



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

September 3, 2017

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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 September 3, 2017 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 September 3, 2017 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 27, 2017



Chartered Professional Accountants

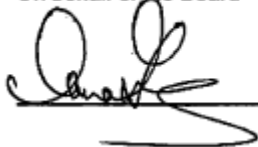
The Arts Club Group

Consolidated Statement of Financial Position

	September 3, 2017	August 28, 2016
Assets		
Current		
Cash	\$ 3,269,138	\$ 2,053,569
Short-term investments (Notes 3 and 15(c))	2,227,091	1,713,932
Accounts receivable	188,235	654,882
Inventory	74,453	72,088
Prepaid expenses	685,436	671,520
Due from Bard on the Beach Theatre Society (Note 12)	<u>329,537</u>	<u>499,801</u>
	6,773,890	5,665,792
Property and equipment (Note 5)	1,790,599	1,989,791
Intangible assets (Note 6)	<u>160,272</u>	<u>241,431</u>
	\$ 8,724,761	\$ 7,897,014
Liabilities		
Current		
Accounts payable and accrued liabilities (Note 8 and 14)	\$ 612,170	\$ 429,630
Deferred revenue and sponsorships	4,911,336	4,225,232
Deferred contributions (Note 9)	616,280	612,250
Due to The Arts Club of Vancouver Theatre Foundation (Note 13)	<u>329,537</u>	<u>514,059</u>
	6,469,323	5,781,171
Deferred capital contributions (Note 10)	<u>653,209</u>	<u>833,649</u>
	7,122,532	6,614,820
Net assets (Page 5)		
Internally restricted (Note 4)	364,500	364,500
Unrestricted	<u>1,237,729</u>	<u>917,694</u>
	1,602,229	1,282,194
	\$ 8,724,761	\$ 7,897,014

Commitments (Note 15)

On behalf of the Board



Director



Director

The Arts Club Group

Consolidated Statement of Operations

Year ended September 3, 2017 (with comparative figures for the year ended August 28, 2016)

September 3,
2017

August 28,
2016

Earned revenue		
Box office	\$ 9,054,600	\$ 8,152,045
Bar operations	1,534,077	1,319,153
Touring	593,017	591,342
Rental	210,617	181,448
	<u>11,392,311</u>	<u>10,243,988</u>
Other income		
Private sector fundraising (Schedule 1)	2,883,818	2,562,281
Public sector grants (Schedule 1)	917,082	893,057
Sundry (Schedule 1)	688,440	613,339
Facility fees	374,456	346,226
	<u>4,863,796</u>	<u>4,414,903</u>
Total revenue	<u>16,256,107</u>	<u>14,658,891</u>
Direct expenses		
Productions (Schedule 2)	4,553,879	4,845,510
Marketing and promotions	1,711,459	1,380,127
Bar operations salaries and benefits	660,525	606,298
Season ticket campaign (Schedule 2)	608,641	570,342
Box office (Schedule 2)	558,605	522,309
Touring expenses (Schedule 2)	551,051	610,459
Bar operations cost of sales	470,233	398,991
Front of house (Schedule 2)	289,651	250,864
Other bar operations expenses	224,145	174,899
Rental expenses	98,981	89,255
	<u>9,727,170</u>	<u>9,449,054</u>
Overhead expenses		
Administrative (Schedule 3)	1,364,577	1,146,935
Production (Schedule 3)	1,187,708	1,223,693
Premises (Schedule 3)	1,081,003	1,012,920
Private sector fundraising (Schedule 3)	724,370	711,467
Marketing (Schedule 3)	676,277	652,317
Education (Schedule 3)	229,912	57,498
	<u>5,263,847</u>	<u>4,804,830</u>
Contributions to The Arts Club of Vancouver Theatre Foundation for BMO Theatre Centre and for Endowment Fund (Note 11)	598,424	304,597
Total expenses	<u>15,589,441</u>	<u>14,558,481</u>
Excess of revenue over expenses before amortization and other items	666,666	100,410
Gain on disposal of Revue Stage	-	411,349
Excess of revenue over expenses before amortization	666,666	511,759
Amortization	(527,071)	(536,627)
Amortization of deferred capital contributions	180,440	187,818
Excess of revenue over expenses	<u>\$ 320,035</u>	<u>\$ 162,950</u>

See accompanying notes and schedules to the consolidated financial statements.

