

**NIGHTWOOD THEATRE**

**Financial Statements**

**June 30, 2024**

**NIGHTWOOD THEATRE**  
**Index to Financial Statements**  
**Year Ended June 30, 2024**

---

	Page
<b>INDEPENDENT AUDITOR'S REPORT</b>	1 - 2
<b>FINANCIAL STATEMENTS</b>	
Statement of Financial Position	3
Statement of Changes in Net Assets	4
Statement of Operations	5
Statement of Cash Flows	6
Notes to Financial Statements	7 - 11

---

## INDEPENDENT AUDITOR'S REPORT

---

To the Members of Nightwood Theatre

### *Opinion*

We have audited the financial statements of Nightwood Theatre ("Nightwood"), which comprise the statement of financial position as at June 30, 2024, and the statements of changes in net assets, operations 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 Nightwood as at June 30, 2024, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

### *Basis for 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 Nightwood 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 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 Nightwood'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 Nightwood or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing Nightwood'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.

(continues)

Independent Auditor's Report to the Members of Nightwood Theatre *(continued)*

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 Nightwood'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 Nightwood'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 Nightwood 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.

Toronto, Ontario  
October 29, 2024

*Hogg, Shain & Scheck PC*

Authorized to practise public accounting by the  
Chartered Professional Accountants of Ontario

**NIGHTWOOD THEATRE**  
**Statement of Financial Position**  
**As at June 30, 2024**

	2024	2023
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash (Note 7)	\$ 1,492,402	\$ 461,737
Short-term investments (Note 4)	100,456	161,946
Accounts receivable (Note 3)	29,778	19,255
Prepaid expenses	23,500	4,040
	<u>1,646,136</u>	646,978
<b>CAPITAL ASSETS (Note 5)</b>	<u>83,268</u>	8,285
	<u><b>\$ 1,729,404</b></u>	<u><b>\$ 655,263</b></u>
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities	\$ 61,250	\$ 21,998
Canada Emergency Business Account loan (Note 8)	-	60,000
Deferred revenues (Notes 6 and 13)	194,527	233,247
	<u>255,777</u>	315,245
<b>DEFERRED CONTRIBUTIONS FOR CAPITAL ASSETS (Notes 7 and 13)</b>	<u>1,147,460</u>	12,841
	<u><b>1,403,237</b></u>	328,086
<b>NET ASSETS</b>		
<b>UNRESTRICTED</b>	265,367	263,892
<b>INTERNALLY RESTRICTED RESERVE FUND (Note 9)</b>	55,000	55,000
<b>INVESTED IN CAPITAL ASSETS</b>	5,800	8,285
	<u>326,167</u>	327,177
	<u><b>\$ 1,729,404</b></u>	<u><b>\$ 655,263</b></u>

**COMMITMENTS (Note 12)**

**CREDIT FACILITY (Note 3)**

**ONTARIO ARTS FOUNDATION ENDOWMENT FUND (Note 10)**

**APPROVED ON BEHALF OF THE BOARD**

Shreya Lathia Director

Jill P. Schoolenberg Director

See the accompanying notes to these financial statements

**NIGHTWOOD THEATRE**  
**Statement of Changes in Net Assets**  
**Year Ended June 30, 2024**

	Unrestricted	Internally Restricted Reserve Fund	Invested in Capital Assets	2024	2023
<b>NET ASSETS - BEGINNING OF YEAR</b>	\$ 263,892	\$ 55,000	\$ 8,285	\$ 327,177	\$ 403,794
Deficiency of revenues over expenses	(1,010)	-	-	<b>(1,010)</b>	(76,617)
Amortization of capital assets	2,485	-	(2,485)	-	-
Contributions used in the year towards acquisition of capital assets	77,468	-	(77,468)	-	-
Purchase of capital assets	(77,468)	-	77,468	-	-
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 265,367</u>	<u>\$ 55,000</u>	<u>\$ 5,800</u>	<u>\$ 326,167</u>	<u>\$ 327,177</u>

