 142,017
Actors	129,251	122,426
Marketing	79,192	71,049
Royalties and guarantees	69,137	60,508
Theatre rental	46,729	49,682
Travel and touring	39,571	39,957
Designer and musician fees	29,280	66,733
Supplies and materials	22,104	21,519
Delivery and freight	17,050	16,872
Director fees	13,733	25,215
	<u>\$ 610,459</u>	<u>\$ 615,978</u>
Season ticket campaign		
Advertising and printing	\$ 437,302	\$ 361,256
Telemarketing	129,600	211,618
General	3,440	6,889
	<u>\$ 570,342</u>	<u>\$ 579,763</u>
Box office		
Salaries and benefits	\$ 462,473	\$ 467,134
General	55,560	57,577
Ticket printing	4,276	22,631
	<u>\$ 522,309</u>	<u>\$ 547,342</u>
Front of house		
Salaries and benefits	\$ 221,672	\$ 233,222
Supplies and materials	29,192	47,521
	<u>\$ 250,864</u>	<u>\$ 280,743</u>

The Arts Club Group

Consolidated Schedule of Overhead Expenses

Year ended August 28, 2016 (with comparative figures for the year ended August 30, 2015)

	August 28, 2016	August 30, 2015
Production		
Salaries and benefits	\$ 978,530	\$ 952,537
General (including ReACT)	165,321	179,934
Supplies and materials	54,268	39,833
Delivery and freight	15,940	10,872
Repairs and maintenance	9,634	17,201
	<u>\$ 1,223,693</u>	<u>\$ 1,200,377</u>
Administrative & Volunteers		
Salaries and benefits	\$ 604,578	\$ 574,306
Bank and credit card charges	263,701	231,155
Office and general	197,833	205,295
Equipment rental and maintenance	48,580	52,502
Professional fees	32,243	31,498
	<u>\$ 1,146,935</u>	<u>\$ 1,094,756</u>
Premises		
Rent	\$ 359,667	\$ 230,149
Utilities	170,263	158,601
Janitorial	154,174	114,483
Insurance	134,294	87,868
Salaries and benefits	84,694	55,558
Repairs and maintenance	59,255	54,675
Property taxes	47,086	52,874
General	3,487	2,434
	<u>\$ 1,012,920</u>	<u>\$ 756,642</u>
Private sector fundraising		
Salaries	\$ 315,942	\$ 314,802
Printing, postage, donor recognition and other	348,961	211,720
Special events expenses	46,564	53,998
	<u>\$ 711,467</u>	<u>\$ 580,520</u>
Marketing		
Salaries and benefits	\$ 488,154	\$ 463,668
General	164,163	169,594
	<u>\$ 652,317</u>	<u>\$ 633,262</u>
Education		
Salaries	\$ 55,815	\$ 35,263
Program supplies	1,683	23
	<u>\$ 57,498</u>	<u>\$ 35,286</u>