

**YOUTH SINGERS OF CALGARY SOCIETY**

**Financial Statements**

**Year Ended June 30, 2023**

**YOUTH SINGERS OF CALGARY SOCIETY**

**Index to Financial Statements**

**Year Ended June 30, 2023**

---

	Page
INDEPENDENT AUDITOR'S REPORT	1 - 2
FINANCIAL STATEMENTS	
Statement of Financial Position	3
Statement of Revenues and Expenses	4
Statement of Changes in Net Assets	5
Statement of Cash Flows	6
Notes to Financial Statements	7 - 14



---

## INDEPENDENT AUDITOR'S REPORT

---

To the Members of Youth Singers of Calgary Society

### *Qualified Opinion*

We have audited the financial statements of Youth Singers of Calgary Society (the "Society"), which comprise the statement of financial position as at June 30, 2023, and the statements of revenues and expenses, 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, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Society as at June 30, 2023, 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.

### *Basis for Qualified Opinion*

In common with many charitable organizations, the Society derives revenue from fundraising activities the completeness of which is not susceptible of satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Society. Therefore, we were not able to determine whether any adjustments might be necessary to fundraising revenue, deficiency of revenues over expenses, and cash flows from operations for the years ended June 30, 2023 and June 30, 2022. Our audit opinion on the financial statements for the year ended June 30, 2022 was modified accordingly because of the possible effects of this limitation of scope.

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 Society 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 qualified audit 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 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.

(continues)

Independent Auditor's Report to the Members of Youth Singers of Calgary Society (*continued*)

*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 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 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 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.

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.

Calgary, Alberta  
September 29, 2023

*Buchanan Barry LLP*  
CHARTERED PROFESSIONAL ACCOUNTANTS

**YOUTH SINGERS OF CALGARY SOCIETY**

**Statement of Financial Position**

**June 30, 2023**

	<b>2023</b>	<b>2022</b>
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 661,175	\$ 552,499
Accounts receivable	262,546	104,007
Goods and services tax recoverable	12,225	11,857
Prepaid expenses and deposits	<u>12,068</u>	<u>26,204</u>
	<b>948,014</b>	<b>694,567</b>
<b>TANGIBLE CAPITAL ASSETS (Note 3)</b>	<u><b>2,431,466</b></u>	<u><b>2,487,422</b></u>
	<u><b>\$ 3,379,480</b></u>	<u><b>\$ 3,181,989</b></u>
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities	\$ 89,382	\$ 43,093
Deferred revenue	388,373	184,701
Employee deductions payable	10,073	9,919
Deferred contributions (Note 4)	116,588	92,094
Mortgages payable (Note 5)	1,200,000	1,200,000
Current portion of long-term debt (Note 6)	<u>40,000</u>	<u>-</u>
	<b>1,844,416</b>	<b>1,529,807</b>
<b>LONG-TERM DEBT (Note 6)</b>	<b>-</b>	<b>40,000</b>
<b>DEFERRED CONTRIBUTIONS FOR TANGIBLE CAPITAL ASSETS (Note 7)</b>	<u><b>962,036</b></u>	<u><b>1,022,163</b></u>
	<u><b>2,806,452</b></u>	<u><b>2,591,970</b></u>
<b>NET ASSETS</b>		
<b>UNRESTRICTED</b>	<b>224,989</b>	<b>221,089</b>
<b>INTERNALLY RESTRICTED</b>	<b>127,796</b>	<b>103,671</b>
<b>INVESTED IN TANGIBLE CAPITAL ASSETS</b>	<u><b>220,243</b></u>	<u><b>265,259</b></u>
	<u><b>573,028</b></u>	<u><b>590,019</b></u>
	<u><b>\$ 3,379,480</b></u>	<u><b>\$ 3,181,989</b></u>

