CHURCH STREET SCHOOL CULTURAL CENTRE
O/A AURORA CULTURAL CENTRE

FINANCIAL STATEMENTS
DECEMBER 31, 2016

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MF TY CHARTERED PROFESSIONAL ACCOUNTANTS

MF TY
MILLARD ▪ FOSTER ▪ THIBEAULT ▪ YOUELL
Professional Corporation
Chartered Professional Accountants

INDEPENDENT AUDITOR'S REPORT

To the Directors of Church Street School Cultural Centre o/a Aurora Cultural Centre

We have audited the accompanying financial statements of Church Street School Cultural Centre, o/a Aurora Cultural Centre, which comprises the statement of financial position as at December 31, 2016, the statements of operations and 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.

Auditor's 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 entity'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 entity'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.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Organization as at December 31, 2016 and its financial performance and cash flows for the year then ended in accordance with Canadian Accounting Standards for Not-for-Profit Organizations.

Millard Foster Thibeault Youell

CHARTERED PROFESSIONAL ACCOUNTANTS
AUTHORIZED TO PRACTISE PUBLIC ACCOUNTING BY THE
CHARTERED PROFESSIONAL ACCOUNTANTS OF ONTARIO
(registered name of The Institute of Chartered Accountants of Ontario)

Aurora, Ontario
June 9, 2017

CHURCH STREET SCHOOL CULTURAL CENTRE
O/A AURORA CULTURAL CENTRE
STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS
DECEMBER 31, 2016

	2016	2015
	$	$
REVENUES		
Grant - Town of Aurora operating	**403,900**	377,000
Grants - Ontario Trillium	**46,319**	62,407
Grants - other	**9,800**	12,032
Programs	**198,494**	180,727
Fundraising, donations and sponsorships	**52,453**	57,717
	710,966	689,883
EXPENDITURES		
Salaries and benefits	**466,091**	397,240
Programs	**137,922**	141,619
Amortization	**11,209**	14,135
Office expenses	**26,682**	32,481
Professional fees	**22,122**	32,389
Fundraising	**1,170**	7,492
Trillium Grant - Fundraising	**46,319**	62,407
Insurance	**11,136**	9,115
	722,651	696,878
DEFICIENCY OF REVENUES OVER EXPENDITURES	**(11,685)**	(6,995)
NET ASSETS - Beginning of year	**286,828**	293,823
NET ASSETS - End of year	**275,143**	286,828

CHURCH STREET SCHOOL CULTURAL CENTRE
O/A AURORA CULTURAL CENTRE
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2016

	Note Reference	2016	2015
		$	$
ASSETS			
CURRENT ASSETS			
Cash		**75,750**	233,122
Restricted cash	3	**210,940**	205,940
Amounts receivable		**38,531**	7,952
Prepaid expenses		**7,242**	5,342
		332,463	452,356
Capital assets	4	**20,887**	32,096
		353,350	484,452
LIABILITIES AND NET ASSETS			
CURRENT LIABILITIES			
Accounts payable and accruals		**24,634**	42,150
Revenues received in advance		**23,716**	15,250
Deferred grants	5	**19,741**	130,735
		68,091	188,135
Deferred contributions	6	**10,116**	9,489
		78,207	197,624
NET ASSETS			
Unrestricted		**53,432**	58,281
Internally restricted	7	**210,940**	205,940
Invested in capital assets		**10,771**	22,607
		275,143	286,828
		353,350	484,452

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

Approved on behalf of the Board: Director Director

MF TY CHARTERED PROFESSIONAL ACCOUNTANTS

CHURCH STREET SCHOOL CULTURAL CENTRE
O/A AURORA CULTURAL CENTRE
STATEMENT OF CASH FLOWS
DECEMBER 31, 2016

	2016	2015
	$	$
OPERATING ACTIVITIES		
Deficiency of revenues over expenditures	**(11,685)**	(6,995)
Expenditures not requiring cash:		
Amortization	**11,209**	14,135
	(476)	7,140
Non-cash working capital items:		
Amounts receivable	**(30,579)**	(4)
Prepaid expenses	**(1,900)**	(3,055)
Accounts payable and accruals	**(17,516)**	(24)
Revenues received in advance	**8,466**	850
Deferred grants	**(110,994)**	98,868
	(152,999)	103,775
FINANCING ACTIVITIES		
Restricted cash	**(5,000)**	(9,718)
Deferred contributions	**627**	(2,372)
	(4,373)	(12,090)
INCREASE/(DECREASE) IN CASH	**(157,372)**	91,685
CASH - Beginning of year	**233,122**	141,437
CASH - End of year	**75,750**	233,122

1. NATURE OF ORGANIZATION

The Organization has been established in the Town of Aurora to deliver a diverse range of inspiring artistic, music and heritage programs, and to promote Aurora as a dynamic community that values the creative contributions of its citizens. The Organization also works to showcase local, emerging and established talent for the community to enjoy.

The Organization was incorporated, without share capital, in the province of Ontario on April 22, 2009, and qualifies as a charitable organization under the Income Tax Act and is exempt from income tax.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of presentation:

These financial statements have been prepared using Canadian Accounting Standards for Not-for-Profit Organizations.

b) Revenue recognition:

The Organization follows the deferral method of accounting for revenues. Unrestricted revenues are recognized 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 expenditures are incurred.

