

Fredericton Playhouse Inc.

Annual Report

July 1, 2023 - June 30, 2024



FREDERICTON
playhouse
experience it live.

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www.theplayhouse.ca

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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 can be 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 2023-24, we find ourselves very proud of the stellar year of varied performances we were able to facilitate for our community, the high levels of attendance, and the significant progress made in moving forward on achieving our strategic objectives.

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 in this annual report.

Our major focus in 2023-24 was the continued development of the performing arts centre project – a project that will both address the dilemma we face with our aging and failing infrastructure and catapult our organization and the community we serve into a new era of live performance possibility. Major milestones included the fall launch of our Encore! community campaign to raise the required funding for the building and to expand our community access programs, and the long-awaited commencement of construction on the corner of King and Regent Streets in the spring.

Other highlights of the board's work this year include a project to develop our organization's learning and implementation



of the important principles of equity, diversity, and inclusion, and significant work on our governance relationship with the City of Fredericton as we construct and eventually open the new performing arts centre.

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, and it remains relevant whether we are delivering programs and services today in the Playhouse, or preparing to expand them in a new facility.

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

Craig Leonard
President, Board of Directors

Letter from the Executive Director

It is with great pride that I report that 2023-24 was a successful year at the Fredericton Playhouse. With record-breaking activity levels and attendance, we delivered on our mandate and contributed to the vibrancy of our community.

With the facility in use an impressive 192 days – offering 121 different productions and events, Fredericton Playhouse continues to be a relevant and important part of life in the Capital region. We saw an attendance count exceed 70,000 this year, and the Fredericton household participation rose to nearly 1 in 4 (and even higher in neighbouring Hanwell and New Maryland).

This year, the organization made some significant strides in reaching the objectives we have set in our strategic plan:

- We increased our capacity for audience development by adding more people and other resources to our Growth and Development division.
- We advanced our work in equity, diversity, and inclusion through learning and implementation of initiatives that promote greater accessibility to and inclusion in our work.
- We launched our Encore! community campaign to support a new performing arts centre for our community and received pledges and gifts from hundreds of people and organizations – taking us over the halfway mark in meeting our \$10 million campaign goal.
- We completed the design of the new performing arts centre and began construction on what will be a game-changing facility for our organization and the community it serves.



- We continued to make significant changes to how our organization is governed and managed by reorganizing our structure in a way that will prepare our organization for the significant growth we anticipate in the coming years as we move into a larger, more functional facility.

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. This year, our team delivered a stellar year -- delivering 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

Craig Leonard.....	President
Tania Breen.....	Vice President
Scott Kennedy.....	Treasurer
John Ball.....	Secretary (to Dec. 2023)
Natalie Carrier.....	Secretary (from Jan. 2024)
Murray Jamer.....	Past President

Amy Boudreau	Sara DeGrace
Rebekah Chassé	Lisa Perley-Dutcher (from Jan. 2024)
Emma Chevarie	Jihad El Zamer
Steven Christie	Greg Parker (from Jan. 2024)

Staff Members

Bonnie Barlow	Janitorial (to March 2024)
Jonathon Best	Technician (Stage Head)
Meghan Callaghan	Marketing & Communications Manager
Melissa Cameron	Ticketing Operations Manager
Wylie Casey	Patron Services Supervisor
David Cook	Technician (Sound Head)
Lesandra Dodson	Programming Manager
Tammy Faulkner	Assistant Technical Services Manager
Jeff Fevens	Facilities & Systems Manager
Dave Garson	Technical Services Manager
Katelyn Goodwin	Ticketing Supervisor
Sally Goodwin	Director of Operations
Jonathan Harpur	Technician (Lighting Head)
Cecile Janes	Patron Services Manager
Christine Morris	Janitorial (from March 2024)
Jason McIntyre	Marketing & Communications Coordinator (from Feb. 2024)
Julie O'Brien	Development Manager (from Oct. 2023)
Jeff Richardson	Director of Growth & Development
Della Shepherd	Finance & Administration Manager
Eliza Wolfe	Marketing & Communications Coordinator (Oct. '23- Jan. '24)
Tim Yerxa	Executive Director

Strategic Plan 2022-2025

In 2022, the Board adopted a three-year strategic plan (2022-2025), articulating the mandate of the organization (in its mission, vision, and core values) and establishing organizational objectives to pursue over three years.

Core Performance Measures

In the strategic plan, core performance measures are defined and provide a snapshot of organizational health. Connecting directly to our mission, they measure relevancy and sustainability of our programs, services/facilities, and organization.

Measuring Relevancy

Programs, Services/Facilities and the organization all maintained high levels of relevancy with significant improvements in services and facilities -- notably increases in total attendance and household participation rates. Indicators of organizational relevancy were bolstered by the Encore! campaign's success in attracting a significant number of new donors.

Measuring Sustainability

Measures of sustainability remained largely unchanged in 2023-24 from the prior year. Although our client retention rate, employee satisfaction level, and volunteer resources all improved, we saw declines in our programs' financial results and the organization's financial position.

Objectives and Key Results

The 2022-25 Strategic Plan provides strategic direction for the organization by articulating four specific objectives to be pursued. Each objective has key results that relate to its achievement -- with one or more measures or targets which can be expressed either numerically or as a milestone (i.e. accomplished, achieved, etc.).

1. Foster the Community's Sense of Ownership in our Organization

At the end of 2023-24, this objective had mixed results. Major increases in donors, social media engagement, local use, and local individuals having onstage experiences were offset by small decreases (against goals to increase) in (a) our email subscriber count and (b) corporate customer counts compared to the baseline year (2021-22).

A mid-year change in management of the Fund Development business unit and an adjustment to the way we use e-mail marketing within our new patron progression model are likely the corresponding reasons why we saw these declines.