**APPROVED ON BEHALF OF THE BOARD**

\_\_\_\_\_ Director

\_\_\_\_\_ Director

## YOUTH SINGERS OF CALGARY SOCIETY

### Statement of Revenues and Expenses

Year Ended June 30, 2023

	<b>2023</b>	<b>2022</b>
<b>REVENUE</b>		
Administration and expense recoveries	\$ 57,045	\$ 25,454
Building revenue	20,082	11,601
Donations and grants (Note 9)	206,110	368,949
Fundraising	177,739	159,618
Gaming	310,976	140,735
Government grants and subsidies (Note 8)	204,363	349,242
In-kind donations	18,814	16,666
Interest	12,816	1,467
Recognition of facility, equipment, and wardrobe levies	24,125	16,675
Registration fees	416,092	317,010
Ticket sales	139,534	76,587
Tour	165,560	126,700
	<b>1,753,256</b>	<b>1,610,704</b>
<b>EXPENSES</b>		
Administration	136,017	107,099
Building expenses	75,015	81,984
Contract staff (Note 10)	474,424	436,933
Fundraising	72,869	42,016
Gaming	51,414	37,787
In-kind donation expense	5,880	10,720
Insurance	22,653	19,280
Interest and bank charges	27,823	21,312
Interest on mortgages	51,000	41,438
Merchandise costs	29,538	13,134
Program costs	165,973	140,244
Salaries and wages (Note 10)	451,605	459,838
Special projects	-	29,950
Tour	163,473	128,957
	<b>1,727,684</b>	<b>1,570,692</b>
<b>EXCESS OF REVENUE OVER EXPENSES FROM OPERATIONS</b>	<b>25,572</b>	<b>40,012</b>
<b>OTHER INCOME (EXPENSES)</b>		
Recognition of deferred contributions for tangible capital assets	60,127	60,128
Gain on foreign exchange	2,453	3,114
Amortization of tangible capital assets	(105,143)	(105,143)
	<b>(42,563)</b>	<b>(41,901)</b>
<b>DEFICIENCY OF REVENUE OVER EXPENSES</b>	<b>\$ (16,991)</b>	<b>\$ (1,889)</b>

**YOUTH SINGERS OF CALGARY SOCIETY**  
**Statement of Changes in Net Assets**  
**Year Ended June 30, 2023**

	Unrestricted	Internally Restricted	Invested in Tangible Capital Assets	2023	2022
<b>NET ASSETS - BEGINNING OF YEAR</b>	\$ 221,089	\$ 103,671	\$ 265,259	<b>\$ 590,019</b>	\$ 591,908
Deficiency of revenue over expenses	28,025	-	(45,016)	<b>(16,991)</b>	(1,889)
Transfer of unrestricted funds to reserve <i>(Note 14)</i>	(24,125)	24,125	-	-	-
<b>NET ASSETS - END OF YEAR</b>	<b>\$ 224,989</b>	<b>\$ 127,796</b>	<b>\$ 220,243</b>	<b>\$ 573,028</b>	<b>\$ 590,019</b>

## YOUTH SINGERS OF CALGARY SOCIETY

### Statement of Cash Flows

Year Ended June 30, 2023

	2023	2022
<b>OPERATING ACTIVITIES</b>		
Deficiency of revenue over expenses	\$ (16,991)	\$ (1,889)
Items not affecting cash:		
Amortization of tangible capital assets	105,143	105,143
Amortized contributions	<u>(60,127)</u>	<u>(60,128)</u>
	<u>28,025</u>	<u>43,126</u>
Changes in non-cash working capital:		
Accounts receivable	(158,539)	(34,771)
Goods and services tax recoverable	(368)	(6,778)
Prepaid expenses and deposits	14,136	4,940
Accounts payable and accrued liabilities	46,289	(76,865)
Deferred revenue	203,672	110,036
Deferred contributions	24,494	(105,832)
Employee deductions payable	<u>154</u>	<u>1,084</u>
	<u>129,838</u>	<u>(108,186)</u>
	<u>157,863</u>	<u>(65,060)</u>
<b>INVESTING ACTIVITY</b>		
Purchase of tangible capital assets	<u>(49,187)</u>	<u>-</u>
<b>INCREASE (DECREASE) IN CASH</b>	<b>108,676</b>	<b>(65,060)</b>
<b>CASH - Beginning of year</b>	<u>552,499</u>	<u>617,559</u>
<b>CASH - End of year</b>	<b>\$ 661,175</b>	<b>\$ 552,499</b>



