



**Special Celebrations Corporation of
Newfoundland and Labrador Inc.**

**Annual Report
2006-07**

**Government of
Newfoundland and Labrador**

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Message from the Minister

I am pleased to present the 2006-07 annual report for the Special Celebrations Corporation of Newfoundland and Labrador.

The Special Celebrations Corporation is an innovative alternative service delivery agency created by the Department of Tourism, Culture and Recreation in 1998 to help the Department achieve growth targets. In the time since its creation, the role of the Corporation has evolved to one of supporting viable community projects that normally could not be supported through established funding programs. The Special Celebrations Corporation has served an invaluable role in supporting community arts and heritage programming.



The 2006-07 annual report for the Special Celebrations Corporation of Newfoundland and Labrador is submitted in accordance with Government's commitment to accountability. This report was prepared under the direction of the Board of Directors and reflects the activities of the Corporation from April 1, 2006 to March 31, 2007.

Tom Hedderson

Tom Hedderson, M.H.A.
Harbour Main-Whitbourne
Minister

Special Celebrations Corporation Inc. Overview

Background

The Special Celebrations Corporation of Newfoundland and Labrador Inc. is a special operating agency of the Department of Tourism, Culture and Recreation. It was incorporated under the Corporations Act on August 27, 1998. It was established to plan, organize, manage and supervise tourism special events for the Government of Newfoundland and Labrador.

Structure

The Corporation's Board is comprised of the Minister, the Deputy Minister and the Assistant Deputy Minister (Culture and Recreation). A management committee comprised of the Deputy Minister, the Assistant Deputy Minister and the Director of Finance and General Operations ensures that the planning and activities of the Special Celebrations Allocation are consistent with the Department's overall priorities and goals. This arrangement also ensures tight management and financial control, a good measure of accountability and that best-practices of government administration are implemented.

The Special Celebrations Corporation is an innovative alternative service delivery agency originally created by the Department of Tourism, Culture and Recreation to help achieve ambitious growth targets. The Corporation is operationally flexible but accountable to government, and has been used to serve the needs of the cultural community in the Province.

The Department of Tourism, Culture and Recreation, through its Special Celebrations Corporation, continued to incorporate special events in its tourism promotion to complement its core "brand" marketing strategy. The Department utilized this Corporation from 1998 to 2002 to develop the following special celebrations: Soiree '99, Vikings! 1000 Years, Receiving the World and Access North-Labrador 2002. As Access North was the final initiative in this series of celebrations, the Special Celebrations office closed in March 2003.

Revenue and Expenditure

All revenue historically generated from sponsors, partnerships, merchandising and other sources was kept separate from the government's Consolidated Revenue Fund. This not only allowed the corporation better control over its finances, but also gave it flexibility to respond to revenue-generating opportunities.

In 2006-07, the Corporation did not generate any revenue except interest and used funding remaining in its bank account to fund specific projects. The Corporation began the 2006-07 year with an opening balance of \$63,479 and had a closing balance on March 31, 2007 of \$2,170. A copy of the Corporation's audited financial statement is attached as Appendix A.

Lines of Business

In May 2003, Cabinet authorized the Special Celebrations Corporation of Newfoundland and Labrador Inc. to provide funding (from its existing bank account) in support of various festivals, community celebrations and promotional events normally considered under the Department of Tourism, Culture and Recreation's Cultural Events Fund.

The Department established criteria for support from the Special Celebrations Allocation. Projects supported were normally constituted as "community" or amateur arts and/or heritage activities. To be eligible for funding projects were to:

- be sponsored by a community organization,
- be related to the arts or heritage sectors, and
- have broad provincial appeal.

Projects were also to:

- raise awareness of and promote cultural resources of the region,
- benefit a significant number of people,
- involve the participation of residents and visitors, and
- maximize the benefit of the contribution.

Report of Activity for 2006-07

In 2006-07 the Special Celebrations Corporation of Newfoundland and Labrador supported approximately 48 separate projects throughout the Province. In addition to about 40 projects which were given financial support of between \$200 and \$1,000, the Special Celebrations Corporation also provided financial support, ranging from \$2,000 to \$24,000, to eight larger projects. The total listing of projects supported is attached as Appendix B

Challenges and Opportunities

The Special Celebrations Corporation currently does not generate any revenue except interest and, while it remains a legal entity, it has no physical presence. It is anticipated that once all existing revenue is expended, the Corporation will be dissolved.

