

**KANTOREI CHORAL SOCIETY**  
**Financial Statements**  
**Year Ended June 30, 2021**

**KANTOREI CHORAL SOCIETY**  
**Index to Financial Statements**  
**Year Ended June 30, 2021**

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**INDEPENDENT AUDITOR'S REPORT**

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To the Members of Kantorei Choral Society

*Qualified Opinion*

I have audited the financial statements of Kantorei Choral Society (the Society), 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 my opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of my report, the accompanying financial statements present fairly, in all material respects, the financial position of the Society 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 Qualified Opinion*

The society's prior years' financial statements were unaudited and it was impracticable for me to obtain satisfactory audit evidence regarding all amounts comprising the balance of net assets and related disclosures at the beginning of the comparative period. Consequently, I was unable to determine whether any adjustments to the balance of net assets at the beginning of the comparative period or additional related disclosure related to the prior period might have been necessary.

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 Society in accordance with 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 qualified audit opinion.

*Other Matter*

The financial statements for the year ended June 30, 2020 are unaudited.



### *Emphasis of Matter - Comparative Information*

Without modifying my opinion, I draw attention to Note 2 to the financial statements which describes that Kantorei Choral Society adopted ASNPO on July 1, 2020 with a transition date of July 1, 2019. These standards were applied retrospectively by management to the comparative information in these financial statements, including the statements of financial position as at June 30, 2020 and July 1, 2019, and the statements of operations, changes in net assets and cash flows for the year ended June 30, 2020 and related disclosures. I was not engaged to report on the restated comparative information, and as such, it is unaudited.

### *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 Society'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 Society or to cease operations, or has no realistic alternative but to do so.

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

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 Society'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 Society'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 Society 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.

(continues)

Independent Auditor's Report to the Members of Kantorei Choral Society (continued)

*R Purba Professional Corporation*

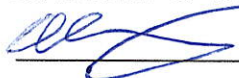
Chartered Professional Accountant

Calgary, Alberta  
November 26, 2021

**KANTOREI CHORAL SOCIETY**  
**Statement of Financial Position**  
**June 30, 2021**

	<i>June 30</i> <b>2021</b>	<i>June 30</i> <b>2020</b>	<i>July 1</i> <b>2019</b>
<b>ASSETS</b>			
<b>CURRENT</b>			
Cash (Note 5)	\$ 169,933	\$ 137,918	\$ 156,258
Accounts receivable	500	56,741	-
Goods and services tax recoverable	-	-	191
Prepaid expenses and deposits	-	-	210
	<b>170,433</b>	<b>194,659</b>	<b>156,659</b>
PROPERTY, PLANT AND EQUIPMENT (Note 6)	<b>24,802</b>	<b>22,535</b>	<b>9,637</b>
	<b>\$ 195,235</b>	<b>\$ 217,194</b>	<b>\$ 166,296</b>
<b>LIABILITIES</b>			
<b>CURRENT</b>			
Accounts payable	\$ 7,172	\$ 31,032	\$ -
Deferred revenue (Note 7)	43,305	66,925	90,720
	<b>50,477</b>	<b>97,957</b>	<b>90,720</b>
<b>NET ASSETS</b>	<b>144,758</b>	<b>119,237</b>	<b>75,576</b>
	<b>\$ 195,235</b>	<b>\$ 217,194</b>	<b>\$ 166,296</b>

**ON BEHALF OF THE BOARD**



Director

See notes to financial statements

**KANTOREI CHORAL SOCIETY****Statement of operations****Year Ended June 30, 2021**

	2021	2020
<b>REVENUES</b>		
Grants (Note 8)	\$ 42,795	\$ 27,020
Casino	17,620	23,795
Memberships	11,689	3,259
Donations	5,034	8,685
Concerts	-	6,925
	<u>77,138</u>	<u>69,684</u>
<b>EXPENSES</b>		
Recording and editing	12,705	-
Management and administrative fees	11,273	5,672
Performer fees	7,573	546
Rental	5,496	2,020
Professional fees	3,500	-
Amortization	3,228	2,679
Vocal coach and auditions	2,302	450
Insurance	1,292	1,543
Advertising and promotion	1,053	201
Bursaries	750	447
Travel	729	478
Music for concerts	702	440
Marketing, publicity and design	525	1,372
Choir	198	285
Interest and bank charges	110	7
Workshops	105	8,346
Office	87	467
Ticket & program fee	-	902
Donations	-	250
	<u>51,628</u>	<u>26,105</u>
<b>EXCESS OF REVENUES OVER EXPENSES FROM OPERATIONS</b>	<b>25,510</b>	<b>43,579</b>
<b>OTHER INCOME</b>	<b>11</b>	<b>129</b>
<b>EXCESS OF REVENUES OVER EXPENSES</b>	<b>\$ 25,521</b>	<b>\$ 43,708</b>

