



Top Calibre Community Theatre  
Cultivating Talent

Outstanding Community Engagement

Competitive Sustainable Theatre  
Nurturing Inclusive Culture

*2017/18 Priorities:*

*\* Perform multiple shows \* Maximize the use of the building \* Increase membership and community engagement*

**ANNUAL GENERAL MEETING MINUTES**  
**June 16, 2018, 6:00pm**  
**Location: KWMP, 14 Shaftsbury Dr, Kitchener, ON**

Chair: Dale Brubacher-Cressman

Secretary: Lynne Barna

1) Start of Meeting / Welcome Dale Brubacher-Cressman

Meeting called to order at 6:37 PM. We have quorum.

2) President's Address Dale Brubacher-Cressman

a) Appendix A

3) Approval of Minutes from 2017 AGM Dale Brubacher-Cressman

Liisa Steinwedel moved to approved the minutes from 2017 AGM. Trevor Middleton seconded. Carried.

4) Treasurer's Report/Financial Statements John Bigelow

<https://drive.google.com/file/d/1KjzupqMr9B8sCdgwa8qLeVaqG5FNWbVL/view?usp=drivesdk>

For fiscal Jan 1, 2017 to Dec 31, 2017. Big show was Seussical. We made money. These statements become vital when applying for grants. Discussion ensued around differences in revenues year over year. John Bigelow moved to accept the financial statements as presented. Brendan Stehouwer seconded. Carried.

5) Auditor's Report Stephen Holmes

Stephen briefly explained what

6) Appointment of Auditor John Bigelow

Stephen Holmes moved to appoint MNP LLP as our 2018 auditor. Liisa Steinwedel seconded. They have audited our financial statements since 2008 and are helpful. Carried.

7) Proposal to change financial year end from December 31 to June 30 John Bigelow

This will make it easier to complete financials before year end finances are completed. This will mean 2 AGMs in 2019. There is initial work in the first switchover but after that it will make completing the finances annually much easier. John Bigelow moved to change our fiscal year end from Dec 31 to Jun 30. Amie Debrone seconded. Carried.

8) Committee Reports

a) Operations Terry Barna

i) Appendix C

Rentals increased significantly in 2017.

b) Marketing and Communications Brenden Sherratt

i) Appendix D

Discussion around volunteers ensued. We need volunteers specific to events and shows but also all year round. The comps were about 1 or 2% of total sales.

c) Performance Lynne Barna

i) Appendix E

Stage School operates in collaboration with KWMP by paying a base rental fee plus a portion of the profits.

d) Events Diana Barber

i) Appendix F

9) Election of Board of Directors Dale Brubacher-Cressman

All applicants are acclaimed. We now have 12 directors.

Dale requested that everyone become a member by completing the on-line or paper registration form tonight or soon and submit the \$25 registration fee.

10) End of Meeting – motion to adjourn Dale Brubacher-Cressman

Terry moved to adjourn at 7:26 PM.

# President's Address

June 15, 2018

Author: Dale Brubacher-Cressman, President

I am very proud of KWMP's board of directors! So much has been accomplished in 2017-18, making it tremendously successful for KWMP and laying a solid foundation for the coming years.

Early in the year, your board of directors set the following priorities for the year:

1. Perform multiple shows

Our audience-pleasing, family-friendly Shrek reached deep and wide into the community and was our third sellout show in a row. Spring Awakening was a veritable artistic coup, bringing timely mature themes and content that challenged our crew, performers and audience alike. And with planning for the 70th anniversary show well underway for this fall, clearly the priority to perform multiple shows was fully achieved.

2. Maximize the use of the building

While KWMP should always be the primary user of its building, this year we shared our space with other community groups more fully than we ever have before. Users included a church group, play performances, rehearsals for other arts groups, camps, workshops and private lessons.

