

CHURCH STREET SCHOOL CULTURAL CENTRE O/A AURORA CULTURAL CENTRE

**FINANCIAL STATEMENTS
DECEMBER 31, 2023**

CONTENTS	PAGE
Independent auditor's report	1 - 2
Statement of operations and changes in net assets	3
Statement of financial position	4
Statement of cash flows	5
Notes to financial statements	6 - 12



INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinion:

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, 2023 and 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.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Organization as at December 31, 2023, and its financial performance 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 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.

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.

CHURCH STREET SCHOOL CULTURAL CENTRE O/A AURORA CULTURAL CENTRE

Page 2

INDEPENDENT AUDITOR'S REPORT (continued)

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 it 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. 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 represent the underlying transactions and events in a manner that achieves 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.



**CHARTERED PROFESSIONAL ACCOUNTANTS
AUTHORIZED TO PRACTISE PUBLIC ACCOUNTING BY THE
CHARTERED PROFESSIONAL ACCOUNTANTS OF ONTARIO**

Aurora, Ontario
June 13, 2024

CHURCH STREET SCHOOL CULTURAL CENTRE
O/A AURORA CULTURAL CENTRE
STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS
DECEMBER 31, 2023

Page 3

	Note Reference	2023	2022
		\$	\$
REVENUES			
Grant - Town of Aurora operating		538,760	523,100
Grant - Town of Aurora special funding		-	50,000
Grant - Aurora Town Square displacement costs		129,860	139,889
Grants - Provincial		155,175	174,700
Grants - Federal		207,165	218,467
Programs		204,917	157,091
Fundraising, donations and sponsorships		127,232	84,638
		1,363,109	1,347,885
EXPENDITURES			
Administrative salaries and benefits	10	59,974	61,144
Programs		383,571	410,744
Programming salaries and wages	10	869,843	725,059
Office expenses		39,848	46,415
Professional fees		45,579	75,536
Fundraising		5,600	14,442
Insurance		13,397	10,815
Amortization		14,756	9,445
		1,432,568	1,353,600
DEFICIENCY OF REVENUES OVER EXPENDITURES		(69,459)	(5,715)
NET ASSETS - Beginning of year		374,488	380,203
NET ASSETS - End of year		305,029	374,488

CHURCH STREET SCHOOL CULTURAL CENTRE
O/A AURORA CULTURAL CENTRE
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2023

Page 4

	Note Reference	2023	2022
		\$	\$
ASSETS			
CURRENT ASSETS			
Cash		240,638	254,834
Restricted cash	3	307,108	360,599
Amounts receivable		83,682	175,713
Prepaid expenses		7,294	12,650
		638,722	803,796
Capital assets	4	25,252	35,143
		663,974	838,939
LIABILITIES AND NET ASSETS			
CURRENT LIABILITIES			
Accounts payable and accruals		70,351	49,886
Revenues received in advance		44,462	80,038
Deferred grants	5	195,124	211,919
Deferred contributions	6	28,607	28,607
		338,544	370,450
Deferred contributions	6	20,401	34,001
Loan payable		-	60,000
		358,945	464,451
NET ASSETS			
Unrestricted		(6,930)	12,747
Internally restricted	7	307,108	329,014
Externally restricted	8	-	31,585
Invested in capital assets		4,851	1,142
		305,029	374,488
		663,974	838,939

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

Approved on behalf of the Board:

DocuSigned by:
John De Faveri
 Director

DocuSigned by:
Michelle Lockie
 Director

CHURCH STREET SCHOOL CULTURAL CENTRE
O/A AURORA CULTURAL CENTRE
STATEMENT OF CASH FLOWS
DECEMBER 31, 2023

Page 5

	2023	2022
	\$	\$
OPERATING ACTIVITIES		
Deficiency of revenues over expenditures	(69,459)	(5,715)
Expenditures/revenues not requiring/(providing) cash:		
Amortization	14,756	9,445
Amortization of deferred contributions	(13,600)	(8,880)
Deferred grants recognized as revenue	-	(254,900)
	(68,303)	(260,050)
Non-cash working capital items:		
Amounts receivable	92,031	(138,805)
Prepaid expenses	5,356	3,143
Accounts payable and accruals	20,465	(6,566)
Revenues received in advance	(35,576)	36,162
Deferred grants	(16,795)	334,439
	(2,822)	(31,677)
FINANCING ACTIVITIES		
Restricted cash	53,491	(5,301)
Deferred contributions	-	40,801
Loan payable	(60,000)	-
	(6,509)	35,500
INVESTING ACTIVITIES		
Acquisition of capital assets	(4,865)	(40,801)
DECREASE IN CASH	(14,196)	(36,978)
CASH - Beginning of year	254,834	291,812
CASH - End of year	240,638	254,834

**CHURCH STREET SCHOOL CULTURAL CENTRE
O/A AURORA CULTURAL CENTRE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

Page 6

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) Allocation of program expenditures:

The Organization classifies expenses on the Statement of Operations and Changes in Net Assets by function. Administration salaries and benefits are allocated to programs based on estimated time spent on the programs.

e) Cash:

