

Aurora Cultural Centre													
2017-2019 Actuals													
				2017			2018			2019			
				Approved Budget	Audited Actual	Variance to Budget	Approved Budget	Audited Actual	Variance to Budget	Approved Budget	Audited Actual	Variance to Budget	
Income													
		GRANTS - TOWN OF AURORA											
			Town of Aurora - Base Operating	405,600	405,600	-	415,700	415,700	-	415,700	415,700	-	
			Town of Aurora - Project							50,000	50,000	-	
			Town of Aurora - Library Square									-	
		Total GRANTS - TOWN OF AURORA		405,600	405,600	-	415,700	415,700	-	465,700	465,700	-	
		GRANTS - OTHER											
			Federal Grants	7,000	47,721	40,721	40,000	27,414	(12,586)	50,000	46,231	(3,769)	
			OAC	3,500	5,000	1,500	5,000	-	(5,000)	10,000	10,000	-	
			Ont Trillium Fnd	21,900	21,900	-	-	-	-		-	-	
		Total GRANTS - OTHER		32,400	74,621	42,221	45,000	27,414	(17,586)	60,000	56,231	(3,769)	
		PROGRAMS											
			Facility Rentals	50,000	52,250	2,250	53,500	58,260	4,760	50,000	34,485	(15,515)	
			Ticket Sales-perform/exhi, etc.	33,800	37,904	4,104	45,180	32,729	(12,451)	48,500	42,273	(6,227)	
			Ticket Sales-Classical Program	10,600	9,762	(838)	12,000	9,800	(2,200)	10,745	11,627	882	
			Registration Fees-programs, etc	88,845	104,536	15,691	98,855	109,357	10,502	106,000	104,183	(1,817)	
			Merchandise-hospitality, coffee	4,250	5,035	785	5,000	3,340	(1,660)	5,000	2,731	(2,269)	
			Gallery Revenue	-	-	-	-	165	165	3,000	4,169	1,169	
			Merchandise - gift shop+	23,125	7,715	(15,410)	-	-	-	-	-	-	
			Interest	2,100	1,936	(164)	2,100	2,999	899	2,100	6,360	4,260	
			Merchandise- fine art sale	11,000	5,768	(5,232)	12,000	9,086	(2,914)	9,000	9,076	76	
		Total PROGRAMS		223,720	224,906	1,186	228,635	225,736	(2,899)	234,345	214,904	(19,441)	
		FUNDRAISING											
		Private Contributions											
			Individual Donations	1,000	9,039	8,039	15,000	25,762	10,762	97,000	63,950	(33,050)	
			Friends*	8,000	3,812	(4,188)	-	-	-	-	-	-	
			Classical Fund Donation	5,000	3,750	(1,250)	5,000	10,115	5,115	10,000	9,685	(315)	
			Amortization of deferred contributions****	2,372	2,372	-	2,372	3,858	1,486	2,372	7,423	5,051	
			Sponsorships (corporate and individual)	36,500	13,500	(23,000)	20,000	19,500	(500)	24,500	26,000	1,500	
			Corporate Donations	2,500	3,575	1,075	2,000	27,360	25,360	35,000	26,500	(8,500)	
			Foundations		-	-	2,000	-	(2,000)	-	-	-	
		Total Private Contributions		55,372	36,048	(19,324)	46,372	86,595	40,223	168,872	133,558	(35,314)	
		Total FUNDRAISING		55,372	36,048	(19,324)	46,372	86,595	40,223	168,872	133,558	(35,314)	
		Total Income		717,092	741,175	24,083	735,707	755,445	19,738	928,917	870,393	(58,524)	
		Expense											
		SALARIES AND BENEFITS											
			Total Administration Salaries & Fees	198,464	156,131	(42,333)	186,844	181,161	(5,683)	208,103	81,210	(126,893)	
			Total Program Salaries & Fees	260,338	312,954	52,616	319,443	317,697	(1,746)	421,143	479,675	58,532	
		Total SALARIES AND BENEFITS		458,802	469,085	10,283	506,287	498,858	(7,429)	629,246	560,885	(68,361)	
		PROGRAMS											
			Artistic Salaries & Fees										
			Instructors	20,500	29,631	9,131	28,386	31,045	2,659	33,265	31,285	(1,980)	
			Gallery Artists	150	-	(150)	3,000	3,000	-	17,567	13,650	(3,917)	
			Performers	30,000	27,039	(2,961)	27,070	27,317	247	46,420	44,207	(2,213)	
			Lecturers**	-	1,150	1,150	-	-	-	-	-	-	
			Classical	11,000	12,896	1,896	11,800	11,070	(730)	18,645	17,193	(1,452)	
			SOCAN fees	1,200	1,534	334	1,325	830	(495)	1,500	850	(650)	
			Production fees	8,500	8,581	81	4,855	6,408	1,553	7,896	6,828	(1,068)	
		Total Artistic Salaries & Fees		71,350	80,831	9,481	76,436	79,670	3,234	125,293	114,013	(11,280)	
		Artistic Expenses											
			Commissions (Art Sales)	6,820	2,888	(3,932)	7,200	4,442	(2,758)	5,400	5,394	(6)	

