

Fredericton Playhouse Inc.

Annual Report

July 1, 2020 - June 30, 2021



FREDERICTON
playhouse
experience it live.

(506) 458-8345

www.theplayhouse.ca

686 Queen St.

Fredericton, NB. E3B 1C2

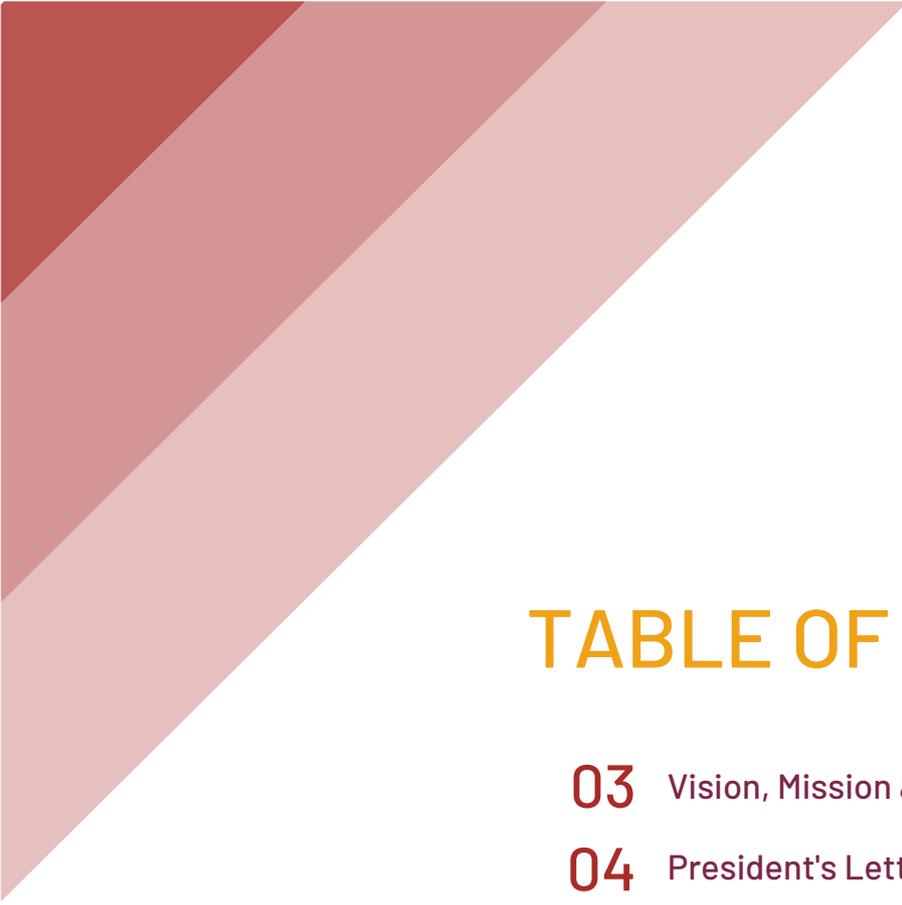


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About Fredericton Playhouse Inc.

Fredericton Playhouse Inc. is a non-profit, volunteer-directed organization which operates a live performance venue in beautiful downtown Fredericton.

The organization functions as a professional performance venue for local, national, and international artists and companies and offers various programs for the community.

We enjoy a mutually beneficial relationship with the City of Fredericton. Although we operate fully at arm's length from the municipality, strong financial, operational, and governance links to the City exist. Embracing our organizational accountability to the City, our funders, partners, donors and the public, an annual report on the Playhouse's activities, results, and organizational performance is provided in this publication.

Vision

A community strengthened by live performance.

Mission

Delivering relevant and sustainable programs, services, and facilities to provide meaningful live performance experiences.

Core Values

We believe:

- The customer's experience is at the centre of our work.
- Diversity in people and points of view makes us better.
- Everyone can find a way to be included in what we do.
- Accountability in our relationships with people, organizations and communities is critical.
- Progress is found in continuous improvement and a willingness to innovate.

Letter from the President of the Board

As the board of directors of Fredericton Playhouse Inc. looks back on 2020-21, we find ourselves very proud of the way our organization responded to the challenges presented by the COVID-19 global pandemic. At the same time, we remain committed to tackling the challenges of our declining infrastructure as we move toward a new performing arts centre.

The Playhouse is a charitable non-profit managed by a 13-member board of directors. Along with talented and dedicated staff and volunteers, we work to manage the facility and services as well as our various programs. As Fredericton's premier venue for live performance, we're proud of the role we play in the community and pleased to share some of the highlights from this season.

Of course, 2020-21 was marked by COVID-19 and the challenges it posed. With the facility closed until August and reopening with reduced capacity and other restrictions for the remainder of the year, the organization suffered a major reduction in earned revenues and service to the community. But through the support of our government partners and the exceptional effort of our board and staff, we made a series of critical decisions that kept our organization healthy. We also found silver linings in COVID-19, discovering new and innovative ways to serve our local arts community, and taking on important projects to develop our business practices and approach to our work.

Throughout the year, it was the board's priority to maintain the Playhouse's organizational health and plan for our recovery from the impacts of COVID-19. Important decisions were made, many of them in "emergency meetings", as we navigated the changing landscape that the pandemic created.



I would personally like to thank the board members for stepping up and making the time to address the challenges of the past year.

Our vision, "a community strengthened by live performance," is decidedly broad and speaks to the positive impact that live performance has on individuals, communities and society -- whether social, cultural or economic. We have never been more committed to this vision. While we know that the 2021-22 season will see us returning to a "new normal" as vaccines and other public health measures allow for a reopening for our sector, there will be hard work ahead to bring our organization back to sustainable levels of business.

With each year that passes, the need for a new performing arts centre continues to grow. While we still may not have a shovel in the ground, we continue to support the City of Fredericton in its pursuit of funding partnerships with other levels of government. We are ready to participate with the City and our stakeholders in the design process, which we hope will begin soon -- developing a fully realized vision for a new facility.

On behalf of my board colleagues, I wish to thank you for your ongoing support and interest in the Fredericton Playhouse.