Strategic Plan 2022-2025 (cont'd)

2. Champion and Prepare for a New Performing Arts Centre (PAC) and Prepare for the Risks Associated with our Current Infrastructure

With respect to the PAC, we saw progress on several fronts (capital campaign and project completion targets) but did not achieve the results related to the annual updates for transition planning and planning for failure of the existing Playhouse.

3. Advance Equity, Diversity, and Inclusion in all facets of our organization, and take concrete action towards reconciliation with Indigenous peoples

Significant progress was made in our advancement of EDI and reconciliation. Our work with our consultant, Evelyn Bradley, and the implementation of new initiatives led to several milestone achievements in this area.

4. Strengthen our impact by increasing participation in our programs and services

Of the four objectives, this one saw the highest level of achievement as we increased our capacity for audience development work and saw increases in attendance and new accounts.

In fact, all indicators show a full achievement of all key results associated with this objective.



Performing Arts Centre



Addressing the aging physical infrastructure of the Playhouse has been a strategic priority for Fredericton Playhouse Inc. since 2011. Throughout 2023-24, we worked in partnership with the City of Fredericton in our 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.

In 2023-24, we made significant strides toward achieving our goal to open a new performing arts centre for our region.

Site

In the winter of 2023-24, we began work on preparing the site at 580 King Street by removing the existing structures and carrying out ground improvement activities to accommodate the new building.

Design & Construction

Design of the PAC continued throughout the year with Construction Documentation concluding in late spring. With the final designs in hand, we began working with our construction manager, Ellis Don, to tender trade packages.

Construction of the building began in April 2024. A construction commencement ceremony was held on the site with representatives from the local Indigenous community, political leaders, and FPI representatives putting the first shovels in the ground.

Performing Arts Centre (cont'd)

Community Campaign

In October, the Encore! community campaign for Fredericton's new performing arts centre was launched. The campaign's goals are:

- To raise \$10-million -- \$8 million for capital construction and \$2 million to expand FPI's community access programs.
- To engage the community in the project by encouraging everyone to get involved by making a pledge to the campaign, no matter the size.

By the end of June, more than 50% of the \$10-million goal was achieved. Numerous major gifts were announced throughout the year along with the naming of various spaces in the PAC in recognition of donors' generosity.

Community Engagement

Building on the efforts of the organization to engage the community in the building's design, the board of directors undertook a major project to engage with the local community on how the new facility would be programmed and operated. Surveys, meetings, and gatherings were held with downtown business groups, the tourism sector, the local arts sector, and the Indigenous community.

For more information on the project, please visit www.frederictonpac.ca



Facility & Operations

192

days in use

121

distinct offerings

2,549

Local artists
on stage

(97% increase over
last year)

70k+

total attendance
(+26% over last year)

64

days of use by
local organizations



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 2023-24, total attendance, days in use, distinct offerings, and local usage all significantly increased. Total attendance increased again over the previous season, and is now reaching 85% of total attendance in the last pre-COVID season (2018-19); this continues the upward trend we have seen since 2021.

Contributing to the success of local artists and arts organizations by making our services and facilities available to them is a strategic priority for the organization; this year, the number of local artists on stage nearly doubled over the previous season. Thanks to the generosity of our donors, we were able to partner with three local arts organizations to assist them with staging performances at the Playhouse: Girls Rock Camp (Charlotte Street Arts Centre), Silverwave Film Festival (NB Filmmaker’s Co-op), and Fredericton Music Festival.

Fredericton Playhouse Inc.’s box office issued 67,754 tickets in 23,447 orders in 2023-24. A total value of \$2,585,280 was processed.

For the full listing of rental client shows, please see Appendix 2.

Spotlight Series



In addition to providing facilities and services to our community, the Fredericton Playhouse programs its own series of events throughout the season. The Spotlight Series, Fredericton Playhouse's flagship program, features professional performances in music, theatre, comedy, circus, and dance from local, national and international artists. In 2023-24, we presented 23 performances in this series, two of which were cancelled due to unforeseen circumstances. In total, 12,467 patrons attended a Spotlight Series show. Of the 23 shows in the Spotlight Series, six were offered with "Pay What You Will" pricing to increase accessibility and attendance; 2,722 patrons attended a Spotlight Series show with Pay What You Will pricing, paying a total of \$32,890 to support the program.

The Spotlight Series is also made possible in part due to our community marketing partners. In the 2023-24 season, we partnered with five local organizations to promote and present 11 Spotlight events: the NB Film Co-op, Centre communautaire Sainte-Anne, Music Runs Through It, Shivering Songs, and Fredericton Pride.

For the full listing of Playhouse programmed events, please see Appendix 1



Kidstage Series



The Kidstage Series is designed to introduce young audiences to the magic of live performance. All shows in the Kidstage Series use a "Pay What You Will" pricing model. In 2023-24 we presented three Kidstage shows with four performances in total, including the returning audience-favourite, DuffleBag Theatre. In total, 2,535 patrons attended a Kidstage performance.

School Field Trips

In 2023-24, the Playhouse presented four school field trip shows with five different performances. In addition to our presented shows, we coordinated and promoted two school shows for TNB (*All I Want for Christmas*, and *Spongebob the Musical*). In total, 3,221 students experienced the magic of live performance through this program (a 20% increase over the previous year).

Working with George Street Middle School and École les Éclaireurs, Jean-François Alcolea presented five workshops (*Magic of Cinema*) on the film work of Georges Méliés related to his show *Right in the Eye*. In total, these workshops had 126 participants.

We continue to offer a bus subsidy to help schools with the cost of attending matinee shows, as well as an access grant, funded in part by the NB Children's Foundation and Day & Ross, which allowed up to 1000 students to attend a performance free of charge. 10 schools were awarded a transportation subsidy this year, and 1,073 students were able to attend with a general assistance grant.

