

**MANITOBA CHORAL ASSOCIATION INC.**

**Financial Statements**

**Year Ended August 31, 2023**

**MANITOBA CHORAL ASSOCIATION INC.**  
**Index to Financial Statements**  
**Year Ended August 31, 2023**

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## INDEPENDENT AUDITOR'S REPORT

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To the Members of Manitoba Choral Association Inc.

### *Opinion*

We have audited the financial statements of Manitoba Choral Association Inc. (the Association), which comprise the statement of financial position as at August 31, 2023, and the statements of operations, changes in net assets 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 Association as at August 31, 2023, 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 Association 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.

### *Other Matter*

Budget information is presented in the statement of revenues and expenditures for information purposes only and has not been subject to audit.

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

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

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Independent Auditor's Report to the Members of Manitoba Choral Association Inc. *(continued)*

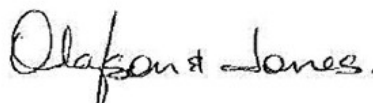
*Auditor's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association'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 Association'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 Association 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.



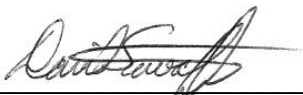
Winnipeg, Manitoba  
November 3, 2023

CHARTERED PROFESSIONAL ACCOUNTANTS

**MANITOBA CHORAL ASSOCIATION INC.**  
**Statement of Financial Position**  
**August 31, 2023**

	2023	2022
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 102,469	\$ 79,057
Term deposits (Note 3)	47,639	35,110
Accounts receivable	26,064	970
Inventory	6,796	4,988
Goods and services tax recoverable	1,771	868
Prepaid expenses	5,929	2,251
	190,668	123,244
CAPITAL ASSETS (Note 4)	15,308	4,062
LONG TERM INVESTMENTS	-	46,181
	\$ 205,976	\$ 173,487
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities	\$ 28,913	\$ 8,204
Current portion of long term debt (Note 6)	40,000	-
Employee deductions payable	2,567	2,794
Deferred income (Note 5)	95,104	83,920
	166,584	94,918
LONG TERM DEBT (Note 6)	-	40,000
	166,584	134,918
LEASE COMMITMENTS (Note 7)		
<b>NET ASSETS</b>		
Unrestricted net assets	24,084	34,507
Invested in capital assets	15,308	4,062
	39,392	38,569
	\$ 205,976	\$ 173,487

**ON BEHALF OF THE BOARD**

  
 \_\_\_\_\_  
 Director

  
 \_\_\_\_\_  
 Director

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

**MANITOBA CHORAL ASSOCIATION INC.**  
**Statement of Operations**  
**Year Ended August 31, 2023**

	Budget 2023	Total 2023	Total 2022
<b>REVENUE</b>			
Manitoba Arts Council grants	\$ 66,000	\$ 63,133	\$ 64,350
Winnipeg Arts Council grants	15,000	15,500	16,000
Winnipeg Foundation grants	7,500	17,000	2,250
Province of Manitoba grants	-	17,000	5,511
FCMM grants	3,000	-	1,000
Other grants	-	1,500	7,005
FCMM grants through MCA	-	3,600	3,200
Endowment Fund (Note 8)	16,500	16,507	15,678
Donations			
In-kind	1,250	25,550	58,718
Other	17,500	11,436	13,403
Provincial programs (Note 9)	169,705	105,948	15,189
Memberships	18,000	16,110	11,915
Interest income	2,200	3,582	1,394
Merchandise Income	2,250	2,620	-
Rental Income	200	210	392
Miscellaneous	250	2,368	475
	319,355	302,064	216,480
<b>EXPENSES</b>			
Donation In-kind expense	-	25,550	58,718
FCMM grant through MCA	-	3,600	3,200
Fundraising	5,000	4,869	4,869
Provincial Programs (Note 9)	157,655	106,270	17,263
Memberships	1,500	898	847
Advertising & promotions	850	1,183	3,689
Rebranding	-	-	8,175
Rent	18,600	18,515	18,152
Office	5,425	7,289	7,725
Insurance	3,500	3,097	2,956
Professional fees	6,000	5,179	4,484
Telephone	375	328	512
Amortization	-	878	1,133
Travel & Meetings	5,500	2,940	3,978
Wages and employee benefits	110,950	115,136	101,877
Training	1,000	3,076	4,370
Bad debts	-	18	-
Bank Charges & Miscellaneous	3,000	2,415	3,132
	319,355	301,241	245,080
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES FROM OPERATIONS</b>	-	823	(28,600)
<b>GOVERNMENT ASSISTANCE</b>	-	-	27,500
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES</b>	\$ -	\$ 823	\$ (1,100)

