

**SASKATCHEWAN CHORAL FEDERATION INC.**

**Financial Statements**

**Year Ended June 30, 2021**

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## MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

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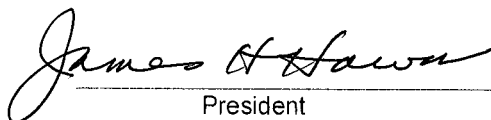
The financial statements of Saskatchewan Choral Federation Inc. have been prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO). When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances. These statements include certain amounts based on management's estimates and judgments. Management has determined such amounts based on a reasonable basis in order to ensure that the financial statements are presented fairly in all material respects.

The integrity and reliability of Saskatchewan Choral Federation Inc.'s reporting systems are achieved through the use of formal policies and procedures, the careful selection of employees and an appropriate division of responsibilities. These systems are designed to provide reasonable assurance that the financial information is reliable and accurate.

The Board of Directors is responsible for ensuring that management fulfills its responsibility for financial reporting and is ultimately responsible for reviewing and approving the financial statements. The Board meets periodically with management and the members' auditors to review significant accounting, reporting and internal control matters. Following its review of the financial statements and discussions with the auditors, the Board approves the financial statements and considers, for review and approval by the members, the engagement or re-appointment of the external auditors.

The financial statements have been audited on behalf of the members by MWC Chartered Professional Accountants LLP, in accordance with Canadian generally accepted auditing standards.

  
Executive Director

  
President

Regina, SK  
September 27, 2021



Chartered Professional  
Accountants LLP

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## INDEPENDENT AUDITOR'S REPORT

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**To the Members of Saskatchewan Choral Federation Inc.**

### **Opinion**

We have audited the financial statements of Saskatchewan Choral Federation Inc. (the Federation), which comprise the statement of financial position as at June 30, 2021, 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 Federation as at June 30, 2021, 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 Federation 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 Federation'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 Federation or to cease operations, or has no realistic alternative but to do so.

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

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*An asset to our clients, not an expense*

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### **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 Federation'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 Federation'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 Federation 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.

*MWC LLP*

Chartered Professional Accountants

Regina, Saskatchewan  
September 27, 2021

# SASKATCHEWAN CHORAL FEDERATION INC.

## Statement of Financial Position

June 30, 2021

	2021	2020
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 176,868	\$ 70,783
Accounts receivable	1,605	142
Goods and services tax recoverable	952	693
Prepaid expenses	1,792	811
	<u>181,217</u>	<u>72,429</u>
<b>CAPITAL ASSETS (Note 4)</b>	<u>3,736</u>	<u>6,358</u>
	<u>\$ 184,953</u>	<u>\$ 78,787</u>
 <b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT</b>		
Accounts payable	\$ 154	\$ 4,138
Vacation payable	6,754	6,572
Deferred revenue (Note 5)	99,577	2,321
	<u>106,485</u>	<u>13,031</u>
 <b>NET ASSETS</b>		
General fund	72,256	59,544
Restricted fund	6,212	6,212
	<u>78,468</u>	<u>65,756</u>
	<u>\$ 184,953</u>	<u>\$ 78,787</u>

**COMMITMENTS (Note 6)**

**CONTINGENT FUNDING LIABILITY (Note 7)**

**ON BEHALF OF THE BOARD**

  
\_\_\_\_\_  
Director

  
\_\_\_\_\_  
Director

See notes to financial statements

# SASKATCHEWAN CHORAL FEDERATION INC.

## Statement of Operations

Year Ended June 30, 2021

	2021	2020
<b>REVENUES</b>		
Saskatchewan Lotteries Trust Fund	\$ 195,000	\$ 206,000
Saskatchewan Lotteries Trust Fund - repayment (Note 7)	-	(11,159)
Donations	395	350
Membership fees	2,620	4,310
Other recoveries	223	202
Programs (Schedule 1)	9,272	25,655
	<u>207,510</u>	<u>225,358</u>
<b>EXPENSES</b>		
Programs (Schedule 1)	58,201	74,336
Administration (Schedule 2)	136,597	134,995
DreamBroker (Schedule 3)	-	409
	<u>194,798</u>	<u>209,740</u>
<b>EXCESS OF REVENUES (EXPENSES)</b>	<b>\$ 12,712</b>	<b>\$ 15,618</b>

## Statement of Changes in Net Assets

Year Ended June 30, 2021

	General Fund	Restricted Fund	2021	2020
<b>NET ASSETS - BEGINNING OF YEAR</b>	\$ 59,544	\$ 6,212	\$ 65,756	\$ 50,138
<b>EXCESS OF REVENUES (EXPENSES)</b>	12,712	-	12,712	15,618
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 72,256</u>	<u>\$ 6,212</u>	<u>\$ 78,468</u>	<u>\$ 65,756</u>