See notes to financial statements



**KANTOREI CHORAL SOCIETY**  
**Statement of Changes in Net Assets**  
**Year Ended June 30, 2021**

	2021	2020
<b>NET ASSETS - BEGINNING OF YEAR</b>	<b>\$ 119,237</b>	<b>\$ 75,529</b>
<b>EXCESS OF REVENUES OVER EXPENSES</b>	<b>25,521</b>	<b>43,708</b>
<b>NET ASSETS - END OF YEAR</b>	<b>\$ 144,758</b>	<b>\$ 119,237</b>

See notes to financial statements



**KANTOREI CHORAL SOCIETY****Statement of Cash Flows****Year Ended June 30, 2021**

	2021	2020
<b>OPERATING ACTIVITIES</b>		
excess of revenues over expenses	\$ 25,521	\$ 43,708
Item not affecting cash:		
Amortization of property, plant and equipment	3,228	2,679
	<u>28,749</u>	<u>46,387</u>
Changes in non-cash working capital:		
Accounts receivable	56,241	(56,741)
Accounts payable	(23,861)	31,032
Deferred revenue	(23,620)	(23,795)
Goods and services tax payable	-	145
Prepaid expenses and deposits	-	210
	<u>8,760</u>	<u>(49,149)</u>
Cash flow from (used by) operating activities	<u>37,509</u>	<u>(2,762)</u>
<b>INVESTING ACTIVITY</b>		
Purchase of property, plant and equipment	<u>(5,494)</u>	<u>(15,578)</u>
<b>INCREASE (DECREASE) IN CASH FLOWS</b>	<b>32,015</b>	<b>(18,340)</b>
Cash - beginning of year	<u>137,918</u>	<u>156,258</u>
<b>CASH - END OF YEAR (Note 5)</b>	<b>\$ 169,933</b>	<b>\$ 137,918</b>

See notes to financial statements

**KANTOREI CHORAL SOCIETY**  
**Notes to Financial Statements**  
**Year Ended June 30, 2021**

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**1. PURPOSE OF THE SOCIETY**

Kantorei Choral Society (the "society") is a not-for-profit organization dedicated to provide educational and performance opportunities to singers, aged 18 years and older, who are interested in strengthening their musical and vocal skills within a challenging choral context using recognized choral masterworks from all eras, newer works of the twentieth century, and the wealth of Canadian choral repertoire available to the mature adult voice. The objects of the society includes:

- To support the educational objectives of the society, including strengthening musical and vocal skills;
  - To support activities that raise both the profile of choral music, and the standard of choral performance – locally, nationally, and abroad;
  - To encourage the performance of Canadian choral repertoire, and support the commissioning of new Canadian Choral works;
  - To disseminate our Canadian culture through touring locally, provincially, nationally, and internationally, and to further enhance the choral experience by hosting performers from other parts of Alberta, Canada, and the world;
  - To encourage community/ corporate sponsorship of any/ all of the Society's programs and activities
- The society is registered as a charitable organization under the Income Tax Act and is exempt from income taxes.
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**2. FIRST TIME ADOPTION OF ACCOUNTING STANDARDS FOR NOT-FOR-PROFIT ORGANIZATIONS**

During the year the society adopted Canadian Accounting Standards for Not-for-profit Organizations (ASNFPPO). These financial statements are the first prepared in accordance with these standards. The adoption of ASNFPPO had no impact on net assets as at July 1, 2019 or operations or cash flows for the year ended June 30, 2020 as previously reported in accordance with pre-changeover Canadian generally accepted accounting principles.

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**3. BASIS OF PRESENTATION**

The financial statements were prepared in accordance with Canadian Accounting Standards for Not-for-profit Organizations (ASNFPPO).

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**4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Cash

The society's policy is to present bank balances and term deposits with a maturity period of three months or less from the date of acquisition under cash. The society currently holds no term deposits.

Prepaid expenses

Prepaid expenses represent expenses paid in advance where the society expects to use the benefits within a year. It is a future expenses that the society has paid for in advance. A prepaid expenses is only recognized in the statement of operations when the society consumes the services.

