

**THE WINNIPEG CENTENNIAL FOLK FESTIVAL INC.**  
**FINANCIAL STATEMENTS**  
**JANUARY 31, 2014**

## INDEPENDENT AUDITORS' REPORT

To the Members of  
The Winnipeg Centennial Folk Festival Inc.

### Report on the Financial Statements

We have audited the accompanying financial statements of The Winnipeg Centennial Folk Festival Inc., which comprise the statement of financial position as at January 31, 2014 and the statements of operations, changes in net assets and cash flow 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 the 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 the 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 entity'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 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 financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

### Basis for Qualified Opinion

In common with many charitable organizations, the organization derives revenue from donations and fundraising, which were not susceptible to complete audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the organization and we were not able to determine whether any adjustments might be necessary to donations and fundraising revenue, excess revenue, deferred revenue, deferred contributions, deferred capital contributions and net assets.

### Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of The Winnipeg Centennial Folk Festival Inc. as at January 31, 2014, and results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

May 7, 2014  
Winnipeg, Canada



Magnus Chartered Accountants LLP

**THE WINNIPEG CENTENNIAL FOLK FESTIVAL INC.**

Statement of Financial Position

January 31, 2014

	2014	2013
<b>Assets</b>		
Current assets:		
Cash	\$ 303,844	\$ 699,399
Short term investments (Note 3)	110,283	215,244
Accounts receivable (Note 4)	519,470	263,620
Inventory (Note 5)	103,531	115,657
Prepaid expenses	56,444	26,342
	<u>1,093,572</u>	<u>1,320,262</u>
Capital assets (Note 6)	5,149,059	4,101,995
	<u>\$ 6,242,631</u>	<u>\$ 5,422,257</u>
<b>Liabilities and Net Assets</b>		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 166,083	\$ 150,766
Government remittances payable	9,623	5,371
Deferred revenue	404,549	306,817
Current portion of long term debt	9,200	8,800
	<u>589,455</u>	<u>471,754</u>
Long term debt (Note 8)	255,026	263,850
Deferred contributions (Note 9)	40,000	40,000
Deferred capital contributions (Note 10)	3,108,061	2,456,727
	<u>3,992,542</u>	<u>3,232,331</u>
Net assets:		
Invested in capital assets (Note 11)	1,776,772	1,372,618
Internally restricted (Note 12)	83,381	74,999
Unrestricted	389,936	742,309
	<u>2,250,089</u>	<u>2,189,926</u>
Commitments (Note 15 and Note 17)		
	<u>\$ 6,242,631</u>	<u>\$ 5,422,257</u>

See accompanying notes to financial statements.

**APPROVED ON BEHALF OF THE BOARD:**\_\_\_\_\_  
Director\_\_\_\_\_  
Director

**THE WINNIPEG CENTENNIAL FOLK FESTIVAL INC.**

## Statement of Operations

Year ended January 31, 2014

	2014	2013
Grants:		
Canadian Heritage (Note 13)	\$ 135,000	\$ 135,000
Province of Manitoba	90,000	90,000
City of Winnipeg	100,000	100,000
Amortization of deferred capital contributions	129,358	118,456
Employment grant	-	19,113
	<u>454,358</u>	<u>462,569</u>
Revenue:		
Summer festival (Schedule A)	3,513,458	3,122,950
Music Store (Schedule C)	102,868	110,050
Music Store - other income (Schedule C)	26,816	57,325
Concert series	390,634	287,541
Education and outreach	17,000	17,400
Folk retreat	9,791	6,980
Folk exchange	41,509	30,124
Young artists and performers	11,925	15,350
Resource development (Schedule D)	849,344	680,118
Administration	31,861	32,020
	<u>4,995,206</u>	<u>4,359,858</u>
	5,449,564	4,822,427
Cost of sales:		
Festival store (Schedule A)	174,369	184,121
Tavern (Schedule A)	129,954	105,200
Music Store (Schedule C)	82,900	83,288
	<u>387,223</u>	<u>372,609</u>
	5,062,341	4,449,818
Expenses:		
Summer festival (Schedule B)	2,594,835	2,255,134
Music Store (Schedule C)	95,173	90,659
Concert series	331,662	234,094
Education and outreach	36,463	36,889
Folk retreat	13,606	12,745
Folk exchange	30,649	20,861
Young artists and performers	7,113	15,746
Visual arts	3,930	3,550
Resource development (Schedule D)	560,448	432,692
Strategic plan implementation program	3,852	6,770
Administration (Schedule E)	1,324,447	1,281,376
	<u>5,002,178</u>	<u>4,390,516</u>
Excess of revenue over expenses	\$ 60,163	\$ 59,302

See accompanying notes to financial statements.