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

CHURCH STREET SCHOOL CULTURAL CENTRE
O/A AURORA CULTURAL CENTRE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

Page 7

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

f) Amortization:

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

Computers and equipment	3 years
Music instruments	10 years

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

g) 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, accounts payable and accrued liabilities, revenue received in advance, deferred grants and contributions, and the time allocation of administrative salaries and benefits related to program activities. Actual results could differ from those estimates.

h) Financial instruments:

The fair values of cash, restricted cash, amounts receivable, accounts payable and accruals, revenues received in advance, deferred grants 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:

	2023	2022
	\$	\$
Internally restricted:		
Classical Music Series Fund	74,834	76,740
Contingency Fund	182,274	182,274
Special Project Fund	50,000	70,000
	307,108	329,014
Externally restricted:		
Private donations - Kaleidoscope in the Schools	-	31,585
	307,108	360,599

See Notes 7 and 8 for descriptions of the internally and externally restricted funds.

CHURCH STREET SCHOOL CULTURAL CENTRE
O/A AURORA CULTURAL CENTRE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

Page 8

4. CAPITAL ASSETS

	2023		2022	
	Original Cost	Accumulated Amortization	Original Cost	Accumulated Amortization
	\$	\$	\$	\$
Computers and equipment	46,991	22,537	42,127	7,904
Music instruments	1,227	429	1,227	307
Special project equipment	-	-	21,393	21,393
	48,218	22,966	64,747	29,604
Net Book Value		25,252		35,143

5. DEFERRED GRANTS

Deferred grants consists of the following:

	2023			
	Opening	Received/ (Repaid)	Recognized	Closing
	\$	\$	\$	\$
PROGRAMMING GRANTS				
Ontario Trillium Foundation - Resilient Communities	12,099	104,400	(47,093)	69,406
Ontario Trillium Foundation - Grow Grant	90,700	-	(82,482)	8,218
Canadian Heritage - Arts Presentation Fund	6,000	40,000	(41,000)	5,000
Canadian Heritage - Reopening Fund Component	62,586	-	(62,586)	-
Canadian Heritage - Re-engaging Audiences	40,534	-	(40,534)	-
CAPITAL GRANTS				
Ontario Trillium Foundation - Capital Grant	-	112,500	-	112,500
	211,919	256,900	(273,695)	195,124

CHURCH STREET SCHOOL CULTURAL CENTRE
O/A AURORA CULTURAL CENTRE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

Page 9

5. DEFERRED GRANTS (continued)

	2022			
	Opening	Received/ (Repaid)	Recognized	Closing
	\$	\$	\$	\$
PROGRAMMING GRANTS				
Ontario Trillium Foundation - Community Building	50,000	50,000	(100,000)	-
Ontario Trillium Foundation - Resilient Communities	-	57,900	(45,801)	12,099
Ontario Trillium Foundation - Grow Grant	56,800	66,800	(32,900)	90,700
Canadian Heritage - Arts Presentation Fund	6,000	11,000	(11,000)	6,000
Canadian Heritage - Reopening Fund Component	-	87,685	(25,099)	62,586
Canadian Heritage - Re-engaging Audiences	-	55,000	(14,466)	40,534
New Horizons for Seniors	9,580	(3,946)	(5,634)	-
Ontario Arts Council - Arts Response Initiative	10,000	10,000	(20,000)	-
	132,380	334,439	(254,900)	211,919

Grants received as outlined above are restricted in that the expenditures incurred must be used to meet certain expected results and performance indicators as outlined by the various agreements. The revenues are recognized when the related expenditures are incurred.

The Ontario Trillium Foundation Resilient Communities Fund has awarded two different grants over the last number of years. The first was a grant of \$64,300 to be used over 9 months commencing in August 2022 to support programming and strategic direction, updating health and safety policies, purchasing cleaning supplies and equipment to allow live streaming. Of this, \$57,900 was received in 2022, of which \$45,801 was recognized as revenue and used for IT equipment purchases, leaving \$12,099 in deferred grants. This equipment is included in deferred contributions in Note 6. The remaining balance of \$6,400 was received in 2023 and \$18,499 was recognized as revenue in 2023.

The second Ontario Trillium Foundation Resilient Communities Fund grant in the amount of \$195,800 to be used over 24 months commencing in July 2023 to build human resource capacity and create a solid organizational foundation to deliver digital and in-person programs based on community demand. Of this, \$98,000 was received in 2023 and \$28,594 was recognized as revenue. The remaining \$97,800 is expected to be received \$78,200 in 2024 and \$19,600 in 2025.

The Ontario Trillium Foundation Grow Grant awarded a grant of \$200,000 to be used over 60 months commencing in August 2020 to expand the Kaleidoscope in the Schools program. Of this, \$167,000 has been received to date of which \$158,782 has been recognized and the balance of \$8,218 has been deferred to 2024. The parties agreed to postpone receipt of the final payment in the amount of \$33,000 until 2024 and 2025 when the grant ends.