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

**MANITOBA CHORAL ASSOCIATION INC.**  
**Statement of Changes in Net Assets**  
**Year Ended August 31, 2023**

	Unrestricted net assets	Invested in capital assets	<b>2023</b>	2022
<b>NET ASSETS - BEGINNING OF YEAR</b>	\$ 34,507	\$ 4,062	<b>\$ 38,569</b>	\$ 39,669
<b>Excess of revenue over expenses</b>	1,701	(878)	<b>823</b>	(1,100)
Capital asset purchases	(12,124)	12,124	-	-
<b>NET ASSETS - END OF YEAR</b>	<b>\$ 24,084</b>	<b>\$ 15,308</b>	<b>\$ 39,392</b>	<b>\$ 38,569</b>

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

**MANITOBA CHORAL ASSOCIATION INC.**  
**Statement of Cash Flows**  
**Year Ended August 31, 2023**

	2023	2022
<b>OPERATING ACTIVITIES</b>		
Excess (deficiency) of revenue over expenses	\$ 823	\$ (1,100)
Item not affecting cash:		
Amortization of capital assets	878	1,133
	<u>1,701</u>	<u>33</u>
Changes in non-cash working capital:		
Accounts receivable	(25,094)	4,427
Goods and services tax recoverable	(903)	(89)
Inventory	(1,808)	(4,988)
Prepaid expenses	(3,678)	552
Accounts payable and accrued liabilities	20,709	(1,054)
Employee deductions payable	(227)	688
Deferred income	11,184	19,533
	<u>183</u>	<u>19,069</u>
	<u>1,884</u>	<u>19,102</u>
<b>INVESTING ACTIVITIES</b>		
Purchase of capital assets	(12,124)	-
Proceeds of disposal of investment	33,971	-
Accrued interest on investment	(319)	(706)
	<u>21,528</u>	<u>(706)</u>
<b>INCREASE IN CASH FLOW</b>	<b>23,412</b>	<b>18,396</b>
<b>Cash - beginning of year</b>	<b>79,057</b>	<b>60,661</b>
<b>CASH - END OF YEAR</b>	<b>\$ 102,469</b>	<b>\$ 79,057</b>

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



**MANITOBA CHORAL ASSOCIATION INC.**  
**Notes to Financial Statements**  
**Year Ended August 31, 2023**

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1. PURPOSE OF THE ASSOCIATION

Manitoba Choral Association Inc. (the "Association") is a not-for-profit organization of Manitoba. As a registered charity the Association is exempt from the payment of income tax under Subsection 149(1) of the Income Tax Act.

The Association was instituted for the purposes of promoting, planning and executing choral festivals, programs workshops and providing choral opportunities to singers, directors, and composers throughout Manitoba.

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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 (ASNFPPO).

Cash equivalents

Highly liquid investments with maturities of one year or less at date of purchase are classified as cash equivalents.

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.

Goods and services tax

Contributed materials and services are recoverable at 50% as a rebate. The unrecoverable portion is recorded as an expense with the rebate treated as a receivable.

Capital assets

Capital assets are stated at cost or deemed cost less accumulated amortization and are amortized over their estimated useful lives on a declining balance basis at the following rates:

Computer equipment	30%
Furniture and fixtures	20%

The Association regularly reviews its capital assets to eliminate obsolete items.

Capital assets acquired during the year but not placed into use are not amortized until they are placed into use.

Impairment of long lived assets

The Association tests for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. Recoverability is assessed by comparing the carrying amount to the projected future net cash flows the long-lived assets are expected to generate through their direct use and eventual disposition. When a test for impairment indicates that the carrying amount of an asset is not recoverable, an impairment loss is recognized to the extent the carrying value exceeds its fair value.

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**MANITOBA CHORAL ASSOCIATION INC.**  
**Notes to Financial Statements**  
**Year Ended August 31, 2023**

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

Revenue recognition

Manitoba Choral Association Inc. follows the deferral method of accounting for contributions.

Revenue generated from grants and restricted donations are recognized as revenue in the year in which the related expenses are recorded.

Revenue generated from unrestricted provincial programs, donations, membership and other are recognized as revenue when received or receivable, if the amount to be received can be reasonably determined and collection is reasonably assured.

Leases

Leases are classified as either capital or operating leases. At the time the Association enters into a capital lease, an asset is recorded with its related long-term obligation to reflect the acquisition and financing. Rental payments under operating leases are expensed as incurred.

Contributed goods and services

Donated goods and services are recorded when fair value can be reasonably estimated and when the materials and services are used in the normal course of the organization's operations and would otherwise have been purchased.

Measurement uncertainty

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. Actual results could differ from these estimates.

Financial instruments

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

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3. TERM INVESTMENTS

	Maturity date	Interest rate %	<b>2023</b>	2022
Guaranteed investment certificate	June 24, 2024	3.65	\$ 32,543	\$ -
Term deposit	June 29, 2024	3.65	15,096	-
Guaranteed investment certificate (*)	April 29, 2023		-	10,110
Term deposit (*)	May 31, 2023		-	25,000
			<b>\$ 47,639</b>	<b>\$ 35,110</b>

(\*) Redeemed during the year.

