

VANCOUVER FRINGE THEATRE SOCIETY
FINANCIAL STATEMENTS
MARCH 31, 2024

VANCOUVER FRINGE THEATRE SOCIETY

INDEX

MARCH 31, 2024

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INDEPENDENT AUDITOR'S REPORT

To the Members of Vancouver Fringe Theatre Society:

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the accompanying financial statements of Vancouver Fringe Theatre Society (the Society), which comprise the statement of financial position as at March 31, 2024, and the statement of changes in net assets, the statement of 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, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of the Society as at March 31, 2024, and its financial performance and its cash flows for the year then ended are in accordance with Accounting Standards for Not-for-profit Organizations (ASNPO).

Basis for Qualified Opinion

In common with many not-for-profit organizations, the Society derives revenue from donations the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of this revenue was limited to the amounts recorded in the records of the Society and we were not able to determine whether, as at or for the year ending March 31, 2024 or March 31, 2023, any adjustments might be necessary to the excess (deficiency) of revenue over expenses, assets and net assets.

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 Vancouver Fringe Theatre Society 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 qualified 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 ASNPO, 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 Society'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 Society or to cease operations, or has no realistic alternative but to do so.

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

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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 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 Society'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 Society'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 Society 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.

Report on Other Legal and Regulatory Requirements

As required by the Society Act of British Columbia, we report that, in our opinion, these principles have been applied on a basis consistent with that of the previous year.

September 2, 2024
Burnaby, B.C., Canada



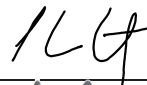

ENNS & COMPANY
Chartered Professional Accountants

**VANCOUVER FRINGE THEATRE SOCIETY
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2024**

	Operating Fund	Capital Fund	Internally Restricted Fund	2024	2023
ASSETS					
CURRENT					
Cash	\$ 92,250	\$ -	\$ 114,000	\$ 206,250	\$ 274,294
Cash - CEBA Fund	-	-	-	-	60,000
Grants/sponsorships receivable	1,439	-	-	1,439	101,952
Prepaid expenses	352	-	-	352	-
	94,041	-	114,000	208,041	436,246
CAPITAL ASSETS (Note 2)	-	24,258	-	24,258	34,253
	\$ 94,041	\$ 24,258	\$ 114,000	\$ 232,299	\$ 470,499
LIABILITIES					
CURRENT					
Accounts payable and accrued liabilities	\$ 22,595	\$ -	\$ -	\$ 22,595	\$ 39,196
Payroll taxes payable	8,754	-	-	8,754	20,221
Deferred revenue (Note 3)	72,345	-	-	72,345	170,754
	103,694	-	-	103,694	230,171
CEBA LOAN (Note 4)	-	-	-	-	60,000
	103,694			103,694	290,171
NET ASSETS					
Capital fund	\$ -	\$ 24,258	\$ -	\$ 24,258	\$ 34,253
Operating fund	(9,653)	-	-	(9,653)	32,075
Internally restricted fund (Note 5)	-	-	114,000	114,000	114,000
	(9,653)	24,258	114,000	128,605	180,328
	\$ 94,041	\$ 24,258	\$ 114,000	\$ 232,299	\$ 470,499

Commitments (Note 9)

APPROVED ON BEHALF OF THE BOARD


 _____ Director

 _____ Director

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

**VANCOUVER FRINGE THEATRE SOCIETY
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED MARCH 31, 2024**

	Operating Fund	Capital Fund	Internally Restricted Fund	2024	2023
BALANCE, BEGINNING OF YEAR	\$ 32,075	\$ 34,253	\$ 114,000	\$ 180,328	\$ 357,431
DEFICIENCY OF REVENUE OVER EXPENSES	(39,364)	(12,359)	-	(51,723)	(177,103)
PURCHASE OF CAPITAL ASSETS	(2,364)	2,364	-	-	-
BALANCE - END OF YEAR	\$ (9,653)	\$ 24,258	\$ 114,000	\$ 128,605	\$ 180,328