Experience More!

A full schedule of seven Experience More! events were held during the 23-24 season: “Magic in Minutes” magic workshop for kids, post-show talks with Ballet Edmonton, Uppercut Dance Theater, and the NB Film Co-op (after *Alcoléa & Cie’s Right in the Eye*), a meet and greet with the Pack Drumline, Ukrainian dessert samples provided before DakhaBrakha’s performance, and a dance workshop with Ballet Edmonton at Dance Fredericton. These events saw a total of 622 participants.



Ukrainian desserts provided by the Fredericton Ukrainian Association before DakhaBrakha.



Meet & greet in the gallery after the Pack Drumline performance.

Arts Are For Everyone

Walking through the front doors of the Fredericton Playhouse doesn’t come easily to everyone, and we recognize that many individuals experience barriers such as age, culture, ability, socioeconomic status, and others. The Arts are for Everyone program helps open our doors by offering discounted and complimentary tickets to performances. We want everyone to see the Playhouse as a place where they are welcome to experience the magic of live performance!

In 2023-24 we partnered with nine community agencies to provide complimentary tickets to their clients. This season marked the first year of offering digital promo codes for online ticketing through this program rather than printed vouchers. In total 1,545 invitations were extended, and 1,062 tickets were issued (26% increase in ticket usage over the previous season).

InterMISSION Artist Residency Program

In the 2023-24 season, the Fredericton Playhouse continued its InterMISSION Artist Residency program, hosting 25 artists in four different residencies.



Kylie Fox
Music, video, photography
Residency length: 3 days



Devin Rockwell
Theatre, set design
Residency length: 2 days



Sam Black
Dance, video
Residency length: 3 days



Joel Miller
Music
Residency length: 9 days

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.



2023 Recipient: Len Falkenstein



Len Falkenstein has been at the center of Fredericton's vibrant theatre scene for 24 years as a visionary director of over 90 productions, an award-winning playwright who has toured his shows across Canada, an accomplished actor, and a dedicated instructor of many hundreds of UNB theatre and playwriting students.

He is Director of Drama at the University of New Brunswick, where he teaches courses in theatre and playwriting and, since joining the UNB English department in 1999, has directed dozens of productions for Theatre UNB. He is also co-founder and Artistic Director (since 2002) of Fredericton's Notable Acts Theatre Company, which is dedicated to developing and producing new plays by New Brunswick playwrights, and the founder and Artistic Director (since 2006) of Fredericton's outdoor Shakespeare company Bard in the Barracks.

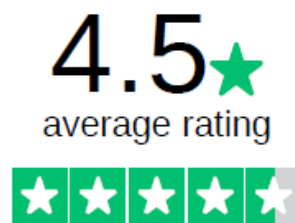
Len's plays have been produced across the country at Fringe festivals, Toronto's SummerWorks Performance Festival, the Notable Acts Theatre Festival, and the Saint John Theatre Company's Canadian Stages series.

Len is a native of Macklin, Saskatchewan and holds a Ph.D in English from the University of Alberta and Master's and Bachelor's degrees from the University of Saskatchewan, and was a recipient of the Queen Elizabeth II Platinum Jubilee medal. He lives in Fredericton with his wife, Sue Fisher, and daughter, Muriel.

Patron Surveys

A post-show survey is regularly sent to patrons after all shows to measure and track how well we're meeting patrons' expectations. In addition to the post-show surveys, an overall Patron Survey is sent out to all patrons who attended any event throughout the 2023-24 season to track overall trends and experiences. This year we received 2,050 responses to the end of season Patron Survey.

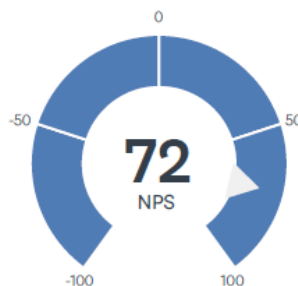
Overall, how would you rate your Playhouse experiences?



The annual Patron Survey has become an important measure to track the words we are focused on as a brand: Exciting, Inviting, and Friendly. When asked "How much do you agree or disagree with the following statements? The Fredericton Playhouse is:", an increasing number of patrons agree that the Playhouse portrays these three words. In total, 87% agree to some degree with the word "Exciting"; 92% agree with "Inviting"; and 97% agree with "Friendly".

Another important measure we track annually is the level of confidence in attending an event at the Playhouse, considering the circumstances of COVID-19. This season, patron confidence was ranked at 4.74/5, continuing a steady increase since 2021.

How likely is it that you would recommend attending an event at the Fredericton Playhouse?



The overall Net Promoter Score increased in 2023-24 to 72/100. This indicates the number of patrons who answered "very likely" (9-10) when asked if they would recommend attending an event at the Fredericton Playhouse.

Fund Development

ENCORE!
TOGETHER, WE CAN CREATE MAGIC.

Fredericton's
New Performing
Arts Centre

[FREDERICTONPAC.CA](https://www.frederictonpac.ca)

The Fredericton Playhouse embarked on its largest fundraising campaign to build the new Performing Arts Centre that will become an iconic landmark and community hub for the Capital Region.

Our traditional Friends of the Fredericton Playhouse campaign took a pause in 2023 to launch "Encore!", a \$10 million community fundraising campaign to fulfill both our commitment to support the capital costs of the new Performing Arts Centre and the growth of community access programs. The campaign aligns with our mission to enhance the cultural landscape and accessibility to the arts in the region. We ensure this continuation and expansion of diverse programming and engagement efforts with \$2M of the \$10M of total funds raised directed strictly to programming, outreach, and artist support activities.

