

SASKATCHEWAN CHORAL FEDERATION INC.

Financial Statements

Year Ended June 30, 2022

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

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.

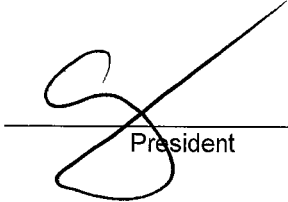
The integrity and reliability of Saskatchewan Choral Federation Inc.'s reporting systems are achieved through the use of formal policies and procedures, the careful selection of employees and an appropriate division of responsibilities. These systems are designed to provide reasonable assurance that 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 26, 2022



Chartered Professional
Accountants LLP

INDEPENDENT AUDITOR'S REPORT

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, 2022, 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, 2022, 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

102 – 4701 Parliament Ave, Regina, SK S4W 0T9 ☎306-352-8621 📠306-565-8476 🌐mwc-cpa.ca

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 26, 2022

SASKATCHEWAN CHORAL FEDERATION INC.

Statement of Financial Position


June 30, 2022

	2022	2021
ASSETS		
CURRENT		
Cash	\$ 86,769	\$ 176,868
Accounts receivable	1,913	1,605
Goods and services tax recoverable	694	952
Prepaid expenses	1,467	1,792
	<u>90,843</u>	<u>181,217</u>
CAPITAL ASSETS (Note 4)	<u>1,951</u>	<u>3,736</u>
	<u>\$ 92,794</u>	<u>\$ 184,953</u>
 LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable	\$ -	\$ 154
Vacation payable	3,561	6,754
Deferred revenue (Note 5)	1,183	99,577
	<u>4,744</u>	<u>106,485</u>
 NET ASSETS		
General fund	81,838	72,256
Restricted fund	6,212	6,212
	<u>88,050</u>	<u>78,468</u>
	<u>\$ 92,794</u>	<u>\$ 184,953</u>


COMMITMENTS (Note 6)

CONTINGENT FUNDING LIABILITY (Note 7)

ON BEHALF OF THE BOARD



Director



Director

See accompanying notes to financial statements

SASKATCHEWAN CHORAL FEDERATION INC.

Statement of Operations Year Ended June 30, 2022

	2022	2021
REVENUES		
Sask Lotteries Trust Fund for Sport Culture and Recreation (<i>Note 7</i>)	\$ 193,218	\$ 195,000
Programs (<i>Schedule 1</i>)	13,614	9,272
Membership fees	3,290	2,621
Donations	994	394
Other recoveries	214	223
	<u>211,330</u>	<u>207,510</u>
EXPENSES		
Programs (<i>Schedule 1</i>)	56,882	58,201
Administration (<i>Schedule 2</i>)	144,866	136,597
	<u>201,748</u>	<u>194,798</u>
EXCESS OF REVENUES (EXPENSES)	<u>\$ 9,582</u>	<u>\$ 12,712</u>

Statement of Changes in Net Assets Year Ended June 30, 2022

	General Fund	Restricted Fund	2022	2021
NET ASSETS - BEGINNING OF YEAR	\$ 72,256	\$ 6,212	\$ 78,468	\$ 65,756
EXCESS OF REVENUES (EXPENSES)	<u>9,582</u>	<u>-</u>	<u>9,582</u>	<u>12,712</u>
NET ASSETS - END OF YEAR	<u>\$ 81,838</u>	<u>\$ 6,212</u>	<u>\$ 88,050</u>	<u>\$ 78,468</u>

See accompanying notes to financial statements

SASKATCHEWAN CHORAL FEDERATION INC.

Statement of Cash Flows Year Ended June 30, 2022

	2022	2021
OPERATING ACTIVITIES		
Excess of revenues (expenses)	\$ 9,582	\$ 12,712
Item not affecting cash:		
Amortization of capital assets	1,784	2,622
	<u>11,366</u>	<u>15,334</u>
Changes in non-cash working capital:		
Accounts receivable	(308)	(1,463)
Accounts payable	(154)	(3,984)
Deferred revenue	(98,394)	97,256
Prepaid expenses	325	(981)
Goods and services tax payable	258	(259)
Vacation payable	(3,192)	182
	<u>(101,465)</u>	<u>90,751</u>
INCREASE (DECREASE) IN CASH FLOW	(90,099)	106,085
CASH - BEGINNING OF YEAR	176,868	70,783
CASH - END OF YEAR	\$ 86,769	\$ 176,868

See accompanying notes to financial statements

SASKATCHEWAN CHORAL FEDERATION INC.