Appendix A

Financial Statement Year Ending 31 March, 2007



OFFICE OF THE AUDITOR GENERAL
St. John's, Newfoundland and Labrador

AUDITOR'S REPORT

To the Board of Directors
Special Celebrations Corporation
of Newfoundland and Labrador, Inc.
St. John's, Newfoundland and Labrador

I have audited the balance sheet of the Special Celebrations Corporation of Newfoundland and Labrador, Inc. as at 31 March 2007 and the statements of revenues, expenses and surplus, and cash flows for the year then ended. These financial statements are the responsibility of the Corporation'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 Corporation as at 31 March 2007 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.



JOHN L. NOSEWORTHY, CA
Auditor General

St. John's, Newfoundland and Labrador
1 June 2007

**SPECIAL CELEBRATIONS CORPORATION
OF NEWFOUNDLAND AND LABRADOR, INC.**

BALANCE SHEET

31 March

2007

2006

ASSETS

Current

Cash	\$ 2,170	\$ 63,479
Accounts receivable (Note 2)	470	526
	<u>\$ 2,640</u>	<u>\$ 64,005</u>

LIABILITIES AND SHAREHOLDER'S EQUITY

Current

Accounts payable and accrued liabilities	\$ 1,362	\$ 2,061
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Shareholder's equity

Share capital

Authorized and issued 500 common shares of no par value	1	1
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Surplus	1,277	61,943
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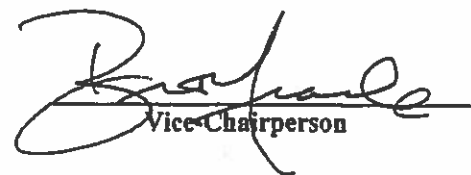
1,278 61,944

\$ 2,640 \$ 64,005

See accompanying notes

Signed on behalf of the Board:


Chairperson


Vice-Chairperson

**SPECIAL CELEBRATIONS CORPORATION
 OF NEWFOUNDLAND AND LABRADOR, INC.
 STATEMENT OF REVENUES, EXPENSES AND SURPLUS
 For the Year Ended 31 March**

2007

2006

REVENUES

Bank interest	\$ 1,375	\$ 2,469
Other	-	9,160
	<u>1,375</u>	<u>11,629</u>

EXPENSES

Grants	61,500	141,000
Administration	541	2,090
	<u>62,041</u>	<u>143,090</u>

Excess of expenses over revenues (60,666) (131,461)

Surplus, beginning of year 61,943 193,404

Surplus, end of year \$ 1,277 \$ 61,943

See accompanying notes

**SPECIAL CELEBRATIONS CORPORATION
OF NEWFOUNDLAND AND LABRADOR, INC.
STATEMENT OF CASH FLOWS
For the Year Ended 31 March**

2007

2006

Cash flows from operating activities

Excess of expenses over revenues	\$ (60,666)	\$ (131,461)
Changes in non-cash working capital	(643)	(9,838)
Net decrease in cash	(61,309)	(141,299)
Cash, beginning of year	63,479	204,778
Cash, end of year	\$ 2,170	\$ 63,479

See accompanying notes

**SPECIAL CELEBRATIONS CORPORATION
OF NEWFOUNDLAND AND LABRADOR, INC.**
NOTES TO FINANCIAL STATEMENTS
31 March 2007

Authority

The Special Celebrations Corporation of Newfoundland and Labrador, Inc. (the Corporation) was incorporated under the *Corporations Act* on 27 August 1998. All shares of the Corporation are held by the Minister of Tourism, Culture and Recreation on behalf of the Province. The purpose of the Corporation is to plan, organize, manage and supervise tourism special events for the Government of Newfoundland and Labrador. Its affairs are governed by a Board of Directors appointed by the Minister of Tourism, Culture and Recreation.

1. Significant accounting policies

These financial statements have been prepared by the Corporation's management in accordance with Canadian generally accepted accounting principles.