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

**VANCOUVER FRINGE THEATRE SOCIETY
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED MARCH 31, 2024**

	Operating Fund	Capital Fund	2024	2023
REVENUES				
Earned (Schedule 1)	\$ 493,245	\$ -	\$ 493,245	\$ 364,372
Private sector (Schedule 1)	204,874	-	204,874	151,223
Public sector (Schedule 1)	557,877	-	557,877	637,891
	1,255,996	-	1,255,996	1,153,486
EXPENSES				
Programming (Schedule 2)	645,021	-	645,021	594,539
Fundraising (Schedule 2)	143,064	-	143,064	115,900
Marketing and communications (Schedule 2)	176,101	-	176,101	246,883
Administrative (Schedule 2)	331,174	-	331,174	361,129
Amortization	-	12,359	12,359	12,138
	1,295,360	12,359	1,307,719	1,330,589
DEFICIENCY OF REVENUES OVER EXPENSES	\$ (39,364)	\$ (12,359)	\$ (51,723)	\$ (177,103)

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

**VANCOUVER FRINGE THEATRE SOCIETY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2024**

	2024	2023
OPERATING ACTIVITIES		
Deficiency of revenues over expenses	\$ (51,723)	\$ (177,103)
Items not requiring an outlay of cash:		
Amortization of capital assets	12,359	12,138
Forgivable portion of the CEBA loan	(20,000)	-
	(59,364)	(164,965)
CHANGES IN NON-CASH WORKING CAPITAL ITEMS:		
Changes in grants/sponsorships receivable	100,513	(54,632)
Changes in prepaid expenses	(352)	-
Changes in accounts payable and accrued liabilities	(16,601)	6,379
Changes in payroll taxes payable	(11,467)	15,623
Changes in deferred revenue	(98,409)	(10,643)
NET CASH PROVIDED BY OPERATING ACTIVITIES	(85,680)	(208,238)
INVESTING ACTIVITIES		
Purchase of capital assets	(2,364)	(33,737)
FINANCING ACTIVITIES		
Repayment of the CEBA loan	(40,000)	-
NET DECREASE IN CASH	(128,044)	(241,975)
CASH, BEGINNING OF THE YEAR	334,294	576,269
CASH, END OF THE YEAR	\$ 206,250	\$ 334,294
REPRESENTED BY		
Cash in Bank	\$ 206,250	\$ 274,294
Cash - CEBA Fund	-	60,000
	\$ 206,250	\$ 334,294

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

**VANCOUVER FRINGE THEATRE SOCIETY
SCHEDULES OF REVENUES
FOR THE YEAR ENDED MARCH 31, 2024**

SCHEDULE 1

	2024	2023
EARNED REVENUE		
Ticketing revenue	\$ 280,028	\$ 197,076
Membership fees	95,990	67,900
Application and workshop fees	70,587	61,478
Advertising and other sales	46,478	32,182
Other income	162	5,736
	\$ 493,245	\$ 364,372
PRIVATE SECTOR REVENUE		
Contributions in kind	\$ 89,435	\$ 111,342
Individual donations	82,819	32,651
Corporate and foundation donations	21,530	2,000
Performance fundraiser	7,675	-
Gaming income	3,415	5,230
	\$ 204,874	\$ 151,223
PUBLIC SECTOR REVENUE		
British Columbia Arts Council	\$ 143,406	\$ 182,000
Canada Heritage	121,000	183,000
Fairs, Festivals and Events	104,600	-
Gaming	75,000	75,000
City of Vancouver	40,000	40,000
Canada Mortgage and Housing Corporation	38,000	40,400
CEBA	20,000	-
Employment grants	15,871	17,491
Pacific Economic Development Canada	-	100,000
	\$ 557,877	\$ 637,891

