

Financial Statements of

**THE ROYAL AND MCPHERSON  
THEATRES SOCIETY**

And Independent Auditor's Report thereon

Year ended December 31, 2023



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## **INDEPENDENT AUDITOR'S REPORT**

*To the Members of The Royal and McPherson Theatres Society*

### **Report on the Audit of Financial Statements**

#### ***Opinion***

We have audited the financial statements of The Royal and McPherson Theatres Society (the Society), which comprise:

- the statement of financial position as at December 31, 2023
- the statement of operations and changes in fund balances for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements, present fairly, in all material respects, the financial position of the Society as at December 31, 2023, and its results of operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

#### ***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 Auditor's report.

We are independent of the Society in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our 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 public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Society's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Society or to cease operations, or has no realistic alternative but to do so.

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

## ***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 the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Society's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Society's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditor's report. However, future events or conditions may cause the Society to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit

### **Report on Other Legal and Regulatory Requirements**

As required by the Societies Act (British Columbia), we report that, in our opinion, the accounting policies applied in preparing and presenting the financial statements in accordance with Canadian public sector accounting standards have been applied on a basis consistent with that of the preceding year.

A handwritten signature in black ink that reads 'KPMG LLP' with a horizontal line underneath.

Chartered Professional Accountants

Victoria, Canada  
April 5, 2024

# THE ROYAL AND MCPHERSON THEATRES SOCIETY

## Statement of Financial Position

December 31, 2023, with comparative information for 2022

	2023	2022
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 4,113,116	\$ 2,905,884
Accounts receivable	3,533	3,859
Due from Capital Regional District	88,935	134,301
Inventory	17,449	17,987
Prepaid expenses	61,646	100,959
	<u>4,284,679</u>	<u>3,162,990</u>
Investments (note 2)	4,466,829	5,617,691
Capital assets (note 3)	449,161	544,434
	<u>\$ 9,200,669</u>	<u>\$ 9,325,115</u>

## Liabilities and Fund Balances

Current liabilities:		
Accounts payable and accrued liabilities	\$ 704,316	\$ 317,000
Deferred revenue	6,700	6,700
Deferred ticket sales	3,710,114	4,398,889
	<u>4,421,130</u>	<u>4,722,589</u>
Deferred contributions (note 4)	260,798	401,450
Fund balances:		
Unrestricted:		
McPherson Playhouse Operating Fund	-	-
Royal Theatre Operating Fund	-	-
Invested in capital assets - capital asset fund	449,161	544,434
Internally restricted (note 5):		
McPherson Playhouse Operating Reserve Fund	112,648	113,140
Royal Theatre Operating Reserve Fund	1,272,323	875,567
McPherson Playhouse Capital Fund	198,244	117,965
Royal Theatre Capital Fund	2,486,365	2,549,970
	<u>4,518,741</u>	<u>4,201,076</u>
	<u>\$ 9,200,669</u>	<u>\$ 9,325,115</u>

See accompanying notes to financial statements.

On behalf of the Board:

 Director

 Director

# THE ROYAL AND MCPHERSON THEATRES SOCIETY

## Statement of Operations and Changes in Fund Balances

Year ended December 31, 2023, with comparative information for 2022

	McPherson Playhouse			Royal Theatre			Capital Asset Fund	Combined	
	Operating Fund	Reserve Fund	Capital Fund	Operating Fund	Reserve Fund	Capital Fund		Total 2023	Total 2022
Revenue (Schedule)	\$ 2,034,930	\$ -	\$ -	\$ 3,391,666	\$ -	\$ -	\$ -	\$ 5,426,596	\$ 4,133,999
Deferred contributions (note 4)	-	-	110,658	-	-	218,994	-	329,652	174,851
Deferred revenue	-	-	-	-	-	-	-	-	16,035
Interest income	-	5,417	5,000	-	41,894	105,275	-	157,586	55,722
	2,034,930	5,417	115,658	3,391,666	41,894	324,269	-	5,913,834	4,380,607
Expenses (Schedule)	(1,958,023)	-	-	(2,775,779)	-	-	-	(4,733,802)	(3,686,474)
Amortization of capital assets	-	-	-	-	-	-	(106,277)	(106,277)	(112,580)
Building and equipment:									
Owner (note 4) and externally funded	-	-	(110,658)	-	-	(218,994)	-	(329,652)	(190,886)
Society funded	-	-	(2,035)	-	-	(424,403)	-	(426,438)	(2,866)
	(1,958,023)	-	(112,693)	(2,775,779)	-	(643,397)	(106,277)	(5,596,169)	(3,992,806)
Excess (deficiency) of revenue over expenses	76,907	5,417	2,965	615,887	41,894	(319,128)	(106,277)	317,665	387,801
Fund balances, beginning of year	-	113,140	117,965	-	875,567	2,549,970	544,434	4,201,076	3,813,275
Funding capital improvements	-	-	(5,502)	-	-	(5,502)	11,004	-	-
Transfer of user fees to capital funds (note 5)	(82,816)	-	82,816	(261,025)	-	261,025	-	-	-
Transfer to (from) reserve funds (from) to operating funds (note 5)	5,909	(5,909)	-	(354,862)	354,862	-	-	-	-
Fund balances, end of year	\$ -	\$ 112,648	\$ 198,244	\$ -	\$ 1,272,323	\$ 2,486,365	\$ 449,161	\$ 4,518,741	\$ 4,201,076

See accompanying notes to financial statements.

# THE ROYAL AND MCPHERSON THEATRES SOCIETY

## Statement of Cash Flows

Year ended December 31, 2023, with comparative information for 2022

	2023	2022
Cash provided by (used in):		
Operations:		
Excess of revenue over expenses	\$ 317,665	\$ 387,801
Amortization of capital assets	106,277	112,580
Amortization of deferred contributions	(329,652)	(174,851)
Contributions received	189,000	190,000
Net change in non-cash working capital (note 6)	(215,916)	2,268,654
	67,374	2,784,184
Investing:		
Net change in investments	1,150,862	(1,082,812)
Purchase of capital assets	(11,004)	(25,239)
	1,139,858	(1,108,051)
Increase in cash and cash equivalents	1,207,232	1,676,133
Cash and cash equivalents, beginning of year	2,905,884	1,229,751
Cash and cash equivalents, end of year	\$ 4,113,116	\$ 2,905,884

See accompanying notes to financial statements.

# THE ROYAL AND MCPHERSON THEATRES SOCIETY

## Notes to Financial Statements

Year ended December 31, 2023

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The Royal and McPherson Theatres Society (the “Society”) operates and manages the McPherson Playhouse on behalf of the City of Victoria (the “owner”) and Royal Theatre on behalf of the Capital Regional District (the “owner”). The Society was incorporated under the Society Act of British Columbia on March 3, 1977 and transitioned into the new Societies Act (British Columbia) on June 28, 2017. The Society is a registered charity under the Income Tax Act and accordingly is exempt from income taxes, provided certain requirements of the Income Tax Act are met.

### 1. Significant accounting policies:

#### (a) Basis of presentation:

The financial statements have been prepared by management in accordance with Canadian Public Sector Accounting Standards including the standards for government not-for-profit organizations. The following is a summary of the significant accounting policies used in the preparation of the financial statements.

#### (b) Fund accounting:

Revenue and expenses related to operating the McPherson Playhouse are reported in the McPherson Playhouse Operating Fund. Revenue and expenses related to operating the Royal Theatre are reported in the Royal Theatre Operating Fund. The Capital Asset Fund reports the revenue and expenses on capital assets owned by the Society.

The McPherson Playhouse Capital Fund and the Royal Theatre Capital Fund report revenue and expenses related to capital expenses at the McPherson Playhouse and the Royal Theatre respectively. Building and other capital costs are not recorded as assets because the Society is the manager and not the owner of these venues. Fundraising amounts and capital expenses, relating to these facilities, are recorded as revenue and expenses in these funds.