Aurora Cultural Centre														
2017-2019 Actuals														
				2017			2018			2019				
				Approved Budget	Audited Actual	Variance to Budget		Approved Budget	Audited Actual	Variance to Budget		Approved Budget	Audited Actual	Variance to Budget
			Commissions (Gift Shop)+	14,000	4,688	(9,312)		-	-	-		-	-	-
			Gift Shop Expenses+	3,000	48	(2,952)		-	-	-		-	-	-
			Installation-Wall Signage	500	1,100	600		330	621	291		2,365	3,639	1,274
			Accommodation	-	-	-		500	880	380		7,922	3,319	(4,603)
			Artist Hospitality***	-	-	-		3,755	1,445	(2,310)		9,356	2,082	(7,274)
			Venue Rental	-	-	-		-	-	-		-	-	-
			Total Artistic Expenses	24,320	8,724	(15,596)		11,785	7,388	(4,397)		25,043	14,434	(10,609)
			Marketing Expenses											
			Advertisement	12,000	20,420	8,420		18,182	12,009	(6,173)		15,102	15,374	272
			Promo Materials: Design/Print	13,000	16,800	3,800		12,144	20,725	8,581		30,000	21,080	(8,920)
			Mailing & Distribution	10,000	5,830	(4,170)		6,000	6,884	884		6,085	6,023	(62)
			Outreach	-	136	136		-	-	-		-	-	-
			Website	2,000	287	(1,713)		1,500	4,330	2,830		5,000	10,358	5,358
			Signage	3,000	3,901	901		3,000	1,687	(1,313)		2,000	624	(1,376)
			Other Marketing	-	-	-		5,000	1,331	(3,669)		5,000	2,515	(2,485)
			Total Marketing Expenses	40,000	47,374	7,374		45,826	46,966	1,140		63,187	55,974	(7,213)
			Program Expenses											
			Program Supplies	7,000	11,694	4,694		11,340	11,314	(26)		13,592	12,401	(1,191)
			Publications	200	-	(200)		200	21	(179)		200	-	(200)
			Memberships**	600	350	(250)		2,000	1,143	(857)		2,500	837	(1,663)
			Piano-tuning, moving, etc.	4,720	2,744	(1,976)		3,050	2,567	(483)		3,420	1,419	(2,001)
			Hospitality & Bar Supplies***	7,750	8,198	448		3,760	4,065	305		3,800	4,023	223
			Special Program Expenses (Canada 150)	5,000	3,562	(1,438)		-	-	-		-	-	-
			Insurance & Permits	1,000	1,098	98		2,700	1,200	(1,500)		2,700	1,200	(1,500)
			Volunteer Program	-	-	-		-	-	-		-	-	-
			Total Program Expenses	26,270	27,646	1,376		23,050	20,310	(2,740)		26,212	19,880	(6,332)
			Total PROGRAMS	161,940	164,575	2,635		157,097	154,334	(2,763)		239,735	204,301	(35,434)
			FUNDRAISING											
			Software	-	1,780	1,780		2,211	1,566	(645)		2,300	795	(1,505)
			Promotions	1,500	-	(1,500)		1,500	238	(1,262)		500	200	(300)
			Event & Other		-	-		1,500	1,089	(411)		1,200	1,310	110
			Total Fundraising Expenses	1,500	1,780	280		5,211	2,893	(2,318)		4,000	2,305	(1,695)
			Total FUNDRAISING	1,500	1,780	280		5,211	2,893	(2,318)		4,000	2,305	(1,695)
			Total TRILLIUM	21,900	22,422	522								
			INSURANCE											
			Insurance	7,550	8,669	1,119		8,800	8,331	(469)		9,450	8,068	(1,382)
			WSIB Insurance	3,650	3,187	(463)		4,000	3,403	(597)		4,000	2,861	(1,139)
			Total INSURANCE	11,200	11,856	656		12,800	11,734	(1,066)		13,450	10,929	(2,521)
			OFFICE & FACILITIES											
			Administration Expenses											
			Bank Charges	2,250	1,899	(351)		1,800	1,553	(247)		1,800	2,221	421
			Credit Card Charges	4,750	6,048	1,298		6,000	5,844	(156)		6,000	9,411	3,411
			Equipment Lease	2,600	2,640	40		2,700	2,306	(394)		2,700	2,377	(323)
			Equipment Maintenance	500	311	(189)		500	296	(204)		500	-	(500)
			Internet	1,750	2,808	1,058		1,750	2,235	485		762	2,853	2,091
			Memberships, Dues, etc.**	1,200	2,027	827		900	1,622	722		1,700	2,726	1,026
			Office Supplies	6,250	2,189	(4,061)		4,000	2,983	(1,017)		3,000	2,475	(525)
			Photocopying/Printing	4,500	3,420	(1,080)		4,000	3,949	(51)		4,000	4,249	249
			Postage	600	361	(239)		600	297	(303)		600	187	(413)
			Recruitment of Staff, Board, Vulnerable Sector Checks	-	15,056	15,056		300	449	149		500	2,083	1,583
			Professional development	-	81	81		3,500	1,294	(2,206)		3,500	1,526	(1,974)
			Subscription & Reference	350	-	(350)		350	105	(245)		350	-	(350)