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

**VANCOUVER FRINGE THEATRE SOCIETY
SCHEDULES OF EXPENSES
FOR THE YEAR ENDED MARCH 31, 2024**

SCHEDULE 2

	2024	2023
PROGRAMMING EXPENSES		
Artists, performers and workshops	\$ 295,963	\$ 229,981
Box office and volunteer salaries	78,705	48,876
Box office and volunteer operating expenses	35,426	45,068
Production operating expenses	39,613	64,675
Production and technical employees	59,916	56,438
Venue costs	135,096	149,501
Year round venue costs	302	-
	\$ 645,021	\$ 594,539
FUNDRAISING EXPENSES		
Fund development	\$ 53,629	\$ 4,558
Fundraising in kind	89,435	111,342
	\$ 143,064	\$ 115,900
MARKETING AND COMMUNICATIONS EXPENSES		
Marketing production	\$ 82,413	\$ 87,679
Marketing staff and contractors	93,688	159,204
	\$ 176,101	\$ 246,883
ADMINISTRATIVE EXPENSES		
Administrative salaries	\$ 190,946	\$ 209,342
Audit fees	11,552	10,500
Group insurance	14,598	9,514
GST expense	10,056	12,185
Other administrative expenses	75,012	93,203
Rent	25,575	22,103
Staff costs	3,435	4,282
	\$ 331,174	361,129

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

**VANCOUVER FRINGE THEATRE SOCIETY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2024**

The Vancouver Fringe Theatre Society (the Society) is committed to breaking traditional barriers and offering a welcoming and accessible setting for audiences of diverse backgrounds to experience the magic of live performance. The Society is a not-for-profit organization incorporated under the Societies Act (British Columbia). The Society is a registered charity under the *Income Tax Act* (Canada).

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations in Part III of the Chartered Professional Accountants Handbook and include the following significant accounting policies:

(a) Capital Assets

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at the fair value at the dates of contribution. Amortization is provided annually using the straight line method at rates calculated to write-off the respective assets over their useful lives as follows:

Computer hardware	5 years
Box office software	5 years
Leasehold improvements	5 years
Office equipment	5 years
Printer	5 years
Website	5 years

(b) Impairment of Long-Lived Assets

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

(c) Fund Accounting

The Society follows the deferral method of accounting for donations and contributions. The major funds are described below:

The General Fund accounts for the Society's program delivery and administrative activities.

The Capital Fund reports the assets, liabilities, revenues, and expenses related to the Society's capital assets.

The Internally Restricted Fund reports funds that have been restricted by the Board to fund special projects, any extraordinary expenditures not included in the operating budget and any future losses.

VANCOUVER FRINGE THEATRE SOCIETY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Revenue Recognition

The Society uses the deferral method of accounting for contributions under which restricted contributions related to expenses of future periods are deferred and recognized as revenue in the period in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received is reasonably assured. Endowment contributions are reported as direct increases in net assets.

The Society recognizes contributions of materials and services only when a fair value can be reasonably estimated and when the materials and services are used in the normal course of the Society's operations and would otherwise have been purchased.

Funds from government sources are recognized as revenue as the services to which the funds relate are delivered or performed.

Revenue from sales is recognized when it is realizable or earned. Revenue is considered realizable and earned when there is persuasive evidence of an arrangement, the services have been completed, or the sale price is fixed and determinable and collectability is reasonably assured.

Restricted contributions for the purchase of capital assets that will be amortized are deferred and recognized as revenue on the same basis as the amortization expense related to the acquired capital assets.

(e) Government assistance

Government assistance related to current expenses is recognized in grant revenue for the period, provided there is reasonable assurance that the Society has complied and will continue to comply with all the conditions of the government assistance.

(f) Financial Instrument Measurement

The Society initially measures its financial assets and financial liabilities at fair value, except for certain related party transactions that are measured at the carrying amount or exchange amount, as appropriate. The Society subsequently measures all its financial assets and financial liabilities at amortized cost.

Financial assets subsequently measured at amortized cost include cash, accounts and grants/sponsorships receivables excluding sales tax rebate claimable. Financial liabilities measured at amortized cost include accounts payable. Due to the short term nature of the current assets and current liabilities, the carrying values are approximate to the fair value of the financial instruments.

(g) Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the year. Actual results could differ from those estimates. Significant areas of estimation include estimated useful lives of tangible capital assets, accrued liabilities and deferral of revenue.