3. Increase membership and community engagement

This priority was pursued through an increase in social events within and beyond our productions, and included a variety of activities designed to engage and entertain and connect with our members. Other community connections included participation in Arts Ontario seminars, a marketing roundtable facilitated by KWMP, and extensive outreach through social media campaigns and other marketing activities further increased KWMP's presence in the community.

Other highlights of the year include the Trillium Foundation grant for installing an accessible washroom on the main floor of our building, and instituting an annual budget for operations.

KWMP is in great shape! I look forward to seeing this trend continue in the coming years.

Respectfully submitted,

Dale Brubacher-Cressman, President



Appendix C

## **KWMP AGM 2018 OPERATIONS COMMITTEE REPORT**

Chair: Terry Barna

Members: Terry Barna, John Bigelow, John Watson, Craig Yeaman, Stephen Young

Our big goal for 2017 was to increase the usage of the building, as it was noted by our ArtsBuild Ontario mentor that showing the building is being used more often, especially by other parties will help our cause when looking for funding for renovations and upgrades.

We are happy to announce that our rental income from 2017 was **\$25,725**, up 59% from 2016! This amount actually covers the costs of running the building for a year, which has been the committee's goal for a number of years now. However, these increased rentals have also forced us to look at how we prioritize things for our own purposes. We will continue to work to find the balance of ensuring our own needs are met, while catering to the needs of the community.

Renters in 2017 included KW Glee, Lost & Found Theatre, Theatre Baddeck, JM Drama, Stage School, Crossroads Productions (which actually performed in the building!) and a new regular rental by the Redeemed Christian Church of God/ RCCG Healing Stream Centre.

KWMP now has a full Renters Guide, as well as Rental Contract, thanks to the commitment and brilliance of Steve Young. Much thanks goes to him. We now have keypads on most doors to allow us to control access to the facilities and provide greater security. As well, key entry to the building has been replaced with a keypad, eliminating the need to distribute and track keys.

KWMP has worked with ArtsBuild Ontario to acquire the AssetPlanner software, which provides a complete inventory of every stair, wall, door, window, appliance, light, etc in the building, allowing us to track ongoing maintenance needs, and plan and budget accordingly every year.

New LED lighting has been going into every fixture as current bulbs burn out, and we also have 8 LED outdoor lights which are now being put in to provide better light around the building, and in the parking lot. We are also looking at other ways that we can make the parking lot brighter and safer as we move forward.

The downstairs bathrooms have been upgraded and painted, with new floors, motion-activated lighting, and improved ventilation put in. Many thanks to Craig Yeaman and Barb Williams!

Moving forward, we are looking to install a new accessible bathroom and front entranceway. We have received \$55,600 from the Trillium Foundation to accomplish this. We will also add a second small bathroom, and create a storage room. Further renovations to the front foyer are being explored to open up the area and create new office space.

Respectfully submitted,

Terry Barna

# Communications Committee Report

AGM 2018 - June

## Goals for 2017-2018 season

- Sell 85% of the seats for Shrek and sell 75% of the seats for Spring Awakening
- Track which marketing channels are selling tickets
- Build capacity within the marketing team

## Shrek the Musical

We had a successful 2016-2017 season where we sold 3212 tickets or 92% of the house for Seussical. What we learned from Seussical helped us increase the total number of tickets sold for Shrek the Musical to 3835 tickets or 98.3% of the house. The show was so successful that we added an additional performance to the run.

The three best marketing channels were our Online Marketing, cast and our email list.

## Spring Awakening

Spring Awakening allow KWMP to explore a new audience, with a show with mature content. There were a few barriers that made Spring Awakening challenging to promote. We did not have an established audience for this show like we do with our family musical, the Conrad Centre is a general admission house which means there is less incentive to buy your ticket early and the theatre is quite large at 260 seats and the show didn't have a strong brand name outside of musical theatre fans.