# YOUTH SINGERS OF CALGARY SOCIETY

## Notes to Financial Statements

Year Ended June 30, 2023

---

### 1. NATURE OF THE ORGANIZATION

The Youth Singers of Calgary (the "Society") was incorporated as a society under the Alberta Business Corporations Act of Alberta on October 19, 1983. The Society is a registered charity under section 149(1) of the Income Tax Act of Canada and is exempt from corporate income tax.

The purpose of the Society is to operate a comprehensive choral program for all ages.

---

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Society have been prepared in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO"). The financial statements have, in management's opinion, been properly prepared using careful judgment with reasonable limits of materiality and within the framework of the significant accounting policies summarized below:

#### **Cash and cash equivalents**

Cash and cash equivalents include balances with banks and short-term investments with maturities of three months or less. Cash subject to restrictions that prevent its use for current purposes is included in restricted cash.

#### **Goods and services tax**

Good and service tax is recoverable at 50% as a rebate. The unrecoverable portion is recorded as an expense with the rebate treated as receivable.

#### **Tangible capital assets**

Tangible capital assets are stated at cost less accumulated amortization. Contributed tangible capital assets are recorded at fair value at the date of contribution. Tangible capital assets are amortized over their estimated useful life using the following rates and methods:

Building	20 years	straight-line
Equipment and furniture	5 years	straight-line

The Society regularly reviews its tangible capital assets to eliminate obsolete items.

Tangible capital assets acquired during the year but not placed into use are not amortized until they are placed into use.

*(continues)*

---

## YOUTH SINGERS OF CALGARY SOCIETY

### Notes to Financial Statements

Year Ended June 30, 2023

---

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

##### **Revenue recognition**

The Society follows the deferral method of accounting for externally restricted contributions.

- Externally restricted contributions include donations, gaming revenues and government grants received for specified purposes. These are recognized as revenue at the time the allowable expenses are incurred.
- Externally restricted contributions related to tangible capital assets are recognized into revenue over the useful life of the related asset.
- Externally restricted contributions received for the purchase of tangible capital assets that will not be amortized are recorded as a direct increase to net assets.
- Unrestricted contributions include general donations, operating grants and fundraising. These are recognized as revenue when received or receivable, if the amount received can be reasonably estimated and collection is reasonably assured.
- Tour revenues and expenses are recognized when received or paid, as these funds are non-refundable. If the amount is received more than a year in advance, revenue is recorded in the year the tour takes place.
- Registration fees, ticket sales, building revenue and merchandise sales are recognized once the service has been performed, or the merchandise has been sold, if the amount receivable can be reasonably estimated and collection is reasonably assured.
- Interest income is recognized when it is received.

##### **Contributed materials and services**

Contributed services and donated goods are recognized in the financial statements as expense recoveries or in-kind donations when the fair value can be reasonably determined, when the goods are used in the normal course of the Society's operations and would otherwise have been purchased. A number of volunteers have made significant contributions of their time to the Society. The value of this contributed time is not reflected in the financial statements.

##### **Foreign currency translation**

Accounts in foreign currencies have been translated into Canadian dollars using the temporal method. Under this method, monetary assets and liabilities have been translated at the year end exchange rate. Non-monetary assets have been translated at the rate of exchange prevailing at the date of transaction. Revenues and expenses have been translated at the average rates of exchange during the year, except for amortization, which has been translated at the same rate as the related assets.

Foreign exchange gains and losses on monetary assets and liabilities are included in the determination of earnings.