VANCOUVER FRINGE THEATRE SOCIETY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2024

2. CAPITAL ASSETS

	Cost	Accumulated Amortization	Net 2024	Net 2023
Computer hardware	\$ 30,374	\$ 17,095	\$ 13,279	\$ 19,573
Leasehold improvements	9,241	9,241	-	-
Office equipment	17,929	7,176	10,753	14,341
Printer	452	226	226	339
Website	14,676	14,676	-	-
	\$ 72,672	\$ 48,414	\$ 24,258	\$ 34,253

3. DEFERRED REVENUE

	Deferred Revenue 2023	Received or Receivable During the Year	Earned During the Year	Deferred Revenue 2024
BC Arts Council grant	\$ 103,406	\$ 144,600	\$ 248,006	\$ -
CEBA loan forgiveness	-	20,000	20,000	-
Canada Mortgage and Housing Corporation	-	38,000	38,000	-
City of Vancouver grant	16,000	40,000	40,000	16,000
Department of Canadian Heritage	-	121,000	121,000	-
Deux Mille Foundation	-	2,500	-	2,500
Employment grants	-	15,871	15,871	-
Fringe Festival application fees	51,348	68,910	102,342	17,916
Gaming revenue	-	75,000	75,000	-
Mathisen Family Foundation	-	1,429	-	1,429
RGC Emerging Artists	-	10,000	-	10,000
S.M. Blair Family Foundation	-	5,000	-	5,000
Y.P. Heung Foundation	-	19,500	-	19,500
	\$ 170,754	\$ 561,810	\$ 660,219	\$ 72,345

Deferred revenue relates to unspent resources, externally restricted for the delivery of specified programs and received in advance of the Society's obligation to perform.

**VANCOUVER FRINGE THEATRE SOCIETY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2024**

4. CEBA LOAN

The Canada Emergency Business Account (CEBA) was provided to entities during the outbreak of COVID-19 to help finance operations during the pandemic. Significant terms of the loan are as follows:

- (a) Interest-free until January 18, 2024;
- (b) No minimum monthly principal payments required until January 18, 2024;
- (c) Penalty-free principal repayments that can be made at any time; and
- (d) Up to \$20,000 loan forgiveness if the outstanding balance is paid on or before January 18, 2024.

The Society has repaid this loan in full during the year with a \$40,000 payment and \$20,000 forgiven.

5. INTERNALLY RESTRICTED FUND

An internally restricted fund was established by Board resolution to fund special projects, extraordinary expenditures not included in the Society's operating budget, and potential future deficiencies of revenues over expenses. Transfers to and from this reserve fund must be approved by the Board of Directors.

6. FINANCIAL INSTRUMENTS

The Society's financial instruments consist of cash, grants/sponsorships receivable and accounts payables and accrued liabilities. It is management's opinion that the Society is not exposed to significant liquidity risk, market risk (including currency risk, interest rate risk and other price risk), and credit risk arising from these financial instruments.

7. DIRECTOR, CONTRACTOR, AND EMPLOYEE REMUNERATION

During the 2023 fiscal year, the Society has two employees earning \$75,000 or more for a total of \$161,102 including taxable benefits. This disclosure is provided in accordance with the requirements of the Societies Act (British Columbia).

**VANCOUVER FRINGE THEATRE SOCIETY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2024**

8. ECONOMIC DEPENDENCE

Currently, the Society's primary sources of funding are from the following:

- (a) Ticketing revenue earned from box office sales;
- (b) Government grants; and
- (c) Donations.

Continued financial support from both the public and private sectors is required for the Society to continue operations.

9. LEASE COMMITMENTS

The Society has entered into a rental lease that expires on August 31, 2024. Future minimum lease payments are as follows:

2025	\$ 11,238
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Management has approached the landlord to renegotiate the lease and it is the landlord's intention to start these negotiations in the coming months and until it is finalized, the rental agreement will be month to month.

10. COMPARATIVE FIGURES

Certain March 31, 2023 figures have been reclassified to conform to the presentation adopted for the year end March 31, 2024.