

**CANADIAN STAGE**

**Financial Statements**

**June 30, 2022**

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**CANADIAN STAGE**  
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**Year Ended June 30, 2022**

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## INDEPENDENT AUDITOR'S REPORT

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To the Members of Canadian Stage

### *Opinion*

We have audited the financial statements of Canadian Stage (the "Company"), which comprise the statement of financial position as at June 30, 2022, and the statements of changes in net assets, operations and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company 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.

### *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 Company 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 the 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 Company'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 Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

### *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 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 this financial information.

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Independent Auditor's Report to the Members of Canadian Stage (continued)

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 Company'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 Company'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 Company 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.

Toronto, Ontario

Authorized to practise public accounting by the  
Chartered Professional Accountants of Ontario

**CANADIAN STAGE**  
**Statement of Financial Position**  
**As at June 30, 2022**

	2022	2021
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash and cash equivalents (Note 3)	\$ 2,586,998	\$ 2,352,614
Accounts receivable	314,169	453,175
Prepaid expenses	44,834	51,245
Preproduction assets	140,762	144,114
	3,086,763	3,001,148
<b>CAPITAL ASSETS, net (Note 5)</b>	415,936	480,531
<b>TOTAL ASSETS</b>	<b>\$ 3,502,699</b>	<b>\$ 3,481,679</b>
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities	\$ 461,189	\$ 554,573
Deferred revenues:		
Grants (Note 6)	1,662,524	1,734,574
Development and other (Note 7)	498,000	565,600
Subscriptions (Note 8)	433,544	327,752
	3,055,257	3,182,499
<b>DEFERRED CAPITAL CONTRIBUTIONS (Note 9)</b>	105,036	138,050
<b>TOTAL LIABILITIES</b>	<b>3,160,293</b>	<b>3,320,549</b>
<b>NET ASSETS (DEFICIT)</b>		
Ontario Arts Foundation Endowment Fund, market value \$1,700,616 at June 30, 2022 (Note 11)		
<b>INTERNALLY RESTRICTED (Note 14)</b>	630,000	980,000
<b>UNRESTRICTED</b>	(287,594)	(818,870)
	342,406	161,130
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 3,502,699</b>	<b>\$ 3,481,679</b>
<b>COMMITMENTS (Note 10)</b>		
<b>COVID-19 (Note 14)</b>		
<b>SUBSEQUENT EVENT (Note 15)</b>		

**APPROVED ON BEHALF OF THE BOARD**

\_\_\_\_\_  
Director

\_\_\_\_\_  
Director

See the accompanying notes to these financial statements

**CANADIAN STAGE**  
**Statement of Changes in Net Assets**  
**Year Ended June 30, 2022**

	Unrestricted	Internally Restricted (Note 14)	2022	2021
<b>NET ASSETS (DEFICIT) - BEGINNING OF YEAR</b>	\$ (818,870)	\$ 980,000	\$ 161,130	\$ (824,699)
Excess of revenues over expenses	181,276	-	181,276	985,829
Transfer (Note 14)	350,000	(350,000)	-	-
<b>NET ASSETS (DEFICIT) - END OF YEAR</b>	<u>\$ (287,594)</u>	<u>\$ 630,000</u>	<u>\$ 342,406</u>	<u>\$ 161,130</u>