*(continues)*

---

## YOUTH SINGERS OF CALGARY SOCIETY

### Notes to Financial Statements

Year Ended June 30, 2023

---

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

##### **Financial instruments**

###### *Measurement*

The Society initially measures its financial assets and liabilities at fair value, except for certain related party transactions which are measured at the carrying value or exchange amount. The Society subsequently measures all financial assets and financial liabilities at amortized cost, except equity instruments quoted in an active market, which are reported at fair value with any unrealized gains and losses reported in net income.

Financial assets subsequently measured at amortized cost include cash and accounts receivable.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities, mortgages payable and long-term debt.

###### *Impairment*

Financial assets subsequently measured at amortized cost are tested for impairment when there are indications that an impairment exists. The amount of write-down is recognized as an impairment loss in deficiency of revenue over expenses. A previously recognized impairment loss may be reversed to the extent of an improvement, provided it is not greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in deficiency of revenue over expenses in the period the reversal occurs.

###### *Transaction costs*

The Society recognizes transaction costs on financial instruments subsequently measured at fair value in the statement of revenues and expenses in the period incurred. Financial instruments subsequently measured at amortized cost are adjusted for financing fees and transaction costs which are directly attributable to the origination and acquisition of the financial instrument.

##### **Use of estimates**

The preparation of financial statements in accordance with ASNPO requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingencies at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Estimates and assumptions include the estimated useful life of tangible capital assets and deferred contributions related to tangible capital assets for amortization purposes, the fair value of contributed materials and services and the net recoverable amount of accounts receivable. By their nature, these estimates are subject to measurement uncertainty, and the effect on the financial statements of changes in such estimates in future periods could be significant.

---

## YOUTH SINGERS OF CALGARY SOCIETY

### Notes to Financial Statements

Year Ended June 30, 2023

#### 3. TANGIBLE CAPITAL ASSETS

	Cost	Accumulated amortization	<b>2023 Net book value</b>	2022 Net book value
Land	\$ 700,000	\$ -	\$ <b>700,000</b>	\$ 700,000
Building	2,102,850	420,570	<b>1,682,280</b>	1,787,422
Equipment and furniture	49,186	-	<b>49,186</b>	-
	<b>\$ 2,852,036</b>	<b>\$ 420,570</b>	<b>\$ 2,431,466</b>	<b>\$ 2,487,422</b>

During the year, the Society purchased equipment of \$49,186 (2022 - \$Nil). This equipment is not being used, therefore no amortization has been recorded on the equipment as of June 30, 2023.

#### 4. DEFERRED CONTRIBUTIONS

	2022	Funds received	Funds utilized	2023
Deferred gaming (a)	\$ 2,243	\$ 354,557	\$ (323,465)	\$ 33,335
Capital campaign (b)	9,429	3,180	(12,300)	309
Designated grants (c)	67,032	209,616	(195,832)	80,816
Bursary fund (d)	13,390	18,080	(29,342)	2,128
	<b>\$ 92,094</b>	<b>\$ 585,433</b>	<b>\$ (560,939)</b>	<b>\$ 116,588</b>

(a) Included in deferred gaming is bingo and gaming funds totaling \$33,335 (2022 - \$2,243). Gaming funds are externally restricted by the Alberta Gaming and Liquor Commission for stipulated spending purposes.

(b) During the year, the Society utilized \$12,300 (2022 - \$30,020) of the funds restricted for the purpose of assisting with administrative tasks to pay for a capital campaign with the purpose of raising additional funds to pay down the mortgages on the facility.

(c) Designated grants primarily include government grants restricted for various facility enhancements at year end.

(d) Bursary fund includes amounts restricted to support members who cannot make full tuition or volunteer requirements.