Notes to Financial Statements

Year Ended June 30, 2022

1. NATURE OF OPERATIONS

The Saskatchewan Choral Federation (the "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 the Federation on behalf of the four program partners. The program has been delayed due to the Covid-19 pandemic. Once the program is able to commence the funds will be transferred to the new program administrator, being one of the other program partners.

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.

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.

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SASKATCHEWAN CHORAL FEDERATION INC.

Notes to Financial Statements

Year Ended June 30, 2022

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

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

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 Sask Lotteries Trust Fund for Sport Culture and Recreation and the continual operations of the Federation is dependent on the ongoing grants from Sask Lotteries Trust Fund for Sport Culture and Recreation.

4. CAPITAL ASSETS

	Cost	Accumulated amortization	2022 Net book value	2021 Net book value
Computer equipment	\$ 2,565	\$ 2,565	\$ -	\$ 855
Furniture and fixtures	9,289	7,338	1,951	2,881
	<u>\$ 11,854</u>	<u>\$ 9,903</u>	<u>\$ 1,951</u>	<u>\$ 3,736</u>

5. DEFERRED REVENUE

	2022	2021
Sask Lotteries Trust Fund for Sport Culture and Recreation - annual funding	\$ -	\$ 97,500
Donations for Saskatchewan Youth Choir - SYC	450	-
National Youth Choir fund donations	-	1,100
Unamortized portion of contributed assets	733	977
	<u>\$ 1,183</u>	<u>\$ 99,577</u>

SASKATCHEWAN CHORAL FEDERATION INC.

Notes to Financial Statements

Year Ended June 30, 2022

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.

2023	\$ 41,000
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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.

During the year the Federation repaid \$1,782 of funding for the 2020/2021 fiscal year per Sask Lotteries Trust Fund for Sport Culture and Recreation's annual review.

8. COST ALLOCATIONS

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

	2022	2021
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 organization's risk exposure and concentration as of June 30, 2022.

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.

SASKATCHEWAN CHORAL FEDERATION INC.

Notes to Financial Statements

Year Ended June 30, 2022

10. UNCERTAINTY OF IMPACT OF COVID-19

The Federation has adapted its operations to minimize the financial impact of the Covid-19 pandemic where possible and as a result no significant financial loss has occurred. However, as the pandemic is not considered to be over, the future financial impact remains uncertain but no financial loss is anticipated as of the Audit Report date.

SASKATCHEWAN CHORAL FEDERATION INC.

Programs

(Schedule 1)

Year Ended June 30, 2022

	2022	2021
REVENUES		
Rental fees	\$ 7,270	\$ 6,710
Summer student grant	3,165	1,580
ChorFest - registrations	1,225	543
National Youth Choir	1,100	-
Library service fees	332	18
Workshops	262	135
Summer Music Camp - SMC Regina	260	-
	-	286
	<u>13,614</u>	<u>9,272</u>
EXPENSES		
Library	24,021	21,911
Rental	21,086	21,086
ChorFest	2,732	2,355
Camps	2,506	75
Grants	2,100	-
National Youth Choir	1,131	-
Recognition program	965	1,146
Saskatchewan Youth Choir	791	7,446
Miscellaneous projects	1,250	1,773
Saskatchewan Music Conference - staffing	300	300
Summer student - salaries and benefits	-	2,109
	<u>56,882</u>	<u>58,201</u>
EXCESS OF REVENUES (EXPENSES) FROM PROGRAMS	<u>\$ (43,268)</u>	<u>\$ (48,929)</u>

See accompanying notes to financial statements

SASKATCHEWAN CHORAL FEDERATION INC.

Administration

(Schedule 2)

Year Ended June 30, 2022

	2022	2021
EXPENSES		
Salaries and benefits	\$ 111,707	\$ 95,929
Rental	8,555	11,441
Professional fees	9,939	10,382
Travel and meetings	2,650	3,466
Advertising and promotion	1,157	3,205
Service contracts	2,688	3,103
Amortization	1,784	2,622
Supplies	2,366	2,583
Office	1,795	1,621
Telephone	1,282	1,274
Memberships	499	496
Interest and bank charges	444	396
Bad debts	-	79
	<u>\$ 144,866</u>	<u>\$ 136,597</u>

See accompanying notes to financial statements