*See the accompanying notes to these financial statements*

**CANADIAN STAGE**  
**Statement of Operations**  
**Year Ended June 30, 2022**

	2022	2021
<b>OPERATING REVENUES</b>		
<b>Earned revenues:</b>		
Box office	\$ 253,155	\$ 33,063
Rental and other	200,964	48,264
	<u>454,119</u>	<u>81,327</u>
<b>Development revenues:</b>		
Individuals and foundations (Notes 9 and 11)	1,293,909	896,906
Corporate	373,500	287,500
Special events	254,030	85,800
	<u>1,921,439</u>	<u>1,270,206</u>
<b>Grant revenues:</b>		
Operating grant	832,000	832,000
Ontario Arts Council:		
Operating grant	629,804	629,804
Project grant	10,000	-
Canada Council for the Arts:		
Operating grant	586,000	586,000
Project grants	241,450	23,950
Other (Notes 9, 12 and 16)	414,192	155,426
	<u>2,713,446</u>	<u>2,227,180</u>
<b>TOTAL OPERATING REVENUES</b>	<u>5,089,004</u>	<u>3,578,713</u>
<b>OPERATING EXPENSES</b>		
Artistic and production (Note 5)	2,897,689	1,637,365
Marketing and patron services (Note 5)	1,336,670	776,529
Administration (Notes 4 and 5)	881,853	809,095
Development (Note 5)	630,649	513,412
Facilities (Note 5)	198,262	138,929
<b>TOTAL OPERATING EXPENSES</b>	<u>5,945,123</u>	<u>3,875,330</u>
<b>EXCESS OF EXPENSES OVER REVENUES FROM OPERATIONS</b>	<u>(856,119)</u>	<u>(296,617)</u>
<b>OTHER REVENUES</b>		
Government assistance (Note 14)	827,395	1,060,746
COVID-19 grants: (Note 14)		
Department of Canadian Heritage, Recovery Fund	125,000	-
Department of Canadian Heritage, Support for Workers	75,000	-
Ontario Small Business support (Note 16)	10,000	40,000
Canada Council for the Arts, COVID-19 relief	-	181,700
	<u>1,037,395</u>	<u>1,282,446</u>
<b>EXCESS OF REVENUES OVER EXPENSES</b>	<u>\$ 181,276</u>	<u>\$ 985,829</u>

See the accompanying notes to these financial statements

**CANADIAN STAGE**  
**Statement of Cash Flows**  
**Year Ended June 30, 2022**

	2022	2021
<b>OPERATING ACTIVITIES</b>		
Excess of revenues over expenses	\$ 181,276	\$ 985,829
Items not affecting cash:		
Amortization	115,770	105,404
Deferred capital contributions recognized as revenues	(33,014)	(33,014)
	<u>264,032</u>	<u>1,058,219</u>
Changes in non-cash working capital items:		
Accounts receivable	139,006	(183,431)
Prepaid expenses	6,411	27,760
Preproduction assets	3,352	(78,395)
Accounts payable and accrued liabilities	(93,384)	249,195
Deferred revenues	(33,858)	526,822
	<u>21,527</u>	<u>541,951</u>
Cash flows from operating activities	<u>285,559</u>	<u>1,600,170</u>
<b>INVESTING ACTIVITY</b>		
Purchase of capital assets	(51,175)	(141,810)
Cash flow used by investing activity	<u>(51,175)</u>	<u>(141,810)</u>
<b>INCREASE IN CASH</b>	<u>234,384</u>	<u>1,458,360</u>
<b>CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR</b>	<u>2,352,614</u>	<u>894,254</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u>\$ 2,586,998</u>	<u>\$ 2,352,614</u>

*See the accompanying notes to these financial statements*



**CANADIAN STAGE**  
**Notes to Financial Statements**  
**Year Ended June 30, 2022**

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**1. NATURE OF OPERATIONS**

Canadian Stage (the "Company"), as a community supported not-for-profit arts organization, is dedicated to creating and producing the best in Canadian and international contemporary performance. The Company nurtures the development of Canadian talent and strives to challenge the perspectives of its patrons through the presentation of outstanding professional performing arts. The Company is also committed to promoting its Canadian productions in international markets.

The Company is exempt from income tax in Canada as a registered charitable organization under the Income Tax Act (Canada).

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Basis of presentation

The financial statements are the representation of management and have been prepared in accordance with Canadian accounting standards for not-for-profit organizations in Part III of the CPA Canada Handbook.

Revenue recognition

The Company follows the deferral method of accounting for contributions.

Box office revenues and other income are recognized in the year when the production for which tickets have been issued is staged.

Development and grant revenues relating to a particular season are recognized in the year to which they relate. These revenues are only recognized when amounts can be reasonably estimated and collection is reasonably assured.

Contributions received towards the purchase of capital assets are deferred and amortized to revenues on the same basis as the related capital assets are depreciated.

Government assistance, including the Canada Emergency Wage Subsidy and Tourism and Hospitality Recovery Program, is recognized in the year in which the related eligible expenses are incurred.

Cash and cash equivalents

Cash and cash equivalents include balances held at a major Canadian financial institution and guaranteed investment certificates, which will mature approximately within one year.

Preproduction assets

Costs directly related to the development of future productions and performance seasons are recorded and presented as preproduction assets when the Company can reasonably demonstrate that there is a future economic benefit associated with these costs. These costs are expensed over their useful life, which is the year in which the season and performance is held. Preproduction assets are assessed annually and any costs no longer expected to be recoverable are expensed at that time.

Financial instruments

The Company initially measures its financial assets and financial liabilities at fair value. It subsequently measures all its financial assets and financial liabilities at amortized cost.