*See the accompanying notes to these financial statements*

# NIGHTWOOD THEATRE

## Statement of Operations

Year Ended June 30, 2024

	2024	2023
<b>REVENUES</b>		
Private sector:		
Donations and sponsorships	\$ 249,215	\$ 196,228
Fundraising events	140,561	58,378
Foundations	114,002	88,036
	<u>503,778</u>	<u>342,642</u>
Public sector: <i>(Note 11)</i>		
Federal	137,500	146,300
Provincial <i>(Note 10)</i>	75,714	83,793
Municipal	117,000	73,000
Government assistance <i>(Note 8)</i>	20,000	-
	<u>350,214</u>	<u>303,093</u>
Earned:		
Single ticket sales	36,917	24,266
Other	10,672	7,352
Workshops, classes, events, and co-production	5,480	-
Fees, commissions and guarantees	2,000	40,494
	<u>55,069</u>	<u>72,112</u>
	<u>909,061</u>	<u>717,847</u>
<b>EXPENSES</b>		
Artistic and programming:		
Artistic salaries and fees	376,921	291,968
Production and technical fees	30,127	39,225
Venue rental	24,304	26,093
Production costs	9,411	5,488
Royalties	1,000	2,755
	<u>441,763</u>	<u>365,529</u>
Marketing and development:		
Fundraising costs	136,892	99,356
Marketing salaries and fees	112,260	120,033
Advertising purchases	7,474	5,365
Other marketing costs	3,775	4,618
	<u>260,401</u>	<u>229,372</u>
Administration:		
Administration salaries and fees	177,372	167,638
General and administrative costs	28,050	27,692
Amortization	2,485	2,726
Touring	-	1,507
	<u>207,907</u>	<u>199,563</u>
	<u>910,071</u>	<u>794,464</u>
<b>DEFICIENCY OF REVENUES OVER EXPENSES</b>	<u>\$ (1,010)</u>	<u>\$ (76,617)</u>

See the accompanying notes to these financial statements

# NIGHTWOOD THEATRE

## Statement of Cash Flows

Year Ended June 30, 2024

	2024	2023
<b>OPERATING (DEFICIENCY) ACTIVITIES</b>		
Deficiency of revenues over expenses	\$ (1,010)	\$ (76,617)
Add items not involving cash:		
Amortization	2,485	2,726
Forgivable portion of Canada Emergency Business Account loan	(20,000)	-
	<u>(18,525)</u>	<u>(73,891)</u>
Changes in non-cash working capital items:		
Accounts receivable	(10,523)	34,231
Prepaid expenses	(19,460)	2,750
Accounts payable and accrued liabilities	39,252	(5,551)
Deferred revenues <i>(Note 13)</i>	(38,720)	133,010
	<u>(29,451)</u>	<u>164,440</u>
Cash flows from (used by) operating activities	<u>(47,976)</u>	<u>90,549</u>
<b>INVESTING ACTIVITIES</b>		
Redemption (purchase) of short-term investments (net)	61,490	(161,946)
Purchase of capital assets	(77,468)	(3,848)
Return of security term deposit	-	18,000
Cash flows used by investing activities	<u>(15,978)</u>	<u>(147,794)</u>
<b>FINANCING ACTIVITIES</b>		
Contributions received for acquisition of capital assets <i>(Note 13)</i>	1,134,619	12,841
Repayment of Canada Emergency Business Account loan	(40,000)	-
Cash flows from financing activities	<u>1,094,619</u>	<u>12,841</u>
<b>INCREASE (DECREASE) IN CASH</b>	<b>1,030,665</b>	<b>(44,404)</b>
<b>CASH - BEGINNING OF YEAR</b>	<u>461,737</u>	<u>506,141</u>
<b>CASH - END OF YEAR</b>	<u><b>\$ 1,492,402</b></u>	<u><b>\$ 461,737</b></u>

