ORCHESTRAS CANADA / ORCHESTRES CANADA

FINANCIAL STATEMENTS

MARCH 31, 2026

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, 2026, 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, 2026 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.

Pennylegion Chung LLP

Chartered Professional Accountants
Licensed Public Accountants

August 13, 2026
Toronto, Ontario

ORCHESTRAS CANADA / ORCHESTRES CANADA

STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2026

	2026	2025
ASSETS		
Current assets		
Cash	$ 290,430	$ 288,799
Guaranteed investment certificates (notes 2 and 3)	52,091	50,436
Amounts receivable	22,298	63,231
HST rebate recoverable	4,162	1,985
Prepaid expenses	1,856	782
	$ 370,837	$ 405,233
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable and accrued liabilities	$ 31,561	$ 43,879
Deferred contributions (note 5)	7,500	30,019
	39,061	73,898
Net assets		
Designated (note 6)	198,582	198,582
Unrestricted	133,194	132,753
	331,776	331,335
	$ 370,837	$ 405,233

Approved on behalf of the Board:

T.P.C. ______________________, Director

Peter ______________________, Director

see accompanying notes

ORCHESTRAS CANADA / ORCHESTRES CANADA

STATEMENT OF CHANGES IN NET ASSETS

FOR THE YEAR ENDED MARCH 31, 2026

			2026	2025
	Unrestricted	Designated (note 6)	Total	Total
Balance, beginning of year	$ 132,753	$ 198,582	$ 331,335	$ 291,526
Excess of revenue over expenses for the year	441	-	441	39,809
Balance, end of year	$ 133,194	$ 198,582	$ 331,776	$ 331,335

see accompanying notes

ORCHESTRAS CANADA / ORCHESTRES CANADA

STATEMENT OF OPERATIONS

FOR THE YEAR ENDED MARCH 31, 2026

	2026	2025
REVENUE		
Grants (note 7)	$ 249,783	$ 304,396
Member and associate fees (note 8)	105,819	101,865
Fundraising (note 9)	67,174	78,289
Conference and webinar registrations	48,138	4,416
Member special assessment	23,000	-
Job board	19,019	19,108
Investment income (note 10)	18,069	22,986
	531,002	531,060
EXPENSES		
Personnel	262,643	268,619
Member services	87,811	123,158
Conference and webinars	76,485	16,134
Professional fees	53,333	36,894
Public affairs	22,822	21,037
Office and general	19,311	19,816
Board meetings	7,288	3,642
Communications	868	1,951
	530,561	491,251
EXCESS OF REVENUE OVER EXPENSES FOR THE YEAR	$ 441	$ 39,809

see accompanying notes

ORCHESTRAS CANADA / ORCHESTRES CANADA

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2026

	2026	2025
OPERATING ACTIVITIES		
Excess of revenue over expenses for the year	$ 441	$ 39,809
Net change in non-cash working capital items (see below)	2,845	(11,556)
Net cash generated from operating activities	3,286	28,253
INVESTING ACTIVITIES		
Guaranteed investment certificates redeemed (purchased)	(1,655)	97,825
NET INCREASE IN CASH FOR THE YEAR	1,631	126,078
Cash, beginning of year	288,799	162,721
CASH, END OF YEAR	$ 290,430	$ 288,799

Net change in non-cash working capital items:

	2026	2025
Decrease (increase) in current assets-		
Amounts receivable	$ 40,933	$ (58,959)
HST rebate recoverable	(2,177)	3,148
Prepaid expenses	(1,073)	(269)
Increase (decrease) in current liabilities-		
Accounts payable and accrued liabilities	(12,319)	14,505
Deferred contributions	(22,519)	30,019
	$ 2,845	$ (11,556)

see accompanying notes

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 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.

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 rate of 3.10% and mature in June 2026.

3. BANK LINE OF CREDIT

The organization has a business line of credit of $45,000 which bears interest at the bank's prime rate + ¼%. The business line of credit is secured by the organization's guaranteed investment certificates. As at March 31, 2026, none of the line of credit had been drawn down (none drawn down as at March 31, 2025).

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. DEFERRED CONTRIBUTIONS

The following amounts have been deferred at year end:

	2026	2025
Azrieli Foundation	$ 7,500	$ -
Canada Council for the Arts	-	22,519
Metcalf Foundation	-	7,500
	$ 7,500	$ 30,019

Continuity of deferred contributions for the year is as follows:

	2026	2025
Deferred contributions, beginning of year	$ 30,019	$ -
Add cash received from grants	227,264	334,415
Less grant revenue recognized (note 7)	(249,783)	(304,396)
Deferred contributions, end of year	$ 7,500	$ 30,019

6. DESIGNATED NET ASSETS

The Board of Directors of the organization has designated net assets of $198,582 as at March 31, 2026 for future strategic initiatives and to provide for unexpected financial contingencies ($198,582 designated as at March 31, 2025). Use of these funds requires prior approval by the Board of Directors.

7. GRANT REVENUE

Grant revenue recognized in the year was as follows:

	2026	2025
Canada Council for the Arts		
Operating	$ 161,000	$ 161,000
Projects	22,519	72,941
Ontario Arts Council		
Operating	63,410	70,455
Government of Canada		
Department of Canadian Heritage	2,854	-
	$ 249,783	$ 304,396

8. MEMBER AND ASSOCIATE FEES

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

	2026	2025
Orchestras	$ 102,902	$ 99,165
Associate orchestras and organizations	2,917	2,700
	$ 105,819	$ 101,865

9. FUNDRAISING

Fundraising revenue is from the following sources:

	2026	2025
Foundations	$ 42,500	$ 54,500
Individuals	21,924	23,689
Corporations	2,750	100
	$ 67,174	$ 78,289

10. ENDOWMENT 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, 2026 was $192,967 ($199,528 as at March 31, 2025). These funds held in trust are not reflected in these financial statements.

During the year, Orchestras Canada received investment income of $10,517 from the Orchestras Canada Arts Endowment Fund ($10,330 in 2025).