

THEATRE AURORA
FINANCIAL STATEMENTS
JUNE 30, 2022
(UNAUDITED)

THEATRE AURORA
INDEX TO FINANCIAL STATEMENTS
JUNE 30, 2022
(UNAUDITED)

	Page
Review Engagement Report	1
Statement of Financial Position	2
Statement of Changes in Net Assets	3
Statement of Operations	4
Statement of Cash Flows	5
Notes to Financial Statements	6-8

INDEPENDENT PRACTITIONERS' REVIEW ENGAGEMENT REPORT

To the members:

We have reviewed the accompanying financial statements of Theatre Aurora that comprise the statement of financial position as at June 30, 2022, and the statements of changes in net assets, operations and cash flows 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 private enterprises, 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.

Practitioner's Responsibility

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements

Common with many charitable organization, the organization derives revenue from donations, the completeness of which is not susceptible to satisfactory review procedures. Accordingly our review of these revenues was limited to amounts recorded in the records of the organization and we were not able to determine whether any adjustments might be necessary to contributions, excess of revenue over expenditures, assets, liabilities and the accumulated net assets.

Conclusion

Based on our review, except for the possible effects on the matter described in the preceding paragraph, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of Theatre Aurora as at June 30, 2022, 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.

Richmond Hill, Ontario
December 14, 2022

Glenn Dennis CPA
Licensed Public Accountant

THEATRE AURORA

**STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2022
(UNAUDITED)**

ASSETS	2022	2021
Current		
Cash	\$ 9,871	\$ 25,735
Short term investments	66,391	83,667
Accounts receivable	4,534	-
Prepaid expenses	5,286	5,286
	<u>86,082</u>	114,688
Capital assets (note 3)	<u>39,939</u>	9,905
	<u>\$ 126,021</u>	<u>\$ 124,593</u>

LIABILITIES

Current		
Accounts payable	\$ 3,378	\$ 3,553
Meridian loan (note 4)	59,444	60,000
	<u>62,822</u>	63,553

NET ASSETS

General Fund	<u>63,199</u>	61,040
	<u>\$ 126,021</u>	<u>\$ 124,593</u>

On Behalf of the Board:

_____ Director

_____ Director

THEATRE AURORA

**STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS
YEAR ENDED JUNE 30, 2022
(UNAUDITED)**

	2022	2021
Revenue		
Donations and fundraising	39,565	21,409
Productions	25,679	7,018
Theatre rental	12,668	-
Provincial grants	11,071	23,439
OLG Gaming Revenue	8,739	5,054
Other	\$ 1,533	\$ 1,259
Youth income	750	12,638
HST/GST refunds	-	8,926
Arsenic refunds	-	(4,079)
	100,005	75,664
Expenditures		
Direct production		
Productions	24,900	1,214
Box office	4,628	2,014
Youth	1,100	11,678
	30,628	14,906
General and administrative		
Repairs and maintenance	28,950	27,429
Utilities	10,456	6,957
Janitor services	6,181	90
Amortization	5,586	4,840
Insurance	4,986	4,872
Professional fees	4,825	4,186
Interest and bank charges	2,872	1,217
Telephone	2,859	2,328
Advertising and promotion	503	833
Bad debts	-	2,033
	67,218	54,785
Total expenditures	97,846	69,691
Excess of revenues over expenditures	2,159	5,973
Net assets beginning of the year	61,040	55,067
Net assets end of the year	\$ 63,199	\$ 61,040

THEATRE AURORA

**STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2022
(UNAUDITED)**

	2022	2021
Operating Activities		
Excess of revenue over expenditures	\$ 2,159	\$ 5,973
Amortization	5,586	4,840
	7,745	10,813
Changes in certain non-cash items working capital items		
Short term investments	17,276	(73,621)
Accounts receivable	(4,534)	4,707
Accounts payable and accrued liabilities	(175)	568
	20,312	(57,533)
Financing Activities		
Bank advances Meridian loan	(556)	60,000
Bank loan repayments	-	-
Advances from Trillium Fund (net)	-	-
Repayments to members	-	-
	(556)	60,000
Total cash from (used for) financing activities		
Purchase of capital assets	(35,620)	-
	-	-
Total cash from (used for) investing activities		
	(35,620)	-
Change in cash position during the year		
	(15,864)	2,467
Cash at beginning of year	25,735	23,268
Cash at end of year	\$ 9,871	\$ 25,735

THEATRE AURORA

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022
(UNAUDITED)**

1. Description of organization

Theatre Aurora was incorporated without share capital on June 23, 1999. The Organization is a registered charitable organization under the Income Tax Act and is exempt from income tax.

