

**CAROUSEL PLAYERS**  
**Financial Statements**

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Year Ended June 30, 2023

**CAROUSEL PLAYERS**  
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Year Ended June 30, 2023

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## INDEPENDENT AUDITOR'S REPORT

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To the Board of Directors of **CAROUSEL PLAYERS**

### Qualified Opinion

I have audited the accompanying financial statements of **CAROUSEL PLAYERS**, which comprise the statement of financial position as at June 30, 2023, the statements of operations and changes in net assets and cash flow statement, and the schedules of revenue and expenditures for the year then ended, and a summary of significant accounting policies and other explanatory information.

In my opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of **CAROUSEL PLAYERS** as at June 30, 2023 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 Qualified Opinion

In common with many non-for-profit organizations, **CAROUSEL PLAYERS** derives part of its revenue from fundraising and special events, lottery and donation activities, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, my verification of these revenues was limited to the amounts recorded in the records of the organization and I was not able to determine whether, as at and for the years ended June 30, 2023 and June 30, 2022, any adjustments might be necessary to revenue, excess of expenditures over revenue, assets and net assets. This also caused me to qualify my audit opinion on the financial statements as at and for the year ended June 30, 2022.

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of **CAROUSEL PLAYERS** in accordance with ethical requirements that are relevant to my audit of the financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified audit 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 CAROUSEL PLAYERS' 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 CAROUSEL PLAYERS or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing CAROUSEL PLAYERS' financial reporting process.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

My 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 my 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, I exercise professional judgment and maintain professional skepticism throughout the audit. I 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 my 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 CAROUSEL PLAYERS' internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

## Auditor's Responsibilities for the Audit of the Financial Statements (con'd)

- 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 CAROUSEL PLAYERS' ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause CAROUSEL PLAYERS 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.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and the significant audit findings, including any significant deficiencies in internal control that I identify during the audit.

St. Catharines, Ontario  
November 13, 2023



**NICOLE HENDERSON**  
**PROFESSIONAL CORPORATION**  
Authorized to practice public  
accounting by the Chartered  
Professional Accountants of Ontario



**NICOLE HENDERSON**  
*Professional Corporation*  
CHARTERED PROFESSIONAL ACCOUNTANT

## CAROUSEL PLAYERS

Statement of Financial Position as at June 30, 2023

	2023	2022
<b>ASSETS</b>		
Current assets		
Cash	\$69,936	\$7,004
Short-term investment (note 3)	61,738	173,189
Accounts receivable	8,361	15,669
Prepaid expenses	9,429	19,174
	<hr/>	<hr/>
	149,464	215,036
Capital assets (note 4)	1,396	1,905
	<hr/>	<hr/>
	\$150,860	\$216,941
	<hr/>	<hr/>
<b>LIABILITIES AND NET ASSETS</b>		
Current liabilities		
Accounts payable and accrued liabilities	\$5,162	\$5,056
Government remittances payable	10,543	9,980
Deferred revenue (note 6)	28,473	35,304
Deferred revenue - Ontario Trillium Foundation (note 7)	14,585	-
	<hr/>	<hr/>
	58,763	50,340
Long-term liabilities		
CEBA loan payable (note 8)	60,000	60,000
Deferred contributions - capital (note 9)	1,316	1,755
	<hr/>	<hr/>
	61,316	61,755
Total Liabilities	120,079	112,095
Net Assets		
Unrestricted General Fund	14,311	88,699
Restricted Capital Reserve Fund	11,962	11,727
McLauchlan Memorial Fund	4,508	4,420
	<hr/>	<hr/>
	30,781	104,846
Commitment (note 11)		
	<hr/>	<hr/>
	\$150,860	\$216,941
	<hr/>	<hr/>

See accompanying notes to the financial statements

On behalf of the Board of Directors:

Director: Carolyn Mackenzie

Director: Al Shadi

## CAROUSEL PLAYERS

Statement of Operations and Changes in Net Assets - General Fund for the year ended June 30, 2023