As of June 30, 2024, pledges to the Encore! campaign reached over \$6.1 million, with over \$2.1 million realized from the generosity of 700+ donors. The Encore! campaign will re-launch in the fall of 2024 to reach its \$10 million goal and fulfill the Playhouse's financial commitment to the project.

Fund Development (cont'd)

The number of sponsors and partners increased this season to a total of 29 local businesses. This includes season and media partners, performance partners, school series partners, Playhouse Honours sponsor, as well as concession partners.

The Fredericton Playhouse also received generous support from many funding partners in 2023-24. In total \$109,500 in funding was secured to support our programs and operations.

Grant funding came from: The Government of Canada, Canada Council for the Arts, City of Fredericton, Fredericton Community Foundation, NB Children's Foundation, and Atlantic Presenters Association.



Season Partners

- Bell Media - Move 106.9
- Crowne Plaza Fredericton Lord Beaverbrook Hotel
- Downtown Fredericton Inc.

Media Partner

- CBC New Brunswick

Performance Partners

- Allegra Print Mail Signs
- Andrew Craik, BMO Wealth Management
- Atlantic Mediaworks Video Production
- Bell Media - Bounce 105.3
- Bringloe Feeney LLP
- Corey Insurance Services
- Cox & Palmer Employment and Labour Group
- Creative Juices
- Gallery 78
- Ian Howey - BMO Nesbitt Burns
- Kiers Marketing
- Parkland Retirement Livind
- Scott' Nursery Ltd.
- Stephen MacGillivray Photography & Video
- Stingray - New Country 92.3
- Stingray - rewind 93.1
- The Drisdelle Team - Keller Williams Capital Realty
- UNB Art Centre Design Works

Concessions

- Blue Roof
- Graystone
- Grimross
- Half Cut
- Maybee Brewing
- Molson/Coors Light
- Picaroons
- Yip Cider

Marketing & Communications

During the 2023-24 season, the Marketing & Communications business unit continued to use a variety of platforms to spread messages about upcoming performances, events, programs, and other general information about the organization. We regularly use Facebook, Instagram, X (formerly Twitter), and email marketing to engage online users.

While our email marketing audience dropped slightly due to a change in how we organize it, our email open rates stayed consistent, averaging a 49.5% open rate. Our bi-weekly e-newsletter continues to be sent to over 15k recipients; we also continue to send show-specific emails to qualified ticketbuyers promoting our Spotlight and Kidstage series, and offered to rental clients as a paid service.



This year, the business unit grew with the creation of the position of Marketing & Communications Coordinator. This increase in staff capacity allowed us to continue with the marketing tools we have been using, while also expanding into new avenues, as outlined in our Audience Development Strategy.

In May of 2023, Fredericton Playhouse was registered with Google Not-for-Profits, allowing us to access up to \$10,000 of free Google Search advertising. These ads are continuing and display as search results when a user searches anything related to performing arts or shows happening in Fredericton.



Playhouse Membership

We continue to implement the recommendations of the Audience Development Strategy, and in July of 2023, a new membership program was developed. The new Playhouse Membership replaces what was previously the Spotlight Membership - notably, the new membership applies benefits to all shows at the Playhouse, not only the Spotlight and Kidstage Series.



Playhouse Members receive:

- Exclusive pre-sale for ALL events going on sale during the season (maximum 8 tickets per pre-sale);
- FREE exchanges and returns on tickets;
- Savings of \$3-4 on tickets to Playhouse Spotlight Series performances (maximum 8 tickets per membership at the discounted rate);
- Special discounts on tickets to other select events throughout the season;
- Two complimentary drink vouchers when you sign up

In the first year of offering this Playhouse Membership, over 700 patrons became members, an increase of more than 400 members from the previous season.



Volunteer Program



83
volunteers



6,025
Hours



15 new volunteers
recruited

The Playhouse depends heavily on a team of 80+ 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 2023-24 season, we welcomed 15 new volunteers. We also celebrated Rose Derkson and June McCulloch, both of whom have volunteered with us for 25 years. Lisa Lavigne and Heidi Ellis each had 5-year anniversaries as well.

This year, our volunteers contributed over 6,000 hours- 1500 hours more than the previous year. The Volunteer of the Year was awarded to Heidi Ellis, who contributed 178 hours.

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

Balance Sheet Summary:

Assets: \$13,170,676
 Liabilities: \$10,540,127
 Net Assets: \$2,630,549

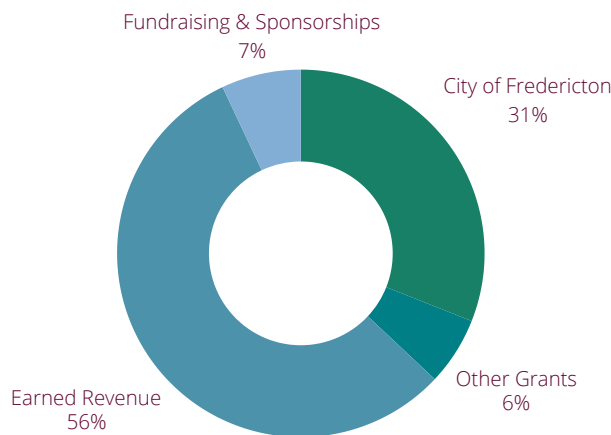
Fredericton Playhouse Inc.'s operations were a \$2.8 million concern in 2023-24.

The organization posted an deficiency of revenue over expenses from the operations for the year in amount of \$317,653. This deficit represents approximately 12.4% of the annual operating budget.