**THE WINNIPEG CENTENNIAL FOLK FESTIVAL INC.**

## Statement of Changes in Net Assets

Year ended January 31, 2014

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	Invested in capital assets (Note 11)	Internally restricted (Note 12)	Unrestricted	Total 2014	Total 2013
Balance, beginning of year	\$ 1,372,618	\$ 74,999	\$ 742,309	\$ 2,189,926	\$ 2,130,624
Excess (deficiency) of revenue over expenses	(173,475)	8,382	225,256	60,163	59,302
Investment in capital assets	577,629	-	(577,629)	-	-
Balance, end of year	\$ 1,776,772	\$ 83,381	\$ 389,936	\$ 2,250,089	\$ 2,189,926

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See accompanying notes to financial statements.

**THE WINNIPEG CENTENNIAL FOLK FESTIVAL INC.**

## Statement of Cash Flow

Year ended January 31, 2014

	2014	2013
Cash flow from (used in)		
Operating activities:		
Excess of revenue over expenses	\$ 60,163	\$ 59,302
Adjustments for:		
Amortization	376,173	283,999
Amortization of deferred capital contributions	(202,698)	(155,308)
	233,638	187,993
Changes in the following:		
Accounts receivable	(255,850)	64,257
Inventory	12,126	(24,256)
Prepaid expenses	(30,102)	(14,386)
Accounts payable and accrued liabilities	15,319	(80,794)
Government remittances payable	4,252	10,204
Deferred revenue	97,731	168,637
	77,114	311,655
Financing activities:		
Repayment of long term debt	(8,424)	(7,350)
Capital contributions received	854,031	661,696
	845,607	654,346
Investing activities:		
Purchase of capital assets	(1,423,237)	(756,868)
Change in investments	104,961	(5,315)
	(1,318,276)	(762,183)
Change in cash	(395,555)	203,818
Cash, beginning of year	699,399	495,581
Cash, end of year	\$ 303,844	\$ 699,399

See accompanying notes to financial statements.

# THE WINNIPEG CENTENNIAL FOLK FESTIVAL INC.

Notes to Financial Statements

Year ended January 31, 2014

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## 1. Nature of organization

The Winnipeg Centennial Folk Festival Inc. (the "organization") is incorporated without share capital under the laws of the Province of Manitoba. The organization is a registered charity under the provisions of the *Income Tax Act* (Canada) and is exempt from income taxes. The organization's objective is to foster a strong sense of community with folk music at its heart. Its mission is to create experiences of discovery and learning through the celebration of people and music. The organization builds its traditions through:

- Growing the Summer Festival's excellence and international reputation;
- Expanding opportunities to bring music into people's lives;
- Establishing opportunities and benefits for folk artists;
- Demonstrating exemplary governance and management practices, and
- Providing additional value to the community with a year round focus.

The organization is economically dependent on government and municipal grants, fund raising events and individual and corporate donations to maintain its operations.

## 2. Basis of accounting and significant accounting policies

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations using the following significant accounting policies:

### (a) Financial instruments

#### *Measurement*

The organization initially measures its financial assets and liabilities at fair value, except for certain financial instruments arising from non-arm's length transactions. For financial instruments that contain both a liability and equity component, the equity component is measured at zero and the entire proceeds of issue are allocated to the liability component.

The organization subsequently measures its financial assets and liabilities at amortized cost, except for investments in equity instruments that are quoted in an active market and certain derivative instruments, which are measured at fair value. For any financial instruments subsequently measured at fair value, changes in fair value are recognized in the statement of operations.

#### *Transaction costs*

Transaction costs for financial instruments subsequently measured at amortized cost are added to the cost of the related financial instrument. Transaction costs for any financial instruments subsequently measured at fair value are expensed when incurred.

#### *Impairment*

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of any write down is recognized in the statement of operations. A previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided the adjusted amount is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in the statement of operations.

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# THE WINNIPEG CENTENNIAL FOLK FESTIVAL INC.

Notes to Financial Statements

Year ended January 31, 2014

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## 2. Basis of accounting and significant accounting policies (continued)

### (b) Inventory

Inventory is measured at the lower of cost and net realizable value on a first-in first-out basis. Net realizable value is the estimated selling price in the ordinary course of operations, less any applicable variable selling costs.

