

# **The Mississauga Festival Choir**

## **Financial Statements**

**June 30, 2023**

Draft for discussion purposes

# The Mississauga Festival Choir

June 30, 2023

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Draft for discussion purposes

## **Independent Auditor's Report**

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To the Board of Directors  
The Mississauga Festival Choir

### **Opinion**

I have audited the financial statements of The Mississauga Festival Choir, which comprise the statement of financial position as at June 30, 2023, and the statements of operations and 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 my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of The Mississauga Festival Choir as at June 30, 2023, and the results of its operations and its cash flows for the year then ended in accordance with the applicable financial reporting framework.

### **Basis for Opinion**

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the charity in accordance with the ethical requirements that are relevant to my audit of the financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the applicable financial reporting framework, 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 these financial statements, management is responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to a going concern and using the going concern basis of accounting unless management either intends to liquidate the charity or to cease operations, or has no realistic alternative to do so.

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

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

My 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 my 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.

## **Independent Auditor's Report**

As part of an audit in accordance with Canadian generally accepted auditing standards, I exercise professional judgment and maintain professional skepticism throughout the audit. I 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 my 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 charity'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 charity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the charity 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.

I 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 I identify during my audit.

**J Bruce Taylor Chartered Professional Accountant**  
Licensed Public Accountant

Warkworth, Ontario  
September 18, 2023

# The Mississauga Festival Choir

## Statement of Financial Position

June 30, 2023

	2023	2022
<b>Assets</b>		
<b>Current Assets</b>		
Cash	\$ 65,847	\$ 81,376
Endowment fund trust funds	21,164	23,676
Ticket sale and fundraising receivable	-	13,675
GST/HST rebate receivable	2,104	1,101
Prepaid expenditures	7,407	18,371
<b>Total Assets</b>	<b>\$ 96,522</b>	<b>\$ 138,199</b>
<b>Liabilities and Net Assets</b>		
<b>Current Liabilities</b>		
Accounts payable and accrued liabilities	\$ 4,341	\$ 9,540
Deferred operating grant assistance	26,250	22,500
Deferred Choral Mosaic grant and registration fees (Note 2)	-	50,689
<b>Total Liabilities</b>	<b>30,591</b>	<b>82,729</b>
<b>Net Assets</b>		
Surplus	65,931	55,470
<b>Total Liabilities and Net Assets</b>	<b>\$ 96,522</b>	<b>\$ 138,199</b>

Approved on Behalf of the Board:

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The accompanying notes are an integral part of these financial statements  
J Bruce Taylor Chartered Professional Accountant

# The Mississauga Festival Choir

## Statement of Changes in Net Assets and Funds Balances

For the Year Ended June 30, 2023

	Operating Fund	Endowment Fund	Reserve Fund	Marketing Fund	Total
<b>Net assets, June 30, 2021</b>	\$ 16,813	\$ 21,929	\$ 12,614	\$ 1,912	\$ 53,268
<b>Fiscal year 2022</b>					
Surplus (deficiency) of revenue over expenses	(591)	2,793	-	-	2,202
Eligible funds granted by the Endowment to the Operating fund	1,046	(1,046)	-	-	-
Redistribution of Operating net assets to the Reserve Fund	(455)	-	455	-	-
<b>Balance, June 30, 2022</b>	16,813	23,676	13,069	1,912	55,470
<b>Fiscal year 2023</b>					
Surplus (deficiency) of revenue over expenses	12,185	(1,724)	-	-	10,461
Eligible funds granted by the Endowment to the Operating fund	788	(788)	-	-	-
Redistribution of Operating net assets to the Reserve Fund	(10,000)	-	10,000	-	-
<b>Net Assets, June 30, 2023</b>	\$ 19,786	\$ 21,164	\$ 23,069	\$ 1,912	\$ 65,931

The accompanying notes are an integral part of these financial statements  
 J Bruce Taylor Chartered Professional Accountant

# The Mississauga Festival Choir

## Statement of Operations

For the Year Ended June 30, 2023

	2023	2022
<b>Revenue</b>		
Ticket sales	\$ 42,176	\$ 21,649
Membership fees	34,075	27,410
Operating grant assistance	41,000	27,000
Choral Mosaic (Note 2)	27,612	-
Fundraising	12,986	27,860
Resonance concert	8,323	9,836
Partnerships and sponsors	2,500	2,550
Recording sales and sundry	41	24
Chamber choir income	48	-
<b>Total revenue</b>	<b>168,761</b>	<b>116,329</b>
<b>Operating expenses</b>		
Administration and sundry	8,560	9,880
Administrator remuneration	7,854	7,705
Artistic fees and remuneration	51,390	40,192
Choral Mosaic (Note 2)	22,275	-
Fundraising expenses	-	11,910
Marketing	6,171	3,096
Production expenses	27,759	18,251
Rental	8,564	4,916
Resonance expenses	24,003	20,970
<b>Total operating expenses</b>	<b>156,576</b>	<b>116,920</b>
<b>Operating surplus (deficiency) of revenue over expenses</b>	<b>12,185</b>	<b>(591)</b>
<b>Endowment fund</b>		
Endowment investment income (loss)	(1,724)	2,793
<b>Surplus of revenue over expenses</b>	<b>\$ 10,461</b>	<b>\$ 2,202</b>

The accompanying notes are an integral part of these financial statements  
J Bruce Taylor Chartered Professional Accountant