The Arts Club Group

Consolidated Statement of Changes in Net Assets

Year ended September 3, 2017

	Internally Restricted	Unrestricted	September 3, 2017 Total	August 28, 2016 Total
	(Note 4)			
Balance, beginning of year	\$ 364,500	\$ 917,694	\$ 1,282,194	\$ 1,119,244
Excess of revenue over expenses	-	320,035	320,035	162,950
Balance, end of year	\$ 364,500	\$ 1,237,729	\$ 1,602,229	\$ 1,282,194

The Arts Club Group

Consolidated Statement of Cash Flows

Year ended September 3, 2017 (with comparative figures for the year ended August 28, 2016)

September 3,
2017

August 28,
2016

Cash derived from (applied to)

Operating

Excess of revenue over expenses	\$ 320,035	\$ 162,950
Items not involving cash		
Amortization	527,071	536,627
Amortization of deferred capital contributions	(180,440)	(187,818)
Gain on disposal of Revue Stage	-	(411,349)
	<u>666,666</u>	<u>100,410</u>
Change in non-cash operating working capital		
Accounts receivable	466,647	(81,778)
Inventory	(2,365)	(6,399)
Prepaid expenses	(13,916)	(351,144)
Accounts payable and accrued liabilities	182,540	(161,428)
Deferred revenue and sponsorships	686,104	464,607
Deferred contributions	4,030	21,250
	<u>1,989,706</u>	<u>(14,482)</u>

Investing

(Increase) decrease in short-term investments	(513,159)	16,589
Property and equipment acquisitions	(246,720)	(144,113)
Property and equipment dispositions	-	31,491
Intangible asset acquisitions	-	(61,205)
	<u>(759,879)</u>	<u>(157,238)</u>

Financing

Due from Bard on the Beach Theatre Society	170,264	(499,801)
Due to The Arts Club of Vancouver Theatre Foundation	(184,522)	497,204
Deferred capital contributions	-	13,050
	<u>(14,258)</u>	<u>10,453</u>

Increase (decrease) in cash and cash equivalents	1,215,569	(161,267)
Cash and cash equivalents, beginning of year	<u>2,053,569</u>	<u>2,214,836</u>
Cash and cash equivalents, end of year	<u>\$ 3,269,138</u>	<u>\$ 2,053,569</u>

The Arts Club Group

Notes to the Consolidated Financial Statements

September 3, 2017

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

September 3, 2017

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 \$1,093,309 (August 28, 2016 - \$842,159), 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

September 3, 2017

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.

3. Short-term investments	September 3, 2017	August 28, 2016
Term deposits, with average yield of .90% to 1.06% (2016 - 1.05% to 1.20%)	\$ 2,227,091	\$ 1,713,932

4. Internally restricted net assets	September 3, 2017	August 28, 2016
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

September 3, 2017

5. Property and equipment

	September 3, 2017		
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>
Lounge furniture and equipment	\$ 425,905	\$ 380,658	\$ 45,247
Theatre equipment	467,962	410,066	57,896
Furniture and equipment	1,306,788	928,925	377,863
Computer equipment	904,432	797,696	106,736
Vehicles	64,181	23,630	40,551
Leasehold improvements	5,145,566	3,983,260	1,162,306
	<u>\$ 8,314,834</u>	<u>\$ 6,524,235</u>	<u>\$ 1,790,599</u>
			<u>August 28, 2016</u>
	<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>

The Arts Club Group

Notes to the Consolidated Financial Statements

September 3, 2017

6. Intangible assets

			September 3, 2017
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>
Tessitura Arts Enterprise software	\$ 582,862	\$ 565,446	\$ 17,416
On-line Purchase Path Software	<u>238,094</u>	<u>95,238</u>	<u>142,856</u>
	<u>\$ 820,956</u>	<u>\$ 660,684</u>	<u>\$ 160,272</u>
			<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>

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 September 3, 2017, the total amount outstanding is \$Nil (August 28, 2016 - \$Nil).

8. Accounts payable and accrued liabilities

Included in accounts payable and accrued liabilities are government remittances of \$106,238 (August 28, 2016 - \$68,125).

The Arts Club Group

Notes to the Consolidated Financial Statements

September 3, 2017

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>September 3, 2017</u>	<u>August 28, 2016</u>
Balance, beginning of year	\$ 612,250	\$ 591,000
Amount received in the fiscal year	968,280	968,307
Amount recognized as revenue in the year	<u>(964,250)</u>	<u>(947,057)</u>
Balance, end of year	<u>\$ 616,280</u>	<u>\$ 612,250</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>September 3, 2017</u>	<u>August 28, 2016</u>
Tessitura Arts Enterprise software		
Balance, beginning of year	\$ 9,140	\$ 24,420
Less amortization	<u>(8,140)</u>	<u>(15,280)</u>
Balance, end of year	<u>1,000</u>	<u>9,140</u>
Granville Island Stage		
Balance, beginning of year	815,542	983,997
Amounts received in the year	-	2,500
Less amortization	<u>(170,955)</u>	<u>(170,955)</u>
Balance, end of year	<u>644,587</u>	<u>815,542</u>
BMO Theatre Centre Furnishings		
Balance, beginning of year	8,967	-
Amounts received in the year	-	10,550
Less amortization	<u>(1,345)</u>	<u>(1,583)</u>
Balance, end of year	<u>7,622</u>	<u>8,967</u>
Total	<u>\$ 653,209</u>	<u>\$ 833,649</u>