### (c) Capital assets

Capital assets available for use are recorded at cost and amortized on the basis of their estimated useful lives using the following rates and methods:

	<u>Rate</u>	<u>Method</u>
Office condominium units	25 years	Straight line
Site building	25 years	Straight line
Site equipment	5 years	Straight line
Tent and stages	10 years	Straight line
Vehicles	5 years	Straight line
Computer equipment	5 years	Straight line
Office equipment	5 years	Straight line
Building signage	5 years	Straight line
Leasehold improvements	5-10 years	Straight line

### (d) Contributed materials and services

Contributed materials and services are recorded in the accounts at their fair value. Fair value is based on the amounts that would be paid if these materials and services were purchased in the normal course of operations. No amount is included when the fair value cannot reasonably be determined.

Volunteers contribute significant services to assist the organization. Because of the difficulty in determining fair value, contributed services provided by volunteers are not recorded in the financial statements.

### (e) Foreign currency transactions

The organization uses the temporal method to translate its foreign currency transactions. Under the temporal method, monetary assets and liabilities are translated at the exchange rate in effect at the statement of financial position date. Other assets and liabilities are translated at the exchange rate in effect at the transaction date. Items included in the statement of operations, except for the cost of inventories and amortization translated at historic rates, are translated at average annual rates. Any exchange gains and losses are included in excess revenues over expenses for the period.

### (f) Revenue recognition

The organization follows the deferral method of accounting for contributions. Restricted contributions are deferred and recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when they are received or receivable.

Restricted contributions for the purchase of capital assets are deferred and recognized as revenue on the same basis as the amortization expense related to the acquired capital assets.

Summer festival revenue is recognized when the products and services are delivered to the customer and collections is reasonable assured.

Music store revenue is recognized when the products are sold, the price is fixed or determinable and collection is reasonably assured.

Service revenue is recognized when services are provided, the price is fixed or determinable and collection is reasonably assured.

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# THE WINNIPEG CENTENNIAL FOLK FESTIVAL INC.

Notes to Financial Statements

Year ended January 31, 2014

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## 2. Basis of accounting and significant accounting policies (continued)

### (g) Impairment of long-lived assets

A long-lived asset is tested for impairment whenever events or changes in circumstances indicate that its carrying amount may not be recoverable. An impairment loss is recognized when the carrying amount of the asset exceeds the sum of the undiscounted cash flows resulting from its use and eventual disposition. The impairment loss is measured as the amount by which the carrying amount of the long-lived asset exceeds its fair value.

### (h) Use of estimates

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. These estimates are reviewed periodically and adjustments are recognized in the statement of operations in the period they become known. Actual results could differ from these estimates.

## 3. Investments

Investments are comprised of a term deposit bearing interest at 1.90% and maturing in December 2014.

## 4. Accounts receivable

Accounts receivable as at January 31 is comprised of the following:

	2014	2013
Trade accounts receivable	\$ 319,058	\$ 235,407
Grants and other receivables	200,412	28,213
	<u>\$ 519,470</u>	<u>\$ 263,620</u>

Bad debt expense for the year represents total impairment losses recognized during the year as there were no significant reversals of previously recognized impairment losses during the year.

The carrying value of impaired accounts receivable at year end is Nil (2013 - Nil).

## 5. Inventory

Inventory is comprised of finished goods available for resale. Included in cost of sales is \$82,900 (2013 - \$83,288) of inventory recognized as an expense during the year.

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# THE WINNIPEG CENTENNIAL FOLK FESTIVAL INC.

Notes to Financial Statements

Year ended January 31, 2014

## 6. Capital assets

	Cost	Accumulated amortization	Net book value	
			2014	2013
Office condominium units	\$ 484,478	\$ 48,388	\$ 436,090	\$ 455,449
Site building	2,036,743	120,520	1,916,223	856,330
Site equipment	227,429	181,757	45,672	51,501
Tent and stages	800,405	486,724	313,681	244,489
Vehicles	13,666	13,666	-	-
Computer equipment	166,021	125,545	40,476	45,548
Office equipment	82,491	72,696	9,795	17,515
Building signage	8,990	8,990	-	-
Leasehold improvements	2,698,837	441,101	2,257,736	1,158,402
Site redevelopment	129,386	-	129,386	1,272,761
	<b>\$ 6,648,446</b>	<b>\$ 1,499,387</b>	<b>\$ 5,149,059</b>	<b>\$ 4,101,995</b>

Included in site redevelopment are direct costs and costs directly attributable to Phase III of the project. As at year end, Phase III of the site redevelopment was not complete therefore no provision for amortization has been recorded in these financial statements. Amortization will commence upon completion of the site redevelopment.