The McPherson Playhouse Operating Reserve Fund and the Royal Theatre Operating Reserve Fund report assets held for the purpose of supporting day-to-day operations and managing risk associated with unforeseen shortfalls or disruption.

Donations are reported in the appropriate fund designated by the donor.

#### (c) Cash and cash equivalents:

Cash and cash equivalents include highly liquid investments with terms to maturity of three months or less at the date of purchase.

#### (d) Capital assets:

Purchased capital assets owned by the Society are recorded in the capital fund at cost. Contributed assets are recorded in the capital fund at estimated fair value at the date of the contribution. Amortization is provided on a straight-line basis over the assets’ estimated useful lives. Pianos are amortized over 25 years, box office ticketing enterprise system and website over 10 years, furniture and equipment over 5 years and office leasehold improvements over 10 years. Building and leasehold improvements, including stage and front of house equipment, are shown as expenses within the appropriate capital fund and not capitalized, as the benefit of the asset accrues to the owner.

# THE ROYAL AND MCPHERSON THEATRES SOCIETY

## Notes to Financial Statements

Year ended December 31, 2023

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### 1. Significant accounting policies (continued):

(e) Revenue recognition:

The Society follows the deferral method of accounting for contributions. Restricted contributions are deferred and recognized as revenue of the appropriate fund in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue of the appropriate fund when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Revenue from production recoveries, box office, and theatre rentals are recognized once the event has occurred.

Restricted investment income is recognized as revenue of the appropriate fund in the year in which the related expenses are incurred. Unrestricted investment income is recognized in the appropriate operating fund when earned.

(f) Allocations:

Certain operations of the operating funds are conducted jointly. Revenue and expenses, which are not directly attributable to either operating fund, are allocated equally between the funds.

(g) Contributed services:

The Society receives certain benefits from volunteers. Due to the difficulty in determining their fair value, contributed services are not recognized in the financial statements.

(h) Financial instruments:

Financial instruments are recorded at fair value on initial recognition and are subsequently recorded at cost or amortized cost unless management has elected to carry the instruments at fair value. Management has not elected to record any financial instruments at fair value.

(i) Use of estimates:

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Items requiring the use of estimates include amortization of capital assets, valuation of gift certificate liabilities and the collectability of accounts receivable. Actual results could differ from these estimates.

(j) Asset retirement obligations

On January 1, 2022, the Society adopted Canadian public sector accounting standard PS 3280 Asset Retirement Obligations. The new accounting standard addresses the reporting of legal obligations associated with the retirement of certain tangible capital assets, such as asbestos removal in retired buildings. The standard was adopted on the modified retroactive basis at the date of adoption. The adoption of this standard did not have an impact on the amounts presented in the financial statements.

# THE ROYAL AND MCPHERSON THEATRES SOCIETY

## Notes to Financial Statements

Year ended December 31, 2023

### 2. Investments:

Investments consist of bankers' acceptances and term deposits bearing interest at rates varying between 4.30% and 5.40% and maturity dates varying between 120 days and up to 18 months. It is the Society's intention to hold these assets on a long-term basis.

### 3. Capital assets:

			2023
	Cost	Accumulated amortization	Net book value
Furniture and equipment	\$ 668,499	\$ 635,248	\$ 33,251
Box office ticketing enterprise system and website	967,059	726,181	240,878
Pianos	188,568	134,236	54,332
Office leasehold improvements	241,418	120,718	120,700
	<u>\$ 2,065,544</u>	<u>\$ 1,616,383</u>	<u>\$ 449,161</u>

			2022
	Cost	Accumulated amortization	Net book value
Furniture and equipment	\$ 657,495	\$ 604,859	\$ 52,636
Box office ticketing enterprise system and website	967,059	681,973	285,086
Pianos	188,568	126,700	61,868
Office leasehold improvements	241,418	96,574	144,844
	<u>\$ 2,054,540</u>	<u>\$ 1,510,106</u>	<u>\$ 544,434</u>

The above tables only reflect those capital assets owned by the Society. Any building and other capital costs incurred by the Society are recorded as expenses in either the McPherson Playhouse Capital Fund or Royal Theatre Capital Fund in the year incurred.