The Ontario Trillium Foundation capital fund awarded a grant in the amount of \$125,000 to be used over 12 months commencing in November 2023 to upgrade theatrical lighting, sound equipment and add acoustic treatments to improve the functionality, flexibility and adaptability of Brevik Hall. Of this, \$112,500 was received in 2023 and was deferred as the Organization has yet to begin the alterations to Brevik Hall. The remaining \$12,500 is expected to be received in 2024.

CHURCH STREET SCHOOL CULTURAL CENTRE
O/A AURORA CULTURAL CENTRE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

Page 10

5. DEFERRED GRANTS (continued)

The Canada Heritage Arts Presentation Fund Program awarded a \$30,000 one time grant to be used over one government fiscal year, April 1, 2022 to March 31, 2023 to carry out activities. The full amount was received and recognized in 2023. The Professional Arts Festivals and Performing Arts Series Presenter Component of Canadian Heritage Arts Presentation Fund awards multi-year grants. The opening balance of \$6,000 is from the previous three year grant awarded for April 1, 2020 to March 31, 2023 and was recognized in 2023. A new \$30,000 multi-year grant was awarded for three government fiscal years, April 1, 2023 to March 31, 2026. Of this, \$10,000 was received in 2023 and \$5,000 was deferred until 2024. The remaining \$20,000 is expected to be received, \$10,000 in 2024 and \$10,000 in 2025. A total of \$41,000 has been recognized in 2023.

The Canada Heritage Presentation Fund Program awarded an additional \$87,685 under the Celebration and Commemoration Program, Reopening Fund Component. This grant was to be used over 12 months commencing in August 2022 to support reopening events and related programming salaries. The full amount was received in 2022 of which \$25,099 was recognized as revenue in 2022 and the balance of \$62,586 has been recognized in fiscal 2023.

The Canada Heritage Arts Presentation Fund Program awarded an additional \$55,000 under the Re-engaging Audiences Fund. This grant is to be used over 12 months commencing in August 2022 to support promotional expenses. The full amount was received in 2022 of which \$14,466 was recognized as revenue in 2022 and the balance of \$40,534 has been recognized as revenue in the current year.

6. DEFERRED CONTRIBUTIONS

The Organization's deferred contributions consists of the following:

	2023	2022
	\$	\$
Balance - beginning of year	62,608	30,687
Funds received - Ontario Trillium Foundation Resilient Communities Fund	-	40,801
Amortization of deferred contributions	(13,600)	(8,880)
	49,008	62,608
Less: current portion	28,607	28,607
	20,401	34,001

The deferred contributions consist of restricted donations relating to the purchase of certain capital assets and future program expenditures. The donations relating to the purchase of capital assets are recognized as revenue at the rate of amortization of the capital assets acquired and the program expenditures donation is recognized as revenue in the designated operating period.

CHURCH STREET SCHOOL CULTURAL CENTRE
O/A AURORA CULTURAL CENTRE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

Page 11

7. INTERNALLY RESTRICTED

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

	2023	2022
	\$	\$
Classical Music Series Fund	74,834	76,740
Contingency Fund	182,274	182,274
Special Project Fund	50,000	70,000
	307,108	329,014

The Board of Directors approved a transfer of \$1,907 from the Classical Music Series Fund to the unrestricted fund (2022 - \$2,716 from the unrestricted fund to the Classical Music Series Fund) and \$20,000 from the Special Project Fund to the unrestricted fund (2022 - \$nil).

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 in advance 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. EXTERNALLY RESTRICTED

The Organization's externally restricted assets consists of the following:

	2023	2022
	\$	\$
Balance - beginning of year	31,585	29,000
Donations received	-	8,650
Expenditures in the year	(31,585)	(6,065)
	-	31,585

The Kaleidoscope in Schools program was initiated in 2019 and a number of private donations have been received since that time. These donations were restricted for the exclusive purpose of the program. Due to COVID related school closures, the program was suspended for a period of time. In 2023 the program was resumed and the revenue was fully recognized.

CHURCH STREET SCHOOL CULTURAL CENTRE
O/A AURORA CULTURAL CENTRE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

Page 12

9. CREDIT FACILITY

The Organization has a credit card that bears interest at 19.50% per annum. The authorized limit is \$20,000. As at December 31, 2023, \$11,491 owing on the credit card is included in accounts payable and accruals (2022 - \$11,264).

10. PROGRAM EXPENDITURES

The Organization's Provision of Cultural Service Agreement ("the Agreement") with the Town of Aurora (see Note 11) contains certain clauses regarding Key Performance Indicators ("KPI"). In order to provide information in respect of the core program activities provided by the Organization, management has identified all expenditures related to programming which amount to \$1,268,170 (2022 - \$1,145,248). The amount received related to administrative and programming salaries was \$NIL (2022 - \$5,081) and \$NIL (2022 - \$33,189) respectively.

11. ECONOMIC DEPENDENCE

The Organization's revenue, substantially derived from a grant of \$538,760 (2022 - \$523,100), 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 of Aurora 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.

12. FINANCIAL RISKS AND CONCENTRATION OF RISK

The financial risks and concentration of risks are as follows. There has been no change to the nature of any of the risk exposures from 2022.

Credit risk:

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in a financial loss.

The Organization maintains its cash and deposits with a single federally regulated Canadian financial institution.