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# KANTOREI CHORAL SOCIETY

## Notes to Financial Statements

Year Ended June 30, 2021

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

#### Property, plant and equipment

Property, plant and equipment is stated at cost or deemed cost less accumulated amortization. Property, plant and equipment is amortized over its estimated useful life on a straight-line basis at the following rates and methods:

Folders	5 years	straight-line method
Uniforms	10 years	straight-line method
Music library	15 years	straight-line method

The society regularly reviews its property, plant and equipment to eliminate obsolete items. Government grants are treated as a reduction of property, plant and equipment cost.

Property, plant and equipment acquired during the year but not placed into use are not amortized until they are placed into use.

#### Revenue recognition

Kantorei Choral Society follows the deferral method of accounting for contributions.

Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Restricted investment income is recognized as revenue in the year in which the related expenses are incurred. Unrestricted investment income is recognized as revenue when earned.

Society membership fees are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Event revenues are recognized as revenue when the event is occurred, the amount is received or receivable if collection is reasonably assured.

Interest and other income are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

#### Contributed services

Directors and volunteers contribute their time to assist in the society's activities. These services materially benefit the society; however, a reasonable estimate of the time spent and its fair market value cannot be made and accordingly, these contributed services are not recognized in the financial statements.

#### Financial instruments

The society initially measures its financial assets and liabilities at fair value. It subsequently measures all of its financial assets and financial liabilities at amortized cost, except for investments in equity securities for which there are quoted prices in an active market which are carried at fair value, with unrealised gains or losses reported as part of net income. The society currently holds no financial instruments that are carried at fair value.

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**KANTOREI CHORAL SOCIETY**  
**Notes to Financial Statements**  
**Year Ended June 30, 2021**

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

Measurement uncertainty

The preparation of financial statements in conformity with Canadian Accounting Standards for Not-for-profit Organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates. Estimates made by management in preparing these financial statements related to accrual of expenses, useful life of capital assets and determination of timing of recognition of revenues from deferred contributions.

**5. CASH**

Cash includes \$43,305 (2020: \$22,319) of restricted cash subject to the requirements of the Alberta Gaming, Liquor and Cannabis.

**6. PROPERTY, PLANT AND EQUIPMENT**

	Cost	Accumulated amortization	2021 Net book value	2020 Net book value
Folders	\$ 2,880	\$ 2,880	\$ -	\$ -
Uniforms	20,482	3,547	16,935	13,489
Music library	28,228	20,361	7,867	9,046
	<u>\$ 51,590</u>	<u>\$ 26,788</u>	<u>\$ 24,802</u>	<u>\$ 22,535</u>

**7. DEFERRED CONTRIBUTIONS**

	Opening balance	Addition	Expenses	2021
AGLC	\$ 60,925	\$ -	\$ (17,620)	\$ 43,305
CADA	6,000	-	(6,000)	-
	<u>\$ 66,925</u>	<u>\$ -</u>	<u>\$ (23,620)</u>	<u>\$ 43,305</u>

**8. GRANTS**

The society's revenue from grants include amounts received from the following Funders:

	2021	2020
Alberta Foundation for the Arts	\$ 6,795	\$ 3,005
Calgary Arts Development	36,000	24,000
	<u>\$ 42,795</u>	<u>\$ 27,005</u>

## KANTOREI CHORAL SOCIETY

### Notes to Financial Statements

Year Ended June 30, 2021

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#### 9. COVID-19

The COVID-19 pandemic has developed rapidly in 2020. The resulting impact of the virus on the operations and measures taken by various governments to contain the virus has negatively affected the society's result in the reporting period. The currently known impacts of COVID-19 on the society are:

- AGLC Casino event was postponed and result in revenue loss in the range of \$45,000 to \$60,000.
  - All the concerts events got cancelled. The society had last full seasoned events in 2018-19 and had earned revenue of \$29,500.
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#### 10. FINANCIAL INSTRUMENTS

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

##### ***(a) Liquidity risk***

Liquidity risk is the risk that an organization will encounter difficulty in meeting obligations associated with financial liabilities. The society is exposed to this risk mainly in respect of accounts payable, accrued expenses and receipts of funds from its Funders.

Unless otherwise noted, it is management's opinion that the society is not exposed to significant other price risks arising from these financial instruments.

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#### 11. COMPARATIVE FIGURES

Some of the comparative figures have been reclassified to conform to the current year's presentation.

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