Murray Jamer
President, Board of Directors

Letter from the Executive Director

It is with mixed feelings that I report that 2020-21 was both a successful and unsuccessful year at the Fredericton Playhouse. To explain, while the COVID-19 global pandemic kept us largely unsuccessful in delivering on our core mandate to deliver live performance experiences to our community, it did provide us with some new opportunities to work on our organization and connect with the community in new ways.

A global pandemic is not particularly friendly to organizations whose business is built on the idea of people gathering to share experiences. For those of us who find meaning in our work by gathering people shoulder-to-shoulder to share a live performance experience, this past year has been very trying. For most of the year, we were able to provide the theatre with a reduced audience capacity and travel restrictions added to this challenge. Shifting government mandates and moving between various "colours" of the recovery model saw us in a constant dance of policy and procedure changes and event cancellations and postponements. It has been a wild ride.

Thanks to the generosity of the community and the support of our funding partners, we have been able to maintain the fiscal health of our organization and keep our talented team intact. Together we accomplished some important work in policy and procedure development, health and safety, learning and skill development, and important operational projects such as our "single use plastics reduction program."

Just as important, we found new and innovative ways to make use of our assets by introducing programs and activities that we could deliver without the necessity of an audience. Our InterMISSION program was perhaps our shining achievement of the year.



I believe our vision of "a community strengthened by live performance" is an elegant articulation of our shared belief in the power and potential of our work. As we embarked on what was the most challenging year in our organization's history to date, our board leadership and our team of employees and volunteers persevered and found new and surprisingly effective ways for the Fredericton Playhouse to contribute to a strong community. I am extremely proud of the work our team put forth and the results were stellar.

It is an honour to serve the Fredericton Playhouse as its Executive Director. We have an amazing team that works hard to deliver on our mission to "deliver relevant and sustainable programs, services, and facilities to provide meaningful live performance experiences."

Special thanks to our staff, board, volunteers and all the funders, donors, sponsors and partners who continue to provide the community with an organization and a facility that punches far above its weight in achieving these goals.

Yours in great performance,

Tim S. Yerxa
Executive Director

Board of Directors

Greg MacFarlane	President to Dec. 2020; Past President from Jan. 2021
Murray Jamer	Vice President to Dec. 2020; President from Jan. 2021
Craig Leonard	Treasurer to Dec. 2020; Vice President from Jan. 2021
Scott Kennedy	Treasurer from Jan. 2021
Shae McCarthy	Secretary from Jan. 2021

John Ball
 Tania Breen (from January 2021)
 Rebekah Chassé (from January 2021)
 Molly Demma
 Giselle Goguen (to December 2020)
 Jennifer Lawson
 Paul MacNabb
 Duncan Matheson
 Shawnee Polchis- Lanteigne (from January 2021)
 Kim Schnarr (Secretary/Board Member to December 2020)

Staff Members

Bonnie Barlow	Janitorial
Jonathon Best	Technician (Stage Head)
Meghan Callaghan	Marketing & Communications Director
Melissa Cameron	Ticketing Supervisor
Wendy Caron	Ticketing Operations Manager
Wylie Casey	Patron Services Supervisor
David Cook	Technician (Sound Head)
Tammy Faulkner	Assistant Technical Services Manager
Jeff Fevens	Facilities & Systems Manager
Julie Friddell	Development Director
Dave Garson	Technical Services Manager
Sally Goodwin	Patron Services Manager
Jonathan Harpur	Technician (Lighting Head)
Lesandra Dodson	Director of Programming
Della Shepherd	Finance & Administration Manager
Tim Yerxa	Executive Director

COVID-19

In early 2020, the Fredericton Playhouse was one of countless organizations impacted by the COVID-19 pandemic. On March 13 of that year, we closed our doors and cancelled all live performances on the advice of Public Health.

The performing arts is one of the hardest hit sectors in this pandemic – we were forced to rethink what was possible for live performances, audiences, and close-quarter spaces.

Thanks to the City’s continued financial contribution and our ability to access federal and provincial COVID relief programs, namely the CEWS, FPI was able to keep the organization in the black and able to avoid any layoffs of full-time staff.

	Typical Year	2020-21	+/-
Days of Use	176*	94	-47%
Public Events	123*	27	-78%
Attendance	83,225**	4,857	-94%

*five-year average 2014-2019
 ** 2018-19 season

With fewer days we could operate, our capacity reduced from 709 to 246, and provincial travel restrictions in place, the number of events we hosted plummeted from 123 in a typical year down to only 27 and total attendance was only a fraction of what we would normally see.

But as the top line of this table indicates, we managed to still put the building to use a total of 94 days by offering some different programs and services to the community that didn’t require an audience