	2023	2022
<b>Revenue</b>		
Grant revenue (schedule 1)	\$374,304	\$417,428
Corporations/social clubs	10,650	22,950
Foundation revenues	1,100	13,500
In school touring revenues	15,733	14,020
Fees from presenters	37,556	8,260
Mainstage ticket sales	2,136	6,366
Theatre school programs	41,670	25,773
Special youth program fees	450	-
Special projects income	23,138	6,667
Fundraising and special events (schedule 1)	11,927	26,690
Other revenue (schedule 1)	3,683	91,461
Investment revenue (schedule 1)	12,777	10,552
	<hr/>	<hr/>
	535,124	643,667
<b>Expenditures</b>		
Administration (schedule 2)	134,896	160,159
Production (schedule 2)	322,941	315,974
Fundraising and special events (schedule 2)	4,265	4,013
Facilities (schedule 2)	26,017	41,173
Publicity and promotion (schedule 2)	32,394	53,740
Education (schedule 2)	75,553	59,436
Special projects	8,648	31,435
New play development	4,728	18,446
	<hr/>	<hr/>
	609,442	684,376
	<hr/>	<hr/>
Excess of expenditures over revenue before capital items	(74,318)	(40,709)
<b>Capital items</b>		
Amortization of capital assets	(509)	(776)
Recognition of deferred contributions (note 9)	439	585
	<hr/>	<hr/>
	(70)	(191)
	<hr/>	<hr/>
<b>Excess of expenditures over revenue</b>	(74,388)	(40,900)
	<hr/>	<hr/>
Balance, beginning of year	88,699	129,599
	<hr/>	<hr/>
<b>Balance, end of year</b>	<b>\$14,311</b>	<b>\$88,699</b>

See accompanying notes to the financial statements

**CAROUSEL PLAYERS**

Statement of Operations and Changes in Net Assets - Restricted Funds for the year ended June 30, 2023

	Restricted Capital Reserve Fund	McLauchlan Memorial Fund	2023	2022
Balance, beginning of year	\$11,727	\$4,420	\$16,147	\$15,830
<b>Revenue:</b>				
Interest income	235	88	323	317
	235	88	323	317
<b>Expenditures</b>	-	-	-	-
	-	-	-	-
<b>Excess of revenue over expenditures</b>	235	88	323	317
<b>Balance, end of year</b>	<b>\$11,962</b>	<b>\$4,508</b>	<b>\$16,470</b>	<b>\$16,147</b>

See accompanying notes to the financial statements



## CAROUSEL PLAYERS

Statement of Cash Flows for the year ended June 30, 2023

	2023	2022
<b>Cash flows from operating activities</b>		
Excess of expenditures over revenue	(\$74,065)	(\$40,583)
Items not affecting cash:		
Amortization of capital assets	509	776
Recognition of deferred contributions	(439)	(585)
Changes in non-cash working capital:		
Accounts receivable	7,308	14,205
HST receivable	-	2,679
Prepaid expenses	9,745	(2,166)
Accounts payable and accrued liabilities	106	(5,363)
Government remittances payable	563	2,327
Deferred revenue	(6,831)	(5,746)
Deferred revenue - Ontario Trillium Foundation	14,585	(3,843)
Net cash used in operating activities	(48,519)	(38,299)
Decrease in cash position	(48,519)	(38,299)
Cash position, beginning of year	180,193	218,492
<b>Cash position, end of year</b>	<b>\$131,674</b>	<b>\$180,193</b>
<b>Cash consists of:</b>		
Cash	\$69,936	\$7,004
Short-term investments	61,738	173,189
	<u>\$131,674</u>	<u>\$180,193</u>