Aurora Cultural Centre							
2020 Original and Revised Budget							
				2020	2020	2020	
				Original	Revised (with	Revised (with	
				Budget	Library	Library Square &	
				(business as	Square	COVID impact to	
				usual)	impact)	July 31, 2020)	2020 Budget Revision Notes
			Gallery Artists	13,500	12,250	12,250	loss of a show
			Performers	89,565	75,195	60,579	no summer music series, cancellations due to COVID
			Classical	18,967	17,702	8,900	cancellations due to COVID
			SOCAN fees	1,500	1,500	1,000	cancellations due to COVID
			Production Fees	9,588	15,525	23,574	Includes production costs offside and livestreaming costs
			Total Artistic Salaries & Fees	166,442	152,172	126,603	
			Artistic Expenses				
			Commissions (Art Sales)	5,400	3,000	-	LS impact
			Installation-Wall Signage	2,500	2,500	2,500	
			Accommodation	18,984	6,700	8,825	Annual needs missed on budget, will reduce if programming cancelled
			Artist Hospitality	6,346	3,000	1,526	
			Venue Rental		25,981	19,180	LS impact and cancellations due to COVID
			Total Artistic Expenses	33,230	41,181	32,031	
			Marketing Expenses				
			Advertisement	16,000	16,000	15,000	cancellations due to COVID, keeping marketing dollars for move communication and if there is fall programming, will need additional resources to be successful
			Promo Materials: Design/Print	25,000	25,752	20,000	cancellations due to COVID, keeping marketing dollars for move communication and if there is fall programming, will need additional resources to be successful
			Mailing & Distribution	10,000	6,200	6,200	
			Outreach		-		
			Website	2,500	6,500	15,000	rebranding of website, COVID related online costs
			Signage	2,000	1,000	1,000	
			Other Marketing	-	11,724	9,124	Cost of additional marketing for Library Square
			Total Marketing Expenses	55,500	67,176	66,324	
			Program Expenses				
			Program Supplies	13,809	13,809	9,000	cancellations due to COVID
			Publications	200	-	-	
			Memberships	2,600	1,000	1,000	
			Piano-tuning, moving, etc.	2,060	3,500	2,500	
			Hospitality & Bar Supplies	3,800	4,000	1,500	cancellations due to COVID
			Insurance & Permits	2,700	1,500	1,500	
			Volunteer Program	-	5,122	3,695	Part of Horizons project deferred to 2021 due to COVID
			Total Program Expenses	25,169	28,931	19,195	
			Total PROGRAMS	280,341	289,460	244,153	
			FUNDRAISING				
			Software	2,300	2,385	2,266	
			Promotions	500	1,500	1,500	
			Event & Other	1,200	1,500	1,500	
			Total Fundraising Expenses	4,000	5,385	5,266	
			Total FUNDRAISING	4,000	5,385	5,266	
			Total TRILLIUM				
			INSURANCE				
			Insurance	9,639	8,230	8,229	

