Mr. Phil Sheegl
Deputy Chief Administrative Officer
City of Winnipeg
3rd Floor, 510 Main Street
Winnipeg, Manitoba
R3B 1B9

January 8, 2010

Re: The (Walker) Burton Cummings Theatre For the Performing Arts

Dear Mr. Sheegl,

Further to our meeting December 4, 2009, I am writing to request consideration for a capital grant from the City of Winnipeg in the amount of $1,500,000 as a portion of a $5,000,000 planned upgrade to the theatre.

As you are aware, the theatre is a 103-year-old grade one-heritage building and has been designated as a Provincial and National Historic Site. It is owned and operated by the Walker Theatre for the Performing Arts Group Inc., a non-profit registered charity with a 12-person board and two full time staff. Since assuming ownership of the facility in 1991, the board of directors has struggled with operating costs and a large capital debt. However, the theatre is now debt free and over the past four years has operated on a break-even basis.

In the fall of 2009, the theatre received a $450,000 matching grant from Parks Canada's cost sharing program to undertake restoration and upgrades to the exterior and interior of the building. The Winnipeg Foundation has also provided a grant of up to $500,000 in matching funding and the theatre has raised $100,000 to date toward the project. The goal of the Board is to launch a fundraising campaign in the spring of 2010 and seeks support from the City of Winnipeg before the public launch of the campaign.

I have enclosed schematics of our proposed restoration project, a copy of our most recent financial statement and a fact sheet on the theatre. If further information is required, I can be reached at 782-1079.
Sincerely

Jack Harper



The Burton Cummings Theatre Renovation Project

NOVEMBER 19, 2009

WALKER THEATRE
Performing Arts Group

SPUTNIK
ARCHITECTURE

1x1 architecture

WALKER THEATRE PERFORMING ARTS GROUP INC.

FINANCIAL STATEMENTS

JUNE 30, 2009

WALKER THEATRE

PERFORMING ARTS GROUP INC.

June 30, 2009

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Gail Friesen C.G.A.
Professional Corporation

Gail Friesen, BA, M Ed, CMA, C.G.A.

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Auditor's Report

To the Board of:
Walker Theatre Performing Arts Group Inc.

I have audited the Statement of Financial Position of Walker Theatre Performing Arts Group Inc. as at June 30, 2009 and the statements of operations and net assets and cash flows for the year then ended. These financial statements are the responsibility of the organization's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I 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 my opinion, these financial statements present fairly, in all material respects, the financial position of the organization as at June 30, 2009 and the results of its operations and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Gail Friesen C.G.A.
Professional Corporations

Winnipeg, Manitoba
November 6, 2009

Gail Friesen C.G.A.
Professional Corporation

CGA

WALKER THEATRE
PERFORMING ARTS GROUP INC.
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2009

	2009	2008
Assets		
Current		
Cash	$ 104,525	$ 138,317
Accounts receivable (Note 3)	12,276	41,789
Inventory	4,407	6,180
Prepaid expenses	-	4,629
	121,208	190,915
Long Term		
Long term investments	47,831	-
Capital assets (Note 4)	768,190	801,032
	816,021	801,032
	$ 937,229	$ 991,947
Liabilities & Net Assets		
Current		
Accounts payable and accrued liabilities	$ 20,752	$ 35,540
Unearned revenue	3,063	700
	23,815	36,240
Net Assets		
Net Assets	913,414	955,707
	$ 937,229	$ 991,947

Approved on Behalf of the Board

_____ Director

_____ Director

The accompanying notes form an integral part of these financial statements.

WALKER THEATRE

PERFORMING ARTS GROUP INC.

STATEMENT OF OPERATIONS AND NET ASSETS

FOR THE YEAR ENDED JUNE 30, 2009

	2009	2008
REVENUE - Schedule 1		
Event fees	$ 364,870	$ 371,953
Fundraising	7,558	2,450
Other revenues	43,822	63,318
	416,250	437,721
COST OF SALES - Schedule 2	60,365	58,150
SALES AND DISTRIBUTION COSTS - Schedule 2	132,487	132,900
	192,852	191,050
GROSS PROFIT	223,398	246,671
OPERATING EXPENSES - Schedule 3	265,691	249,688
EXCESS OF EXPENSES OVER REVENUE FOR THE YEAR	(42,293)	(3,017)
NET ASSETS, BEGINNING OF YEAR	955,707	958,724
NET ASSETS, END OF YEAR	$ 913,414	$ 955,707

The accompanying notes form an integral part of these financial statements.

WALKER THEATRE

PERFORMING ARTS GROUP INC.

STATEMENT OF CASH FLOWS

JUNE 30, 2009

	2009	2008
CASH USED IN OPERATING ACTIVITIES		
Excess of expenses over revenues	$ (42,293)	$ (3,017)
Items not requiring or resulting in an outlay of cash:		
Amortization	32,842	33,202
	(9,451)	30,185
Changes in non-cash working capital:		
Accounts receivable	29,513	(34,497)
Inventories	1,773	(1,528)
Prepaid expenses	4,629	2,647
Accounts payable and accrued charges	(14,788)	(14,756)
Unearned revenue	2,363	-
Net Cash Provided by Operating Activities	14,039	(17,949)
Cash from Investing Activities		
Equipment purchases	-	(7,249)
(Increase) decrease in investments	(47,831)	45,556
Cash Flows used in Investing Activities	(47,831)	38,307
Net (Decrease) Increase in Cash	(33,792)	20,358
Net Cash, beginning of year	138,317	117,959
Net Cash, end of year	$ 104,525	$ 138,317

The accompanying notes form an integral part of these financial statements.