Word of mouth was huge for this show, with the majority of tickets being purchased in the last two weeks. We generated a lot of press coverage in The Record, Waterloo Chronicle, Kitchener Post, CBC.ca, several radio stations and partnered with Communitech to be part of their True North Festival. Cast and Crew and online marketing were the other two best performing marketing channels.

We launched a Pay it Forward program that resulted in 125 people seeing the show that might not have had otherwise been able to.

Spring Awakening closed in at 70% which was below our goal of 75% but it is important to know that we would have sold out every performance if the Registry Theatre was available.

## Building Capacity

We have worked hard to document our marketing efforts so that we can learn from our success and mistakes from past year.

We are still in need of new members to join the team, you do not need to be a marketing genius to join our team, just a willingness to learn. Skills that would be nice to have on the team are, graphic design, content creation, digital marketing and social media.

A few years ago we removed the marketing manager as a paid position of the creative team because we had that capacity within the board. We may need to reevaluate that decision as our board evolves.

Online ticket sales and mobile optimization of our website has become a large need for our organisation. We have set aside a budget for a website refresh this year and will hope to complete that before our next season.

Respectfully submitted,

Brenden Sherratt



Appendix E

# Performance Committee Report

June 16, 2018

Author: Lynne Barna, Chair

We have accomplished much this year. Last year, this committee was mandated with selecting and mounting 3 shows during our 70th Anniversary Year.

We successfully recruited a creative team, production team and cast for Shrek (February 2018).

We supported the proposal for Stephen Young to spearhead the 70th anniversary show (October 2018) and the pre-production of the show is well underway.

We successfully recruited a creative team, production team and cast for Spring Awakening (June 2018)

We arranged for ushers for Shrek and Spring Awakening.

Student Matinees for Shrek were successful with the exception of one school backing out at the last minute.

The committee worked with the board to create a show selection criteria document and process which will be used for future show selections.

All Three 2019 shows have been selected and announced - Titanic, Urinetown and Broadway Our Way. Creative team recruitment is underway for Titanic. Show rights for both Titanic and Urinetown have been secured.

Stage School collaborated with KWMP in Summer 2017 and is continuing the relationship for this summer.

Respectfully submitted,

Lynne Barna, Chair, Performance Committee

# Events Committee Report

## June 16, 2018

### 2018 AGM

Committee Chair: Diana Barber

Committee Members: Jennifer Wright, Trevor Middleton, Kelly Legault and Amie Debrone

#### **Introduction:**

This was the first year for the Events Committee. Previously a part of the Performance and Events Committee, The Board felt it was time to separate the two in order to put more initiative into each category individually. Our mandate was to bring back the community to KWMP and show our members how they are a valued part of our family.

#### **Events:**

The KWMP Quarterly was held in September with a showing of Seussical The Musical. Popcorn and drinks were served while cast and crew could watch and enjoy their performance. It was combined with a cleaning of the building during intermission.

We held a clothing drive where we collected approximately 60 bags of clothing which were donated to the Kidney Foundation. We made \$140.10.

The KWMP Building was opened up for our Halloween Haunt Dance Party which turned out to be a great success! We sold alcohol, pop, shooters and candy and danced the night away! Prizes were awarded for various games and best costume! It was a fun event!

A Shrek Meet N Greet was held on the first day of rehearsals. A BBQ was provided and served by the Board to say Thank You to all Cast and Crew of Shrek. It was a beautiful day in October and a great success!!

#### **What Does Our Future Look Like:**

KWMP has committed to 3 performances a year. For each performance, you can expect (if possible and sometimes with variation) the Events Committee to provide you with:

- A Meet N Greet Provided and Served by the Board of Directors

- An Organized Potluck at some point during your run
- An Opening Night arranged for all Cast and Crew
- A Closing Event arranged for all Cast and Crew
- A Post Show 'Shindig' giving the Cast and Crew an opportunity to come back, relax, have some food and enjoy their performance on the big screen

This is our 70th Anniversary Year! We will be celebrating with our 70th Anniversary Show as well as a 70th Anniversary Gala!! The Show will run from October 18-21 and the Gala will be held on Friday November 2nd at the Victoria Park Pavillion. Watch for details regarding both Events to be shared with you in July.