2. Accounts receivable

	2007	2006
Bank interest	\$ 7	\$ 188
<u>Harmonized sales tax</u>	<u>463</u>	<u>338</u>
	<u>\$ 470</u>	<u>\$ 526</u>

3. Related party transactions

The Province has provided certain office equipment and furnishings at no cost to the Corporation. These assets are not reflected in these financial statements.

4. Economic dependence

As a result of the Corporation's reliance on Provincial funding, the Corporation's ability to continue viable operations is dependent upon the decisions of the Province.

5. Income taxes

The Corporation is a Crown entity of the Province of Newfoundland and Labrador and as such is not subject to Provincial or Federal income taxes.

**SPECIAL CELEBRATIONS CORPORATION
OF NEWFOUNDLAND AND LABRADOR, INC.
NOTES TO FINANCIAL STATEMENTS
31 March 2007**

6. Financial instruments

The Corporation's financial instruments recognized on the balance sheet consist of cash, accounts receivable, and accounts payable and accrued liabilities. The carrying values of these instruments approximate current fair value due to their nature and the short-term maturity associated with them.

7. Corporation status

During 2005-06 Government authorized the Corporation to fund festivals, community celebrations and promotional events with its residual funds. Approval was also given to formally dissolve the Corporation once the remaining balance is exhausted.

Appendix B

List of Projects Supported From Special Events Allocation

2006-07

**List of Projects Supported
From Special Events Allocation 2006-07**

Town of Hampden -	\$ 500.00
Come Home Year 2006 - Grand Bank	\$ 500.00
The Beaches Heritage Centre	\$ 500.00
Codroy Vallaey Come Home Year Committee	\$ 500.00
Fleur-de-Lys Come Home Year 2006 Committee	\$ 500.00
Cupers Cove Soiree	\$ 500.00
Baccalieu Trail Tourism Association	\$2,000.00
Twillingate/NWI Fish, Fun and Folk Festival	\$ 500.00
Turks Gut Heritage Conservation Inc.	\$ 200.00
L'anse Au Clair Come Home Year 2008	\$ 500.00
Woodstock Come Home Year 2008	\$ 500.00
Magnetic North Theatre Festival	\$5,000.00
Town of Holyrood	\$ 500.00
New Wes Valley Crab Festival	\$ 500.00
Come Home Year 2007 Committee - Bay St. George South	\$ 500.00
Town of Petty Harbour - Maddox Cove	\$ 500.00
Town of Paradise	\$ 500.00
Town of Botwood	\$ 500.00
Brigus Blueberry Festival Committee Inc.	\$ 500.00
Mariner Resource Opportunities Network Inc.	\$ 300.00
North West River Beach Festival	\$ 500.00
Cape Ray Come Home Year Committee	\$ 300.00
Rose Blanche Come Home Year Committee	\$ 600.00
Local Services Distract of Grand Bruit	\$ 250.00
Local Services Distract of La Poile	\$ 250.00
Isle aux Morts Come Home Year Committee	\$ 600.00
Musgrave Harbour Lions Club	\$ 500.00
The Lung Association of NF&L	\$ 500.00
Mary's Harbour Come Home Year Committee	\$ 500.00
Pollard's Point/Sops Arm - Come Home Year 2006	\$ 500.00
Whitbourne Sports & Recreation Committee	\$ 500.00
Town of Norris Arm	\$2,500.00
Trout River Herutage Committee	\$ 500.00
Town of Charlottetown - Shrimp Festival	\$ 500.00
Humber Valley Strawberry Festival	\$ 500.00
Town of Buchans	\$ 500.00
Lamaline/Point au Gaul Howecoming 2006	\$ 250.00
Town of South Brook	\$ 250.00
Special Events Committee - Upper Island Cove	\$4,000.00
The Newfoundland Historical Society	\$2,000.00
Corner Brook Winter Carnival Inc.	\$1,000.00

Mount Pearl Frosty Festival	\$ 2,000.00
All Hallows Parish	\$ 500.00
Special Events Committee - Town of Upper Island Cove	\$ 1,000.00
Heritage Entertainment Revival Society	\$ 500.00
Flying Boat Festival International	\$24,000.00