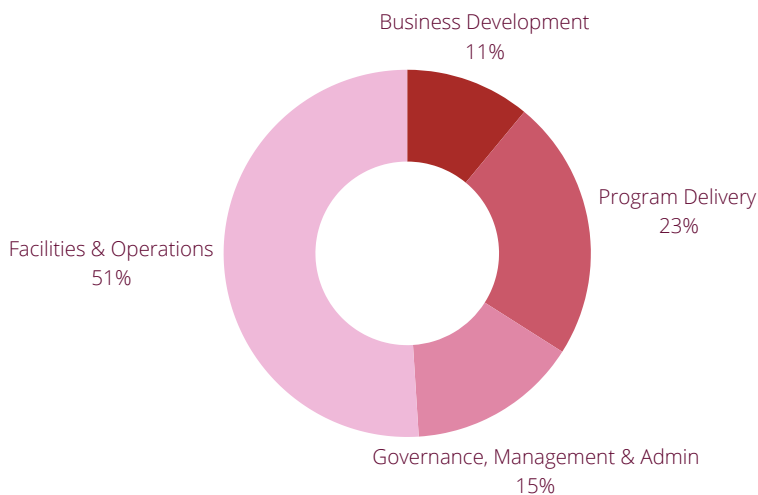
A deficit was planned for in the organization’s annual budget as part of a long-term financial plan -- to increase organizational capacity and successfully transition into a new facility in 2026.

The following illustrates the sources of income and general areas of expenditure of FPI's operations (not including restricted funds for the future Performing Arts Centre or non-cash items such as amortization and adjustments):

Revenues



Expenditures



Audited financial statements can be found in Appendix 3.

Appendix 1:
Summary of Fredericton Playhouse
Programmed Events
2023-24 season

Playhouse Programmed Events for 2023-24 Season

Date	Series	Event Name
August 13- 15, 2023	InterMISSION Residency	Sam Black
August 20- 22, 2023	InterMISSION Residency	Kylie Fox
August 23- 24, 2023	InterMISSION Residency	Devin Rockwell
October 3, 2023	Spotlight Series	Bboyizm, <i>In My Body</i>
October 4, 2023	School Show	Bboyizm, <i>In My Body</i>
October 12, 2023	Spotlight Series	Donovan Woods with Kelly Loder
October 15, 2023	Spotlight Series	A Good Catch, <i>Casting Off</i>
October 20, 2023	Spotlight Series	Classic Albums Live <i>Fleetwood Mac's Rumours</i>
October 23, 2023	Playhouse Honours	Playhouse Honours presentation
October 28, 2023	Spotlight Series	The Birds (1963) with live orchestration
November 9, 2023	Spotlight Series	Dan Mangan, <i>Going Somewhere Tour</i>
November 12, 2023	Kidstage Series	The Amazing Max
November 17, 2023	Spotlight Series	Jeremy Dutcher
November 24, 2023	Spotlight Series	Good Lovelies, <i>Christmas Show</i>
November 25, 2023	Spotlight Series	DakhaBrakha
December 27, 2023	Kidstage Series	DuffleBag Theatre <i>Snow White</i>
January 2- 5, 2024	InterMISSION Residency	Joel Miller
January 26, 2024	Spotlight Series	Harlem Gospel Choir
February 2, 2024	Spotlight Series	Whitehorse
February 3, 2024	Spotlight Series	The Pack Drumline
February 18, 2024	Spotlight Series	Morgan Toney
February 23, 2024	Spotlight Series	Classic Albums Live <i>Supertramp's Crime of the Century</i>
March 1, 2024	Spotlight Series	An Evening with Mary Walsh
March 7, 2024	Spotlight Series	<i>Muse</i> , FLIP Fabrique
March 19, 2024	Spotlight Series	Ballet Edmonton, <i>Mixed Repertoire</i>
March 21, 2024	School Show	Alcoléa & Cie, <i>Right in the Eye</i>
March 21, 2024	Spotlight Series	Alcoléa & Cie, <i>Right in the Eye</i>
March 22, 2024	Spotlight Series	In the Footsteps of Joni Mitchell
April 10, 2024	Spotlight Series	Candace Bushnell: Tales from Sex and the City
April 11, 2024	Spotlight Series	Saltwater Songs
April 15, 2024	Spotlight Series	Choir! Choir! Choir!
April 28, 2024	Kidstage Series	Mermaid Theatre's <i>It's OK to be Different</i>
April 29, 2024	School Show	Mermaid Theatre's <i>It's OK to be Different</i>
May 10, 2024	Spotlight Series	Nico Paulo
May 11, 2024	Spotlight Series	Le Vent du Nord
May 27, 2024	School Show	Uppercut Dance Theatre, <i>Benched</i>
May 27, 2024	Spotlight Series	Uppercut Dance Theatre, <i>Benched</i>