Mission

The Theatre Aurora is a dramatic organization that promotes the interest and skill in the arts of the theatre. Theatre Aurora trains students and perform plays and presentations throughout the year.

2. Summary of significant accounting policies

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. The following summary of significant accounting policies is set forth to facilitate the understanding of these financial statements:

Cash and cash equivalents

Cash equivalents are highly liquid investments, with original terms to maturity of less than 90 days.

Capital assets

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution. Capital assets are amortized over their estimated useful lives as follows:

Lighting equipment	20% declining balance
Sound equipment	20% declining balance
Office equipment	25% declining balance
Computer equipment	30% declining balance

THEATRE AURORA

NOTES TO FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2022 (UNAUDITED)

Revenue recognition

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

Production, front of house, membership fees and theatre rental revenues are recognized as revenue after the completion of the event. Funds received prior to the completion of the event are recorded as revenues received in advance. Ticket sales are recorded as revenue in the fiscal year in which the performance is provided.

Donated materials and services

A number of volunteers have made significant contributions of their time to the Organization's program and supporting services. While these services benefit the Organization considerably, a reasonable estimate of their amount and fair value cannot be made and, accordingly, these contributed services are not recognized in the financial statements

Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that effect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenue and expenses during the reporting period. Actual results could differ from those estimates.

3. Capital assets

	2022		2021	
	Cost	Accumulated Depreciation	Net	Net
Building	\$ 20,300	\$ 20,300	\$ -	\$ -
Leasehold improvements	104,603	104,603	-	-
Lighting equipment	108,613	71,603	37,010	6,191
Stage	20,641	20,641	-	-
Sound equipment	40,936	38,521	2,415	3,019
Office equipment	34,212	33,814	398	531
Computer equipment	9,674	9,558	116	164
	<u>\$ 338,979</u>	<u>\$ 299,040</u>	<u>\$ 39,939</u>	<u>\$ 9,905</u>

THEATRE AURORA

NOTES TO FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2022 (UNAUDITED)

4. Meridian Loan

Theatre Aurora received a \$60,000 loan from Meridian Credit Union. The loan has a term of 10 years, with the first year bearing 4% interest, and the remaining duration of the loan requiring payments of \$660 monthly which includes the principal and interest.

5. Financial instruments

Theatre Aurora is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the organizations's risk exposure and concentration as of June 30, 2021.

Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Organization is exposed to credit risk from customers. In order to reduce its credit risk, the organization reviews a new customer's credit history before extending credit and conducts regular reviews of its existing customers' credit performance. An allowance for doubtful accounts is established based upon factors surrounding the credit risk of specific accounts, historical trends and other information. The Organization has a significant number of customers which minimizes concentration of credit risk.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The organization is exposed to this risk mainly in respect of its receipt of funds from its customers and other related sources, long-term debt, and accounts payable.

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. In seeking to minimize the risks from interest rate fluctuations, the organization manages exposure through its normal operating and financing activities. The organization has minimized this risk by locking in long term debt.

6. COVID-19 Risk

These financial statements were prepared using accounting standards that apply to an operating enterprise. This assumes that the enterprise will continue its operations for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations.

On March 11, 2020, the World Health Organization declared COVID-19 a global pandemic. The duration and full impact of the COVID-19 pandemic on Theatre Aurora is unknown at this time.

Theatre Aurora has had to cease the majority of its operations. The continuation of the organization's activities depends on the resumption of its normal operations within a reasonable time and on its ability to restore, and then maintain, its profitability.

The extent to which COVID19 will impact Theatre Aurora's activities and results of operations is uncertain and will depend on future developments that cannot be predicted with confidence, including the duration and severity of the outbreak, and the actions taken by governments and private sector participants to contain COVID-19 or address its impact, among others.