Aurora Cultural Centre							
2020 Original and Revised Budget							
				2020	2020	2020	
				Original	Revised (with	Revised (with	
				Budget	Library	Library Square &	
				(business as	Square	COVID impact to	
				usual)	impact)	July 31, 2020)	2020 Budget Revision Notes
			WSIB Insurance	4,000	3,200	3,200	
			Total INSURANCE	13,639	11,430	11,429	
			OFFICE & FACILITIES				
			Administration Expenses				
			Bank Charges	1,800	2,300	2,300	based on 2019 final
			Credit Card Charges	6,000	12,000	10,000	includes e-commerce processing costs
			Equipment Lease	2,700	1,125	1,880	cancelled Sept due to move for LS project
			Equipment Maintenance	500	-	-	
			Internet	Town	1,524	1,686	cancelled July due to move for LS project
			Memberships, Dues, etc.	1,700	2,800	2,800	based on 2019 final
			Office Supplies	3,000	3,000	3,000	
			Photocopying/Printing	4,000	4,500	4,500	based on 2019 final
			Postage	600	600	600	
			Recruitment of Staff, Board, Vulnerable Sector Checks	500	2,000	2,000	increased cost of vulnerable sector checks
			Professional development	3,500	3,500	3,500	
			Subscription & Reference	350	-	-	based on 2019 final
			Telephone	7,300	9,791	9,791	includes phone moving costs for LS project
			Cell/Blackberry	900	900	900	
			Travel	500	2,000	2,000	
			Meals, Entertainment, Flowers	1,500	1,500	1,500	
			IT & Software expenses	2,500	2,000	2,000	
			Total Administration Expenses	37,350	49,540	48,457	
			Facility Expenses				
			Facility Equipment	800	800	800	
			Cleaning Supplies	200	200	200	
			Total Facility Expenses	1,000	1,000	1,000	
			Total OFFICE & FACILITIES	38,350	50,540	49,457	
			PROFESSIONAL FEES				
			Accounting	10,000	18,000	18,000	
			Audit	10,000	10,000	10,000	
			Consultant (strategic plan etc)	10,000	10,000	10,000	
			Legal Costs	2,000	5,000	5,000	legal advice on agreement/insurance, etc
			Total PROFESSIONAL FEES	32,000	43,000	43,000	
				1,014,893	1,029,800	962,979	
			Operating Surplus (Deficit)	-	-	-	1,773

CHURCH STREET SCHOOL CULTURAL CENTRE O/A AURORA CULTURAL CENTRE

FINANCIAL STATEMENTS
DECEMBER 31, 2019

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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, 2019 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, 2019, 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.