See accompanying notes to the financial statements

**CAROUSEL PLAYERS****SCHEDULE 1**

Schedule of Revenue for the year ended June 30, 2023

	<b>2023</b>	<b>2022</b>
<b>Grant Revenue:</b>		
Canada Council for the Arts - operating	\$136,500	\$136,500
Canada Council for the Arts - CCA Reopening grant	-	27,300
Canada Council for the Arts - touring grant	6,000	-
Ontario Arts Council - operating	129,808	129,808
Ontario Arts Council - touring grant	3,500	-
Province of Ontario - COVID grants	-	10,000
Ontario Ministry of Heritage, Sport, Tourism and Culture	-	5,550
Ontario Trillium Foundation - Resilient Communities Fund	8,315	5,843
Niagara Investment in Culture - community tour	-	6,000
City of St. Catharines - operating	47,000	47,000
City of St. Catharines - Culture Days	1,550	1,000
Employment support grants	41,631	48,127
Other professional development support	-	300
	<b>\$374,304</b>	<b>\$417,428</b>
<b>Fundraising and Special Events Revenue:</b>		
Individual donations	\$4,697	\$8,641
Special project donations	60	11,750
Nevada ticket lottery	4,574	3,134
Fundraising events revenue	2,596	3,165
	<b>\$11,927</b>	<b>\$26,690</b>
<b>Other Revenue:</b>		
COVID wage and rent subsidy programs	-	\$84,835
Miscellaneous income	3,683	6,626
	<b>\$3,683</b>	<b>\$91,461</b>
<b>Investment Revenue:</b>		
Ontario Arts Endowment Fund (note 10)	\$7,460	\$7,922
Interest - Investment	5,317	2,630
	<b>\$12,777</b>	<b>\$10,552</b>

See accompanying notes to the financial statements

**CAROUSEL PLAYERS****SCHEDULE 2**

Schedule of Expenditures for the year ended June 30, 2023

	2023	2022
<b>Administration:</b>		
Administrative staff salaries and benefits	\$105,904	\$138,010
Administrative travel	88	-
Bond Insurance	557	-
Bookkeeping services	873	2,060
Bank and credit card charges	1,220	2,113
Consultant fees	8,315	783
Directors' liability insurance	1,251	1,430
Memberships	1,380	1,675
Office, postage and sundry	5,325	4,782
Professional fees-audit	4,002	4,002
Professional development	1,974	706
Telecommunications	4,007	4,598
	<hr/> <hr/> \$134,896	<hr/> <hr/> \$160,159
<b>Production:</b>		
Artistic fees - actors/stage managers/designers	\$119,729	\$91,237
Artistic director salary and benefits	56,866	56,521
Artistic director travel	2,884	768
Production manager salary and benefits	76,310	74,487
Artistic intern salary and benefits	-	21,566
Production travel	4,994	2,656
Royalties	11,933	12,561
Sets, prop, costumes and sundry	25,993	35,919
Technical crew	-	1,760
Touring allowances and vehicle expenses	24,232	18,499
	<hr/> <hr/> \$322,941	<hr/> <hr/> \$315,974
<b>Fundraising and Special events:</b>		
Nevada ticket lottery	\$2,454	\$1,724
Carousel Caravan fundraiser	169	548
Other fundraising	1,642	1,741
	<hr/> <hr/> \$4,265	<hr/> <hr/> \$4,013
<b>Facilities:</b>		
Rent	\$16,980	\$15,900
Insurance	7,179	5,297
Maintenance	1,818	19,976
Parking	40	-
	<hr/> <hr/> \$26,017	<hr/> <hr/> \$41,173

See accompanying notes to the financial statements

**CAROUSEL PLAYERS****SCHEDULE 2**

Schedule of Expenditures for the year ended June 30, 2023

	2023	2022
<b>Publicity and Promotion:</b>		
Openings and receptions	\$379	\$223
Outreach coordinator salaries and benefits	16,945	15,122
Marketing student salaries and benefits	8,658	11,392
Photography and design	1,400	4,888
Printing and advertising	2,781	12,753
Promotional video	1,169	3,796
Showcase expenses	36	45
Study guides	500	750
Website design	-	4,158
Other marketing	526	613
	<hr/>	<hr/>
	\$32,394	\$53,740
	<hr/>	<hr/>
<b>Education:</b>		
Education coordinator salaries and benefits	\$21,365	\$25,535
Educators salaries and benefits	17,865	13,541
Theatre school program	19,682	13,478
March break program	3,200	3,218
After-school drama program	10,680	3,664
Playlinks program	2,761	-
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	\$75,553	\$59,436
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See accompanying notes to the financial statements

## CAROUSEL PLAYERS

Notes to Financial Statements

Year Ended June 30, 2023

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### 1. Purpose of the Organization

Carousel Players was incorporated, as a non-profit organization, under the laws of the Province of Ontario as a corporation without share capital. The organization is committed to presenting drama in schools and other places as directed by the Board of Directors and acts as a resource service in respect to educational drama. The organization is registered as a charitable organization and is exempt from income tax legislation under subsection 149(1)(f) of the Income Tax Act.

