

FILM TRAINING MANITOBA INC.

FINANCIAL STATEMENTS

MARCH 31, 2015



500 - Five Donald Street
Winnipeg, Manitoba R3L 2T4
Tel: (204) 284-7060
Fax: (204) 284-7105
www.bookeandpartners.ca

Independent Auditors' Report

To the Directors of
Film Training Manitoba Inc.

We have audited the accompanying financial statements of Film Training Manitoba Inc., which comprise the statement of financial position as at March 31, 2015, 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 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 Organization'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 Organization's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Film Training Manitoba Inc. as at March 31, 2015, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Winnipeg, Canada
June 5, 2015

Chartered Accountants

FILM TRAINING MANITOBA INC.

STATEMENTS OF OPERATIONS

YEARS ENDED MARCH 31

2015 2014

REVENUES

Jobs and the Economy		
Canada/Manitoba Labour Market Development Agreement	\$ 286,500	\$ 298,700
Industry and Labour Force Investment Fund	209,000	208,800
Employment and Social Development Canada	37,893	38,362
Alliance of Canadian Cinema, Television and Radio Artists	1,475	1,300
Director's Guild of Canada	10,000	9,960
International Alliance of Theatrical Stage Employees	5,000	5,000
Amortization of deferred contributions for equipment (Note 7)	3,966	5,667
Registration fees	44,694	44,240
Interest income	2,939	3,290
Other income	2,140	2,643
In-kind contributions	169,794	174,959
	773,401	792,921

EXPENSES

Above the Line training	27,540	23,472
Actor training	21,866	20,044
Amortization	3,966	5,667
Company specific training	-	3,906
Crew training - Advanced	36,160	35,319
Crew training - Entry Level Courses	20,937	21,770
Diversity program	15,696	15,914
Employment and Social Development Canada	34,754	34,691
Interest and bank charges	1,923	2,068
Marketing and communications	4,651	4,485
Office	55,236	52,168
Online training	19,162	19,325
Salaries and benefits	305,858	319,644
Work experience	37,397	48,171
In-kind expenses	169,794	174,959
	754,940	781,603
Excess of revenues over expenses	\$ 18,461	\$ 11,318

See accompanying notes to the financial statements

STATEMENTS OF CHANGES IN NET ASSETS

YEARS ENDED MARCH 31 2015

	Unrestricted	Internally Restricted	Total 2015	Total 2014
Balance, beginning of year	\$ 75,272	\$ 104,541	\$ 179,813	\$ 168,495
Excess of revenues over expenses	18,461	-	18,461	11,318
Transfer (Note 9)	(10,000)	10,000	-	-
Balance, end of year	\$ 83,733	\$ 114,541	\$ 198,274	\$ 179,813

See accompanying notes to the financial statements

STATEMENTS OF FINANCIAL POSITION

YEARS ENDED MARCH 31

2015 2014
(Note 10)

ASSETS

Current		
Cash (Note 3)	\$ 90,657	\$ 82,128
Receivables (Note 4)	6,003	30,946
Prepaid expenses	2,568	2,651
	99,228	115,725
Restricted cash (Note 3)	114,541	104,541
Equipment (Note 5)	9,255	13,221
	\$ 223,024	\$ 233,487
Liabilities		
Current		
Payables and accruals	\$ 6,495	\$ 30,453
Deferred revenue (Note 6)	9,000	10,000
	15,495	40,453
Deferred contributions for equipment (Note 7)	9,255	13,221
	24,750	53,674
Net Assets		
Unrestricted	83,733	75,272
Internally Restricted	114,541	104,541
	198,274	179,813
	\$ 223,024	\$ 233,487

Commitments (Note 8)

Approved by the Board

 Director

 Director

See accompanying notes to the financial statements

FILM TRAINING MANITOBA INC.

STATEMENTS OF CASH FLOWS YEARS ENDED MARCH 31

2015 2014

Cash derived from (applied to):

OPERATING

Excess of revenues over expenses	\$ 18,461	\$ 11,318
Amortization	3,966	5,667
Amortization of deferred contributions for equipment	(3,966)	(5,667)
	<u>18,461</u>	<u>11,318</u>
Change in non-cash operating working capital items		
Receivables	24,943	2,688
Prepaid expenses	83	(151)
Payables and accruals	(23,958)	(13,626)
Deferred revenue	(1,000)	40

NET INCREASE IN CASH

18,529 269

CASH

Beginning of year	186,669	186,400
End of year	<u>\$ 205,198</u>	<u>\$ 186,669</u>

CASH CONSISTS OF:

Cash	\$ 90,657	\$ 82,128
Restricted cash	114,541	104,541
	<u>\$ 205,198</u>	<u>\$ 186,669</u>