If you would like to be part of our Events Committee in any way, please don't hesitate to contact me at [dbarberayr@gmail.com](mailto:dbarberayr@gmail.com).

**K-W Musical Productions**  
**Financial Statements**  
*December 31, 2017*

## Independent Auditors' Report

To the members of K-W Musical Productions:

We have audited the accompanying financial statements of K-W Musical Productions, which comprise the statement of financial position as at December 31, 2017 and the 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 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.

### *Auditors' 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 auditors' 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 similar organizations, K-W Musical Productions derives revenue from membership dues, ticket sales and donations, the completeness of which is not susceptible of satisfactory audit verification. Accordingly, our verification of revenue from these sources 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 revenue, excess of revenue over expenses, assets 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 K-W Musical Productions as at December 31, 2017 and the results of its operations, changes in net assets and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Waterloo, Ontario

June 15, 2018

**MNP LLP**

Chartered Professional Accountants

Licensed Public Accountants

**MNP**

**K-W Musical Productions**  
**Statement of Financial Position**

*As at December 31, 2017*

	<b>2017</b>	<b>2016</b>
<b>Assets</b>		
<b>Current</b>		
Cash	70	15,426
Accounts receivable	17,066	10,344
Prepaid expenses	47,484	31,048
	<b>64,620</b>	56,818
<b>Capital assets (Note 3)</b>	<b>497,000</b>	497,000
	<b>561,620</b>	553,818
<b>Liabilities</b>		
<b>Current</b>		
Accounts payable and accruals	13,207	9,675
<b>Net Assets</b>	<b>548,413</b>	544,143
	<b>561,620</b>	553,818

Approved on behalf of the Board

\_\_\_\_\_  
Director

\_\_\_\_\_  
Director

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

## K-W Musical Productions Statement of Operations

*For the year ended December 31, 2017*

	<b>2017</b>	<b>2016</b>
<b>Revenue</b>		
Advertising	750	1,850
Concessions	263	-
Donations	788	643
Fundraising	143	624
Government grants	6,000	5,500
HST rebates	7,067	8,394
Membership dues	1,600	1,410
Merchandise	973	726
Miscellaneous	757	3,231
Rental	25,725	16,135
Sponsorships	-	226
Spring Gala	1,375	1,617
Ticket sales	112,892	136,085
	<b>158,333</b>	<b>176,441</b>
<b>Building expenses</b>		
Building repairs and maintenance	21,582	6,121
Municipal taxes	7,866	7,680
Telephone and internet	1,730	1,576
Utilities	6,070	6,260
	<b>37,248</b>	<b>21,637</b>
<b>Administration expenses</b>		
Auditor	4,911	4,770
Bank charges	327	531
Bookkeeping	1,314	1,575
Legal	207	-
Office	8,873	8,475
	<b>15,632</b>	<b>15,351</b>
<b>Special events expenses</b>		
Spring Gala	1,778	2,129
<b>Publicity and marketing expenses</b>		
Merchandise	987	988
Publicity	5,784	7,343
	<b>6,771</b>	<b>8,331</b>