See notes to financial statements

# SASKATCHEWAN CHORAL FEDERATION INC.

## Statement of Cash Flows

Year Ended June 30, 2021

	2021	2020
<b>OPERATING ACTIVITIES</b>		
Excess of revenues (expenses)	\$ 12,712	\$ 15,618
Item not affecting cash:		
Amortization of capital assets	2,622	2,622
	<u>15,334</u>	<u>18,240</u>
Changes in non-cash working capital:		
Accounts receivable	(1,463)	357
Accounts payable	(3,984)	2,222
Deferred revenue	97,256	856
Prepaid expenses	(981)	425
Goods and services tax recoverable	(259)	58
Vacation payable	182	3,627
	<u>90,751</u>	<u>7,545</u>
Cash flow from operating activities	<u>106,085</u>	<u>25,785</u>
<b>INVESTING ACTIVITY</b>		
Additions to capital assets	-	(2,565)
<b>INCREASE IN CASH FLOW</b>	<b>106,085</b>	<b>23,220</b>
<b>CASH - BEGINNING OF YEAR</b>	<b>70,783</b>	<b>47,563</b>
<b>CASH - END OF YEAR</b>	<b>\$ 176,868</b>	<b>\$ 70,783</b>

See notes to financial statements

# SASKATCHEWAN CHORAL FEDERATION INC.

## Notes to Financial Statements

Year Ended June 30, 2021

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### 1. NATURE OF OPERATIONS

The Saskatchewan Choral Federation promotes and assists in the elevation and enhancement of the state of choral music in the Province of Saskatchewan. The Federation is a registered charity and is exempt from income taxes.

### 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).

#### Fund accounting

Saskatchewan Choral Federation Inc. follows the deferral method of accounting for contributions and uses fund accounting.

- a) General Fund: The general fund reports the revenues and expenses related to program delivery and administrative activities of the Federation.
- b) Restricted Fund: The restricted fund is internally restricted and reflects the operations of a summer music camp program (DreamBroker) for marginalized youth which was administered by the Saskatchewan Choral Federation on behalf of the four program partners (the Saskatchewan Band Association, the Saskatchewan Choral Federation, the Saskatchewan Music Educators Association and the Saskatchewan Orchestral Association).

The DreamBroker program was to be administered by one of the other partners in 2021 but the program did not proceed due to the pandemic. The program is scheduled to resume for the 2022 fiscal year and the remaining funds will be paid to the designated program partner once the program commences.

#### Revenue recognition

Contributions include grants, sponsorships and donations. Unrestricted contributions are recognized as revenue when received or receivable if the amount can be reasonably estimated and collection is reasonably assured. Restricted contributions are recognized as revenue in the year the related expenses are incurred which includes contributed assets, where the revenue is recognized over the same period the asset is amortized.

Membership revenue is recorded in the year of membership. All other revenues, including sales, fundraising, registrations, fees and rental are recorded when the event or service is provided.

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# SASKATCHEWAN CHORAL FEDERATION INC.

## Notes to Financial Statements

Year Ended June 30, 2021

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

#### Financial instruments policy

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.

Financial assets including cash and accounts receivable are reported at amortized cost.

Financial liabilities including accounts payable and accrued liabilities are measured at amortized cost.

#### Capital assets

Capital assets are stated at cost less accumulated amortization and are amortized over their estimated useful lives at the following rates and methods:

Computer equipment	3 years	straight-line method
Furniture and fixtures	10 years	straight-line method
Leasehold improvements	3 years	straight-line method

A full year of amortization is taken in the year of addition.

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

### 3. ECONOMIC DEPENDENCE

The Federation's primary funding is from Saskatchewan Lotteries Trust Fund for Sport, Culture and Recreation (Sask Lotteries Trust Fund) and the continual operations of the Federation is dependent on the ongoing grants from Sask Lotteries Trust Fund.

### 4. CAPITAL ASSETS

	Cost	Accumulated amortization	2021 Net book value	2020 Net book value
Computer equipment	\$ 4,821	\$ 3,966	\$ 855	\$ 2,462
Furniture and fixtures	10,152	7,271	2,881	3,896
Leasehold improvements	44,994	44,994	-	-
	<u>\$ 59,967</u>	<u>\$ 56,231</u>	<u>\$ 3,736</u>	<u>\$ 6,358</u>

# SASKATCHEWAN CHORAL FEDERATION INC.

## Notes to Financial Statements

Year Ended June 30, 2021

### 5. DEFERRED REVENUE

	<u>2021</u>	<u>2020</u>
Saskatchewan Lotteries Trust Fund - annual funding	\$ 97,500	\$ -
National Youth Choir fund donations	1,100	1,100
Unamortized portion of contributed assets	977	1,221
	<u>\$ 99,577</u>	<u>\$ 2,321</u>

### 6. COMMITMENTS

The Federation has commitments related to the rental of premises that expires on May 1, 2023. Under the lease, the Federation is required to pay a base rent of \$4,100 per month and the landlord pays utilities and property taxes. When the lease renewal expires, only the landlord can extend the term of the lease.