**Appendix 2:
Summary of All Rental Shows
2023-24 season**

Rental Client for 2023-24 Season

Date	Client	Event Name
August 25, 2023	Charlotte Street Arts Centre	Girls Rock Camp
July 7, 2023	St. Thomas University	Spring convocation
July 8, 2023	Ash Entertainment	Tribute to Alan Jackson
July 22, 2023	Johnny Showtime	TINA, Simply the Best
September 7, 2023	Thane Dunn	Lady Legends of Music
September 9, 2023	Ward Cornforth	Johnny Cash Tribute Show
September 12 & 15, 2023	Harvest Music Festival	Harvest Music Festival shows
September 14, 2023	Sin City Illusions	Magic & Mystery
September 22, 2023	Time Warp Promotions	AC/DC - Hells Bells
September 23, 2023	Time Warp Promotions	Reveen - The Impossibilist
September 26, 2023	Symphony NB	Bravo Series, Chart Toppers
September 28, 2023	Paquette Productions	Everley Brothers - Walk Right Back
September 29, 2023	James Mullinger	James Mullinger- 10 Years in New Brunswick
September 30, 2023	Don Cormier	Git er Boil'n
October 7, 2023	Evenko	Colin James
October 13, 2023	Hubcap Promotions	Lucien & Jimmy the Janitor
October 14, 2023	SAM Productions	Relive the Music
October 16, 2023	Brookes Diamond Productions	Bruce Cockburn
October 17, 2023	Symphony NB	Bravo Series, Bruch & Brahms
October 18, 2023	Paquette Productions	Legends Show
October 19, 2023	Mansfield Entertainment	Til I Hear You Sing
October 22, 2023	Fredericton District Soccer Association	Soccer Awards Ceremony
October 25, 2023	Rocklands Entertainment	Oh What a Night
October 26, 2023	Paquette Productions	The Australian Bee Gees Show
October 27, 2023	Shantero Productions	Murray McLauchlan
October 29, 2023	Moon Coin Productions	Eagles - Take It to the Limit
Oct. 30-31, Nov. 1-2, 2023	Atlantic Ballet Theatre of Canada	Pisuwini
November 3, 2023	Get Off the Bus Concerts	Honeymoon Suite & the Kings
November 4, 2023	NB Filmmakers Co-op	Silverwave Film Festival
November 5, 2023	Sonic Concerts	East Pointers & The Fortunate Ones
November 6, 2023	Sonic Concerts	Chantal Kraviazuk & Raine Maida
November 7, 2023	Forrest Jones Entertainment	The Ultimate Robin Williams Tribute
November 10, 2023	Spurr Creative	Film screening - Indian Braves
November 12, 2023	Shantero Productions	Ron James
November 15, 2023	Symphony NB	Bravo Series, Clock Works
November 16, 2023	East Coast Productions	Jimmy Rankin Trio
November 21, 2023	Sonic Concerts	Crash Test Dummies
November 22, 2023	Get Off the Bus Concerts	Glenn Miller Orchestra
November 23, 2023	Evenko	Darcy & Jer
November 27, 2023	Sonic Concerts	Jesse Cook
Nov. 28-30, Dec. 1-3, 2023	Dance Fredericton	The Nutcracker
December 4-9, 2023	Theatre NB	All I Want for Christmas
December 10, 2023	Fredericton Symphony Orchestra	FSO Christmas Concert
December 11-13, 2023	Core Dance Collective	Dance recitals
December 14, 2023	Brookes Diamond Productions	Barra MacNeils
December 16, 2023	Capital Arts Presents	Tim Baker
December 17, 2023	Music Runs Through It	Kenny & Dolly Christmas Show
December 19, 2023	Symphony NB	A Maritime Nutcracker
December 20-23, 2023	Rogue Productions	Home for Christmas
January 17, 2024	United Way	Songs of the City
January 18, 2024	Capital Arts Presents	Shivering Songs - Dave Matthews & Tim Reynolds Tribute
January 20, 2024	ECL Productions	Alex Tells Jokes
January 27, 2024	NB Country Showcase	NB Country Showcase
February 9-10, 2024	UNB Rock & Ice Climbing Club	Banff Film Festival
February 11, 2024	Chinese Cultural Assoc. of NB	Chinese New Year's Celebration
March 4, 2024	K-Tel Entertainment	Mini Pop Kids Live
March 5, 2024	Symphony NB	Bravo Series, Symphonic Jazz
March 15, 2024	Big Laughs Comedy	Wes Barker
March 16, 2024	Rocklands Entertainment	Four x Four
March 23, 2024	Sin City Illusions	Ian Stewart, Sin City Illusions
March 27, 2024	Symphony NB	Bravo Series, Mozart's Requiem
March 28, 2024	Core Dance Collective	Spring Dance Recital
April 3, 2024	Snowed In Comedy Tour	Snowed In Comedy Tour
April 4-7, 2024	Elite Dance Productions	Dance competitions
April 9, 2024	NB Non-Profit Housing Association	Fundraiser for Habitat for Humanity
April 12, 2024	Get Off the Bus Concerts	Matt Minglewood
April 13, 2024	Shantero Productions	Comic Strippers
April 14, 2024	Don Cormier	Git er Boil'n
April 16-20, 2024	Theatre NB Theatre School	SpongeBob the Musical
April 21, 2024	VaughnCo Entertainment	ABBA Revisited
April 22-23, 2024	Fredericton Music Festival	Fredericton Music Festival
April 25, 2024	Paul Anthony Decker	Johnny Cash Tribute
April 30, 2024	Shantero Productions	Ian Thomas
May 4, 2024	Hypnotist Cyrus (Jason Vautour)	Jason Cyrus Live
May 5, 2024	Johnny Showtime	Quees - It's a Kinda Magic
May 6, 2024	Katherine Moller	Album release
May 8, 2024	Sonic Concerts	Jeremy Hotz
May 14, 2024	Symphony NB	Bravo Series, Echoes of Beethoven
May 15-16, 2024	Atlantic Ballet Theatre of Canada	Piaf
May 18, 2024	X-treme Dance Studio	Dance recitals
May 21, 2024	Big Time Operator	Jimbo's Drag Circus
May 22-24, 2024	Core Dance Collective	Dance recitals
May 25, 2024	Asian Heritage Society of NB	Asian Heritage Celebration
May 28-30, 2024	The Dance Connection	Dance recitals
May 31-June 1, 2024	Dance Fredericton	Dance recitals
June 5, 2024	VaughnCo Entertainment	Eagles - Hotel California
June 6, 2024	NB College of Craft & Design	Graduation ceremony
June 7-8, 2024	Capital Dance Company	Dance recitals
June 12, 2024	Siamsa Rince Gaelach	The Little Folk, Irish dance
June 22, 2024	Kristen McFawn & Alex McCain	Wedding ceremony
June 29, 2024	Animaritime	Masquarade Parade

Appendix 3: Audited Financial Statements

FREDERICTON PLAYHOUSE INC.

Financial Statements

Year Ended June 30, 2024

FREDERICTON PLAYHOUSE INC.