*Continued on next page*

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

**K-W Musical Productions**  
**Statement of Operations**

*For the year ended December 31, 2017*

	2017	2016
<b>Other expenses</b>		
Catering	673	177
Donations	200	-
Equipment	1,904	3,147
Trailer rental	200	-
HST costs	706	873
Miscellaneous	642	983
Performers' supplies	-	809
Special events	747	-
	<b>5,072</b>	<b>5,989</b>
<b>Show expenses</b>		
Cartage	490	399
Costumes	1,807	1,892
HST costs	1,753	1,673
Hair	387	157
Lighting	436	59
Makeup	86	20
Miscellaneous	150	308
Orchestra	7,965	5,715
Paid positions - honorariums	9,849	9,100
Painting	419	219
Programs	1,700	2,000
Props	905	1,131
Royalties	12,831	26,954
Script rentals	2,540	-
Shipping	-	10
Sound equipment	3,500	3,387
Staging	2,753	1,683
Theatre charges	39,991	38,499
	<b>87,562</b>	<b>93,206</b>
<b>Total expenses</b>	<b>154,063</b>	<b>146,643</b>
<b>Excess of revenue over expenses</b>	<b>4,270</b>	<b>29,798</b>

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



**K-W Musical Productions**  
**Statement of Changes in Net Assets**  
*For the year ended December 31, 2017*

---

	<i>2017</i>	<i>2016</i>
<b>Net assets, beginning of year</b>	<b>544,143</b>	514,345
<b>Excess of revenue over expenses</b>	<b>4,270</b>	29,798
<b>Net assets, end of year</b>	<b>548,413</b>	544,143

---

---

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

## K-W Musical Productions Statement of Cash Flows

For the year ended December 31, 2017

	2017	2016
<b>Cash provided by (used for) the following activities</b>		
<b>Operating</b>		
Excess of revenue over expenses	4,270	29,798
Changes in working capital accounts		
Accounts receivable	(6,722)	(4,763)
Prepaid expenses	(16,436)	10,742
Accounts payable and accruals	3,532	(3,874)
	<b>(15,356)</b>	31,903
<b>Financing</b>		
Repayments of line of credit	-	(18,000)
<b>Increase (decrease) in cash resources</b>	<b>(15,356)</b>	13,903
<b>Cash resources, beginning of year</b>	<b>15,426</b>	1,523
<b>Cash resources, end of year</b>	<b>70</b>	15,426

The accompanying notes are an integral part of these financial statements

**K-W Musical Productions**  
**Notes to the Financial Statements**  
*For the year ended December 31, 2017*

---

**1. Incorporation and nature of the organization**

K-W Musical Productions (the "Organization") is incorporated under the laws of the province of Ontario, and is a registered charity under the Income Tax Act. The Organization provides quality family entertainment in the Kitchener-Waterloo Region in the form of musical theatre.

**2. Significant accounting policies**

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations as issued by the Accounting Standards Board in Canada and include the following significant accounting policies:

***Revenue recognition***

The Organization follows the deferral method of accounting for revenue. Restricted receipts are recognized as revenue in the year in which the related expenses are incurred. Unrestricted receipts are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Restricted investment income is recognized as revenue in the year in which the related expenses are incurred. Unrestricted investment income is recognized as revenue when earned.

***Contributed goods and services***

A large number of people have contributed significant amounts of time to the activities of the Organization without compensation, and, from time to time, goods are contributed. The financial statements do not reflect the value of those contributed services and goods because, although clearly substantial, no reliable basis exists for determining an appropriate amount to be recorded.

***Operating results***

In addition to the general operations of the Organization, one other operational area is separated on the attached schedule. Revenues and expenses related to the production and presentation of the spring show have been shown separately.

***Capital assets***

Capital assets, other than land and building, are expensed on acquisition. Land and building have been capitalized but are not being amortized. Capital assets held include furniture and equipment. During the year, equipment was purchased for a total cost of \$1,904 (2016 - \$3,147). This amount was included in equipment expense on the statement of operations.

**2. Significant accounting policies** *(Continued from previous page)*

***Financial instruments***

The Organization recognizes its financial instruments when it becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at their fair value, including financial assets and liabilities originated and issued in a related party transaction with management. Financial assets and liabilities originated and issued in all other related party transactions are initially measured at their carrying or exchange amount in accordance with CPA Canada Handbook Section 3840 Related Party Transactions.