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**MANITOBA CHORAL ASSOCIATION INC.**  
**Notes to Financial Statements**  
**Year Ended August 31, 2023**

4. CAPITAL ASSETS

	Cost	Accumulated amortization	<b>2023 Net book value</b>	2022 Net book value
Computer equipment	\$ 3,705	\$ 3,243	\$ 462	\$ 659
Furniture and fixtures	9,118	6,396	2,722	3,403
Furniture Upgrades Project	12,124	-	12,124	-
	<b>\$ 24,947</b>	<b>\$ 9,639</b>	<b>\$ 15,308</b>	<b>\$ 4,062</b>

5. DEFERRED REVENUE

	<b>2023</b>	2022
Manitoba Arts Council	\$ 57,975	\$ 34,300
The Winnipeg Foundation	20,000	19,000
Government of Manitoba	10,200	1,800
Membership fees	3,180	2,425
National Youth Choir	2,224	2,224
MCA Program Bursary fund (formerly PHC Fund)	1,152	1,348
Other	373	1,823
Canada Council for the Arts	-	18,000
Sing Canada Harmony	-	3,000
	<b>\$ 95,104</b>	<b>\$ 83,920</b>

6. LONG TERM DEBT

	<b>2023</b>	2022
Canada Emergency Business Account loan bearing interest at 0% per annum until January 18, 2023, 5% per annum starting January 19, 2024. If the outstanding principle is not repaid by January 18, 2024, the forgiven portion of \$20,000 will also need to be repaid.	\$ 40,000	\$ 40,000
Amount payable within one year	<b>(40,000)</b>	-
	<b>\$ -</b>	<b>\$ 40,000</b>

**MANITOBA CHORAL ASSOCIATION INC.**  
**Notes to Financial Statements**  
**Year Ended August 31, 2023**

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7. LEASE COMMITMENTS

The Association signed a premises lease agreement for a period of November 1, 2020 to October 31, 2023. The rent during the period will consist of monthly payments of \$1,423 with a 2% increase each year. The lease can be determined with 90 days' written notice.

On March 28, 2019, the Association started leasing its printer for a period of five years and six months at \$497 per quarter plus GST and PST. The printer lease ends in September 2024.

The lease commitments under these arrangements are as follows:

	2024	\$	5,261
	2025		544
			544
		\$	5,805

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8. MANITOBA CHORAL ASSOCIATION ENDOWMENT FUND AND BERT KROEKER SCHOLARSHIP FUND

In 2006, the Association created the "Manitoba Choral Association Endowment Fund" and the "Bert Kroeker Scholarship Fund" (the "Funds"), which are managed under separate agreements with the Winnipeg Foundation.

As the Funds are managed under agreements by the Winnipeg Foundation, Canadian accounting standards for not-for-profit organizations stipulate the Funds do not meet the criteria of an asset and therefore are not recorded on the balance sheet.

Activities relating to each of the "Funds" for the current year were:

	2023	2022
<b>Endowment fund</b>		
Opening balance, beginning of year	\$ 345,570	\$ 384,793
Contributions received	-	180
Investment income (loss)	27,381	(20,726)
Disbursements paid to Manitoba Choral Association	(16,507)	(15,678)
Administration and investment fees	(2,772)	(2,999)
	353,672	345,570
<b>Bert Kroeker scholarship fund</b>		
Opening balance, beginning of year	\$ 30,017	\$ 32,824
Investment income (loss)	1,323	(2,559)
Administration and investment fees	(132)	(248)
	31,208	30,017

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**MANITOBA CHORAL ASSOCIATION INC.**  
**Notes to Financial Statements**  
**Year Ended August 31, 2023**

9. PROVINCIAL PROGRAMS

<b>2023</b>	Revenue	Expenses	Net income (loss)
Choral Fest	\$ 25,822	\$ 37,534	\$ (11,712)
Professional development	2,990	2,208	782
Choral library	1,272	1,163	109
Frances Seaton Choral Composition Competition	1,000	1,300	(300)
MB Sings	35,456	22,745	12,711
BEYOND Symposium	25,974	21,067	4,907
GATHER	13,434	20,395	(6,961)
	<u>\$ 105,948</u>	<u>\$ 106,412</u>	<u>\$ (464)</u>

<b>2022</b>	Revenue	Expenses	Net income (loss)
Virtual Choir	\$ 2,822	\$ 2,732	\$ 90
Choral Fest	1,205	1,208	(3)
Professional development	200	459	(259)
Choral library	459	985	(526)
Frances Seaton Choral Composition Competition	1,150	1,200	(50)
National youth choir - revenue	9,353	10,679	(1,326)
	<u>\$ 15,189</u>	<u>\$ 17,263</u>	<u>\$ (2,074)</u>

10. FINANCIAL INSTRUMENTS

The association, as part of its operations, carries a number of financial instruments. It is management's opinion that the association is not exposed to significant interest, currency, credit, liquidity or other price risk arising from these financial instruments except as otherwise disclosed.

11. LINE OF CREDIT

The Association has an operating line of credit of a maximum of \$40,000. The operating line of credit is due on demand, bears interest at bank prime and is secured by term deposits in the amount of \$15,096. As of August 31, 2023 the line of credit used was \$nil (2022 - \$nil), and the prime rate was 7.20% (2022 - 4.70%).