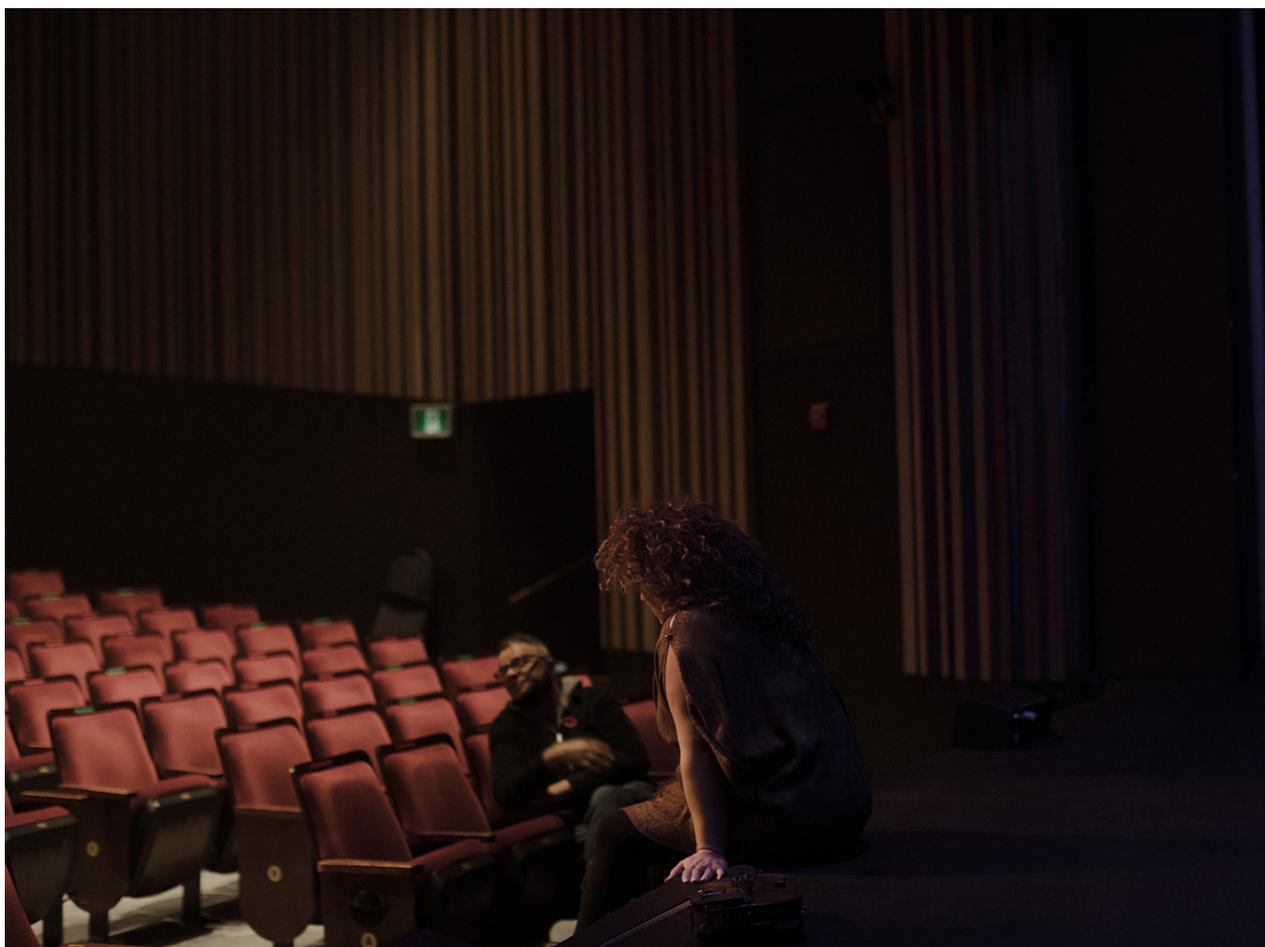
COVID-19: Weathering the Storm

In September, the Playhouse was able to return to live performances with audiences, but at a significantly reduced capacity (from 709 to 246). Further, travel restrictions forced the organization to work mostly with New Brunswick and Atlantic Canadian artists within its programs and its rental activities.

Special arrangements and pricing on rental and services fees were introduced to account for the dramatic loss of capacity in the venue due to social distancing requirements.

Throughout 2020-21, the board and management were laser-focused on maintaining the health and sustainability of the organization, both organizationally and financially.

Our second focus during our shutdown and service reduction was maintaining relevance to the community. This was particularly hard when we were unable to have audiences for events, but we found some innovative ways to connect with the community - finding new opportunities to engage specifically with local artists throughout the year.



COVID-19: Silver Linings

COVID-19 did provide us with some gifts. Things that will stay with us for years and help strengthen the organization as we “build back better”.

With a break from a busy schedule hosting events, our team was able to turn its attention to some important work in policy and procedure development, health and safety work, and some new initiatives to reduce the use of single use plastics in our operation and even developing a new branding strategy and cohesive visual identity – all things we would have struggled to find the capacity to achieve in a normal year.

It also forced us to find things we COULD do when we couldn't do what we did best. We turned to our local performing artists, who were all completely out of work due to bans on gatherings. We found a renewed purpose in working in the local arts community to provide programs to help them develop their craft and hone their own skills as creators and performers.



Our InterMISSION residency program was born in the summer of 2020 and was delivered through spring of 2021. This new program saw us providing space, time, technical support, and paid work for 100 local professional artists working in music, theatre, dance, film, and digital arts.



Organizational Development

While dealing with changing restrictions due to COVID-19, and the cancellation of the vast majority of performances and stage time, our team turned its attention to other important work in policy and procedure development throughout the year.

In 2020-21, we updated multiple internal policies and procedures for both staff and board, as well as established a new Health & Safety Program, and initiatives to reduce the use of single-use plastics.



Single-Use Plastics

The organization embarked on a project to reduce the number of single-use plastics used in our operations. The project, funded in part by the New Brunswick Environmental Trust Fund, sought to make changes to the concessions and backstage food and beverage operations with an eye to make changes that would result in fewer plastic materials being used. Some of the changes implemented include:

- Promoting a “bring your own reusable beverage container” initiative along with the purchase and sale of Playhouse branded reusable tumblers.
- Installation of water filling stations and discontinuing the sale of bottled water
- Serving beverages in aluminum cans to reduce the need for plastic cups
- Replacing plastic straws with paper straws
- New waste sorting receptacles and systems throughout the building

Health & Safety Program

A new comprehensive health and safety program was developed and implemented. This work included a revision of our Joint Occupational Health and Safety committee’s terms of reference and procedures, documentation of policies and procedures, and the development of various codes of practice related to working in various situations at the Playhouse.

Updated Policies & Procedures

In addition to the new Health and Safety Program, the organization undertook a full revision of the Board Policies, Employee Policies and Procedures, and developed its first Operational Procedures Manual. All were updated to reflect current practices and to implement best practices and contemporary language that reflects the governance and policy framework the organization uses to guide its management and governance.

Strategic Plan 2019-2022

In 2018-19, the Board adopted a three-year strategic plan (2019-2022), articulating the mandate of the organization in its mission, vision, and core values.

Through our strategic planning process, we establish agreement around our intended outcomes, adjusting our direction in response to evolving conditions, and carefully considering our role alongside our stakeholders in pursuit of each objective.