#### 5. MORTGAGES PAYABLE

The Society has two mortgages for a total mortgages payable balance of \$1,200,000 in aggregate (2022 - \$1,200,000), both bearing interest at 4.25% per annum and due on demand. The mortgages are subject to quarterly interest only payments of \$6,375 each and have no scheduled principal payments. Each mortgage is secured by a land mortgage creating a first financial charge on the lands in the principal sum of the loan executed by the borrowers, and fire and liability insurance with the first loss payable to the lender. The mortgages mature on December 5, 2023 at which point the full principal sum of \$1,200,000 is due.

Total carrying amount for the land and building for the year ended June 30, 2023 is \$2,382,280 (2022 - \$2,487,422).

## YOUTH SINGERS OF CALGARY SOCIETY

### Notes to Financial Statements

Year Ended June 30, 2023

#### 6. LONG-TERM DEBT

During 2020, the Society obtained the \$40,000 loan from the Government of Canada under the Canada Emergency Business Account (CEBA) bearing interest at 0% per annum. In 2021, an additional \$20,000 loan was obtained by the Society under the Government of Canada's expansion of the CEBA program. As the stated interest rate of the loan was below market rates, the fair value of the loan was estimated at the present value of all future cash payments discounted using the prevailing market rates of interest for a similar financial instrument with a similar credit rating.

If this loan is repaid prior to January 18, 2024 it will result in loan forgiveness of \$20,000. If the Society is unable to repay this loan prior to January 18, 2024 the loan will be converted into a 3-year term loan with a fixed interest rate of 5%. It is the Society's opinion that the loan will be repaid by the January 18, 2024 deadline, and therefore all fair value calculations have assumed the Society will qualify for the \$20,000 forgiveness. The total amount of loan forgiveness that was recognized in the statement of revenues and expenses in 2020 was \$10,000 and in 2021 was \$10,000.

#### 7. DEFERRED CONTRIBUTIONS FOR TANGIBLE CAPITAL ASSETS

Restricted contributions received for the purchase of tangible capital assets are deferred and recognized as revenue on the same basis the related tangible capital assets are amortized. Capital contributions allocated to land will not be amortized and are recorded as a direct increase to net assets.

	2023	2022
Balance from prior year	\$ 1,022,163	\$ 1,082,291
Capital contributions allocated to land	-	-
Recognized as revenue	(60,127)	(60,128)
	\$ 962,036	\$ 1,022,163

#### 8. GOVERNMENT GRANTS AND SUBSIDIES

	2023	2022
Government grants previously deferred	\$ 60,532	\$ 150,537
Alberta Foundation for the Arts	45,000	45,000
Alberta Jobs Now Program	2,000	7,500
Alberta Stabilizer 2.0 Grant	-	14,366
Calgary Arts and Developments (CADA)	93,800	68,800
Canada Summer Jobs	3,031	9,405
Canadian Emergency Wage Subsidy (Note 11)	-	23,467
Hardest-Hit Business Recovery Program (Note 11)	-	30,167
	\$ 204,363	\$ 349,242

## YOUTH SINGERS OF CALGARY SOCIETY

### Notes to Financial Statements

Year Ended June 30, 2023

#### 9. DONATIONS AND GRANTS

	2023	2022
Individual donations	\$ 73,394	\$ 164,739
Corporate donations	50,585	44,309
Foundation donations	82,131	159,901
	\$ 206,110	\$ 368,949

#### 10. CONTRACT AND PAYROLL STAFF ALLOCATION

	Program	Administrative	Facility	Total
<b>2023</b>				
Contract Staff	\$ 359,551	\$ -	\$ 114,873	\$ 474,424
Payroll Staff	248,574	203,031	-	451,605
	\$ 608,125	\$ 203,031	\$ 114,873	\$ 926,029
<b>2022</b>				
Contract Staff	\$ 305,146	\$ 106,760	\$ 25,027	\$ 436,933
Payroll Staff	238,776	221,062	-	459,838
	\$ 543,922	\$ 327,822	\$ 25,027	\$ 896,771

#### 11. GOVERNMENT ASSISTANCE

In response to the negative economic impact of COVID-19, the Government of Canada announced the Canada Emergency Wage Subsidy (“CEWS”) programs in April 2020 and the Hardest-Hit Business Recovery Program (HHBRP) in October 2021. The programs provide a wage subsidy on eligible remuneration subject to limits in aggregate and per employee. Eligibility is based on several criteria including proof of revenue decrease because of COVID-19. This subsidy is retroactive to March 15, 2020. The qualification and application for the CEWS and HHBRP is assessed over multiple four-week periods.