*See the accompanying notes to these financial statements*

**NIGHTWOOD THEATRE**  
**Notes to Financial Statements**  
**Year Ended June 30, 2024**

---

**1. ORGANIZATION AND OPERATIONS**

Nightwood Theatre Company ("Nightwood") was incorporated without share capital under the laws of the Province of Ontario on April 29, 1982. It is a registered charity under the Income Tax Act (Canada). As such, it is exempt from income tax and is able to issue donation receipts for income tax purposes.

As Canada's foremost feminist theatre, Nightwood provides an essential home for the creation of extraordinary theatre by women. Nightwood's vision is to be a world-renowned cultural center for provocative theatre, bringing audiences, artists and activists together to elevate women's voices.

---

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Basis of presentation

These financial statements are the representation of management and have been prepared in accordance with Canadian accounting standards for not-for-profit organizations in Part III of the CPA Canada Handbook.

Revenue recognition

Nightwood follows the deferral method of accounting for contributions. Unrestricted contributions are recognized as revenues when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Contributions restricted by funders and donors, including amounts from the public and private sector, are deferred when received and recognized as revenues in the year in which the related activity takes place and expenses are incurred.

Earned revenues from fees, commissions, and guarantees, ticket sales, co-productions, and other activities are recognized when received or receivable upon substantial completion of the production or event. Costs related to productions and events that are incurred prior to the date of the production are deferred as prepaid expenses until the date of production or event.

Contributions received for the acquisition of capital assets are initially deferred and then amortized into revenues over the useful life of the capital assets purchased.

Financial instruments

Nightwood initially measures its financial assets and financial liabilities at fair value. It subsequently measures all its financial assets and financial liabilities at amortized cost.

Financial instruments consist of cash, short-term investments, accounts receivable, and accounts payable.

Impairment of financial instruments

Financial assets, measured at cost or amortized cost, are tested for impairment, if there are indications of possible impairment. The impairment loss is equal to the difference between the carrying value and the expected recoverable amount. A previously recognized impairment loss may be reversed to the extent of the improvement, either directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal, had the impairment loss not been recognized previously. The amount of any write down or reversal is recognized in deficiency of revenues over expenses.

Capital assets

Expenditures on capital assets are initially capitalized and then amortized on a declining balance basis at the rate of 30% for computer equipment. Amortization in the year of acquisition is calculated at one half of the normal annual rate. Capital assets are subject to amortization once they are placed into use.

*(continues)*

---

**NIGHTWOOD THEATRE**  
**Notes to Financial Statements**  
**Year Ended June 30, 2024**

---

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

Impairment of long-lived assets

Long-lived assets, comprising of capital assets subject to amortization, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Impairment is assessed by comparing the carrying amount of an asset to be held and used the replacement value. If the asset is impaired, the impairment loss to be recognized is measured as the amount by which the carrying amount of the asset exceeds its replacement value. Any impairment results in a write-down of the asset and a charge to deficiency of revenues over expenses during the year. An impairment loss is not reversed if the fair value of the related long-lived asset subsequently increases.

Donated materials and services

Nightwood records as revenues and corresponding expenses the value of donated materials and services, when such items would normally have been purchased by Nightwood and the fair value of such materials and services can be reasonably determined. There were no contributed materials or services during the fiscal year.

Volunteer services

Much of the work of Nightwood is dependent upon voluntary services. Since these services are not normally purchased by Nightwood, such donated services are not recognized in the accounts.

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 at the date of the financial statements and the reported amounts of revenues and expenses during the year. Such estimates are periodically reviewed and adjustments are made to revenues and expenses as appropriate in the year they become known. Such estimates include the collectability of accounts receivable, determining the useful life of capital assets for amortization purposes and year-end accrued liabilities. Actual results may differ from these estimates.