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 2, 2020

CHURCH STREET SCHOOL CULTURAL CENTRE
O/A AURORA CULTURAL CENTRE
STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS
DECEMBER 31, 2019

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	2019	2018
	\$	\$
REVENUES		
Grant - Town of Aurora operating	415,700	415,700
Grant - Town of Aurora special funding	50,000	-
Grants - other	56,231	27,414
Programs	214,903	225,736
Fundraising, donations and sponsorships	133,558	86,595
	870,392	755,445
EXPENDITURES		
Administrative salaries and benefits	81,210	68,204
Programs	197,474	147,926
Programming salaries and wages	486,503	437,062
Office expenses	42,634	35,005
Professional fees	33,274	19,770
Fundraising	2,306	2,893
Insurance	10,929	11,734
Amortization	10,338	6,772
	864,668	729,366
EXCESS OF REVENUES OVER EXPENDITURES	5,724	26,079
NET ASSETS - Beginning of year	293,727	267,648
NET ASSETS - End of year	299,451	293,727

CHURCH STREET SCHOOL CULTURAL CENTRE
O/A AURORA CULTURAL CENTRE
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2019


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	Note Reference	2019	2018
		\$	\$
ASSETS			
CURRENT ASSETS			
Cash		200,312	137,556
Restricted cash	3	241,541	238,991
Amounts receivable		8,966	22,416
Prepaid expenses		7,351	5,693
		458,170	404,656
Capital assets	4	17,500	15,358
		475,670	420,014
LIABILITIES AND NET ASSETS			
CURRENT LIABILITIES			
Accounts payable and accruals		36,192	28,577
Revenues received in advance		37,064	41,824
Deferred grants	5	59,500	5,000
Deferred contributions	6	28,607	41,087
		161,363	116,488
Deferred contributions	6	14,856	9,799
		176,219	126,287
NET ASSETS			
Unrestricted		55,266	49,177
Internally restricted	7	241,541	238,991
Invested in capital assets		2,644	5,559
		299,451	293,727
		475,670	420,014

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

Approved on behalf of the Board:


 Director


 Director

CHURCH STREET SCHOOL CULTURAL CENTRE
O/A AURORA CULTURAL CENTRE
STATEMENT OF CASH FLOWS
DECEMBER 31, 2019

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	2019	2018
	\$	\$
OPERATING ACTIVITIES		
Excess of revenues over expenditures	5,724	26,079
Expenditures/revenues not requiring/(providing) cash:		
Amortization	10,338	6,772
Amortization of deferred contributions	(7,423)	(3,858)
Deferred grants recognized as revenue	(58,500)	(5,000)
	(49,861)	23,993
Non-cash working capital items:		
Amounts receivable	13,450	(19,866)
Prepaid expenses	(1,658)	(821)
Accounts payable and accruals	7,615	506
Revenues received in advance	(4,760)	12,905
Deferred grants	113,000	10,000
	77,786	26,717
FINANCING ACTIVITIES		
Restricted cash	(2,550)	(25,450)
Deferred contributions	-	50,000
	(2,550)	24,550
INVESTING ACTIVITIES		
Acquisition of capital assets	(12,480)	(8,913)
INCREASE IN CASH	62,756	42,354
CASH - Beginning of year	137,556	95,202
CASH - End of year	200,312	137,556

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 salaried 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.

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
Special project equipment	3 years
Leasehold improvements	term of the lease

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

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 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:

	2019	2018
	\$	\$
Internally restricted:		
Classical Music Series Fund	69,267	71,991
Contingency Fund	152,274	147,000
Special Project Fund	20,000	20,000
	241,541	238,991

See Note 7 for description of the internally restricted funds.