The Society has recognized \$Nil (2022 - \$23,467) of CEWS and \$Nil (2022 - \$30,167) of HHBRP for the year ended June 30, 2023.

#### 12. DUE TO RELATED PARTIES AND RELATED PARTY TRANSACTIONS

During the year, the Society paid \$87,125 (2022 - \$85,000) in consulting fees to the Chief Development Officer, and \$38,000 (2022 - \$38,000) for artistic contract services provided by a member of the Chief Development Officer's family. These transactions are recorded to contract staff and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

## YOUTH SINGERS OF CALGARY SOCIETY

### Notes to Financial Statements

Year Ended June 30, 2023

---

#### 13. NET INCOME FROM FUNDRAISING ACTIVITIES AND OTHER EVENTS

The fundraising activities summary below includes donation and grant revenue as well as ancillary revenues and expenses that appear separately on the statement of revenues and expenses.

	Revenue	Expense	Net
<b>2023</b>			
Hearts Out	\$ 178,739	\$ 57,798	\$ 120,941
Purdy's Chocolates	12,649	-	12,649
Fundraising buyouts	21,496	-	21,496
	<u>\$ 212,884</u>	<u>\$ 57,798</u>	<u>\$ 155,086</u>
<b>2022</b>			
Hearts Out	\$ 143,472	\$ 54,137	\$ 89,335
Purdy's Chocolates	15,797	-	15,797
Fundraising buyouts	18,990	-	18,990
Other	7,707	3,190	4,517
	<u>\$ 185,966</u>	<u>\$ 57,327</u>	<u>\$ 128,639</u>

---

#### 14. TRANSFER OF NET ASSETS

During the year the Society transferred \$24,125 (2022 - \$16,675) into internally restricted funds for use for facility, wardrobe, and equipment expenses.

---

#### 15. FUNDRAISING

As required under section 7(2) of the Charitable Fundraising Regulations of Alberta, the following amounts are disclosed:

Direct costs incurred for the purpose of soliciting contributions:

\$4,227 (2022 - \$5,199).

Amounts paid as remuneration to employees whose principal duties involve fundraising:

\$97,125 (2022 - \$98,706).

---

## YOUTH SINGERS OF CALGARY SOCIETY

### Notes to Financial Statements

Year Ended June 30, 2023

---

#### 16. 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, 2023.

##### **(a) Credit risk**

Credit risk arises from the possibility that third parties may default on their financial obligations. The Society is exposed to credit risk on cash and accounts receivable.

The Society's credit risk exposure on cash is minimized substantially by ensuring that cash is held with a credible financial institution.

The Society's accounts receivable are due from a diverse group of customers and as such are subject to normal credit risks.

##### **(b) Liquidity risk**

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Society is currently exposed to liquidity risk to the extent that its mortgages are due on demand. This risk is minimized by the fact that management is confident the funding would be able to be obtained elsewhere should the mortgagee demand repayment.

##### **(c) Market risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency rate risk, interest rate risk and other price risk.

- **Currency risk**

Currency risk is the risk that the value of financial instruments denominated in currencies other than the reporting currency of the Society will fluctuate due to changes in foreign exchange rates. The Society is exposed to currency exchange risk on \$6,958 (2022 - \$42,219) of cash and \$Nil (2022 - \$23,404) of prepaid expenses which are held in U.S. dollars.

- **Interest rate risk**

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. The Society is exposed to interest rate risk primarily through the mortgages payable which carry a fixed rate of interest of 4.25%.

- **Other price risk**

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Society is not exposed to significant other price risk.