WALKER THEATRE
PERFORMING ARTS GROUP INC.
SCHEDULE OF REVENUE
FOR THE YEAR ENDED JUNE 30, 2009

Schedule 1

	2009	2008
EVENT FEES		
Rebates	$ 13,507	$ 6,897
Hall rental	64,152	75,069
Concession	229,832	220,058
Labour	57,379	69,929
	364,870	371,953
FUNDRAISING		
Donations	4,225	950
Grant, Province of Manitoba (Note 3)	1,833	-
Sponsorship	1,500	1,500
	7,558	2,450
OTHER REVENUE		
Renovation	33,535	45,056
Rent	8,400	8,400
Parking	-	3,650
Miscellaneous	1,887	6,212
	43,822	63,318
	$ 416,250	$ 437,721

The accompanying notes form an integral part of these financial statements.

WALKER THEATRE
PERFORMING ARTS GROUP INC.
SCHEDULE OF COST OF SALES
FOR THE YEAR ENDED JUNE 30, 2009

Schedule 2

	2009	2008
COST OF SALES		
Beginning inventory	$ 6,180	$ 4,652
Purchases	58,592	59,678
	64,772	64,330
Ending inventory	(4,407)	(6,180)
	60,365	58,150
SALES AND DISTRIBUTION COSTS		
Advertising & Promotion	12,017	5,229
Security	32,730	39,080
Wages & Benefits	87,740	88,591
	132,487	132,900
	$ 192,852	$ 191,050

The accompanying notes form an integral part of these financial statements.

WALKER THEATRE

PERFORMING ARTS GROUP INC.

SCHEDULE OF EXPENSES

FOR THE YEAR ENDED JUNE 30, 2009

	2009	2008
Expenses		
Amortization	$ 32,842	$ 33,202
Delivery	438	742
Equipment Rentals	348	-
Insurance	23,915	23,668
Interest & Bank charges	1,088	741
Leases	1,903	1,605
License & Taxes	1,421	709
Miscellaneous	4,714	144
Office Supplies	1,328	2,313
Management Fees	42,000	42,000
Professional Fees	6,960	5,510
Property taxes	16,243	16,245
Repairs & Maintenance	31,429	25,546
Telephone	5,159	5,091
Utilities	68,393	64,872
Wages & benefits	27,510	27,300
	$ 265,691	$ 249,688

The accompanying notes form an integral part of these financial statements.

WALKER THEATRE

PERFORMING ARTS GROUP INC.

Notes to the Financial Statements

JUNE 30, 2009

1. NATURE OF ORGANIZATION

Walker Theatre Performing Arts Group Inc. is a provincial organization operating programs aimed at providing a venue for cultural expression to artists in Manitoba. Walker Theatre Performing Arts Group Inc. is incorporated under the Canada Corporations Act as a not-for-profit organization and is a registered charity under the Income Tax Act. It operates as The Burton Cummings Theatre.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Renovation Revenue

Renovation revenue results from a charge of $1 per ticket sold, which is used to fund on-going restoration.

(b) Capital Assets

Capital assets are recorded at cost. Amortization is computed using the declining balance method at the following rates:

Furniture and equipment	20%
Building	4%

3. Accounts Receivable, prior year

Accounts receivable for the year ended June 30, 2008 included a grant received after year end to be applied against the cost of a new boiler and electrical heating and related upgrades. The total amount of the grant was $32,320, received in August, 2008. In the year ended June 30, 2008, total capital repairs cost $30,487. This amount was set up as a receivable and applied against the cost of the upgrades. The balance has been recorded in the 2008/09 fiscal year and applied against costs to finish the upgrades to the extent of $1,833, the remaining balance available. The grant was received from the Province of Manitoba, Department of Culture, Heritage, Tourism and Sport.

4. Capital Assets

	Cost	Amortization	Net 2009	Net 2008
Land	$ 31,145	$ -	$ 31,145	$ 31,145
Furniture	87,615	77,382	10,233	12,791
Building	1,323,016	596,204	726,812	757,096
	$ 1,441,776	$ 673,586	$ 768,190	$ 801,032

Whereas the Walker Theatre is an historical site, the renovation and restoration of the property is restricted by statute. Due to this restriction, the net book value of some of the capital assets may exceed their net realizable value.

THE
BURTON CUMMINGS THEATRE
FOR THE PERFORMING ARTS

Backgrounder

Fact Sheet – Burton Cummings Theatre

Walker Theatre Opened: .....Feb. 18, 1907 (Performance of Madame Butterfly)

Original Building Cost: $341,000

Closed and Sold: .....February 1936 for $35,000 in back taxes

Re-opened as Odeon Theatre: .....Nov. 3, 1945

Purchased for $750,000 by Walker Theatre
Performing Arts Group, Inc. 1990

Governance: .....Register non-profit charity, 12-member volunteer board

Capital renovations of $1.5 million and
re-opened under original
Walker Theatre name: .....Mar. 5, 1991 (Performance by Blue Rodeo)

Renamed Burton Cummings Theatre
for the Performing Arts: 2002

Average Annual Operating Budget: $250,000

Number of Full-time Employees: .....Two

Outstanding Mortgage Debt: .....Discharged $1.5 million mortgage held by 72579 Man. & Rodale Enterprises June, 2007 leaving theatre debt free.

Ten Year Booking History:

2009 .....51 (37 traveling Shows)
2008……..62 (50 Traveling Shows)
2007……...73 (52 Traveling Shows)
2006 . .....53 (23 Traveling Shows)
2005 85
2004.....61
2003.....83
2002.....93
2001.....120
2000.....92

Federal, Provincial, Municipal Government Assistance (1990-2009)
- Capital Grants: $613,286 ($288,286 Matching)
- Operating Grants: $800,000