New Objective: Recovery

In May 2021, the board of directors amended the strategic plan to introduce a new objective focused on the COVID-19 recovery effort. This new objective now supersedes all others in the strategic plan. It is articulated along with key results to measure success within our planning framework.

Our new primary objective is:

To recover from the impact of COVID-19, returning to pre-COVID core performance levels in all areas of the organization by 2023.

This new objective takes precedence over all others and requires the highest level of prioritization for the allocation of effort and resources (human and financial).

While the other four priority objectives remain (and strategies and efforts will be deployed to attain the associated key results), placing this new objective in a higher priority informs management and board decision-making when priorities are competing for attention and resources.

The other four objectives in the 2019-22 strategic plan are:

- Foster the community's sense of ownership in our organization
- Collaborate with artists and arts organizations to develop and celebrate the local arts community
- Champion and prepare for a new Performing Arts Centre and prepare for the risks associated with our current infrastructure.
- Pursue an innovation agenda for the organization

A New Performing Arts Centre

Addressing the aging physical infrastructure of the Playhouse has been a strategic priority for Fredericton Playhouse Inc. since 2011. Throughout 2020-21, we supported the City of Fredericton in its pursuit of developing the “preferred option” as described in the 2015 feasibility study – a new performing arts centre (PAC) with an 850-seat main hall and a 300-seat flexible performance space with shared lobbies, amenities, and backstage functions.

Although this project is considered municipal infrastructure, FPI plays a major role in its realization, providing advice, support, and concrete action in bringing the project to fruition. In 2020-21, we continued to make strides toward achieving this shared goal.

Being Prepared

FPI continues to prepare for the risks associated with our current facility’s condition while preparing for the new PAC’s development. This year an operational transition plan was developed to provide a shared understanding of the work that needs to be done to maintain services and relationship while preparing for and moving into a new facility.

Currently, a plan is being developed that will guide the organization and the City in the event that the current Playhouse experiences a failure that results in the cancellation of activities for short and long durations.



A New Performing Arts Centre



Making Progress

In November, following a lengthy and exhaustive procurement process, the Board of Directors and Fredericton City Council approved a design team lead by Diamond Schmitt Architects.

Subsequently, the City approved funding for the first phases of design (Schematic Design and Design Development) and agreements between the Diamond Schmitt, FPI and the City were executed, establishing the process and terms under which the design work will be completed.

Using a competitive process, Kyle Mathers was engaged as a project manager.

Design work has not yet begun as an opportunity for a potential new site for the PAC on the corner of King and Regent Streets presented itself.

Community Engagement & Support

Ongoing public awareness and communications continued, notably the public awareness and support-building campaign called "Build the Playhouse 2.0".

In addition to numerous information sharing activities on the website, e-mail, and social media channels, we executed a campaign with downtown businesses to garner support and encourage their participation. An open letter of support from 42 downtown businesses was coordinated and published in the spring.

Fredericton Playhouse Inc. has continued to advocate to both provincial and federal governments for financial support for a new performing arts centre. New funding applications were made to the Regional Development Corporation for capital funding support through infrastructure programs.

Facility & Operations

94

days in use

26

ticketed performances

16

cancelled performances

4,857

total attendance

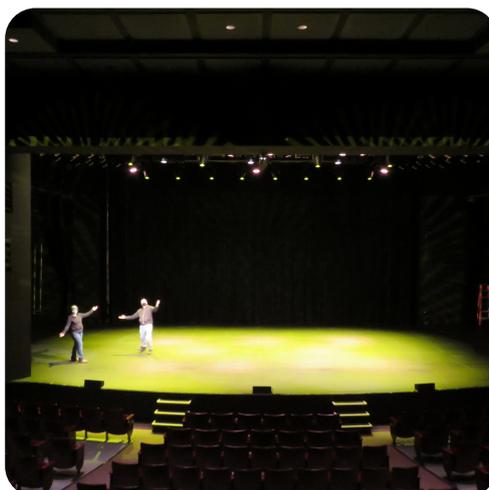
The core business of the Fredericton Playhouse is providing facilities and services.

Facilities include our main stage auditorium, while related service amenities include: dressing rooms, support spaces, technical facilities and equipment, food and beverage, ticketing and marketing, and communications support.

In 2020-21, due to the continued impact of COVID-19, our capacity was greatly reduced from a 709-seat theatre, to 246; provincial travel restrictions also impacted the number of artists and events we were able to host.

The number of events dropped by 78% from a typical year; and attendance was down 94% from a typical year.

Providing opportunities for our local artists to perform at the Playhouse continued to be an organizational focus. With the challenging restrictions of COVID-19, we predominantly worked with local artists to fill our programming, which lent itself to this strategic goal. 57% of ticketed performances were local artists - in addition to the InterMISSION artists residencies.



Box Office & Ticketing

Fredericton Playhouse Inc.'s box office issued 4,857 tickets in 892 individual orders in 2020-21. A total value of \$130,743.87 was processed.

No new Spotlight memberships were sold as we did not offer a fully programmed season. Memberships and funding partners were largely retained from 2019-20, as community support remained high.



Saltwater Songs
October 24, 2020

Playhouse Programming

In 2020-21, the few shows that were able to happen, did so to a reduced capacity audience, and were programmed on a show-by-show, special presentation basis. This included shows that would typically be under the Kidstage, Spotlight Series, and Special Presentation umbrellas.

5 shows were programmed by the Fredericton Playhouse, with the remainder being rental clients.

Arts Are For Everyone saw 68 tickets used, of 162 requested, including local organizations OPAL Family Services, Multicultural Association of Fredericton, Autism Connections, and the YMCA family friend program.



Motherhood residency
November 12-13, 2020

Throughout this challenging year with COVID-19, the Playhouse shifted to offer local artists the opportunity to use our stage to continue developing their craft through the InterMISSION program.

This new program saw us providing space, time, technical support, and paid work for 100 local professional artists working in music, theatre, dance, film, and digital arts. 15 residencies were provided, using 63 days in the theatre.

All of this work was funded directly by donations from the community and specific government funding.