## 7. Operating line of credit

The organization has an operating line of credit to a maximum of \$200,000 bearing interest at prime plus 1.5% and is secured by a first mortgage in the amount of \$750,000 on the property located at 103 and 203 - 211 Bannatyne Avenue, Winnipeg, MB as well as an assignment of fire and theft insurance. As at year end, no amounts available under this operating line were used by the organization (2013 - Nil).

## 8. Long term debt

	2014	2013
Loan payable - monthly repayments of \$1,920 including interest at 5.50%, secured by a first mortgage on the property located at 103 and 203 - 211 Bannatyne Avenue, Winnipeg, MB, an assignment of rents, a general security agreement, an assignment of fire and theft insurance and a promissory note in the amount of \$280,000 and matures in January, 2017	\$ 264,226	\$ 272,650
Less: Current portion	9,200	8,800
	<b>\$ 255,026</b>	<b>\$ 263,850</b>

Approximate scheduled principal repayments over the next five years, or until maturity, are as follows:

<u>Year</u>	<u>Amount</u>
2015	\$ 9,200
2016	9,700
2017	245,326

# THE WINNIPEG CENTENNIAL FOLK FESTIVAL INC.

Notes to Financial Statements

Year ended January 31, 2014

## 9. Deferred contributions

Deferred contributions represent resources externally restricted for specific project purposes received in the current or prior periods that will be used in a subsequent period. Changes in deferred contributions are as follows:

	2014	2013
<b>Province of Manitoba</b>		
Balance, beginning of year	\$ 40,000	\$ 40,000
Add: contributions received or receivable for the year	90,000	90,000
Less: total amounts recognized as revenue during the year	(90,000)	(90,000)
Balance, end of year	\$ 40,000	\$ 40,000

## 10. Deferred capital contributions

Deferred capital contributions represent the unamortized balance of contributions received for the purchase of capital assets. Changes in deferred capital contributions are as follows:

	2014	2013
Balance, beginning of year	\$ 2,456,727	\$ 1,950,340
Add: Canada Cultural Spaces grant	211,500	100,000
Province of Manitoba grants	161,645	-
Capital campaign donations	480,887	561,695
Less: total amounts recognized as revenue during the year	(202,698)	(155,308)
Balance, end of year	\$ 3,108,061	\$ 2,456,727

## 11. Net assets invested in capital assets

The net assets invested in capital assets is the net book value of capital assets less the balance of any deferred capital contributions and related long term debt.

## 12. Internally restricted net assets

The net proceeds from the sale of the land and building of the former head office of the organization plus any interest earned on the invested funds and any additional amounts allocated to the Strategic Plan Implementation Program have been internally restricted by resolution of the Board of Directors to be used for future capital development. Changes in the internally restricted net assets are as follows:

	2014	2013
Balance, beginning of year	\$ 74,999	\$ 63,668
Add: Interest earned	8,382	11,331
Balance, end of year	\$ 83,381	\$ 74,999

# THE WINNIPEG CENTENNIAL FOLK FESTIVAL INC.

Notes to Financial Statements

Year ended January 31, 2014

## 13. Canadian Heritage grant allocation

The Arts Presentation Canada (APC) Grant is allocated among the following revenue and expenses as follows:

	2014	2013
Revenue:		
Canadian Heritage Grant - APC	\$ 135,000	\$ 135,000
Expenses:		
Administrative expenses	12,500	12,500
Promotion expenses	50,000	50,000
Professional development	1,500	1,500
Presentation expenses	36,000	36,000
Presentation venue expenses	25,000	25,000
Western Folk Festival Collective	10,000	10,000
	135,000	135,000
	\$ -	\$ -

## 14. Revenue and expense allocations

Certain internal revenue and expense items are allocated among the organization's operating divisions as follows:

	2014	2013
Revenue:		
Rental income	\$ 13,615	\$ 16,895
Music Store - ticket commissions	49,650	57,325
Summer festival - kitchen	109,000	109,000
	172,265	183,220
Expenses:		
Music Store - rent and utilities	13,615	11,752
Box office - commissions	49,650	62,468
Summer festival - kitchen - artists	27,250	27,250
Summer festival - kitchen - volunteers	70,850	70,850
Summer festival - kitchen - resource development	10,900	10,900
	172,265	183,220
	\$ -	\$ -

# THE WINNIPEG CENTENNIAL FOLK FESTIVAL INC.

Notes to Financial Statements

Year ended January 31, 2014

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## 15. Commitments

### Park Fees - Birds Hill Park

The organization is committed under an agreement with the Province of Manitoba - Department of Conservation to accrue 40% of its annual camping fee revenue from the summer festival as a contribution towards capital improvements within Birds Hill Park. The agreement expires April 30, 2016 with a ten year renewal option. During the year, the organization expensed \$94,127 (2013 - \$83,989) representing 40% of the camping fee revenue from this year's summer festival.

## 16. Endowment fund

The organization has an endowment fund held in trust by The Winnipeg Foundation known as the "Winnipeg Folk Festival Endowment Fund". As at January 31, 2014, the contributed capital of the fund is \$872,725 (2013 - \$821,911) with a market value of \$1,052,261 (2013 - \$890,306). Control over the assets in the fund resides with the Winnipeg Foundation. The organization is entitled to receive the investment income earned from the fund.

## 17. Financial risks and concentrations of risk

Management is of the opinion that the organization is not exposed to any significant unusual non-routine liquidity, credit, market, currency, interest rate or other price risks or concentrations of risk resulting from its financial instruments that are not readily determinable from information provided in these financial statements except as specifically addressed below. The carrying amount of all secured financial liabilities as at year end amounts to \$264,226 (2013 - \$272,650).

### Currency risk and derivatives

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Although the organization does not hold any significant assets or liabilities denominated in a foreign currency, a substantial portion of artists' fees and certain capital asset purchases are paid in a foreign currency. During the year, the organization purchased foreign currency and purchased foreign currency forward contracts, allowing management to mitigate this currency risk. As at year end, the organization has entered into a forward contract to purchase \$363,000 U.S. dollars on June 30, 2014 at an exchange rate of 1.1175.

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**THE WINNIPEG CENTENNIAL FOLK FESTIVAL INC.**

Schedule of Summer Festival

Year ended January 31, 2014

Schedule A

	2014	2013
Revenue:		
Ticket sales:		
Pre-festival	\$ 1,872,681	\$ 1,672,204
Festival weekend	370,696	287,136
Sponsorship ticket sales	17,142	18,000
Backstage passes	35,456	39,409
	<hr/>	<hr/>
	2,295,975	2,016,749
Camping:		
Camping fees	234,786	208,648
Campground handling charges	207,851	197,632
	<hr/>	<hr/>
	442,637	406,280
Tavern	315,839	276,693
Festival Store:		
Merchandise sales	54,231	57,605
Corner store	6,616	6,178
Music sales	189,457	183,020
	<hr/>	<hr/>
	250,304	246,803
Festival Other:		
Program books	64,965	46,109
Vendors	98,670	86,147
Handmade village	38,587	36,435
ATM revenue	4,667	4,311
Foreign exchange gain	1,814	3,423
	<hr/>	<hr/>
	208,703	176,425
Total revenue	<hr/>	<hr/>
	3,513,458	3,122,950
Cost of sales:		
Festival store	174,369	184,121
Tavern	129,954	105,200
	<hr/>	<hr/>
	304,323	289,321
Expenses (Schedule B)	<hr/>	<hr/>
	2,594,835	2,255,134
Excess of revenue over expenses	<hr/>	<hr/>
	\$ 614,300	\$ 578,495

