
**ORCHESTRAS CANADA /
ORCHESTRES CANADA**

FINANCIAL STATEMENTS

MARCH 31, 2024

INDEPENDENT AUDITOR'S REPORT

To the Members of Orchestras Canada / Orchestres Canada,

Opinion

We have audited the financial statements of Orchestras Canada / Orchestres Canada (the organization), which comprise the statement of financial position as at March 31, 2024, 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 Orchestras Canada / Orchestres Canada as at March 31, 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 the organization 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 the organization'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 organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the organization'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.

INDEPENDENT AUDITOR'S REPORT (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 the organization'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 organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw your 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 organization 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.

Pemylegion Chung LLP

Chartered Professional Accountants
Licensed Public Accountants

August 14, 2024
Toronto, Ontario

ORCHESTRAS CANADA / ORCHESTRES CANADA

STATEMENT OF FINANCIAL POSITION


AS AT MARCH 31, 2024

	2024	2023
ASSETS		
Current assets		
Cash	\$ 162,721	\$ 266,283
Guaranteed investment certificates (notes 2 and 3)	148,261	105,764
Amounts receivable	4,272	11,145
HST rebate recoverable	5,133	999
Prepaid expenses	<u>513</u>	<u>10,110</u>
	<u>\$ 320,900</u>	<u>\$ 394,301</u>
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable and accrued liabilities	\$ 29,374	\$ 15,810
Canada Emergency Business Account (CEBA) loan	-	40,000
Deferred conference fees	<u>-</u>	<u>18,900</u>
	<u>29,374</u>	<u>74,710</u>
Net assets		
Designated (note 5)	198,582	198,582
Unrestricted	<u>92,944</u>	<u>121,009</u>
	<u>291,526</u>	<u>319,591</u>
	<u>\$ 320,900</u>	<u>\$ 394,301</u>

Approved on behalf of the Board:



Director



Director

see accompanying notes

ORCHESTRAS CANADA / ORCHESTRES CANADA

STATEMENT OF CHANGES IN NET ASSETS

FOR THE YEAR ENDED MARCH 31, 2024

			2024	2023
	Unrestricted	Designated (note 5)	Total	Total
Balance, beginning of year	\$ 121,009	\$ 198,582	\$ 319,591	\$ 360,209
Excess of expenses over revenue for the year	<u>(28,065)</u>	<u>-</u>	<u>(28,065)</u>	<u>(40,618)</u>
Balance, end of year	<u>\$ 92,944</u>	<u>\$ 198,582</u>	<u>\$ 291,526</u>	<u>\$ 319,591</u>

see accompanying notes

ORCHESTRAS CANADA / ORCHESTRES CANADA

STATEMENT OF OPERATIONS

FOR THE YEAR ENDED MARCH 31, 2024

	<u>2024</u>	<u>2023</u>
REVENUE		
Grants (note 6)	\$ 329,251	\$ 306,845
Member and associate fees (note 7)	93,521	88,043
Fundraising (note 8)	56,719	18,697
Conference and webinar registrations	54,829	5,814
Job board	22,021	20,480
Investment income (note 9)	<u>20,709</u>	<u>15,771</u>
	<u>577,050</u>	<u>455,650</u>
EXPENSES		
Personnel	305,163	305,511
Member services	124,443	40,121
Conference and webinars	80,462	41,365
Professional fees	33,974	31,236
Public affairs	21,514	18,443
Office and general	20,376	25,654
Board meetings	14,876	21,742
Communications	4,307	11,980
Occupancy costs	<u>-</u>	<u>216</u>
	<u>605,115</u>	<u>496,268</u>
EXCESS OF EXPENSES OVER REVENUE FOR THE YEAR	<u>\$ (28,065)</u>	<u>\$ (40,618)</u>

see accompanying notes

ORCHESTRAS CANADA / ORCHESTRES CANADA

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2024

	2024	2023
OPERATING ACTIVITIES		
Excess of expenses over revenue for the year	\$ (28,065)	\$ (40,618)
Net change in non-cash working capital items (see below)	<u>7,001</u>	<u>(20,474)</u>
Net cash used for operating activities	<u>(21,064)</u>	<u>(61,092)</u>
INVESTING ACTIVITIES		
Guaranteed investment certificates redeemed (purchased)	<u>(42,498)</u>	<u>216,065</u>
FINANCING ACTIVITIES		
Repayment of CEBA loan	<u>(40,000)</u>	<u>-</u>
NET INCREASE (DECREASE) IN CASH FOR THE YEAR	(103,562)	154,973
Cash, beginning of year	<u>266,283</u>	<u>111,310</u>
CASH, END OF YEAR	<u>\$ 162,721</u>	<u>\$ 266,283</u>

Net change in non-cash working capital items:

Decrease (increase) in current assets-		
Amounts receivable	\$ 6,873	\$ 6,555
HST rebate recoverable	(4,135)	3,597
Prepaid expenses	9,596	311
Increase (decrease) in current liabilities-		
Accounts payable and accrued liabilities	13,567	(13,258)
Deferred contributions	-	(36,579)
Deferred conference fees	<u>(18,900)</u>	<u>18,900</u>
	<u>\$ 7,001</u>	<u>\$ (20,474)</u>

see accompanying notes

ORCHESTRAS CANADA / ORCHESTRES CANADA

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2024

Orchestras Canada / Orchestres Canada (the organization) is continued under the Canada not-for-profit Corporations Act. The organization is exempt from income tax in Canada as a registered charitable organization under the Income Tax Act (Canada).

