



Financial Statements

Alberta Ballet Company

June 30, 2014

Independent Auditor's Report

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To the Board of Directors of
Alberta Ballet Company

We have audited the accompanying financial statements of the *Alberta Ballet Company* (the “Company”), which comprise the statement of financial position as at June 30, 2014 and the statements of operations, changes in fund balances 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 judgment, 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 Company'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 the Company'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 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 the Alberta Ballet Company as at June 30, 2014 and its financial performance and its cash flows for the year then ended in accordance with Canadian Accounting Standards for Not-for-Profit Organizations.

Calgary, Alberta
October 3, 2014

Grant Thornton LLP
Chartered Accountants

Alberta Ballet Company

Statement of Operations

Year Ended June 30

2014

2013

Revenues

Performance	\$ 5,542,052	\$ 5,157,794
Government grants	2,071,987	2,104,209
Donations	1,165,708	1,760,721
Sponsorship	930,250	903,250
Fundraising events	105,878	579,274
Tuition	1,976,264	1,678,175
School residence	570,609	491,241
Merchandising	210,355	175,843
Amortization of deferred capital contributions (Note 10)	69,144	66,633
Other	79,828	81,877
GST recovered	<u>117,306</u>	<u>109,356</u>
	<u>12,839,381</u>	<u>13,108,373</u>

Expenses

Personnel	5,924,251	5,552,637
Performance	3,244,935	2,728,860
Administration	1,143,344	1,114,926
Facilities	1,220,609	1,079,059
Marketing	1,060,188	1,050,030
Amortization (Note 3 and Note 4)	570,093	613,467
Fundraising and development	186,620	465,231
Artistic and creations	343,884	119,120
Merchandising	125,551	117,318
Bad debts and loss on foreign exchange	29,367	8,832
(Recovery) allowance against investment in preferred shares (Note 8)	-	(39,385)
Non-recoverable GST	<u>132,494</u>	<u>134,749</u>
	<u>13,981,336</u>	<u>12,944,844</u>
(Deficiency) excess of revenues over expenses	<u>\$ (1,141,955)</u>	<u>\$ 163,529</u>

The accompanying notes are an integral part of these financial statements.

Alberta Ballet Company

Statement of Changes in Fund Balances

Year Ended June 30

	<u>Operating</u>	<u>Externally Restricted Funds</u>	<u>Internally Restricted Funds</u>	<u>Total 2014</u>	<u>Total 2013</u>
Fund balances, beginning of year	\$ 217,213	\$ 8,752	\$ 993,977	\$ 1,219,942	\$ 1,056,277
(Deficiency) excess of revenues over expenses	(1,141,955)	-	-	(1,141,955)	163,529
Interest earned by restricted fund (Note 11)	-	-	137	137	136
Fund balances, end of year (Note 11)	\$ <u>(924,742)</u>	\$ <u>8,752</u>	\$ <u>994,114</u>	\$ <u>78,124</u>	\$ <u>1,219,942</u>

The accompanying notes are an integral part of these financial statements.

Alberta Ballet Company

Statement of Financial Position

June 30	2014	2013
Assets		
Current		
Cash and cash equivalents	\$ 145,355	\$ 1,162,579
Short term investments	538,351	537,464
Receivables	327,208	260,079
Grants receivable	255,187	186,084
Prepaid expenses	800,953	431,155
Other assets	<u>357,044</u>	<u>298,429</u>
	2,424,098	2,875,790
Investment in preferred shares (Note 8)	-	-
Other long term investments	8,752	8,752
Long term receivables	39,045	39,045
Leasehold improvements and equipment (Note 3)	1,351,220	1,110,340
Capitalized artistic creations (Note 4)	<u>723,474</u>	<u>855,359</u>
	\$ 4,546,589	\$ 4,889,286
Liabilities		
Current		
Bank indebtedness (Note 13)	\$ 187,927	\$ -
Payables and accruals (Note 6)	557,587	400,267
Deferred revenue (Note 7)	3,249,969	2,732,409
Deferred contributions (Note 8)	<u>-</u>	<u>-</u>
	3,995,483	3,132,676
Deferred stabilization grant (Note 9)	85,023	85,023
Deferred donations	5,000	5,000
Deferred capital contributions (Note 10)	<u>382,959</u>	<u>446,645</u>
	4,468,465	3,669,344
Fund balances		
Externally restricted (Note 11)	8,752	8,752
Internally restricted (Note 11)	994,114	993,977
Operating	<u>(924,742)</u>	<u>217,213</u>
	78,124	1,219,942
	\$ 4,546,589	\$ 4,889,286

Commitments and contingencies (Note 13)

On behalf of the Board

Martin Bragg,
Executive Director

Jeff Fortin,
Chair, Audit Committee

The accompanying notes are an integral part of these financial statements.

Alberta Ballet Company

Statement of Cash Flows

Year Ended June 30

2014

2013

(Decrease) increase in cash and cash equivalents

Operating

(Deficiency) excess of revenues over expenses	\$ (1,141,955)	\$ 163,529
Amortization	570,093	613,467
Amortization of deferred capital contributions	(69,144)	(66,633)
Net change in non-cash operating working capital	<u>109,520</u>	<u>(43,050)</u>
	<u>(531,486)</u>	<u>667,313</u>

Funding and investing activities

Increase in other investments	(887)	(1,646)
Capital contributions received	5,458	291,469
Interest earned in Restricted Fund	137	136
Purchase of leasehold improvements and equipment	(472,480)	(381,413)
Purchase of capitalized artistic creations	<u>(205,893)</u>	<u>(382,014)</u>
	<u>(673,665)</u>	<u>(473,468)</u>

Net (decrease) increase in cash and cash equivalents (1,205,151) 193,845

(Bank indebtedness) cash and cash equivalents,

Beginning of year	<u>1,162,579</u>	<u>968,734</u>
End of year	\$ <u>(42,572)</u>	\$ <u>1,162,579</u>

Cash and cash equivalents are comprised of:

Cash and cash equivalents	\$ 145,355	\$ 1,162,579
Bank indebtedness	<u>(187,927)</u>	<u>-</u>
	<u>\$ (42,572)</u>	<u>\$ 1,162,579</u>

The accompanying notes are an integral part of these financial statements.