The financial assets subsequently measured at amortized cost include cash and accounts receivable. The financial liabilities subsequently measured at amortized cost include accounts payable.

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**CANADIAN STAGE**  
**Notes to Financial Statements**  
**Year Ended June 30, 2022**

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Impairment of financial instruments

Financial assets measured at cost or amortized cost are tested for impairment if there are indications of possible impairment. A previously recognized impairment loss may be reversed to the extent of the improvement, either directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment loss not been recognized previously. The amount of any write down or reversal is recognized in excess of revenues over expenses.

Donations in kind

Revenues from donations in kind and their corresponding expenses are recognized in the accounts when a fair value can be reasonably and independently determined.

Capital assets

Capital assets are recorded at cost less accumulated amortization. Capital assets are amortized on a straight-line basis at the following rates per annum:

Lighting and sound equipment	20%
Leasehold improvements	10 years
Computer equipment	25%
Shakespeare in High Park set	10%
Front of house equipment	20%
Operations tools and equipment	20%
Office furniture and equipment	25%
Donor stewardship equipment	20%
Box office equipment	25%
Production equipment	25%

Facility work in progress is not amortized until the project is completed and related assets put into use.

Impairment of long-lived assets

Long-lived assets including, capital assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The impairment loss is measured as the amount by which the carrying amount of the long-lived assets exceeds its fair value. Fair value is determined by the sum of undiscounted cash flows resulting from its use and eventual disposition.

Use of 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 at the date of the financial statements and the reported amounts of revenues and expenses during the year. Significant estimates incorporated into the Company's financial statements include estimated useful lives of capital assets, eligibility of government assistance and collectability of accounts receivable. These estimates are reviewed periodically and adjustments are made to revenues and expenses as appropriate in the year they become known.

Contributed services

The value of services contributed by board members and other volunteers is not reflected in the financial statements.

**CANADIAN STAGE**  
**Notes to Financial Statements**  
**Year Ended June 30, 2022**

**3. CASH AND CASH EQUIVALENTS**

Included in cash and cash equivalents are four guaranteed investment certificates issued by a major Canadian bank bearing minimum annual interest rates ranging from 0.4% to 2.0%, (2021 - 0.3% to 0.75%) maturing between June 13, 2023 and July 13, 2023 (2021 - July 6, 2021 to June 13, 2022).

**4. BANK INDEBTEDNESS AND ECONOMIC DEPENDENCE**

In order to fund its ongoing working capital requirements throughout the fiscal year, the Company is dependent on its credit facilities of \$820,000 from a Canadian chartered bank, which in turn is supported by a \$820,000 guarantee from the City of Toronto and a general security agreement over the Company's assets. The continued availability of this credit facility is subject to renewal of the City of Toronto guarantee which expires on October 31, 2023.

The borrowing facilities of up to \$820,000 are as outlined below.

There is a line of credit with a Canadian chartered bank of \$745,000, which bears interest at a rate of prime plus 1.5%. Interest expense incurred on the credit facility in 2022 was \$277 (2021 - \$209).

There is a letter of credit facility of \$75,000 in favour of [REDACTED] This security guarantees the Company's potential obligation against deferred subscriptions.

The Company is required to maintain certain covenants with the bank.

In addition, there is a letter of credit facility of \$120,000 in favour of [REDACTED] (Note 10).

**5. CAPITAL ASSETS**

	Cost	Accumulated amortization	2022 Net book value	2021 Net book value
Lighting and sound equipment	\$ 319,685	\$ 190,809	\$ 128,876	\$ 191,874
Leasehold improvements:				
[REDACTED]	\$ 274,021	\$ 132,660	\$ 141,361	\$ 162,478
High Park	76,881	15,227	61,654	56,410
Computer equipment	110,215	67,920	42,295	37,271
Shakespeare in High Park set	33,890	10,299	23,591	25,279
Front of house equipment	28,302	23,620	4,682	4,607
Operations tools and equipment	3,643	2,671	972	1,315
Office furniture and equipment	5,807	5,392	415	1,297
Donor stewardship equipment	5,426	5,426	-	-
Box office printers	11,150	11,150	-	-
Production equipment	6,048	6,048	-	-
Facility work in progress	12,090	-	12,090	-
	<b>\$ 887,158</b>	<b>\$ 471,222</b>	<b>\$ 415,936</b>	<b>\$ 480,531</b>

Total depreciation for 2022 is \$115,770 (2021 - \$105,404).