4. CAPITAL ASSETS

	2019		2018	
	Original Cost	Accumulated Amortization	Original Cost	Accumulated Amortization
	\$	\$	\$	\$
Computers and equipment	28,923	28,458	28,923	27,528
Music instruments	43,570	41,391	43,570	37,034
Special project equipment	21,393	6,537	8,913	1,486
	93,886	76,386	81,406	66,048
Net Book Value		17,500		15,358

5. DEFERRED GRANTS

Deferred grants consists of the following:

	2019	2018
	\$	\$
Balance - beginning of year	5,000	-
Funds received - Ontario Trillium Foundation	27,000	-
Funds received - Canada Arts Presentation	11,000	10,000
Funds received - Kaleidoscope in Schools	75,000	-
Recognized as revenue	(58,500)	(5,000)
	59,500	5,000

The Ontario Trillium Foundation funds are restricted in that the expenditures incurred must be used to meet certain expected results and performance indicators as outlined by the agreement. Funds received from the Ontario Trillium Foundation are recognized as revenues when the related expenditures are incurred. The funding period is September 17, 2019 - September 16, 2020.

The Canada Arts Presentation funds are restricted in that the expenditures incurred must be used to cover costs for artists to host educator workshops as outlined by the agreement. Funds received from the Canada Arts Presentation are recognized as revenues when the related expenditures are incurred. The funding period for this revenue is April 1, 2019 to March 31, 2020.

The Kaleidoscope in Schools funds are restricted in that the expenditures incurred must be used to fund the Kaleidoscope in Schools program. Funds received are recognized as revenues when the related expenditures are incurred.

6. DEFERRED CONTRIBUTIONS

The Organization's deferred contributions consists of the following:

	2019	2018
	\$	\$
Balance - beginning of year	50,886	4,744
Funds received - special project	-	50,000
Amortization of deferred contributions	(7,423)	(3,858)
	43,463	50,886
Less: current portion	28,607	41,087
	14,856	9,799

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.

7. INTERNALLY RESTRICTED

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

	2019	2018
	\$	\$
Classical Music Series Fund	69,267	71,991
Contingency Fund	152,274	147,000
Special Project Fund	20,000	20,000
	241,541	238,991

The Board of Directors approved to internally restrict \$5,274 (2018 - \$22,000) from the unrestricted net assets to the Contingency Fund. In addition the Board of Directors approved a transfer of \$2,725 from the Classical Music Series Fund to the unrestricted fund (2018 - \$3,450 from the unrestricted fund to the Classical Music Series Fund).

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

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

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

8. CREDIT FACILITY

The Organization has a credit card that bears interest at 19.50% per annum. The authorized limit is \$10,000 and available credit at year end is \$5,906 (2018 - \$7,084).

9. 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 program expenditures, management has identified all expenditures related to programming which amount to \$694,315 (2018 - \$591,761). Included in this amount are administrative salaries and benefits of \$153,298 (2018 - \$137,752) which have been allocated to program expenditures based on the estimated amount of time spent as determined by management.

10. GRANT REVENUE

Included in total revenue are the following grants:

	2019	2018
	\$	\$
Municipal grants	465,700	415,700
Federal grants	46,231	-
Provincial grants	10,000	27,414
	521,931	443,114

11. ECONOMIC DEPENDENCE

The Organization's revenues, substantially derived from a grant of \$465,700 (2018 - \$415,700), 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 2018.

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.

13. SUBSEQUENT EVENT

In March 2020, the World Health Organization declared the outbreak of COVID-19 as a pandemic, resulting in the federal, provincial, local governments and private entities mandating various restrictions, including but not limited to travel restrictions, restrictions on public gatherings, closure of non-essential businesses, and stay at home advisories. These advisories and closures have extended to cultural programs and events that this Organization provides to its members and the public at large. In recognition of this international health emergency, the Organization closed its venue and cancelled programs as of March 13, 2020. Where possible staff have moved to remote offices and the delivery of cultural services virtually. Future programs and events requiring physical proximity have been postponed indefinitely.

As the pandemic is complex and rapidly evolving, the Organization will continue to monitor developments and recommendations at the national, provincial and local level in order to evaluate the possible extension to the postponement. The full extent and duration of the impact of COVID-19 on the Organization's statement of operations, financial position and cash flows is currently unknown and depends on future developments that are uncertain and unpredictable, including the duration and severity of the pandemic.

14. COMPARATIVE FIGURES

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