At initial recognition, the Organization may irrevocably elect to subsequently measure any financial instrument at fair value. The Organization has not made such an election during the year.

The Organization subsequently measures investments in equity instruments quoted in an active market at fair value. Fair value is determined by published price quotations in an active market approximated by the instrument's initial cost in a transaction between unrelated parties. Investments in equity instruments not quoted in an active market are subsequently measured at cost less impairment. With the exception of financial liabilities indexed to a measure of the Organization's performance or value of its net assets, and those instruments designated at fair value, all other financial assets and liabilities are subsequently measured at amortized cost.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in operations for the current period. Conversely, transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at amortized cost or cost.

***Financial asset impairment***

The Organization assesses impairment of all of its financial assets measured at cost or amortized cost. The Organization groups assets for impairment testing when available information is not sufficient to permit identification of each individually impaired financial asset in the group, there are numerous assets affected by the same factors, or no asset is individually significant. Management considers whether the issuer is having significant financial difficulty or whether there has been a breach in contract, such as a default or delinquency in interest or principal payments, in determining whether objective evidence of impairment exists. When there is an indication of impairment, the Organization determines whether it has resulted in a significant adverse change in the expected timing or amount of future cash flows during the year. If so, the Organization reduces the carrying amount of any impaired financial assets to the highest of: the present value of cash flows expected to be generated by holding the assets; the amount that could be realized by selling the assets; and the amount expected to be realized by exercising any rights to collateral held against those assets. Any impairment, which is not considered temporary, is included in current year operations.

The Organization reverses impairment losses on financial assets when there is a decrease in impairment and the decrease can be objectively related to an event occurring after the impairment loss was recognized. The amount of the reversal is recognized in operations in the year the reversal occurs.

***Measurement uncertainty***

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 and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Accruals are made for expenses that have been incurred, but the invoices have not been received.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in operations in the periods in which they become known.

**K-W Musical Productions**  
**Notes to the Financial Statements**  
*For the year ended December 31, 2017*

---

**3. Capital assets**

The Organization's property, including land and a building, has been recorded at its January 1, 2008 value in accordance with the Property Assessment Notice received from MPAC. The property has been owned for a number of years and fair market value was not recorded at the time of acquisition. No amortization on the building has been recorded in the accounts as the annual amortization expense is insignificant.

**4. Line of credit**

At December 31, 2017, the Organization had an available line of credit totaling \$80,000 (2016 - \$80,000), which was unutilized at year end (2016 - nil). The line of credit bears interest at the prime rate plus 1.35% and is secured by the Organization's land and building.

**5. Financial instruments**

The Organization, as part of its operations, carries a number of financial instruments. It is management's opinion that the Organization is not exposed to significant interest, currency, credit, liquidity or other price risks arising from these financial instruments except as otherwise disclosed.

***Credit risk***

Financial instruments that potentially subject the Organization to concentrations of credit risk consist of accounts receivable. Management believes that there is minimal risk associated with the collection of these amounts.

***Liquidity risk***

The operations of the Organization necessitates the management of liquidity risk. Liquidity risk is the risk of being unable to meet daily financial obligations and fund future operational requirements. The Organization's objective is to ensure that it faces limited risk exposure in this area through requirements placed on the types and amounts of liquid assets that are required to be maintained in order to meet its current and future obligations. The Organization achieves this objective through the preparation and monitoring of annual operational budgets to assess current and future funding requirements. As well, the Organization holds its funds with reputable financial institutions. There has been no change in this risk exposure or the above objective, and policies and procedures used to manage this exposure during the year.

***Interest rate risk***

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. Changes in market interest rates may have an effect on the cash flows associated with some financial assets and liabilities, known as cash flow risk, and on the fair value of other financial assets and liabilities, known as price risk. The Organization is exposed to interest rate risk primarily relating to its line of credit disclosed in Note 4.

**6. Comparative figures**

Certain comparative figures have been reclassified to conform with current year presentation.