Ticket, program and facility revenues are recognized as revenues when the event has occurred and collection is reasonably assured.

c) Contributed services:

A substantial number of volunteers have made significant contributions of their time to the Organization's operations. While these services benefit the Organization considerably, these contributed services are not recognized in the financial statements.

d) Cash:

Cash is defined as cash on hand and cash on deposit, net of cheques issued and outstanding at the reporting date.

e) Amortization:

Capital assets are recorded at cost and are being amortized on the straight-line basis as follows:

Computer equipment	3 years
Music instruments	10 years
Leasehold improvements	term of the lease

In the year of acquisition or disposal, amortization is recorded at 50% of the annual rate, with the exception of leasehold improvements.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

f) Management's estimates:

The preparation of financial statements in conformity with Canadian Accounting Standards for Not-for-Profit Organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenditures during the reporting period. Significant items subject to such estimates and assumptions include the estimated useful life of capital assets and the time allocation of administrative salaries and benefits for program expenditures. Actual results could differ from those estimates.

g) Financial instruments:

The fair values of cash, restricted cash, amounts receivable, accounts payable and accruals, revenues received in advance, and deferred contributions are approximately equal to their carrying values. It is management's opinion that the Organization is not exposed to significant interest risks arising from the financial instruments.

3. RESTRICTED CASH

Restricted cash consists of the following:

	2016	2015
	$	$
Internally restricted:		
Classical Music Series Fund	**70,940**	65,940
Contingency Fund	**120,000**	120,000
Special Project Fund	**20,000**	20,000
	210,940	205,940

See Note 7 for description of the internally restricted funds.

4. CAPITAL ASSETS

	2016		2015	
	Original Cost	Accumulated Amortization	Original Cost	Accumulated Amortization
	$	$	$	$
Computer equipment	**26,133**	**24,919**	26,133	22,490
Music instruments	**43,570**	**28,321**	43,570	23,964
Leasehold improvements	**46,076**	**41,652**	46,075	37,228
	115,779	**94,892**	115,778	83,682
Net Book Value		**20,887**		32,096

5. DEFERRED GRANTS

Deferred grants consists of the following:

	2016	2015
	$	$
Balance - beginning of year	**130,735**	31,867
Funds received - Ontario Trillium Foundation	**43,800**	55,300
Funds received - Town of Aurora	**-**	108,475
Recognized as revenue	**(154,794)**	(64,907)
	19,741	130,735

The amount recognized as revenue during the year includes $46,319 (2015 - $62,407) related to the Fund Development Officer grant approved in 2013 by the Ontario Trillium Foundation ("The Foundation") and $108,475 of the Town of Aurora 2016 operating grant received at the end of the previous year.

The Foundation funds are restricted in that the expenditures incurred must be used to meet certain expected results and performance indicators as outlined by the Foundation. Funds received from the Foundation are recognized as revenues when the related expenditure is incurred.

6. DEFERRED CONTRIBUTIONS

The Organization's deferred contributions consists of the following:

	2016	2015
	$	$
Balance - beginning of year	**9,489**	11,861
Funds received	**3,000**	-
Amortization of deferred contributions	**(2,373)**	(2,372)
	10,116	9,489

The deferred contributions consist of restricted donations relating to the purchase of certain capital assets and a donation related to 2017 programs. Restricted donations relating to the purchase of certain capital assets are recognized as income at the rate of amortization of the capital assets acquired and the donation related to 2017 programs will be recognized as income in the subsequent year.

7. INTERNALLY RESTRICTED

The Organization's internally restricted net assets consists of the following:

	2016	2015
	$	$
Classical Music Series Fund	**70,940**	65,940
Contingency Fund	**120,000**	120,000
Special Project Fund	**20,000**	20,000
	210,940	205,940

The Board of Directors approved to internally restrict $5,000 (2015 - $9,718) from the unrestricted net assets to the Classical Musical Series Fund.

The purpose of the Classical Music Series Fund is to support future classical music programming as specified by the donor, unless otherwise approved by the Board of Directors.

The purpose of the Contingency Fund is to provide the Organization with sufficient working capital should the Organization experience a significant decline in future funding, or to facilitate an orderly wind up of the Organization's operations in the event that the Organization could not continue with its day to day operations. Disbursements made out of this fund must be approved by the Board of Directors.

The purpose of the Special Project Reserve Fund is to provide the Organization with sufficient funds for various projects as determined from time to time by the Board of Directors.

8. CREDIT FACILITY

The Organization has a credit card that bears interest at 16.99% per annum. The authorized limit is $20,000 and available credit at year end is $18,200 (2015 - $15,080).

9. PROGRAM EXPENDITURES

The Organization's Provision of Cultural Service Agreement ("the Agreement") with the Town of Aurora (see Note 10) contains certain clauses regarding Key Performance Indicators ("KPI"). In order to provide information in respect of program expenditures, management has identified all expenditures related to programming which amount to $555,559 (2015 - $494,897). Included in this amount are administrative salaries and benefits of $132,338 (2015 - $127,138) which have been allocated to program expenditures based on the estimated amount of time spent as determined by management.

10. ECONOMIC DEPENDENCE

The Organization's revenues, substantially derived from a grant of $403,900 (2015 - $377,000), is received from the Town of Aurora. A Provision of Cultural Services Agreement with the Town of Aurora dated January 1, 2013 stipulates that the Organization should make an annual request for grant funding to Council in accordance with the Town's current budget guidelines and requirements and shall be subject to Council approval. This agreement is effective until December 31, 2027.

In addition, the annual facility rent payable under the lease with the Town of Aurora is $1 per annum. This agreement is in effect until December 31, 2027.

The Town may at any time terminate these agreements while providing the Organization with six months notice.

The Organization is dependent on this grant and lease for its continued existence and ability to carry out its normal activities.

11. COMPARATIVE FIGURES

Certain of the comparative figures have been reclassified in order to conform with the basis of presentation adopted in the current year.