2022	\$ 49,200
2023	41,000

### 7. CONTINGENT FUNDING LIABILITY

The Federation receives grant funding which is subject to review by the funding agent subsequent to the year end, and based on the funding agent's review the Federation may be required to repay granted amounts. Any required repayment is recorded in the year it is made known to the Federation and no provision is recorded in the financial statements as an estimate of possible repayment cannot be reasonably determined.

### 8. COST ALLOCATIONS

The cost of rental of premises has been allocated based on management's estimated usage of the facilities as follows:

	<u>2021</u>	<u>2020</u>
Programs	\$ 21,086	\$ 21,086
Library	21,086	21,086
Administration	7,028	7,028
	<u>\$ 49,200</u>	<u>\$ 49,200</u>

### 9. FINANCIAL INSTRUMENTS

The Federation is exposed to various risks through its financial instruments and management is responsible to monitor, evaluate and manage these risks. The following analysis provides information about the Federation's risk exposure and concentration as of June 30, 2021.

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# SASKATCHEWAN CHORAL FEDERATION INC.

## Notes to Financial Statements

Year Ended June 30, 2021

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### 9. FINANCIAL INSTRUMENTS *(continued)*

#### Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. Due to the limited nature of trade activity of the Federation, the exposure to credit risk is considered to minimal.

#### Liquidity risk

Liquidity risk is the risk that an entity will not be able to meet a demand for cash or fund its obligations as they come due. Liquidity risk also includes the risk of the Federation not being able to liquidate assets in a timely manner at a reasonable price. The Federation is exposed to this risk mainly in respect of funds received in advance of providing the service.

### 10. UNCERTAINTY OF IMPACT OF COVID-19

In early 2020, the federal and provincial governments in Canada implemented measures intended to reduce the impact of the Covid-19 pandemic. These regulations have an ongoing impact on the operations of organizations and individuals.

In response to the imposed regulations, the Federation cancelled regular programming and the summer music camp. As a consequence they did not receive related funding which was offset by a reduction in programming costs. The Federation did not apply for any of the pandemic subsidy programs provided by the government during the year. However, to offset the loss in revenues, they did offer programs and workshops virtually.

As of the audit report date, no significant financial loss has occurred, however, the ongoing impact of the continued government measures on the Federation subsequent to yearend is uncertain.

# SASKATCHEWAN CHORAL FEDERATION INC.

## Programs

(Schedule 1)

Year Ended June 30, 2021

	2021	2020
<b>REVENUES</b>		
Camp - sponsorships	\$ -	\$ 2,500
ChorFest - registrations	543	3,200
Library service fees	18	1,306
Rental fees	6,710	6,213
Sask Youth Choir - donation and concert sales	-	1,250
Sask Youth Choir - registration	286	10,346
Summer student grant	1,580	-
Workshops	135	840
	<u>9,272</u>	<u>25,655</u>
<b>EXPENSES</b>		
Library	21,911	22,421
Rental	21,086	21,086
Saskatchewan Youth Choir	7,446	11,574
ChorFest	2,355	7,495
Summer student - salaries and benefits	2,109	-
Miscellaneous	1,400	1,000
Recognition program	1,146	808
Saskatchewan Music Conference - staffing	300	-
Workshops	200	1,100
Pop Up Choir	173	-
Camps	75	5,342
Mentorship and consultation	-	112
Choral Canada	-	598
Grants	-	2,800
	<u>58,201</u>	<u>74,336</u>
<b>EXCESS OF REVENUES (EXPENSES) FROM PROGRAMS</b>	<u>\$ (48,929)</u>	<u>\$ (48,681)</u>

See notes to financial statements

# SASKATCHEWAN CHORAL FEDERATION INC.

## Administration

(Schedule 2)

Year Ended June 30, 2021

	2021	2020
<b>EXPENSES</b>		
Salaries and benefits	\$ 95,929	\$ 103,412
Rental	11,441	8,053
Professional fees	10,382	7,985
Travel and meetings	3,466	2,544
Advertising and promotion	3,205	692
Service contracts	3,103	2,780
Amortization	2,622	2,622
Supplies	2,583	1,283
Office	1,621	1,774
Telephone	1,274	1,722
Memberships	496	377
Interest and bank charges	396	493
Bad debts	79	1,258
	<u>\$ 136,597</u>	<u>\$ 134,995</u>

## DreamBroker

(Schedule 3)

Year Ended June 30, 2021

	2021	2020
<b>EXPENSES</b>		
Contract staff - North Battleford	\$ -	\$ 409

See notes to financial statements