Playhouse Honours

Established in 2008, the Playhouse Honours is given to an individual selected by the Fredericton Playhouse Board of Directors. Generously presented by Atlantic Mediaworks, the program recognizes an individual's involvement in the performing arts in Fredericton, fostering a deeper appreciation of the value that people can bring to community life through their work in music, theatre, dance, spoken-word and multidisciplinary performing arts.



2020 Recipient: Leslee Dell



Leslee Dell has dedicated over 38 years to Fredericton's performing arts scene through her significant contribution to dance. Leslee has enlightened, encouraged and trained countless young dancers in her role as Artistic Director for Dance Fredericton Danse Inc. In addition to nurturing her dance students, Leslee has mentored many dance teachers, instilling a positive influence in both their professional and personal lives. Ms. Dell has also worked to offer scholarships and make dance education more accessible. Recently, she completed specialized training in a Dance for Parkinson's Disease Program and spearheaded a program in conjunction with the Fredericton Parkinson Society of NB, offering specialized dance classes to patients, families, friends, and care workers with the goal of helping them improve their lives through dance.

Leslee continues to innovate and expand Dance Fredericton's offerings to engage other members of the community to promote wellness, movement, confidence and independence.

"Mrs. Dell" as the students and many parents call her, has provided her countless students over the years with a life long love of dance, and musicality, with an appreciation for many genres of dance, and a desire to produce excellence in all they do. – Germaine Pataki-Therault

Fund Development



Eva Christensen - View of the Fredericton Playhouse, on a Chilly Evening in May | May 2019 - Watercolour and ink on Canson art board



\$114,594
fundraised

Donations from individuals and businesses in our community play a major role in supporting our special access programs each year. Even though the School Field Trips and public workshops were not able to go forward due to COVID-19, we were able to apply the generous donations that we received to the inaugural edition of our InterMISSION series of artistic residencies, Pay What You Will ticketing for the children's show *Scotty and the Stars*, and Arts are for Everyone complimentary admissions for members of our valued community partners.



69%
donor retention
from 2019

In addition to our annual Friends of the Fredericton Playhouse private donations campaign which ran from October to December, we held a special fundraising campaign for InterMISSION which raised nearly \$20,000 from more than 80 donors. In total, 500 donors gave to the Playhouse in 2020-21, marking a new record in terms of number of donors and total donations received. We are incredibly grateful for the outpouring of support from our donors during this very difficult year and are so happy that we could continue to provide enhanced access programs for audiences and artists alike.

Fund Development

Due to the cancellation of shows after mid-March 2020, we moved nine partnership agreements from 2019-20 and were able to complete all but three in 2020-21. We had to cancel or move the remainder to 2021-22 due to the ongoing cancellation of shows. We were able to secure two new partnerships for 2020-21 but had to cancel two more amidst the uncertainty. Below are logos of all partners with whom we worked this year.



The Fredericton Playhouse also received generous support from many funding partners in 2020-21. The Department of Canadian Heritage and the City of Fredericton continued to generously support our reduced season programming activities, and the City, the Province of NB, and the Fredericton Community Foundation made InterMISSION possible through substantial and streamlined support application and approval processes.

Special COVID-19 support came from the Federal Government through the Canada Emergency Wage Subsidy and the Atlantic Canada Opportunities Agency's Regional Relief and Recovery Fund. The NB Regional Development Corporation's Community Investment Fund and Stingray Radio's COVID-19 Stimulus also provided COVID-related support to the Playhouse.

The Province of NB supported local artists on our stage through Tourism, Heritage and Culture's Presenting Grant, development of our new rebranding strategy through the Strategic Initiatives Fund, single-use plastics reduction through the Environmental Trust Fund, and the Indigenous Reconciliation Awareness Module plus workshops in Gender/Sexuality Diversity Inclusion Training through the Department of Post-Secondary Education, Training and Labour.

The provinces of New Brunswick and Québec jointly supported two performances through their Cultural Cooperation Grant Program: l'Aubergine in 2019-20 and the Wesli Band in 2020-21. Both engagements were unable to go forward due to COVID and are rescheduled for winter 2022.

ArtsNB supported the two-week, June 2021 creative dance residency of Marie-Josée Chartier at the Playhouse which had been delayed from 2020. We also were awarded Alcool NB Liquor's Community Foundation Quarterly Lottery and received \$1,945 from the Playhouse's endowment at the Fredericton Community Foundation.

Communications & Marketing

In 2020-21, FPI continued to use a variety of marketing outlets to share news of shows and activity happening at the Playhouse. Generally, online engagement dropped as a result of almost all activities shifting to online formats (leading to over-saturation of information). The Playhouse didn't offer digital versions of programming, and while there were no shows in person, the audience had very little need to interact with our social media platforms.

Despite seeing a drop in online engagements and impressions, our online audience grew by nearly 100 members. This indicates that as shows return, our audience is still interested in news from the Playhouse.

While there was a decreased need for show marketing, we took the time to focus on rebranding Fredericton Playhouse Inc.'s brand persona. Working with Creative Juices, and Inga Petri of Strategic Moves, a brand handbook including new logo, brand colour palette, and persona were developed. The Fredericton Playhouse "brand personality" now strives to be a Masterful Host, Community Champion, and Collaborative Leader. With an exciting, inviting, and friendly tone of voice. Through the rebranding exercise, we continued to focus on the importance of bilingualism, and translated the tagline and all program line names.

The new brand handbook guides all of our public marketing and communications, both visually, and in tone of writing. Signage and images continue to be rebranded to be more representative of this new brand persona.



série **FREDERICTON** **playHouse** spotlight
pleins feux series

FREDERICTON
playHouse
experience it live.

FREDERICTON
playHouse
laissez-vous transporter.



Volunteer Program



51
volunteers



912
Hours



17.88
average # hours
per volunteer

The Playhouse depends heavily on a team of volunteers to provide excellent service to our patrons.

Volunteers fill the roles of usher, greeter and coat check attendant at every performance. They welcome our patrons to the event and help make every night a night to remember.

During the 2020-21 season, we saw a decrease of 32% of volunteers, while available hours decreased by 73%.