# THE ROYAL AND MCPHERSON THEATRES SOCIETY

## Notes to Financial Statements

Year ended December 31, 2023

#### 4. Deferred contributions and revenue:

Deferred contributions, received from the owners and reported in the McPherson Playhouse Capital Fund and the Royal Theatre Capital Fund, pertain to restricted contributions for each building.

The changes for the year in the deferred contributions balances reported in the McPherson Playhouse Capital Fund and the Royal Theatre Capital Fund are as follows:

	McPherson Playhouse Capital Fund	Royal Theatre Capital Fund	Total
Balance, December 31, 2021	\$ 264,852	\$ 121,449	\$ 386,301
Contributions	88,000	102,000	190,000
Amounts recognized to revenue	(128,591)	(46,260)	(174,851)
Balance, December 31, 2022	224,261	177,189	401,450
Contributions	88,000	101,000	189,000
Amounts recognized to revenue	(110,658)	(218,994)	(329,652)
Balance, December 31, 2023	\$ 201,603	\$ 59,195	\$ 260,798

#### 5. Internally restricted fund balances:

The Society levies a user fee for all patrons attending performances at each theatre. The Board has internally restricted these resources to be expended subject to certain restrictions. These funds are transferred from the operating funds to the corresponding capital fund. In 2023, the Society transferred user fees totaling \$82,816 (2022 - \$54,854) to the McPherson Playhouse Capital Fund and \$261,025 (2022 - \$176,416) to the Royal Theatre Capital Fund respectively.

In 2019, the Society formally established the McPherson Playhouse Operating Reserve Fund and the Royal Theatre Operating Reserve Fund. The purpose of these Funds is to hold sufficient reserves to help ensure the operational stability and resilience of the Society. The Board has internally restricted these funds to be expended subject to certain restrictions. In 2019, the Society transferred \$505,202 from the McPherson Playhouse Operating Fund and \$1,131,211 from the Royal Theatre Operating Fund to establish the Reserve Fund balances. In 2023, the Society transferred \$5,909 (2022 - \$85,464) from the McPherson Playhouse Reserve Fund to the McPherson Playhouse Operating Fund and \$354,862 (2022 - \$301,719) from the Royal Theatre Operating Fund to the Royal Theatre Reserve Fund.

# THE ROYAL AND MCPHERSON THEATRES SOCIETY

## Notes to Financial Statements

Year ended December 31, 2023

### 6. Net change in non-cash working capital:

	2023	2022
Accounts receivable	\$ 326	\$ 116,712
Due from Capital Regional District	45,366	(2,215)
Inventory	538	(3,413)
Prepaid expenses	39,313	(23,011)
Accounts payable and accrued liabilities	387,316	(42,398)
Deferred revenue	-	(16,035)
Deferred ticket sales	(688,775)	2,239,014
	<u>\$ (215,916)</u>	<u>\$ 2,268,654</u>

### 7. Financial risks and concentration of credit risk:

It is management's opinion that the Society is not exposed to significant interest, currency or credit risks.

Liquidity risk is the risk that the Society will not be able to meet its financial obligations as they become due. The Society uses budgets to monitor actual and forecasted cash flows to ensure operations are within resources available and sufficient cash is generated to sustain operations. Liquidity risk is mitigated in part by maintaining adequate working capital and sufficient fund balances. It is management's opinion that the exposure to liquidity risk has not changed from 2022.

### 8. Pension plan:

The Society and its employees contribute to the Municipal Pension Plan (the Plan), a jointly trustee pension plan. The board of trustees, representing plan members and employers, is responsible for administering the Plan, including investment of the assets and administration of benefits. The Plan is a multi-employer defined pension plan. Basic pension benefits provided are based on a formula. As at December 31, 2022, the Plan has about 240,000 active members and approximately 124,000 retired members. Active members include approximately 35 contributors from the Society.