Index to Financial Statements

Year Ended June 30, 2024

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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, 2024, and the statements of changes in net assets, revenues and expenditures and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Theatre as at June 30, 2024, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

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 ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with ASNPO, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Theatre'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 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 24, 2024

CHARTERED PROFESSIONAL ACCOUNTANTS

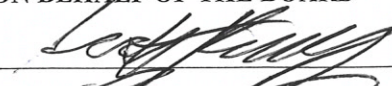
FREDERICTON PLAYHOUSE INC.


Statement of Financial Position

June 30, 2024

	2024	2023
ASSETS		
CURRENT		
Cash	\$ 2,817,159	\$ 1,452,082
Accounts receivable (Note 3)	1,001,215	279,036
Inventory	12,032	4,835
Prepaid expenses	<u>384,023</u>	<u>68,475</u>
	4,214,429	1,804,428
PROPERTY AND EQUIPMENT (Note 5)	580,924	693,729
ASSET UNDER CONSTRUCTION - PERFORMING ARTS CENTRE (Note 6)	<u>8,375,323</u>	<u>1,909,911</u>
	<u>\$ 13,170,676</u>	<u>\$ 4,408,068</u>
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable (Note 3)	\$ 1,056,944	\$ 420,844
Construction holdbacks payable	304,806	19,031
Unearned revenue (Note 7)	<u>783,632</u>	<u>644,449</u>
	2,145,382	1,084,324
DEFERRED CONTRIBUTIONS RELATED TO PROPERTY AND EQUIPMENT AND ASSETS UNDER CONSTRUCTION (Note 8)	<u>8,394,745</u>	<u>2,047,674</u>
	<u>10,540,127</u>	<u>3,131,998</u>
NET ASSETS		
Unrestricted	405,371	623,957
Invested in property and equipment (Note 9)	561,502	556,086
Internally restricted (Note 10)	<u>1,663,676</u>	<u>96,027</u>
	2,630,549	1,276,070
	<u>\$ 13,170,676</u>	<u>\$ 4,408,068</u>

ON BEHALF OF THE BOARD

 Director

 Director

FREDERICTON PLAYHOUSE INC.

Statement of Changes in Net Assets

Year Ended June 30, 2024

	Unrestricted	Internally Restricted	Invested in Property and Equipment	2024	2023
NET ASSETS - BEGINNING OF YEAR	\$ 623,957	\$ 96,027	\$ 556,086	\$ 1,276,070	\$ 1,207,556
EXCESS OF REVENUES OVER EXPENSES	(317,653)	1,746,878	(74,746)	1,354,479	68,514
BUILDING IMPROVEMENT EXPENDITURES	43,475	(43,475)	-	-	-
INVESTED IN PROPERTY AND EQUIPMENT	(80,162)	-	80,162	-	-
INTERFUND TRANSFER	135,754	(135,754)	-	-	-
NET ASSETS - END OF YEAR	\$ 405,371	\$ 1,663,676	\$ 561,502	\$ 2,630,549	\$ 1,276,070

FREDERICTON PLAYHOUSE INC.
Statement of Revenues and Expenditures
Year Ended June 30, 2024

	2024	2023
REVENUES		
Box office services	\$ 294,374	\$ 221,109
CEBA loan forgiveness	-	20,000
City of Fredericton grant - in-kind	208,196	226,313
City of Fredericton grant - operations	593,400	568,700
Concessions and commissions	118,803	111,211
Miscellaneous	104,755	195,079
Other grants	23,715	72,220
Presentations - admissions	356,879	364,694
Presentations - contributions	193,264	201,707
Presentations - other earned	26,068	13,800
Rentals	336,033	282,621
	<u>2,255,487</u>	<u>2,277,454</u>
EXPENSES		
Administrative overhead	153,812	141,053
Building operations	168,244	152,530
Credit card charges	58,737	40,529
Faculty advertising	28,105	15,601
Memberships	8,876	3,720
Presentations	447,752	453,014
Professional fees	58,266	47,357
Repairs and maintenance	121,644	146,002
Salaries and wages - administration	236,278	226,855
Salaries and wages - operations	1,180,618	954,051
Supplies	64,471	59,064
Ticketing system maintenance and supplies	43,956	45,673
Travel	2,381	1,182
	<u>2,573,140</u>	<u>2,286,631</u>
DEFICIENCY OF REVENUES OVER EXPENSES FROM OPERATIONS	<u>(317,653)</u>	<u>(9,177)</u>
OTHER INCOME (EXPENSES) - RESTRICTED		
Amortization	(161,586)	(187,870)
Amortization of deferred contributions related to property and equipment and assets under construction	86,840	89,059
Ticket surcharge	117,888	97,992
Fundraising and donations	1,831,883	354,948
Fundraising costs	(202,893)	(132,178)
New PAC non-capital costs	-	(144,260)
	<u>1,672,132</u>	<u>77,691</u>
EXCESS OF REVENUES OVER EXPENSES	<u>\$ 1,354,479</u>	<u>\$ 68,514</u>

FREDERICTON PLAYHOUSE INC.