### 2. Summary of Significant Accounting Policies

The financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO) and include the following significant accounting policies:

#### (a) Basis of Accounting

The financial statements of the organization have been prepared on an accrual basis and follow the restricted fund method of accounting for contributions.

The Capital Reserve Fund is an internally restricted fund which accumulates monies for future capital expenditures and repairs.

The McLauchlan Memorial Fund is a restricted fund which accumulates monies for expenditures related to education programming.

The Unrestricted General Fund records all other revenues and expenditures.

#### (b) Revenue Recognition

Restricted contributions related to general operations are recognized as revenue of the General Fund in the year in which the related expenses are incurred. All other restricted contributions are recognized as revenue of the appropriate restricted fund.

Unrestricted contributions are recognized as revenue of the General fund when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Event revenue is recognized at the time the event is held. Rental revenue is recognized when it is earned.

#### (c) Cash and Cash Equivalents

The organization's policy is to present bank balances under cash and cash equivalents including bank overdrafts.

## CAROUSEL PLAYERS

Notes to Financial Statements  
Year Ended June 30, 2023

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### 2. Summary of Significant Accounting Policies (con'd)

(d) Contributed Services

Because of the difficulty in determining the fair market value of all contributed services, contributed services are not recognized in the financial statements.

(e) Use of Estimates

The preparation of the organization's financial statement 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 and the disclosure of contingent assets and liabilities at the balance sheet date and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from such estimates.

(f) Capital Assets

Acquisition of capital assets are recorded at cost. Amortization is provided at rates as set out below:

Asset Basis	Rate	
Theatre equipment	Straight line	20%
Furniture and equipment	Straight line	15-30%
Vehicle	Declining balance	25%
Leasehold Improvements	Straight line	1 year

(g) Financial Instruments

*Measurement*

The organization initially measures its financial assets and financial liabilities at fair value.

The organization subsequently measures all its financial assets and financial liabilities at cost or amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in the statement of operations.

Financial assets measured at amortized cost include cash, short-term investments and accounts receivable.

## CAROUSEL PLAYERS

Notes to Financial Statements  
Year Ended June 30, 2023

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### 2. Summary of Significant Accounting Policies (con'd)

#### (g) Financial Instruments (con'd)

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities and government remittances payable.

For financial assets subsequently measured at cost or amortized cost, the organization regularly assesses whether there are any indications of impairment. If there is an indication of impairment, and the organization determines that there is a significant adverse change in the expected timing or amount of future cash flows from the financial asset, it recognizes an impairment loss in the statement of operations. Any reversals of previously recognized impairment losses are recognized in operations in the year the reversal occurs.

### 3. Short-term investment

The short-term investment is a GIC which is redeemable on its anniversary date, bears interest at 4.5% and matures on November 7, 2023.

### 4. Capital Assets

	<b>Cost</b>	<b>Accumulated Amortization</b>	<b>2023 Net Book Value</b>	<b>2022 Net Book Value</b>
Theatre equipment	\$97,158	\$97,158	-	-
Furniture and equipment	69,499	69,499	-	43
Vehicle	50,382	48,986	1,396	1,862
Leasehold improvements	2,042	2,042	-	-
	<u>\$219,081</u>	<u>\$217,685</u>	<u>\$1,396</u>	<u>\$1,905</u>

### 5. Bank Indebtedness

As at the year end, the organization has an approved overdraft lending facility with a \$25,000 credit limit. The facility bears interest at prime + 4.85%, requires monthly interest only payments and is unsecured. The outstanding balance as at the year end is nil.