As the restrictions due to COVID-19 changed, some volunteers returned. However, even with a smaller group, they are able to volunteer less often and for shorter shifts in 2020-21.

Thank you to each and every one of our volunteers for their support and commitment to our organization! We couldn't do it without you

Financial Results

Audited financial statements can be found in Appendix 1.

Balance Sheet Summary:

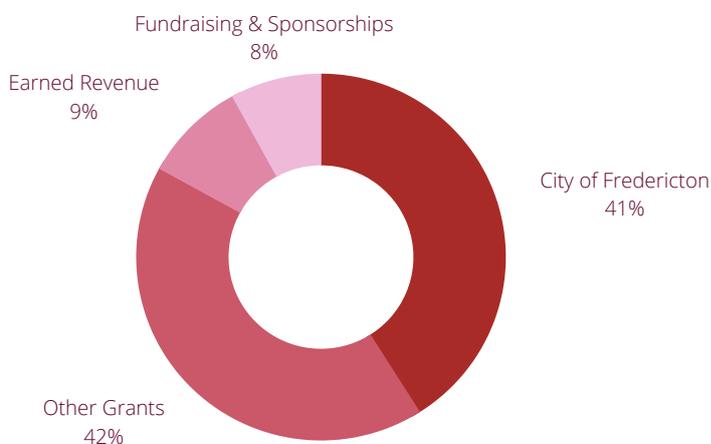
Assets: \$1,879,757
 Liabilities: \$913,120
 Net Assets: \$966,637

Fredericton Playhouse Inc.'s operations were a \$2.1 million concern in 2020-21.

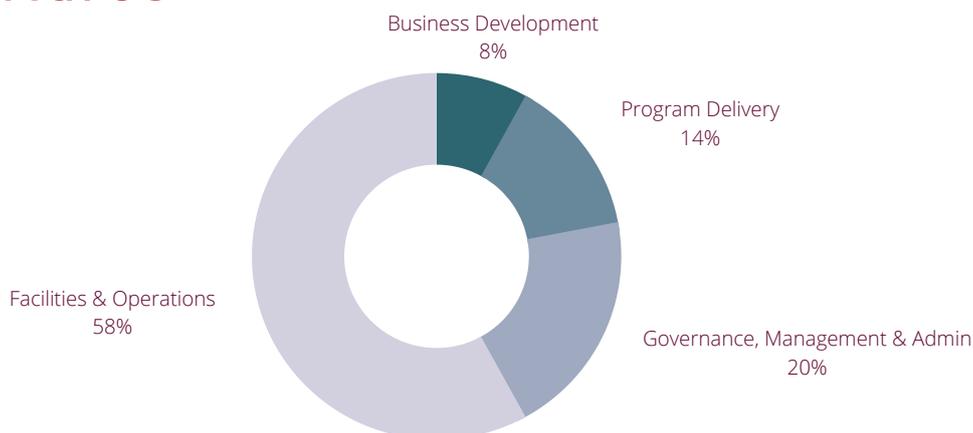
The organization posted an excess of revenue over expenses for the year in the amount of \$188,209. It represents less than 9.8% of the annual budget.

The following illustrates the sources of income and general areas of expenditure of FPI's operations (not including non-cash items such as amortization and adjustments):

Revenues



Expenditures



FPI remains in a stable financial position with reasonable levels of working capital, only \$60,000 in debt, and no financing requirement.

Appendix 1: Audited Financial Statements

FREDERICTON PLAYHOUSE INC.

Financial Statements

Year Ended June 30, 2021

FREDERICTON PLAYHOUSE INC.

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Year Ended June 30, 2021

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INDEPENDENT AUDITOR'S REPORT

To the Members of Fredericton Playhouse Inc.

Opinion

We have audited the financial statements of Fredericton Playhouse Inc. (the Theatre), which comprise the statement of financial position as at June 30, 2021, and the statements of changes in net assets, operations and cash flow 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 Theatre as at June 30, 2021, and the results of its operations and its cash flow 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 Theatre 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 those 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 Theatre's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Theatre or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Theatre'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 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:

(continues)

Independent Auditor's Report to the Members of Fredericton Playhouse Inc. *(continued)*

- 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 Theatre'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 Theatre'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 Theatre 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.

Teed Saunders Doyle

Fredericton, New Brunswick
September 28, 2021

CHARTERED PROFESSIONAL ACCOUNTANTS

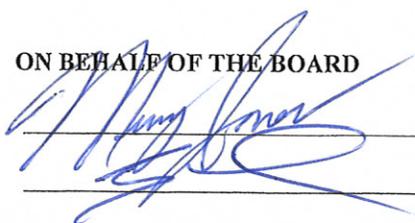
FREDERICTON PLAYHOUSE INC.

Statement of Financial Position

June 30, 2021

	2021	2020
ASSETS		
CURRENT		
Cash	\$ 764,373	\$ 663,808
Accounts receivable (Note 5)	162,157	127,083
Inventory	12,754	12,212
Prepaid expenses	44,838	37,307
	<u>984,122</u>	<u>840,410</u>
PROPERTY AND EQUIPMENT (Note 4)	<u>895,635</u>	<u>1,008,111</u>
	<u>\$ 1,879,757</u>	<u>\$ 1,848,521</u>
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable (Note 5)	\$ 137,213	\$ 117,306
Unearned revenue (Note 6)	370,006	459,904
	<u>507,219</u>	<u>577,210</u>
DEFERRED CONTRIBUTIONS RELATED TO PROPERTY AND EQUIPMENT (Note 7)	345,901	452,883
LONG TERM DEBT (Note 8)	<u>60,000</u>	<u>40,000</u>
	<u>913,120</u>	<u>1,070,093</u>
NET ASSETS		
Invested in property and equipment (Note 9)	549,734	555,228
Internally restricted (Note 10)	55,475	82,856
Unrestricted	<u>361,428</u>	<u>140,344</u>
	<u>966,637</u>	<u>778,428</u>
	<u>\$ 1,879,757</u>	<u>\$ 1,848,521</u>

ON BEHALF OF THE BOARD


 _____ Director
 _____ Director

FREDERICTON PLAYHOUSE INC.