**K-W Musical Productions**  
**Schedule to the Statement of Operations**

*For the year ended December 31, 2017*

	<i>General Operations</i>	<i>Spring Show</i>	<i>2017 Total</i>	<i>2016 Total</i>
<b>Revenue</b>				
Advertising	-	750	750	1,850
Concessions	263	-	263	-
Donations	600	188	788	643
Fundraising	143	-	143	624
Government grants	6,000	-	6,000	5,500
HST rebates	1,175	5,892	7,067	8,394
Membership dues	1,600	-	1,600	1,410
Merchandise	973	-	973	726
Miscellaneous	557	200	757	3,231
Rental	25,725	-	25,725	16,135
Sponsorships	-	-	-	226
Spring Gala	1,375	-	1,375	1,617
Ticket sales	-	112,892	112,892	136,085
	<b>38,411</b>	<b>119,922</b>	<b>158,333</b>	<b>176,441</b>
<b>Expenses</b>				
<b>Building expenses</b>				
Building repairs and maintenance	21,582	-	21,582	6,121
Municipal taxes	7,866	-	7,866	7,680
Telephone and internet	1,730	-	1,730	1,576
Utilities	6,070	-	6,070	6,260
	<b>37,248</b>	<b>-</b>	<b>37,248</b>	<b>21,637</b>
<b>Administration expenses</b>				
Auditor	4,911	-	4,911	4,770
Bank charges	327	-	327	531
Bookkeeping	1,314	-	1,314	1,575
Legal	207	-	207	-
Office	8,770	103	8,873	8,475
	<b>15,529</b>	<b>103</b>	<b>15,632</b>	<b>15,351</b>
<b>Special events expenses</b>				
Spring Gala	1,778	-	1,778	2,129
<b>Publicity and marketing expenses</b>				
Merchandise	987	-	987	988
Publicity	625	5,159	5,784	7,343
	<b>1,612</b>	<b>5,159</b>	<b>6,771</b>	<b>8,331</b>
<b>Other expenses</b>				
Catering	196	477	673	177
Donations	200	-	200	-
Equipment	1,904	-	1,904	3,147
Trailer rental	-	200	200	-
HST costs	706	-	706	873
Miscellaneous	642	-	642	983
Performers' supplies	-	-	-	809
Special events	747	-	747	-
	<b>4,395</b>	<b>677</b>	<b>5,072</b>	<b>5,989</b>

Continued on next page

**K-W Musical Productions**  
**Schedule to the Statement of Operations**

*For the year ended December 31, 2017*

	<i>General Operations</i>	<i>Spring Show</i>	<i>2017 Total</i>	<i>2016 Total</i>
<b>Expenses</b> (Continued from previous page)				
<b>Show expenses</b>				
Cartage	-	490	490	399
Costumes	-	1,807	1,807	1,892
Hair	-	387	387	-
HST costs	-	1,753	1,753	1,673
Lighting	-	436	436	-
Makeup	-	86	86	177
Miscellaneous	-	150	150	308
Orchestra	-	7,965	7,965	5,715
Paid positions - honorariums	-	9,849	9,849	9,100
Painting	-	419	419	219
Programs	-	1,700	1,700	2,000
Props	-	905	905	1,131
Royalties	-	12,831	12,831	26,954
Script rentals	-	2,540	2,540	-
Shipping	-	-	-	10
Sound equipment	-	3,500	3,500	3,387
Staging	-	2,753	2,753	1,683
Theatre charges	-	39,991	39,991	38,558
	-	<b>87,562</b>	<b>87,562</b>	<b>93,206</b>
<b>Total expenses</b>	<b>60,562</b>	<b>93,501</b>	<b>154,063</b>	<b>146,643</b>
<b>Excess (deficiency) of revenue over expenses</b>	<b>(22,151)</b>	<b>26,421</b>	<b>4,270</b>	<b>29,798</b>