Every three years, an actuarial valuation is performed to assess the financial position of the plan and adequacy of plan funding. The actuary determines an appropriate combined employer and member contribution rate to fund the plan. The actuary's calculated contribution rate is based on the entry-age normal cost method, which produces the long-term rate of member and employer contributions sufficient to provide benefits for average future entrants to the plan. This rate may be adjusted for the amortization of any actuarial funding surplus and will be adjusted for the amortization of any unfunded actuarial liability.

# THE ROYAL AND MCPHERSON THEATRES SOCIETY

Notes to Financial Statements

Year ended December 31, 2023

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## 8. Pension plan (continued):

The most recent actuarial valuation as at December 31, 2021 indicated a \$3,761 million funding surplus for basic pension benefits on a going concern basis. The next valuation will be as at December 31, 2024 with the results available in 2025.

Employers participating in the Plan record their pension expense as the amount of employer contributions made during the fiscal year (defined contribution pension plan accounting). This is because the Plan records accrued liabilities and accrued assets for the Plan in aggregate resulting in no consistent and reliable basis for allocating the obligation, assets and cost to the individual employers participating in the Plan.

The Society paid \$149,099 (2022 - \$141,216) for employer contributions to the Plan in fiscal 2023.

## 9. Remuneration paid to directors, employees and contractors:

Under the British Columbia Societies Act, the Society is required to disclose in the annual financial statements all remuneration paid to directors and the annual remuneration paid to employees and contractors receiving greater than \$75,000.

For the fiscal year ending December 31, 2023, the Society paid total remuneration of nil (2022 - nil) to directors. The Society paid \$965,867 to 10 employees (2022 - \$931,659 to 10 employees) for services, each of whom received total annual remuneration of \$75,000 or greater. No contractors were paid a total annual remuneration of \$75,000 or greater in either 2023 or 2022.

## 10. Commitments:

The Society is committed to an operating lease agreement for office premises from April 2019 to March 2024. The Society renewed the lease in January 2024 for a term of two years from April 2024 to March 2026, with an option to renew for a further term of five years. Future minimum lease payments of the current and renewed lease agreement are as follows:

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2024	\$	51,274
2025		52,206
2026		13,052

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# THE ROYAL AND MCPHERSON THEATRES SOCIETY

## Notes to Financial Statements

Year ended December 31, 2023

### 11. Government COVID-19 subsidies

The Society received the following subsidies which have been included in revenue of the McPherson Playhouse and Royal Theatre Operating funds:

	2023	2022
Tourism and Hospitality Recovery Program (THRP) Wage Subsidy	\$ -	\$ 234,612
Tourism and Hospitality Recovery Program (THRP) Rent Subsidy	-	13,682
	<u>\$ -</u>	<u>\$ 248,294</u>

### 12. Statement of Operations and Fund Balances comparative information:

The comparative information for the McPherson Playhouse and Royal Theatre operating funds is presented in the Schedule of Operating Fund Revenue and Expenses. The comparative information for the other funds is as follows:

	2022 McPherson Playhouse		2022 Royal Theatre		2022 Capital Asset Fund
	Reserve Fund	Capital Fund	Reserve Fund	Capital Fund	
Revenue:					
Deferred contributions (note 4)	\$ -	\$ 128,591	\$ -	\$ 46,260	\$ -
Deferred revenue	-	-	-	16,035	-
Interest income	3,485	1,148	10,066	41,023	-
	<u>3,485</u>	<u>129,739</u>	<u>10,066</u>	<u>103,318</u>	<u>-</u>
Expenses:					
Amortization of capital assets	-	-	-	-	(112,580)
Building and equipment:					
Owner (note 4) and externally funded	-	(128,591)	-	(62,295)	-
Society funded	-	(386)	-	(2,480)	-
	<u>-</u>	<u>(128,977)</u>	<u>-</u>	<u>(64,775)</u>	<u>(112,580)</u>
Excess (deficiency) of revenue over expenses	3,485	762	10,066	38,543	(112,580)
Fund balances, beginning of year	195,119	74,524	563,782	2,348,075	631,775
Funding capital improvements	-	(12,175)	-	(13,064)	25,239
Transfer of user fees to capital funds (note 5)	-	54,854	-	176,416	-
Transfer of operating funds to reserve fund (note 5)	(85,464)	-	301,719	-	-
Fund balances, end of year	<u>\$ 113,140</u>	<u>\$ 117,965</u>	<u>\$ 875,567</u>	<u>\$ 2,549,970</u>	<u>\$ 544,434</u>

# THE ROYAL AND MCPHERSON THEATRES SOCIETY

## Schedule of Operating Fund Revenue and Expenses

Year ended December 31, 2023, with comparative information for 2022

	McPherson Playhouse Operating Fund	Royal Theatre Operating Fund	Total 2023	McPherson Playhouse Operating Fund	Royal Theatre Operating Fund	Total 2022
<b>Revenue:</b>						
Production recoveries	\$ 450,954	\$ 1,175,550	\$ 1,626,504	\$ 274,820	\$ 832,795	\$ 1,107,615
Grants from owners	350,000	100,000	450,000	350,000	100,000	450,000
Box office charges	679,049	679,049	1,358,098	410,190	410,190	820,380
Rental income	173,845	587,229	761,074	109,160	501,945	611,105
User fee charges (note 5)	82,816	261,025	343,841	54,854	176,416	231,270
Concession sales	157,324	447,871	605,195	91,426	353,085	444,511
OnStage revenue	20,096	20,096	40,192	14,360	14,360	28,720
Interest income	63,398	63,398	126,796	23,025	23,025	46,050
Government COVID-19 subsidies (note 11)	-	-	-	124,147	124,147	248,294
Other	57,448	57,448	114,896	73,027	73,027	146,054
	<u>2,034,930</u>	<u>3,391,666</u>	<u>5,426,596</u>	<u>1,525,009</u>	<u>2,608,990</u>	<u>4,133,999</u>
<b>Expenses:</b>						
<b>Administration:</b>						
Salaries, contracts and benefits	616,033	616,033	1,232,066	464,603	464,603	929,206
Office	156,359	156,359	312,718	137,452	137,452	274,904
Professional fees	15,527	15,527	31,054	16,844	16,844	33,688
Conventions, conferences and travel	5,828	5,828	11,656	3,077	3,077	6,154
Administration and management fees	12,948	12,948	25,896	12,810	12,810	25,620
Bad debt expense (recovery)	-	-	-	-	(330)	(330)
Production expenses	417,393	920,371	1,337,764	295,495	678,120	973,615
Box office operations	308,936	308,936	617,872	279,238	279,238	558,476
Building operations	122,704	207,274	329,978	118,751	172,504	291,255
Building maintenance	165,718	251,859	417,577	140,951	166,469	307,420
Concession operations	104,515	244,432	348,947	60,172	169,738	229,910
OnStage expenses	30,792	30,792	61,584	24,860	24,860	49,720
Community services	1,270	5,420	6,690	1,366	5,470	6,836
	<u>1,958,023</u>	<u>2,775,779</u>	<u>4,733,802</u>	<u>1,555,619</u>	<u>2,130,855</u>	<u>3,686,474</u>
Excess of revenue over expenses	76,907	615,887	692,794	(30,610)	478,135	447,525
Transfer of user fees to capital funds (note 5)	(82,816)	(261,025)	(343,841)	(54,854)	(176,416)	(231,270)
Change in operating funds before transfer from operating reserve funds (note 5)	\$ (5,909)	\$ 354,862	\$ 348,953	\$ (85,464)	\$ 301,719	\$ 216,255