---

**3. FINANCIAL INSTRUMENTS**

It is management's opinion that Nightwood is not subject to significant market, other price, credit, currency or liquidity risks arising from these financial instruments, which is consistent with the prior year risk assessment.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in market interest rates. Nightwood is exposed to interest rate risk on its short-term investments. Fluctuations in market interest rates are not expected to significantly affect Nightwood's cash flows.

Cash consists of cash on hand and deposits residing in a Canadian financial institution. Cash is sufficient to cover current liabilities as they come due.

Accounts receivable include Harmonized Sales Tax recoverable of \$18,151 (2023 - \$2,879). Accounts receivable are regularly monitored to minimize and mitigate the credit risk of uncollected amounts.

Nightwood has available an operating credit facility of \$24,000. Advances under the facility bear interest at the Bank of Canada prime rate of 6.95% (2023 - 6.95%) plus 6.50% per annum and are secured by a general security agreement over its assets. As at June 30, 2024, Nightwood had utilized \$nil (2023 - \$nil) of this facility.

**NIGHTWOOD THEATRE**  
**Notes to Financial Statements**  
**Year Ended June 30, 2024**

**4. SHORT-TERM INVESTMENTS**

Short-term investments include one (2023 - two) Guaranteed Investment Certificate ("GIC") issued by a major Canadian chartered bank. The GIC earns interest rate at 2.25% (2023 - between 1.85% and 4.75%) and matures April 2025 (2023 - between August 2023 and November 2023).

**5. CAPITAL ASSETS**

	Cost	Accumulated amortization	2024 Net book value	2023 Net book value
Theatrical equipment	\$ 63,068	\$ -	\$ 63,068	\$ -
Leasehold improvements	14,400	-	14,400	-
Computer equipment	41,894	36,094	5,800	8,285
	<u>\$ 119,362</u>	<u>\$ 36,094</u>	<u>\$ 83,268</u>	<u>\$ 8,285</u>

Theatrical equipment and leasehold improvements are not yet in use at year-end, and as such are not amortized.

**6. DEFERRED REVENUES**

Deferred revenues at June 30 consist of amounts received prior to June 30 for programming and activity related to the following fiscal year, as follows:

	2024	2023
Public sector:		
Toronto Arts Council - Operating	\$ 79,000	\$ 77,000
Toronto Foundation - Community Services Recovery Fund	-	40,000
Ontario Arts Council - Project	-	11,250
Private sector:		
Foundations	79,950	95,542
Fundraising events, including Bingo lottery	35,577	9,455
	<u>\$ 194,527</u>	<u>\$ 233,247</u>

The continuity of deferred revenues is as follows:

	2024	2023
Balance - beginning of year	\$ 233,247	\$ 100,237
Add: Contributions received during the year	815,272	778,745
Less: Contributions recognized as revenues in the year	<u>(853,992)</u>	<u>(645,735)</u>
Balance - end of year	<u>\$ 194,527</u>	<u>\$ 233,247</u>

**NIGHTWOOD THEATRE**  
**Notes to Financial Statements**  
**Year Ended June 30, 2024**

**7. DEFERRED CONTRIBUTIONS FOR CAPITAL ASSETS**

Deferred contributions at June 30 consist of amounts previously received to purchase capital assets:

	<u>2024</u>	<u>2023</u>
Minister of Canadian Heritage *	\$ 1,096,300	\$ -
Donations and sponsorships	<u>51,160</u>	<u>12,841</u>
	<u>\$ 1,147,460</u>	<u>\$ 12,841</u>

\* At the fiscal 2024 year-end, the unused funds received during the fiscal year from the Minister of Canadian Heritage are held within cash.