**THE WINNIPEG CENTENNIAL FOLK FESTIVAL INC.**

Schedule of Summer Festival Expenses

Year ended January 31, 2014

Schedule B

	2014	2013
<b>Artists:</b>		
Fees	\$ 695,982	\$ 638,800
Kitchen allocation	27,250	27,250
Transportation and accommodation	117,798	120,969
	<u>841,030</u>	<u>787,019</u>
<b>Production:</b>		
Amortization	250,061	173,107
Equipment	326,657	275,970
Festival expenses	13,976	23,245
Other	3,392	3,579
Site costs	41,508	31,299
Vehicle expenses	57,818	52,145
Wages and benefits	173,770	153,781
	<u>867,182</u>	<u>713,126</u>
<b>Camping:</b>		
Amortization	9,644	8,877
Park fees (Note 15)	94,127	83,989
Production	50,939	57,356
Safety and first aid	31,187	36,427
	<u>185,897</u>	<u>186,649</u>
Tavern on the Green	24,218	16,210
Festival Store	9,645	8,694
<b>Kitchen:</b>		
Administration	12,000	10,000
Allocation	(109,000)	(109,000)
Amortization	63,212	46,878
Equipment	38,177	19,526
Food	136,968	121,196
Supplies	22,721	27,872
	<u>164,078</u>	<u>116,472</u>
<b>Volunteer:</b>		
Crew meetings	9,660	5,793
Kitchen allocation	70,850	70,850
Other	52,618	45,835
	<u>133,128</u>	<u>122,478</u>
<b>Other:</b>		
Advertising and marketing	104,158	76,972
Amortization	2,080	1,962
Box office	124,861	104,261
Other	89,705	80,939
Program books	44,661	36,106
Site administration	4,192	4,246
	<u>369,657</u>	<u>304,486</u>
	<u>\$ 2,594,835</u>	<u>\$ 2,255,134</u>

**THE WINNIPEG CENTENNIAL FOLK FESTIVAL INC.**

Schedule of Music Store

Year ended January 31, 2014

Schedule C

	2014	2013
Revenue	\$ 102,868	\$ 110,050
Cost of sales	82,900	83,288
Gross profit	19,968	26,762
Expenses:		
Advertising	979	793
Amortization	77	77
Bank charges and interest	9	85
Business tax	190	189
Dues and subscriptions	287	279
Freight and delivery	2,051	1,948
Office supplies	4,029	3,745
Rent and utilities	13,615	11,752
Salaries and benefits	73,436	71,291
Telephone	500	500
	95,173	90,659
(Deficiency) of revenue over expenses before other income	(75,205)	(63,897)
Other income (expense):		
Summer festival - ticket commission	49,650	57,325
Write-down of inventory	(22,834)	-
	26,816	57,325
(Deficiency) of revenue over expenses	\$ (48,389)	\$ (6,572)



**THE WINNIPEG CENTENNIAL FOLK FESTIVAL INC.**

Schedule of Resource Development

Year ended January 31, 2014

Schedule D

	2014	2013
Revenue:		
Amortization of deferred capital donations	\$ 73,339	\$ 36,851
Donations	2,231	4,547
Donated goods and services	431,792	349,224
Endowment fund (Note 16)	29,413	25,150
Festival raffle sales	21,589	22,285
Sponsorships	186,887	152,150
Education and outreach	12,730	13,892
Festival in the City/Wassail	91,363	76,019
	<u>849,344</u>	<u>680,118</u>
Expenses:		
Artistic programs	13,538	13,160
Consulting	3,676	-
Donations	3,766	-
Donated goods and services	431,792	349,224
Endowment fund contribution (Note 16)	35,450	9,265
Festival raffle expenses	1,060	1,068
Kitchen allocation	10,900	10,900
Miscellaneous	1,764	7,487
Sponsorships	4,360	5,428
Staging The Future	519	540
Used records	14,207	-
Festival in the City/Wassail	39,416	35,620
	<u>560,448</u>	<u>432,692</u>
Excess of revenue over expenses	\$ 288,896	\$ 247,426

**THE WINNIPEG CENTENNIAL FOLK FESTIVAL INC.**

Schedule of Administrative Expenses

Year ended January 31, 2014

Schedule E

	2014	2013
Administrative expenses:		
Amortization	\$ 51,099	\$ 53,099
Annual general meeting	7,122	4,116
Bad debts	1,076	383
Bank charges and interest, net	3,644	1,242
Building repairs	34,839	33,145
Computer	31,045	22,940
Equipment lease	15,347	13,847
Freight and delivery	5,622	8,291
Hospitality	7,086	4,153
Insurance	35,580	31,838
Interest on long term debt	14,616	13,770
Office and supplies	29,006	15,985
Organizational fees and dues	6,238	6,302
Parking	13,288	17,607
Professional development	18,268	16,359
Professional fees	16,142	72,404
Property taxes	4,455	6,050
Rent	17,600	29,918
Salaries and benefits	1,000,075	917,877
Special projects	3,973	6,615
Subscriptions	1,164	803
Telephone	7,162	4,632
<b>Total administrative expenses</b>	<b>\$ 1,324,447</b>	<b>\$ 1,281,376</b>