The Arts Club Group

Notes to the Consolidated Financial Statements

September 3, 2017

11. Related party transactions

During the year the Group paid \$280,000 (August 28, 2016 - \$280,000) 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 \$393,000 (August 28, 2016 - \$378,000).

During the year, the Group received \$262,824 (August 28, 2016 - \$304,597) in capital contributions for the BMO Theatre Centre and transferred these to the Foundation.

During the year, the Group made contributions to the Endowment Fund amounting to \$350,600 (2016 - \$ 10,000).

12. Due from Bard on the Beach Theatre Society	September 3, 2017	August 28, 2016
Promissory note receivable	\$ 329,537	\$ 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 September 3, 2017 the Group charged interest at 3.7% (August 28, 2016 – 3.7%).

13. Due to The Arts Club of Vancouver Theatre Foundation	September 3, 2017	August 28, 2016
Promissory note payable	\$ 329,537	\$ 499,801
Non-interest bearing loan	-	14,258
	\$ 329,537	\$ 514,059

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 September 3, 2017 the Foundation charged interest at 3.7% (August 28, 2016 – 3.7%).

14. Due to The Arts Club and Bard Project Company Ltd. ("Bartco.")

As at September 3, 2017 a donation in the amount of \$8,333 (2016 \$Nil) arising from the BMO Theatre Centre Project was payable by the Group to Bartco. The donation payable is unsecured and non-interest bearing.

The Arts Club Group

Notes to the Consolidated Financial Statements

September 3, 2017

15. 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.

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
2018	75,158	29,440	104,598
2019	37,579	9,813	47,392
	<u>\$ 112,737</u>	<u>\$ 39,253</u>	<u>\$ 151,990</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 28, 2016 - \$99,000).

16. 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, 2017, the endowment fund's book value was \$896,795 (June 30, 2016 - \$896,795) and market value was \$1,380,723 (June 30, 2016 - \$1,300,320).

During the year, the Group received income in the amount of \$ 48,840 (August 28, 2016 - \$46,684), which is reported as private sector fundraising revenue in these financial statements.

The Arts Club Group

Notes to the Consolidated Financial Statements

September 3, 2017

17. Financial instruments risk exposure and management

The carrying amount of financial assets measured at amortized cost is \$6,014,001 as at September 3, 2017 (August 28, 2016 - \$4,922,184).

The carrying amount of financial liabilities measured at amortized cost is \$941,707 as at September 3, 2016 (August 28, 2016 - \$943,689).

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 \$941,707 as at September 3, 2017 (August 28, 2016 - \$943,689). 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).

18. 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, 2017	August 31, 2016
Assets	\$ 16,249,711	\$ 16,349,950
Liabilities	9,384,171	9,922,622
Net assets		
Endowments	5,502,024	5,004,758
Stanley Theatre Legacy Fund	135,000	135,000
Unrestricted	1,228,516	1,287,570
	6,865,540	6,427,328
	\$ 16,249,711	\$ 16,349,950

The Arts Club Group

Notes to the Consolidated Financial Statements

September 3, 2017

18. Controlled organization (continued)

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

	Year ended August 31, 2017	Year ended August 31, 2016
Revenue	\$ 956,772	\$ 1,214,730
Expenses	882,626	933,409
Excess of revenue over expenses	\$ 74,146	\$ 281,321
Net assets, beginning of year	\$ 6,427,328	\$ 6,126,007
Excess of revenue over expenses	74,146	281,321
Endowment contributions	364,066	20,000
Net assets, end of year	\$ 6,865,540	\$ 6,427,328

19. Disclosure required under Societies Act

On November 28, 2016 the Societies Act of British Columbia came to force. Included in the new Act is a requirement to disclose the remuneration paid to all directors, the ten highest paid employees and all contractors who are paid at least \$75,000 annually.

During the year, the Group paid \$1,047,962 in remuneration to 10 employees whose remuneration, during the applicable period was at least \$75,000 each. The Group did not pay any remuneration to directors. There were no contractors who were paid at least \$75,000.