The organization provides an infrastructure of information, communication, education and support to the Canadian orchestral community. Its membership includes professional, community and youth orchestras, chamber ensembles, musicians and conductors, as well as many organizations and individuals who believe in promoting orchestral music as a unique part of Canadian heritage.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Management is responsible for the preparation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations. Outlined below are those policies considered particularly significant:

Revenue recognition

The principal sources of revenue and recognition of these revenues for financial statement purposes are as follows:

Contributions

The organization follows the deferral method of revenue recognition for contributions.

Externally restricted contributions, including grants, sponsorships and restricted donations, related to current expenses are recognized as revenue in the current year. Externally restricted contributions received in the year for expenses to be incurred in the following year are recorded as deferred contributions. Externally restricted contributions related to the purchase of capital assets are recorded as revenue in the same period, and on the same basis, as the related capital assets are amortized.

Contributed materials and services

Contributed materials and services which are normally purchased by the organization are not recorded in the accounts.

Member and associate fees

Member and associate fees are recognized as revenue in the year to which they apply.

Fees for service

Fee for service revenue including conference registration fees, workshops fees and job board, is recognized when services are delivered.

Fundraising

Fundraising revenue is recognized when the activity takes place.

Investment income

Investment income is recognized as revenue when earned except for investment income earned on Ontario Arts Foundation funds, which are recognized when received.

2. GUARANTEED INVESTMENT CERTIFICATES

Guaranteed investment certificates are issued by chartered Canadian banks, bear interest ranging from 5.00% to 5.40% and mature between December 2024 and April 2025.

ORCHESTRAS CANADA / ORCHESTRES CANADA

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2024

3. BANK LINE OF CREDIT

The organization has a business line of credit of \$45,000 which bears interest at the bank's prime + ¼%. The business line of credit is secured by the organization's guaranteed investment certificates. As at March 31, 2024, none of the line of credit had been drawn down (none drawn down as at March 31, 2023).

4. FINANCIAL INSTRUMENTS

The organization's financial instruments include cash, guaranteed investment certificates, amounts receivable, accounts payable and accrued liabilities. Guaranteed investment certificates are recorded at cost plus accrued interest income, which approximates fair value. Amounts receivable, accounts payable and accrued liabilities are initially recorded at fair value and are subsequently recorded net of any provisions for impairment in value.

5. DESIGNATED NET ASSETS

The Board of Directors of the organization has designated net assets of \$198,582 as at March 31, 2024 for future strategic initiatives and to provide for unexpected financial contingencies (\$198,582 designated as at March 31, 2023). Use of these funds requires prior approval by the Board of Directors.

6. GRANT REVENUE

Grant revenue recognized in the year was as follows:

	2024	2023
Canada Council for the Arts		
Operating	\$ 161,000	\$ 161,000
Projects	88,620	36,579
Ontario Arts Council		
Operating	70,455	70,455
Government of Canada		
Cultural Human Resources Council	5,000	3,637
Employment and Social Development Canada	4,176	8,400
Province of Ontario		
Ministry for Seniors and Accessibility	-	23,085
Ministry of Tourism, Culture and Sport	-	3,689
	<u>\$ 329,251</u>	<u>\$ 306,845</u>

7. MEMBER AND ASSOCIATE FEES

Member and associate fees earned in the year were as follows:

	2024	2023
Orchestras	\$ 91,221	\$ 85,743
Associate orchestras and organizations	<u>2,300</u>	<u>2,300</u>
	<u>\$ 93,521</u>	<u>\$ 88,043</u>

ORCHESTRAS CANADA / ORCHESTRES CANADA

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2024

8. FUNDRAISING

Fundraising revenue is from the following sources:

	2024	2023
Foundations	\$ 31,750	\$ -
Individuals	20,144	18,697
Corporations	<u>4,825</u>	<u>-</u>
	<u>\$ 56,719</u>	<u>\$ 18,697</u>

9. ENDOWMENTS WITH THE ONTARIO ARTS FOUNDATION

Orchestras Canada is the income beneficiary of permanent endowment funds with the Ontario Arts Foundation through the Ontario Arts Endowment Fund. Under the terms of Orchestras Canada's agreement with the Ontario Arts Foundation, the capital is not available to Orchestras Canada.

The Orchestras Canada Arts Endowment Fund will be held in perpetuity for Orchestras Canada. The market value of the Orchestras Canada Arts Endowment Fund as at March 31, 2024 was \$202,282 (\$181,368 as at March 31, 2023). These funds held in trust are not reflected in these financial statements.

During the year, Orchestras Canada received investment income of \$9,538 from the Orchestras Canada Arts Endowment Fund (\$9,221 in 2023).