Facility work in progress includes costs associated with the future renovation of the [REDACTED]

**CANADIAN STAGE**  
**Notes to Financial Statements**  
**Year Ended June 30, 2022**

**6. DEFERRED REVENUES: GRANTS**

The balance of deferred grants revenues consists of the following:

	2022	2021
Canada Council for the Arts - project grants	\$ 83,200	\$ 36,750
Department of Canadian Heritage - The Canada Cultural Spaces Fund	25,000	-
Department of Canadian Heritage - Canada Art Presentation Fund	-	95,000
Canada Council for the Arts - Digital Strategy	-	22,500
Ontario Arts Council - Arts recovery funding	671,774	671,774
Ontario Arts Council - PopStar Tour project	10,550	10,550
Ontario Cultural Attractions Fund	-	56,000
Ontario Arts Council - Digital Strategy Arts [REDACTED] - operating grant	-	10,000
	832,000	832,000
Toronto Arts Foundation - Resiliency Fund	40,000	-
	<u>\$ 1,662,524</u>	<u>\$ 1,734,574</u>

The continuity of deferred grants revenues is as follows:

Balance, beginning of year	\$ 1,734,574	\$ 1,365,050
Deferred revenues received	2,851,396	2,818,404
Deferred revenues recognized as revenues	<u>(2,923,446)</u>	<u>(2,448,880)</u>
Balance, end of year	<u>\$ 1,662,524</u>	<u>\$ 1,734,574</u>

**7. DEFERRED REVENUES: DEVELOPMENT AND OTHER**

The balance of deferred development and other revenues consists of contributions from individuals, corporations and foundations. The continuity of deferred development and other revenues is as follows:

	2022	2021
Balance, beginning of year	\$ 565,600	\$ 210,485
Deferred revenues received	1,853,839	1,625,321
Deferred revenues recognized as revenues	<u>(1,921,439)</u>	<u>(1,270,206)</u>
Balance, end of year	<u>\$ 498,000</u>	<u>\$ 565,600</u>

**8. DEFERRED REVENUES: SUBSCRIPTIONS**

The continuity of deferred subscriptions revenues is as follows:

	2022	2021
Balance, beginning of year	\$ 327,752	\$ 525,569
Deferred revenues received, net of refunds	358,947	(164,754)
Deferred revenues recognized as revenues	<u>(253,155)</u>	<u>(33,063)</u>
Balance, end of year	<u>\$ 433,544</u>	<u>\$ 327,752</u>

**CANADIAN STAGE**  
**Notes to Financial Statements**  
**Year Ended June 30, 2022**

**9. DEFERRED CAPITAL CONTRIBUTIONS**

Deferred capital contributions represent restricted contributions received for the purchase of leasehold improvements, front of house equipment, lighting equipment, audio and video technology equipment as follows:

	2022	2021
Balance, beginning of year	\$ 138,050	\$ 171,064
Deferred capital contributions received	-	-
Deferred capital contributions recognized as revenues	(33,014)	(33,014)
Balance, end of year	\$ 105,036	\$ 138,050

**10. COMMITMENTS**

Lease commitments for equipment and automobiles

The Company has lease commitments for office equipment and automobiles. The minimum annual cost of these commitments is as follows:

	Office equipment	Automobiles
Year ended June 30: 2023	\$ 23,758	\$ 2,508
2024	23,758	-
2025	23,758	-
2026	23,758	-
2027	23,758	-
Thereafter	17,818	-
	\$ 136,608	\$ 2,508

Premises lease

The Company has a 10-year lease with the City of Toronto for the premises at [REDACTED] which expires on August 31, 2030. A nominal annual rental charge of \$2.00 is paid for the use of these premises.

[REDACTED]

The Company has an obligation of \$120,000 (2021 - \$120,000) in favour of [REDACTED] at June 30, 2022 with respect to its obligations under engagement contracts with [REDACTED] members. The obligation is guaranteed by a letter of Credit by the banking institution under a agreement dated May 2023.

**CANADIAN STAGE**  
**Notes to Financial Statements**  
**Year Ended June 30, 2022**

**11. THE CANADIAN STAGE COMPANY ARTS ENDOWMENT FUND**

The Ontario Arts Foundation ("OAF") operates an Ontario Arts Endowment Fund Program in which it holds and has supplemented contributions made to arts organizations for endowment purposes.