The continuity of deferred contributions is as follows:

	<u>2024</u>	<u>2023</u>
Balance - beginning of year	\$ 12,841	\$ -
Add: Contributions received during the year	<u>1,134,619</u>	<u>12,841</u>
Balance - end of year	<u>\$ 1,147,460</u>	<u>\$ 12,841</u>

**8. CANADA EMERGENCY BUSINESS ACCOUNT LOAN**

In fiscal 2020, Nightwood applied for and received the \$40,000 Canada Emergency Business Account ("CEBA") loan. In fiscal 2021, Nightwood also applied and received an available \$20,000 extension, for a total loan payable balance of \$60,000. The CEBA loan is non-interest bearing up to the initial term date of December 31, 2023, which was extended to January 18, 2024. Thereafter, to the extended term date of December 31, 2026, the loan bears an annual interest rate of 5%.

Based on the CEBA loan agreement, if \$40,000 of the loan amount is repaid by January 18, 2024, the remaining balance will be forgiven. During fiscal 2024, Nightwood repaid \$40,000 of the loan prior to the deadline, and as a result, the \$20,000 forgivable portion was recognized as government assistance revenue during the year.

**9. INTERNALLY RESTRICTED RESERVE FUND**

During fiscal 2021, the Board of Directors (the "Board") established a \$55,000 internally restricted reserve fund, supported by unrestricted operating surpluses held in cash and short term investments. The purpose of the fund is to support Nightwood's future day-to-day operations and to limit unforeseen cash flow difficulties.

**10. ONTARIO ARTS FOUNDATION ENDOWMENT FUND**

The Ontario Arts Foundation ("OAF") operates an Ontario Arts Endowment Fund Program in which it holds and has supplemented contributions made to arts organizations for endowment purposes.

The Nightwood Theatre Arts Endowment Fund is an external endowment fund, the assets of which are controlled and managed by OAF in accordance with its investment and income distribution policies. Accordingly, assets of this fund are not reflected in these financial statements.

Income of \$5,944 from the endowment was received by Nightwood during the year ended June 30, 2024 (2023 - \$5,743). The market value of the Endowment Fund at June 30, 2024 was \$123,657 (2023 - \$117,725).

**NIGHTWOOD THEATRE**  
**Notes to Financial Statements**  
**Year Ended June 30, 2024**

**11. PUBLIC SECTOR REVENUES**

	2024	2023
Federal:		
Canada Council for the Arts - Operating	\$ 137,500	\$ 137,500
Government assistance ( <i>Note 8</i> )	20,000	-
Minister of Canadian Heritage - Project	-	8,800
Provincial:		
Ontario Arts Council - Operating	58,520	64,800
Ontario Arts Council - Project	11,250	13,250
Ontario Arts Foundation Endowment Fund ( <i>Note 10</i> )	5,944	5,743
Municipal:		
Toronto Arts Council - Operating	77,000	73,000
Economic and Social Development Canada via Toronto Foundation - Community Services Recovery Fund	40,000	-
	<u>\$ 350,214</u>	<u>\$ 303,093</u>

**12. COMMITMENTS**

During fiscal 2023, Nightwood entered into an agreement for a shared space, commencing in October 2023 for a term of 20 years. The agreement stipulates that rental costs will be shared 50% each between Nightwood and another party, for an annual rate of \$117,341. Per the agreement, the rental costs are subject to increases not exceeding inflation after 5 years of occupancy. The rent per the agreement is not payable until the completion of renovations, which are not expected to be completed until fiscal 2025.

Nightwood has an obligation of \$18,000 (2023 - \$18,000) in favour of Canadian Actors' Equity Association ("CAEA") at June 30, 2024 with respect to its obligations under engagement contracts with CAEA members. The obligation is guaranteed by a bond by its insurance company, under an agreement dated March 10, 2023 and covers the period from July 7, 2024 to July 7, 2025.

**13. COMPARATIVE FIGURES**

Some of the comparative figures have been reclassified to conform to the current year's presentation. In the prior year, \$12,481 related to deferred contributions for capital assets was included as part of deferred revenues.