

LE CERCLE MOLIÈRE, INC.
INDEPENDENT AUDITOR'S REPORT
FINANCIAL STATEMENTS
JULY 31, 2019

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Le Cercle Molière, Inc.:

Opinion

We have audited the accompanying financial statements of Le Cercle Molière, Inc., which comprise the statement of financial position as at July 31, 2019, and the statements of operations and changes in net assets, and cash flows for the year then ended, and the notes to financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Le Cercle Molière, Inc. as at July 31, 2019, 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.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance 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.

In preparing the financial statements, management is responsible for assessing the organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the organization's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the financial statements including the disclosures, and whether the financial statements representing the underlying transactions and events in a manner that achieved fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**Winnipeg, Manitoba
September 20, 2019**

Fort Group

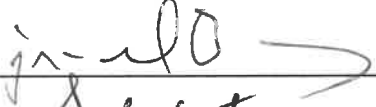
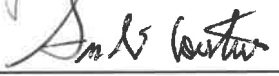
**CHARTERED PROFESSIONAL
ACCOUNTANTS INC.**



**LE CERCLE MOLIÈRE, INC.
STATEMENT OF FINANCIAL POSITION
JULY 31, 2019**

	<u>2019</u>	<u>2018</u>
ASSETS		
CURRENT ASSETS		
Cash	\$ 100,910	122,846
Accounts receivable	28,363	80,622
Prepaid expenses	13,143	27,345
	142,416	230,813
CAPITAL ASSETS (Note 4)	68,096	66,736
	<u>\$ 210,512</u>	<u>297,549</u>
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable & accrued liabilities	\$ 25,756	26,330
Deferred revenues (Note 5)	110,339	71,450
Deferred grants (Note 6)	-	137,800
	136,095	235,580
DEFERRED CAPITAL CONTRIBUTIONS (Note 7)	68,096	66,736
	204,191	302,316
NET ASSETS		
NET ASSETS (DEFICIT)		
Unrestricted	6,321	(4,767)
	<u>\$ 210,512</u>	<u>297,549</u>

APPROVED BY THE BOARD:

 <hr style="border: 0.5px solid black;"/>	President
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LE CERCLE MOLIÈRE, INC.
STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS
YEAR ENDED JULY 31, 2019

	2019		2018
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
REVENUE			
Operational grants (Note 8)	\$ 613,000	613,000	572,900
Special grants (Note 8)	177,500	190,610	164,213
Fundraising (Note 9)	322,000	332,693	387,447
Performance sales	179,800	151,372	185,770
Other	62,500	73,340	81,873
	<u>1,354,800</u>	<u>1,361,015</u>	<u>1,392,203</u>
EXPENSES			
General production	346,700	364,677	300,471
Direct production and other programming	447,891	397,762	476,379
Administration	338,759	338,279	327,553
Advertising and promotion	120,700	131,617	120,497
Fundraising	100,750	117,592	89,800
	<u>1,354,800</u>	<u>1,349,927</u>	<u>1,314,700</u>
EXCESS OF REVENUE OVER EXPENSES	-	11,088	77,503
DEFICIT, BEGINNING OF YEAR	<u>(4,767)</u>	<u>(4,767)</u>	<u>(82,270)</u>
NET ASSETS (DEFICIT), END OF YEAR	<u>\$ (4,767)</u>	<u>6,321</u>	<u>(4,767)</u>

**LE CERCLE MOLIÈRE, INC.
STATEMENT OF CASH FLOWS
YEAR ENDED JULY 31, 2019**

	<u>2019</u>	<u>2018</u>
CASH PROVIDED BY (USED IN):		
OPERATING ACTIVITIES		
Grants	\$ 665,811	733,125
Performance sales	190,261	171,375
Fundraising and other	458,293	414,896
Paid to employees and suppliers	<u>(1,336,301)</u>	<u>(1,317,296)</u>
	<u>(21,936)</u>	<u>2,100</u>
INVESTING ACTIVITIES		
Acquisition of capital assets	<u>(14,708)</u>	<u>(66,736)</u>
FINANCING ACTIVITIES		
Grant received for purchase of capital assets	<u>14,708</u>	<u>66,736</u>
INCREASE IN CASH	(21,936)	2,100
CASH, BEGINNING OF YEAR	<u>122,846</u>	<u>120,746</u>
CASH, END OF YEAR	<u>\$ 100,910</u>	<u>122,846</u>