Statement of Changes in Net Assets

Year Ended June 30, 2021

	Unrestricted	Internally Restricted	Invested in Property and Equipment	2021	2020
NET ASSETS - BEGINNING OF YEAR	\$ 140,344	\$ 82,856	\$ 555,228	\$ 778,428	\$ 728,843
EXCESS OF REVENUE OVER EXPENSES	270,278	-	(82,069)	188,209	49,585
TICKET SURCHARGE	(8,332)	8,332	-	-	-
BUILDING IMPROVEMENT EXPENDITURES	85,713	(85,713)	-	-	-
INVESTED IN PROPERTY AND EQUIPMENT	(76,575)	-	76,575	-	-
TRANSFERS	(50,000)	50,000	-	-	-
NET ASSETS - END OF YEAR	\$ 361,428	\$ 55,475	\$ 549,734	\$ 966,637	\$ 778,428

FREDERICTON PLAYHOUSE INC.

Statement of Operations

Year Ended June 30, 2021

	2021	2020
REVENUE		
Amortization of deferred contributions related to property and equipment	\$ 106,982	\$ 109,293
Box office services	16,645	137,885
City of Fredericton grant - in-kind	252,431	204,501
City of Fredericton grant - operations	539,100	535,600
Concessions and commissions	591	57,090
Government wage subsidy	564,303	178,039
Miscellaneous	119,743	113,983
Other grants	121,485	29,475
Presentations - admissions	29,446	243,314
Presentations - contributions	152,397	165,343
Presentations - other earned	776	21,947
Rentals	13,250	194,098
Ticket surcharge	8,332	68,182
	<u>1,925,481</u>	<u>2,058,750</u>
EXPENSES		
Administrative overhead	104,203	110,500
Amortization	189,051	194,886
Building operations	160,989	172,504
Credit card charges	5,636	20,821
Faculty advertising	8,727	14,880
Memberships	2,204	2,948
Miscellaneous (including bad debts)	228	405
Presentations	136,794	396,979
Professional fees	32,907	17,775
Repairs and maintenance	148,405	86,523
Salaries and wages - administration	208,060	197,297
Salaries and wages - operations	699,093	717,918
Supplies	1,182	46,495
Ticketing system maintenance and supplies	39,776	28,861
Travel	17	373
	<u>1,737,272</u>	<u>2,009,165</u>
EXCESS OF REVENUE OVER EXPENSES	<u>\$ 188,209</u>	<u>\$ 49,585</u>

FREDERICTON PLAYHOUSE INC.

Statement of Cash Flow

Year Ended June 30, 2021

	2021	2020
OPERATING ACTIVITIES		
Excess of revenue over expenses	\$ 188,209	\$ 49,585
Items not affecting cash:		
Amortization	189,051	194,886
Amortization of deferred contributions related to property and equipment	<u>(106,982)</u>	<u>(109,293)</u>
	<u>270,278</u>	<u>135,178</u>
Changes in non-cash working capital:		
Accounts receivable	(35,074)	(73,831)
Inventory	(542)	(4,294)
Prepaid expenses	(7,531)	61,171
Accounts payable	19,907	(25,652)
Unearned revenue	<u>(89,898)</u>	<u>(82,056)</u>
	<u>(113,138)</u>	<u>(124,662)</u>
	<u>157,140</u>	<u>10,516</u>
INVESTING ACTIVITY		
Purchase of property and equipment	<u>(76,575)</u>	<u>(69,540)</u>
FINANCING ACTIVITY		
Proceeds from long term debt	<u>20,000</u>	<u>40,000</u>
INCREASE (DECREASE) IN CASH	100,565	(19,024)
CASH - BEGINNING OF YEAR	<u>663,808</u>	<u>682,832</u>
CASH - END OF YEAR	<u>\$ 764,373</u>	<u>\$ 663,808</u>

FREDERICTON PLAYHOUSE INC.

Notes to Financial Statements

Year Ended June 30, 2021

1. OPERATIONS

Fredericton Playhouse Inc. (the "Theatre") is a registered charity incorporated under the New Brunswick Companies Act and its principal business activities include providing a venue for presentation and enjoyment of the arts in general and in particular the arts of the theatre and music. As a registered charity the Theatre is exempt from the payment of income tax under Section 149(1) of the Income Tax Act.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO)

Cash and cash equivalents

The Theatre considers cash on hand, short-term deposits and balances with banks, net of overdrafts as cash or cash equivalents. Bank borrowings are considered to be financing activities.

Economic dependence

The Theatre is economically dependent on the City of Fredericton (the "City") for annual operating and in-kind grants, which represent a significant portion of the Theatre's revenue.

Financial instruments policy

The Theatre considers any contracts a financial asset, liability, or equity instrument as a financial instrument, except in certain limited circumstances. The Theatre accounts for the following as financial instruments:

1. Cash and cash equivalents
2. Trade and other receivables
3. Payables and accruals

A financial asset or liability is recognized when the Theatre becomes party to contractual provisions of the instrument.

The Theatre initially measures its financial assets and financial liabilities at fair value, except for certain non-arm's length transactions.

Financial assets or liabilities obtained in related party transactions are measured in accordance with the accounting policy for related party transactions except for those transactions that are with a person or entity whose sole relationship with the Theatre is in the capacity of management in which case they are accounted for in accordance with financial instruments.

The Theatre subsequently measures its financial assets and financial liabilities at cost or amortized cost less any reduction for impairment.

The Theatre removes financial liabilities, or a portion of, when the obligation is discharged, cancelled, or expires.

(continues)

FREDERICTON PLAYHOUSE INC.

Notes to Financial Statements

Year Ended June 30, 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition

Revenue from operating activities is recognized when the services are provided.

The Theatre follows the deferral method of accounting for contributions, which includes donations and government grants. Restricted contributions are recognized as revenue in the year during which the related expenses are incurred.

Operating grants are recorded as revenue in the period to which they relate. Grants approved but not received at the end of the accounting period are accrued. Unearned revenue is comprised of advance ticket sales, sponsorships, advertising sales, deposits on rentals and gift certificate sales relating to future activities, and in is recognized as revenue in the period during which the related event is held.

Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received is reasonably assured.

In-kind sponsorships and grants are recorded as both revenue and expenses at fair market value.

Government assistance towards the acquisition of capital assets is deferred and amortized over the same period as the asset to which it relates. Government assistance relating to operating activities is recorded as revenue.

Property and equipment

Property and equipment is stated at cost or deemed cost less accumulated amortization. Property and equipment is amortized over its estimated useful life on a straight-line basis at the following rates:

Building	4%
Equipment	20%
Office equipment	30%

The Theatre regularly reviews its property and equipment to eliminate obsolete items.

Contributed materials and services

Contributed materials and services are recognized in the financial statements at fair market value. During the year the Theatre recorded in-kind City of Fredericton grants of \$252,431 (2020 - \$204,501) in exchange for building operations expenses. The Theatre also recorded in-kind sponsorship revenue of \$19,880 (2020 - \$31,230) in exchange for various presentation expenses.

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 amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Significant estimates include useful lives of property and equipment. Actual results could differ from these estimates.

Employee future benefits

The Theatre has a defined contribution pension plan for its permanent employees. Contributions to this plan are recognized on an accrual basis. During the year, the Theatre expensed an amount of \$26,141 (2020 - \$22,810) for this plan.

FREDERICTON PLAYHOUSE INC.

Notes to Financial Statements

Year Ended June 30, 2021

3. FINANCIAL INSTRUMENTS

The Theatre is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the Theatre's risk exposure and concentration as of June 30, 2021.

Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Theatre is exposed to credit risk in connection with accounts receivable.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Theatre is exposed to this risk mainly in respect of its receipt of funds from its customers and other related sources, contributions to the pension plan, and accounts payable.

Currency risk

Currency risk is the risk to the company's earnings that arise from fluctuations of foreign exchange rates and the degree of volatility of these rates. The Theatre is exposed to foreign currency exchange risk on cash held in U.S. dollars. The company does not use derivative instruments to reduce its exposure to foreign currency risk.

4. PROPERTY AND EQUIPMENT

	Cost	Accumulated amortization	2021 Net book value	2020 Net book value
Land	\$ 345,000	\$ -	\$ 345,000	\$ 345,000
Building	1,800,000	1,512,000	288,000	360,000
Equipment	2,037,686	1,821,470	216,216	272,372
Office equipment	264,323	217,904	46,419	30,739
	<u>\$ 4,447,009</u>	<u>\$ 3,551,374</u>	<u>\$ 895,635</u>	<u>\$ 1,008,111</u>

5. GOVERNMENT REMITTANCES RECEIVABLE AND PAYABLE

As of June 30, 2021, accounts receivable includes government remittances receivable of \$14,154 (2020 - \$13,528) and accounts payable includes government remittances payable of \$34,872 (2020 - \$41,058).

6. UNEARNED REVENUE

	2021	2020
Deferred sponsorships, donations and contributions	\$ 77,913	\$ 93,546
Gift certificates and patrons' account credits	153,918	167,032
Rental deposits	45,089	61,450
Deferred ticket sales	86,257	127,409
Other	6,829	10,467
	<u>\$ 370,006</u>	<u>\$ 459,904</u>

FREDERICTON PLAYHOUSE INC.

Notes to Financial Statements

Year Ended June 30, 2021

7. DEFERRED CONTRIBUTIONS RELATED TO PROPERTY AND EQUIPMENT

Deferred contributions related to property and equipment represent the unamortized and unspent amount of donations and grants received for the purchase of capital assets. Amortization of capital contributions is calculated on the same rates and the related capital assets and is recorded as revenue in the statement of operations.

	<u>2021</u>	<u>2020</u>
Balance, beginning of year	\$ 452,883	\$ 562,176
Less: amounts amortized to revenue	<u>(106,982)</u>	<u>(109,293)</u>
Balance, end of year	<u>\$ 345,901</u>	<u>\$ 452,883</u>

8. LONG TERM DEBT

	<u>2021</u>	<u>2020</u>
CEBA interest-free loan with no principal repayments, (with \$20,000 forgiven if \$40,000 repaid by December 31, 2022 or covert to a 5% monthly interest-only term loan on January 1, 2023 with \$60,000 principal repayment to be repaid in full by December 31, 2025).	\$ 60,000	\$ 40,000
Amounts payable within one year	<u>-</u>	<u>-</u>
	<u>\$ 60,000</u>	<u>\$ 40,000</u>

FREDERICTON PLAYHOUSE INC.

Notes to Financial Statements

Year Ended June 30, 2021

9. INVESTMENT IN PROPERTY AND EQUIPMENT

	2021	2020
a) Investment in property and equipment is calculated as follows:		
Property and equipment, net	\$ 895,635	\$ 1,008,111
Amounts financed by deferred contributions	(345,901)	(452,883)
	<u>549,734</u>	<u>555,228</u>
b) Changes in net assets invested in property and equipment is calculated as follows:		
Amortization of deferred contributions related to property and equipment	106,982	109,293
Amortization of property and equipment	(189,051)	(194,886)
Excess of expenses over revenue	(82,069)	(85,593)
Net capital assets acquired	<u>76,575</u>	<u>69,540</u>
Total change	<u>(5,494)</u>	<u>\$ (16,053)</u>

10. INTERNALLY RESTRICTED NET ASSETS

The Board of Directors (the "Board") has appropriated net assets for building improvement purposes. Increases and decreases from the appropriation are at the discretion of the Board. The Board currently appropriates a ticket surcharge for this purpose.

11. COMPARATIVE FIGURES

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

12. SIGNIFICANT EVENT

On March 11, 2020, the World Health Organization characterized the outbreak of a strain of the novel coronavirus ("COVID-19") as a pandemic which has resulted in a series of public health and emergency measures that have been put in place to combat the spread of the virus. The duration and impact of COVID-19 is unknown at this time and it is not possible to reliably estimate the impact that the length and severity of these developments will have on the financial assets and condition of the Theatre in future periods.
