

ASSOCIATED DESIGNERS OF CANADA

Financial Statements

December 31, 2009

Marinucci & Company
Chartered Accountants

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AUDITORS' REPORT

To the Directors of
Associated Designers of Canada

We have audited the balance sheet of **Associated Designers of Canada** as at December 31, 2009 and the statements of operations and changes in net assets for the year then ended. These financial statements are the responsibility of the organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the organization as at December 31, 2009 and the results of its operations, changes in net assets and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Marinucci & Company

Chartered Accountants

Toronto, Ontario

June 10, 2010

Licensed Public Accountants

ASSOCIATED DESIGNERS OF CANADA
(A not-for-profit organization)

Balance Sheet

December 31, 2009

	2009	2008
ASSETS		
Current:		
Cash and cash equivalents (Note 3)	\$ 128,332	\$ 140,820
Accounts receivable	10,524	15,970
Prepaid expenses	<u>3,670</u>	<u>3,636</u>
	142,526	160,426
Investments held in trust – Jack King Award (Note 4)	<u>19,109</u>	<u>17,406</u>
	<u>\$ 161,635</u>	<u>\$ 177,832</u>
LIABILITIES		
Current:		
Accounts payable and accrued liabilities	\$ 10,141	\$ 15,585
Amounts collected on behalf of members	30,191	35,310
Security bonds from theatres (Note 3)	<u>8,901</u>	<u>14,492</u>
	49,233	65,387
Amounts held in trust – Jack King Award (Note 4)	<u>19,109</u>	<u>17,406</u>
	<u>68,342</u>	<u>82,793</u>
NET ASSETS		
Internally restricted (Note 5)	68,507	63,735
Unrestricted	<u>24,786</u>	<u>31,304</u>
	<u>93,293</u>	<u>95,039</u>
	<u>\$ 161,635</u>	<u>\$ 177,832</u>
On behalf of the Board: _____	Director	
_____	Director	

See accompanying Notes to Financial Statements

ASSOCIATED DESIGNERS OF CANADA
(A not-for-profit organization)

Statement of Changes in Net Assets

Year ended December 31, 2009

	Internally restricted	Unrestricted	Total 2009	Total 2008
Net assets, beginning of year	\$ 63,735	\$ 31,304	\$ 95,039	\$ 90,505
Excess (deficiency) of revenues over expenses	<u>4,772</u>	<u>(6,518)</u>	<u>(1,746)</u>	<u>4,534</u>
Net assets, end of year	<u>\$ 68,507</u>	<u>\$ 24,786</u>	<u>\$ 93,293</u>	<u>\$ 95,039</u>

See accompanying Notes to Financial Statements

ASSOCIATED DESIGNERS OF CANADA
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Statement of Operations

Year ended December 31, 2009

	2009	2008
REVENUES		
Filing fees	\$ 32,570	\$ 35,131
Membership dues	26,603	25,792
Insurance premium fees (Note 5)	14,210	15,250
Interest	121	439
Other	<u>-</u>	<u>15</u>
	<u>73,504</u>	<u>76,627</u>
EXPENSES		
Director of Membership fees and expenses	19,758	19,537
Management and administration fees	18,360	16,800
Board and AGM expenses	9,624	9,511
Professional fees	7,430	4,753
Members insurance plan premiums (Note 5)	7,306	7,447
Mentorship program	3,850	-
Telecommunications and website	2,465	2,059
Advertising and promotion	2,339	1,418
Bad debts	194	7,200
Newsletter	168	1,288
Office and general	<u>3,756</u>	<u>2,080</u>
	<u>75,250</u>	<u>72,093</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	<u>\$ (1,746)</u>	<u>\$ 4,534</u>

See accompanying Notes to Financial Statements

ASSOCIATED DESIGNERS OF CANADA
(A not-for-profit organization)

Notes to Financial Statements

December 31, 2009

1. NATURE AND PURPOSE OF THE ORGANIZATION

The Associated Designers of Canada – Television, Film, Theatre (“ADC”) was incorporated without share capital as a not-for-profit organization by Letters Patent on May 1965, and operates as Associated Designers of Canada. ADC is a national arts service organization and professional association dedicated to promoting and protecting the interests of set, costume, lighting and sound designers working within the performing arts in Canada. As a not-for-profit organization, ADC is exempt from income taxes under the Income Tax Act (Canada).

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements are the representation of management and have been prepared in accordance with Canadian generally accepted accounting principles.

Revenue recognition

Membership dues are recognized as revenues when billed to members.

Revenues from insurance premiums and filing fees are recognized as revenues upon signing of contracts with theatres.

A provision for estimated uncollectible fees is made annually.

Financial instruments

ADC classifies its cash and cash equivalents, investments and amounts held in trust as financial assets and liabilities held for trading; accounts receivable are classified as loans and receivables; and, accounts payable and accrued liabilities are classified as other liabilities. Financial instruments classified as held for trading are reported at fair value at the balance sheet date, and any change in fair value is recognized in the statement of operations in the period in which the change occurs. Financial instruments classified as loans and receivables and other liabilities are carried at amortized cost using the effective interest method.

Amounts collected on behalf of members

ADC collects RRSP contributions on behalf of its members from theatre organizations and remits the contributions to the plan administrators.

Measurement uncertainty

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of 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 made to revenues and expenses as appropriate in the period they become known.

Comparative figures

Certain 2009 comparative figures have been reclassified to conform with 2008 presentation.

Cash flow statement

A statement of cash flows has not been presented as it would not provide additional useful information.

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Notes to Financial Statements

December 31, 2009

3. FINANCIAL INSTRUMENTS

Cash and cash equivalents comprise cash and short-term investments. Cash consists of cash on hand and bank deposits residing in accounts at a major Canadian bank. Short-term investments at December 31, 2009 consist of a guaranteed investment certificate in the amount of \$13,751 issued by a major Canadian bank, bearing interest at the rate of 0.20% and with a maturity date of June 2010.

The fair value of ADC's accounts receivable and accounts payable and accrued liabilities approximates their carrying value due to the relatively short term to maturity of those instruments.

4. JACK KING AWARD

The Association holds assets in trust for the Jack King Award, which was established in 1988 to reward and recognize Canadian theatre designers. Assets at December 31 consist of:

	2009	2008
Cash	\$ 12,395	\$ 12,070
Preferred shares, at market value (cost - \$6,500)	<u>6,715</u>	<u>5,336</u>
	<u>\$ 19,109</u>	<u>\$ 17,406</u>

Investment income and changes in fair value are recorded as adjustments to the capital balance of the assets held in trust.

No awards were granted in 2009 and 2008.

5. INTERNALLY RESTRICTED NET ASSETS

The Association has internally restricted net assets as a contingency to protect its members' insurance plan coverage. Amounts internally restricted consist of the following:

	2009	2008
Balance, beginning of year	\$ 63,735	\$ 58,220
Insurance premium fees collected from theatres	14,210	15,250
Members insurance plan premiums paid	(7,306)	(7,447)
Allocation to unrestricted net assets for administration	<u>(2,132)</u>	<u>(2,288)</u>
Balance, end of year	<u>\$ 68,507</u>	<u>\$ 63,735</u>