# The Mississauga Festival Choir

## Statement of Cash Flows

For the Year Ended June 30, 2023

	2023	2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Surplus of revenue over expenses for the year	\$ 10,461	\$ 2,202
Decrease (increase) in ticket sales and fundraising receivable	13,675	(13,675)
Increase in GST/HST rebate receivable	(1,003)	(1,480)
Decrease in prepaid expenditures	10,964	9,438
Increase (decrease) in accounts payable and accrued expenses	(5,199)	1,695
Increase in deferred operating grant assistance	3,750	2,250
Decrease in deferred Choral Mosaic grant revenue	(50,689)	(597)
Net decrease in cash	(18,041)	(167)
Cash, beginning	105,052	105,219
<b>Cash, ending</b>	<b>\$ 87,011</b>	<b>\$ 105,052</b>
Cash and cash equivalents consist of the following:		
Cash	\$ 65,847	\$ 81,376
Endowment fund trust funds	21,164	23,676
	<b>\$ 87,011</b>	<b>\$ 105,052</b>

The accompanying notes are an integral part of these financial statements  
J Bruce Taylor Chartered Professional Accountant



# The Mississauga Festival Choir

## Notes to the Financial Statements

For the Year Ended June 30, 2023

### 1. Significant Accounting Policies

#### a. Nature of organization and basis of preparation

##### i. Incorporation and financial reporting

The Mississauga Festival Choir (the charity) was formed July 1, 1995 as a Registered Charity and incorporated without share capital on March 12, 2011 under the Business Corporations Act of Ontario. The charity is engaged in the not-for-profit activities of presenting choral concerts, events and music and for Canadian income tax purposes the Choir is a registered charity, which is exempt from income tax under the Income Tax Act.

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations.

##### ii. Fund accounting

The charity follows the restricted fund method of accounting. Currently there exists four funds, namely Operating, Endowment, Reserve, and Marketing funds. The Operating Fund is unrestricted. The Endowment Fund is restricted and administered by The Community Foundation of Mississauga. The Reserve Fund and Marketing Fund are funds created internally to provide for costs in future years of operating deficits.

The Operating Fund reports revenue and expenditures related to the operation and administration of the choir

The Endowment Fund was created to segregate such specified contributions to the choir with the conditions that only income earned in the Fund will be disbursed in operations, while the principal balance of the Fund will be retained. Endowment Fund contributions made by the Choir are recorded directly to surplus and will be maintained as a component of surplus separate from the regular operating surplus or deficit. Cash funds are maintained in a special trust account with a minimum balance to be retained equal to the Endowment Fund Surplus balance.

The Reserve Fund was created from monies received in 2014 during the choir's anniversary year and was designated as a Musician and Production Fund to be allocated to fund future expenses of having musicians perform and support the choir. The Fund has been expanded to include provision for other production costs and general sustainability. The fund has been renamed the Reserve Fund accordingly.

From the 2015 operating surplus a Marketing Fund was created to provide for future expenses related to marketing and promotion required to expand and ensure the on-going sustainability of the choir.

# The Mississauga Festival Choir

## Notes to the Financial Statements

For the Year Ended June 30, 2023

### 1. Significant Accounting Policies

#### b. Grant, government assistance and other funding

The charity receives a grant from the City of Mississauga which was approved for operating assistance based on the calendar year. Accordingly, this grant income is recorded and deferred corresponding to the year end date.

The charity also receives other operating grants as well as grants which are event and project specific. These grants are reflected as deferred revenue if the terms of the grant are not met in the year end period, and matched to the period which they relate.

#### c. Revenue recognition

Ticket sales income is recognized in accordance with industry practice which corresponds to the timing of the concert or event.

Membership fees income is recognized to match the membership period consisting of the fall and spring term.

Unrestricted revenue from fundraising, partners and sponsors, recording sales and sundry income is recognized as amounts are received.

Revenue received in advance from concerts, special events and fundraising for the specific events, programs and purposes, is recorded as deferred revenue and recorded in revenue in the period of the corresponding intended purpose.

The mission of the choir is dependent upon and thankful for many hours contributed by its members. Due to the difficulty of determining their fair value, contributed services are not recognized in these financial statements.

#### d. Financial instruments

The choir's financial instruments consist of cash, endowment trust funds, accounts receivable, GST/HST recoverable and accounts payable and accrued liabilities. Carrying values approximate fair value due to the immediate and short-term nature of these financial instruments.

#### e. Use of estimates

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The reported amounts and note disclosures are determined using management's best estimates based on assumptions that reflect the most probable set of economic conditions and planned courses of action. Actual results could differ from those estimates and would impact future results of operations and cash flows. Areas requiring the use of estimates include allowance for bad debts, accrued liabilities and provision for refunds of deferred registration fees.

# The Mississauga Festival Choir

## Notes to the Financial Statements

For the Year Ended June 30, 2023

### 2. Choral Mosaic

In January 2023, the charity announced it would not be proceeding with the Choral Mosaic that had been previously cancelled and post-poned due to COVID-19. Previously, grant funds and registrations received had been recorded in deferred revenue and expenditures incurred were recorded in prepaid expenditures as the intent was to reschedule the event and move forward.

Once it was determined the event would not proceed, the charity offered all registrants a full refund or the option of donating their fees to charity to cover expenses incurred. Grants in the amount of \$20,000 and registration fees of \$7,413 were donated and are included in revenue. Accumulated expenditures incurred on the cancelled event totalled \$22,275.

### 3. Financial risks and management

#### *Interest rate*

The charity is not exposed to interest rate risk as the capitalization and working capital of the charity does not rely on financing.

#### *Currency risk*

The charity in the normal course of operations does not engage in foreign currency denominated transactions and is not exposed to currency risk.

#### *Liquidity risk*

Liquidity risk is the risk that an entity will encounter difficulty in raising funds to meet cash flow commitments associated with financial instruments. To manage this operating risk, the Choir monitors its budgets and forecasts and maintains an adequate working capital to cover operations. The Choir does not embark on other expenditures without already having the funding in place.