Statement of Cash Flows

Year Ended June 30, 2024

	2024	2023
OPERATING ACTIVITIES		
Excess of revenues over expenses	\$ 1,354,479	\$ 68,514
Items not affecting cash:		
Amortization of property and equipment	161,586	187,870
Amortization of deferred contributions related to property and equipment and assets under construction	<u>(86,840)</u>	<u>(89,059)</u>
	<u>1,429,225</u>	<u>167,325</u>
Changes in non-cash working capital:		
Accounts receivable	(722,179)	(129,244)
Inventory	(7,197)	2,712
Accounts payable	635,980	186,039
Unearned revenue	139,183	12,491
Prepaid expenses	(315,548)	(24,507)
Construction holdbacks payable	<u>285,775</u>	<u>19,031</u>
	<u>16,014</u>	<u>66,522</u>
Cash flow from operating activities	<u>1,445,239</u>	<u>233,847</u>
INVESTING ACTIVITY		
Purchase of assets under construction and property and equipment	<u>(6,514,194)</u>	<u>(1,540,565)</u>
FINANCING ACTIVITIES		
Proceeds from deferred contributions related to property and equipment and assets under construction	6,434,032	1,436,809
Repayment and forgiveness of long term debt	<u>-</u>	<u>(60,000)</u>
Cash flow from financing activities	<u>6,434,032</u>	<u>1,376,809</u>
INCREASE IN CASH FLOW	<u>1,365,077</u>	<u>70,091</u>
Cash - beginning of year	<u>1,452,082</u>	<u>1,381,991</u>
CASH - END OF YEAR	<u>\$ 2,817,159</u>	<u>\$ 1,452,082</u>

FREDERICTON PLAYHOUSE INC.

Notes to Financial Statements

Year Ended June 30, 2024

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.

Inventory

Inventory is valued at the lower of cost and net realizable value with the cost being determined on a first-in, first-out basis.

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.

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.

(continues)

FREDERICTON PLAYHOUSE INC.

Notes to Financial Statements

Year Ended June 30, 2024

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

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%
Performing Arts Centre	4%
Equipment	20%
Office equipment	30%

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

Performing Arts Centre is under construction and therefore no amortization will be charged until the asset is put in use.

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 \$226,870 (2023 - \$226,313) in exchange for building operations expenses. The Theatre also recorded in-kind sponsorship revenue of \$43,780 (2023 - \$47,222) in exchange for various presentation expenses.

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 \$47,648 (2023 - \$46,672) for this plan.

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.

(continues)

FREDERICTON PLAYHOUSE INC.

Notes to Financial Statements

Year Ended June 30, 2024

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

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, construction holdbacks 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.

3. GOVERNMENT REMITTANCES RECEIVABLE AND PAYABLE

As of June 30, 2024, accounts receivable includes government remittances receivable of \$354,398 (2023 - \$82,162) and accounts payable includes government remittances payable of \$nil (2023 - \$25,462).

4. 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, 2024.

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.

(continues)

FREDERICTON PLAYHOUSE INC.

Notes to Financial Statements

Year Ended June 30, 2024

4. FINANCIAL INSTRUMENTS *(continued)*

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.

5. PROPERTY AND EQUIPMENT

	Cost	Accumulated amortization	2024 Net book value	2023 Net book value
Land	\$ 345,000	\$ -	\$ 345,000	\$ 345,000
Building	1,800,000	1,728,000	72,000	144,000
Equipment	2,240,466	2,093,806	146,660	185,124
Office equipment	287,739	270,475	17,264	19,605
	\$ 4,673,205	\$ 4,092,281	\$ 580,924	\$ 693,729

6. ASSET UNDER CONSTRUCTION - PERFORMING ARTS CENTRE

The Theatre is currently building a new performing arts centre in Fredericton. The Theatre and local governments have entered into agreements in order to fund the majority of the costs for the new performing arts centre. The Theatre has also begun fundraising activities for the initiative.

As of June 30, 2024 the asset is not in use and therefore no amortization has been charged.

7. UNEARNED REVENUE

	2024	2023
Deferred sponsorships, donations and contributions	\$ 92,630	\$ 57,912
Gift certificates and patrons' account credits	153,956	108,218
Rental deposits	109,975	117,350
Deferred ticket sales	392,339	331,605
Other	34,732	29,364
	\$ 783,632	\$ 644,449

FREDERICTON PLAYHOUSE INC.

Notes to Financial Statements

Year Ended June 30, 2024

8. DEFERRED CONTRIBUTIONS RELATED TO PROPERTY AND EQUIPMENT AND ASSETS UNDER CONSTRUCTION

Deferred contributions related to property and equipment and assets under construction 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.

	2024	2023
Balance, beginning of year	\$ 2,047,674	\$ 699,924
Add: current year funding received	6,433,911	1,436,809
Less: amounts amortized to revenue	(86,840)	(89,059)
Balance, end of year	\$ 8,394,745	\$ 2,047,674

9. INVESTMENT IN PROPERTY AND EQUIPMENT

	2024	2023
a) Investment in property and equipment is calculated as follows:		
Property and equipment, net	\$ 580,924	\$ 693,729
Assets under construction - Performing arts centre	8,375,323	1,909,911
Amounts financed by deferred contributions	(8,394,745)	(2,047,554)
	561,502	556,086
b) Changes in net assets invested in property and equipment is calculated as follows:		
Amortization of deferred contributions related to property and equipment	86,840	89,059
Amortization of property and equipment	(161,586)	(187,870)
Excess of expenses over revenue	(74,746)	(98,811)
Net capital assets acquired	6,514,194	1,540,565
Amount funded by deferred contributions	(6,434,032)	(1,436,809)
	80,162	103,756
Total change	5,416	\$ 4,945

FREDERICTON PLAYHOUSE INC.

Notes to Financial Statements

Year Ended June 30, 2024

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.

The Board has also appropriated net assets for the Encore! Campaign fund. Increases and decreases from the appropriation are at the discretion of the Board.

	Capital Fund	Campaign Fund	Total
Net assets - beginning of the year	\$ 92,531	\$ 3,496	\$ 96,027
Excess of revenues over expenses	117,888	1,628,990	1,746,878
Building improvements expenditures	(43,475)	-	(43,475)
Transfer from (to) operations	-	(135,754)	(135,754)
Interfund transfers	-	-	-
	<u>\$ 166,944</u>	<u>\$ 1,496,732</u>	<u>\$ 1,663,676</u>