The Arts Club Group

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

Year ended September 3, 2017 (with comparative figures for the year ended August 28, 2016)

	September 3, 2017	August 28, 2016
Private sector fundraising		
Sponsorships	\$ 1,352,159	\$ 1,062,969
Private donations	768,323	709,688
Contributions for BMO Theatre Centre	262,824	304,597
Special events	173,964	169,834
Corporate donations	166,208	152,774
Foundation donations	106,340	108,419
Gaming revenue	54,000	54,000
	<u>\$ 2,883,818</u>	<u>\$ 2,562,281</u>
Public sector grants		
The Canada Council	\$ 384,000	\$ 384,000
British Columbia Arts Council	345,000	345,000
City of Vancouver	160,000	160,000
Other	28,082	4,057
	<u>\$ 917,082</u>	<u>\$ 893,057</u>
Sundry		
Contribution from The Arts Club of Vancouver Theatre Foundation (Note 11)	\$ 393,000	\$ 378,000
Other	283,628	215,002
Interest and other investment income	11,812	20,337
	<u>\$ 688,440</u>	<u>\$ 613,339</u>

The Arts Club Group

Consolidated Schedule of Direct Expenses

Year ended September 3, 2017 (with comparative figures for the year ended August 28, 2016)	September 3, 2017	August 28, 2016
Productions		
Salaries and benefits		
Crew	\$ 1,565,169	\$ 1,590,661
Actors	935,367	1,313,800
Royalties	942,133	742,693
Designer and musician fees	434,592	526,084
Supplies and materials	328,892	314,145
Director fees	162,102	145,369
Guarantees	94,000	150,408
Travel and touring	72,603	47,956
Delivery and freight	12,954	8,476
Theatre rental	6,067	5,918
	<u>\$ 4,553,879</u>	<u>\$ 4,845,510</u>
Season ticket campaign		
Advertising and printing	\$ 436,222	\$ 437,302
Telemarketing	170,871	129,600
General	1,548	3,440
	<u>\$ 608,641</u>	<u>\$ 570,342</u>
Box office		
Salaries and benefits	\$ 452,311	\$ 462,473
General	101,237	55,560
Ticket printing	5,057	4,276
	<u>\$ 558,605</u>	<u>\$ 522,309</u>
Touring expenses		
Salaries and benefits		
Crew	\$ 143,042	\$ 164,412
Actors	85,568	129,251
Designer and musician fees	80,945	29,280
Royalties and guarantees	67,445	69,137
Marketing	63,459	79,192
Theatre rental	49,404	46,729
Travel and touring	23,450	39,571
Supplies and materials	13,755	22,104
Delivery and freight	13,274	17,050
Director fees	10,709	13,733
	<u>\$ 551,051</u>	<u>\$ 610,459</u>
Front of house		
Salaries and benefits	\$ 252,916	\$ 221,672
Supplies and materials	36,735	29,192
	<u>\$ 289,651</u>	<u>\$ 250,864</u>

The Arts Club Group

Consolidated Schedule of Overhead Expenses

Year ended September 3, 2017 (with comparative figures for the year ended August 28, 2016) **September 3, 2017** August 28, 2016

Administrative & Volunteers		
Salaries and benefits	\$ 640,849	\$ 604,578
Bank and credit card charges	307,561	263,701
Office and general	290,941	197,833
Professional fees	73,816	32,243
Equipment rental and maintenance	51,410	48,580
	\$ 1,364,577	\$ 1,146,935
Production		
Salaries and benefits	\$ 1,009,796	\$ 978,530
General (including ReACT)	102,360	165,321
Supplies and materials	41,765	54,268
Delivery and freight	21,730	15,940
Repairs and maintenance	12,057	9,634
	\$ 1,187,708	\$ 1,223,693
Premises		
Rent	\$ 323,028	\$ 359,667
Utilities	206,555	170,263
Janitorial	199,555	154,174
Insurance	114,003	134,294
Repairs and maintenance	100,191	59,255
Salaries and benefits	86,249	84,694
Property taxes	42,802	47,086
General	8,620	3,487
	\$ 1,081,003	\$ 1,012,920
Private sector fundraising		
Salaries	\$ 344,279	\$ 315,942
Printing, postage, donor recognition and other	338,460	348,961
Special events expenses	41,631	46,564
	\$ 724,370	\$ 711,467
Marketing		
Salaries and benefits	\$ 497,443	\$ 488,154
General	178,834	164,163
	\$ 676,277	\$ 652,317
Education		
Salaries	\$ 126,225	\$ 55,815
Program supplies	103,687	1,683
	\$ 229,912	\$ 57,498