The Canadian Stage Company Arts Endowment Fund is an external endowment fund, the assets of which are controlled and managed by OAF in accordance with its investment policies, and the income from which is for the benefit of the Company. The assets of the fund are not assets of the Company, and accordingly, are not reflected in the accounts and financial statements of the Company.

The market value of the fund at June 30, 2022 is \$1,700,616.

Changes in the balance of the fund during the year are set out below:

	2022	2021
Balance, beginning of year	\$ 2,008,504	\$ 1,709,305
Income paid to the Company during the year	(99,446)	(122,638)
Change in fair value of securities, net of fees	(208,442)	421,837
Balance, end of year	<u>\$ 1,700,616</u>	<u>\$ 2,008,504</u>

Income paid to the Company is classified as development revenues in the statement of operations.

**12. OTHER GRANT REVENUES**

Other grant revenues consist of the following:

	2022	2021
Department of Canadian Heritage - Canada Arts Presentation Fund	\$ 205,000	\$ -
Department of Canadian Heritage - The Canada Cultural Spaces Fund	53,591	24,189
Department of Canadian Heritage - Canada Arts Presentation Fund (Accessibility Improvement Project)	4,500	4,500
Department of Canadian Heritage - Customer Relationship Management system (CRM) installation and migration	-	70,000
Department of Canadian Heritage - Canada Arts Presentation Fund (Youth Take Charge Component)	-	7,200
Employment and Social Development Canada - Canada Summer Jobs	18,014	-
Employment and Social Development Canada - Enabling Accessibility Fund	1,986	1,986
Cultural Human Resources Council - Young Canada Works	14,484	-
Ontario, Ministry of Tourism, Culture & Sport - Ontario Festival and Event program	60,617	-
Ontario Cultural Attractions Fund	56,000	19,000
Ontario, Ministry of Tourism, Culture & Sport - Celebrate Ontario	-	26,250
Ontario energy rebate program	-	2,301
Total other grant revenues	<u>\$ 414,192</u>	<u>\$ 155,426</u>

**CANADIAN STAGE**  
**Notes to Financial Statements**  
**Year Ended June 30, 2022**

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**13. FINANCIAL INSTRUMENTS**

Credit risk

Credit risk is the risk that one party to a financial instrument fails to discharge an obligation and causes financial loss to another party. The Company is exposed to credit risk on its cash and accounts receivable. Accounts receivable balances, which are not greater than 90 days past due, are monitored regularly and amounts identified as uncollectable are provided for. The Company has no significant concentrations of credit with any counterparties.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in raising funds to meet cash flow commitments associated with financial instruments. The purpose of liquidity management is to ensure that there is sufficient cash to meet all financial commitments and obligations as they fall due.

The Company is dependent on its credit facility with a Canadian chartered bank (see Note 4) to meet its ongoing obligations. Current operations of the Company are also funded by selling subscription tickets in advance of the performance season, as well as through artistic grants and other amounts received in advance of the year to which they relate.

The Company is not exposed to significant interest rate, currency or other price risks.

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**14. COVID-19**

On March 11, 2020, the World Health Organization characterized the outbreak of a strain of the novel coronavirus ("COVID-19") as a pandemic which resulted in a series of public health and emergency measures that have been put in place to combat the spread of the virus.

During fiscal 2022, the Company continued to receive COVID-19 support from various funders, and resumed certain production and performances as a result of public health measures being lifted. The Company continues to closely monitor and assess the impact on operations. It is the opinion of management that the Company will have sufficient resources to mitigate any potential negative impact that may occur in fiscal 2023 as a result of ongoing COVID-19 implications.

In fiscal 2021, the Board of Directors transferred \$980,000 from the unrestricted net asset to an internally restricted fund for future programming. This fund was created with the surplus of funds received in fiscal 2021 from various donors and funders who supported the Company during the closure of the Berkeley Street Theatre. In fiscal 2022, \$350,000 was transferred to unrestricted net assets.

The Company applied for the Canada Emergency Wage Subsidy ("CEWS") and the the Tourism and Hospitality Recovery Program ("THRP") to assist employers whose activities have been affected by COVID-19. For the period of July 1, 2021 to June 30, 2022, the Company recognized revenues of \$827,395 (2021 - \$1,060,746).

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**15. SUBSEQUENT EVENT**

Subsequent to year end, the Company settled the insurance claim for losses incurred due to cancelled performances and theatre closure as a result of COVID-19. The settlement will be recognized as revenues in the 2023 financial statements.

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**16. COMPARATIVE FIGURES**

Some of the comparative figures have been reclassified to conform to the current year's presentation.

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