See accompanying notes to the financial statements

NOTES TO THE FINANCIAL STATEMENTS MARCH 31, 2015

1. NATURE OF OPERATIONS

Film Training Manitoba Inc. (the Organization) undertakes activities relating to training in the film, video, and related industries. The Organization was incorporated as a not for profit entity without share capital under the Corporations Act of Manitoba and is a registered charity under the Income Tax Act.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations. The significant accounting policies used are detailed as follows:

(A) REVENUE RECOGNITION

The Organization follows the deferral method of accounting for contributions, which includes donations and government grants. Restricted contributions are recognized as revenue in the year in which the related expenditures are incurred. Unrestricted contributions are recognized as revenue when received or receivable when the amount to be received can be reasonably estimated and collection is reasonably assured. Registration fees are recognized when services have been performed and collection is reasonably assured.

(B) INTERNALLY RESTRICTED NET ASSETS

Internally restricted net assets represent an operating reserve fund for the Organization. This operating reserve is to be used to respond to extraordinary, unplanned costs and to provide a temporary source of financing for cash flow purposes when necessary. These internally restricted amounts are not available for other purposes without prior approval of the Board of Directors.

(C) EQUIPMENT

Equipment is recorded at cost. The Organization provides for amortization using the declining balance method at rates designed to amortize the cost of the equipment over its estimated useful life. The annual amortization rate is as follows:

Equipment	30%
-----------	-----

(D) ACCOUNTING ESTIMATES

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

(E) FINANCIAL INSTRUMENTS

It is management's opinion that the Organization is not exposed to significant credit, currency, interest rate, liquidity or market risks arising from its financial instruments. (f) In-kind contributions and expenses In-kind contributions represent the value of volunteer services by the Board of Directors and members, by production companies for wages and expenses paid directly to trainees and trainers in excess of the amounts covered by the Organization and service by suppliers for discounted equipment costs for workshops. An equal in-kind expense is also recorded as these are incremental costs incurred in carrying out the programs.

FILM TRAINING MANITOBA INC.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

MARCH 31, 2015

3. CASH

A line of credit has been authorized by Assiniboine Credit Union to a maximum of \$20,000 bearing interest at the credit union's prime lending rate plus 2.0%. The line of credit is secured by a first charge over all assets of the Organization, supported by a General Assignment of Provincial Grants. No amount is outstanding on the line of credit as at year end (2014 - \$Nil).

4. RECEIVABLES

	2015	2014
Grants receivable	\$ 2,059	\$ 23,220
GST receivable	3,625	3,757
Other receivables	319	3,969
	<u>\$ 6,003</u>	<u>\$ 30,946</u>

5. EQUIPMENT

	Cost	Accumulated amortization	2015 Net Book Value	2014 Net Book Value
Equipment	\$ 92,552	\$ 83,297	\$ 9,255	\$ 13,221

6. DEFERRED REVENUE

Deferred revenue represents operating funds that are related to the subsequent year.

	2015	2014
Director's Guild of Canada	\$ 9,000	\$ 10,000

7. DEFERRED CONTRIBUTIONS FOR EQUIPMENT

Deferred contributions for equipment represent the unamortized portion of contributions with which the Organization's equipment was purchased.

The changes for the year in the deferred contributions balance are as follows:

	2015	2014
Beginning balance	\$ 13,221	\$ 18,888
Amortization of deferred contributions (included in revenues)	(3,966)	(5,667)
	<u>\$ 9,255</u>	<u>\$ 13,221</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

MARCH 31, 2015

8. COMMITMENTS

The Organization entered into a lease agreement for office space that was renewed during the year. The renewal agreement expires February 28, 2021, with annual minimum rent of \$39,000, \$42,000 effective March 1, 2016, \$45,000 effective March 1, 2018, and \$48,000 effective March 1, 2020. The Organization has sublet a portion of its office space to a third party for an annual recovery of 40% of lease payment.

The Organization also leases a photocopier.

The minimum lease payments for the next five years are as follows:

2016	\$ 39,769
2017	42,519
2018	42,769
2019	45,519
2020	45,337

9. TRANSFER

During the year, the Board of Directors approved a transfer of \$10,000 (2014 - \$Nil) from unrestricted to internally restricted net assets to be used for the purposes of an operating reserve.

10. COMPARATIVE FIGURES

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year. The changes do not affect prior year earnings.

11. ECONOMIC DEPENDENCE

The volume of financial activity undertaken by the Organization with its funding bodies is of sufficient magnitude that the discontinuance of funding would endanger the ability of the Organization to continue as a going concern.