## CAROUSEL PLAYERS

Notes to Financial Statements  
Year Ended June 30, 2023

### 6. Deferred Revenue

Changes in the deferred revenue balances are as follows:

	Theatre School Fees	Other	Total 2023	Total 2022
Balance, beginning	\$18,765	\$16,539	\$35,304	\$41,050
Amounts received	23,955	28,395	52,350	32,781
Amounts realized	(26,322)	(32,859)	(59,181)	(38,527)
Balance, ending	\$16,398	\$12,075	\$28,473	\$35,304

### 7. Deferred Revenue - Ontario Trillium Foundation - Resilient Communities Fund

During the year, the organization received grant monies from the Ontario Trillium Foundation in accordance with the terms of an approved funding agreement for a total amount of \$25,400. The project is focussed on engaging a consultant and assisting with workshops and administrative costs for developing a strategic plan to create a sustainable future for young people's theatre. Certain amounts have been deferred and will be realized when expended.

	2023	2022
Balance, beginning of year	-	\$3,843
Received during the year	22,900	2,000
Realized during the year	(8,315)	(5,843)
Balance, end of year	\$14,585	-



## CAROUSEL PLAYERS

Notes to Financial Statements  
Year Ended June 30, 2023

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### 8. Canada Emergency Business Account (CEBA) Loan Payable

The organization applied for and received the \$60,000 CEBA loan. The loan was provided by the Government of Canada to assist with the current challenges organizations are facing due to the COVID-19 pandemic. The loan is unsecured.

The loan is interest free and no principal payments are required until December 31, 2023. If the loan is paid back by December 31, 2023, \$20,000 of the loan will be forgiven. If the loan is not paid back by December 31, 2023, the loan will be converted to a loan repayable over three years with an interest rate of 5%. The forgiveness repayment date has subsequently been extended to January 18, 2024.

### 9. Deferred Contributions - Capital

In a prior year, the organization received a capital grant from the Ontario Trillium Foundation and monies from two service clubs and one individual for the acquisition of a new touring vehicle. These amounts were deferred and each year an amount equal to the rate of amortization for the vehicle is recognized as revenue.

	<u>2023</u>	<u>2022</u>
Balance, beginning of year	\$1,755	\$2,340
Amortized to revenue	(439)	(585)
Balance, end of year	<u>\$1,316</u>	<u>\$1,755</u>

### 10. Ontario Arts Endowment Fund

The market value of Carousel Players' Arts Endowment Fund is \$152,907 as at June 30, 2023 (June 30, 2022 - \$136,336). The Arts Endowment Funds are held by the Ontario Arts Foundation in perpetuity and only the net annual income is disbursed to Carousel Players. These financial statements reflect only the annual income received from the Ontario Arts Foundation.

### 11. Commitment

The organization is currently party to a lease agreement which was renewed on July 1, 2023, for its office premises. The lease requires monthly payments of \$1,470.00 and expires June 30, 2024.

## **CAROUSEL PLAYERS**

Notes to Financial Statements  
Year Ended June 30, 2023

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### **12. RSP Matching Plan**

The organization offers to its employees a dollar for dollar matching RSP contribution to their personal RSP plans. The amount contributed by the organization in the current year to the retirement savings plans was \$5,172 for current service (2022 - \$6,383) and is included as an expenditure in the statement of operations.

### **13. Financial Instruments**

The organization is exposed to various risks through its financial instruments.

#### *Interest rate risk*

The organization is subject to interest rate risk due to changes to the prime rate since the bank indebtedness bears a variable interest rate. The organization monitors its interest rate risk on the bank indebtedness on an on-going basis.

#### *Credit risk*

For grants and accounts receivable, the organization assesses, on a continuous basis, amounts receivable on the basis of amounts it is virtually certain to receive based on their estimated realizable value.

#### *Liquidity risk*

Liquidity risk is the risk of being unable to meet cash requirement obligations as they come due. The organization manages its liquidity risk by constantly monitoring forecasted and actual cash flows and financial liability maturities, and by holding assets that can be readily converted into cash.