

**RED DEER SYMPHONY ORCHESTRA ASSOCIATION**

**Financial Statements**

**Year Ended May 31, 2024**



---

## INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

---

To the Members of Red Deer Symphony Orchestra Association

We have reviewed the accompanying financial statements of Red Deer Symphony Orchestra Association (the Association) that comprise the statement of financial position as at May 31, 2024, and the statements of operations, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations (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.

### *Practitioner's Responsibility*

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

### *Conclusion*

Based on our review, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of Red Deer Symphony Orchestra Association as at May 31, 2024, and the results of its operations and its cash flows for the year then ended in accordance with ASNPO.

Red Deer, AB  
September 13, 2024

CHARTERED PROFESSIONAL ACCOUNTANTS

**RED DEER SYMPHONY ORCHESTRA ASSOCIATION**

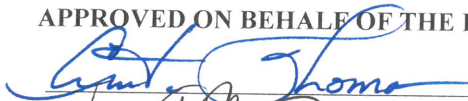
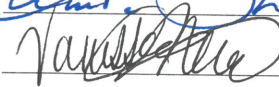
**Statement of Financial Position**

**May 31, 2024**

	2024	2023
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 105,965	\$ 193,695
Internally restricted cash (Note 2)	30,935	30,440
Restricted cash (Note 3)	7,190	3,989
Accounts receivable - unrestricted	7,252	24,564
Accounts receivable - restricted	-	79
	151,342	252,767
CAPITAL ASSETS (Note 4)	4,659	3,502
	\$ 156,001	\$ 256,269
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities (Note 6)	\$ 16,058	\$ 9,430
Deferred revenue (Note 7)	32,555	123,756
	48,613	133,186
<b>NET ASSETS</b>		
UNRESTRICTED	64,604	85,072
INVESTED IN CAPITAL ASSETS	4,659	3,501
RESTRICTED	7,190	4,070
INTERNALLY RESTRICTED	30,935	30,440
	107,388	123,083
	\$ 156,001	\$ 256,269

COMMITMENTS (Note 10)

**APPROVED ON BEHALF OF THE BOARD**


Member  

Member

**RED DEER SYMPHONY ORCHESTRA ASSOCIATION**

**Statement of Operations**

**Year Ended May 31, 2024**

	Budget	2024	2023
<b>UNRESTRICTED REVENUES</b> <i>(Schedule 1)</i>	\$ 436,538	\$ 526,058	\$ 395,799
<b>UNRESTRICTED COST OF PRODUCTIONS</b>			
Community programming	40,300	96,126	27,885
Musicians, soloists and benefits	95,123	80,099	80,932
Conductor salary	65,520	70,915	70,616
Advertising in kind	30,000	48,720	18,900
Facilities rent	27,874	18,737	24,561
Musicians travel	11,962	12,102	12,394
Advertising and marketing	13,600	5,103	4,488
Personnel manager	5,247	3,852	4,336
Sold services	-	2,576	-
Music and royalties	3,936	2,083	1,849
Fundraising	500	869	8,255
Online events	-	-	60,399
	294,062	341,182	314,615
<b>GROSS PROFIT</b>	142,476	184,876	81,184
<b>UNRESTRICTED ADMINISTRATIVE EXPENSES</b> <i>(Schedule 2)</i>	140,083	203,292	113,571
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES FROM OPERATIONS</b>	2,393	(18,416)	(32,387)
<b>RESTRICTED INCOME (EXPENSES)</b>			
Raffle and casino revenues	6,000	3,520	3,228
Restricted donations in kind	-	1,135	-
Interest income	-	495	297
Fundraising expenses	(6,600)	(1,535)	(2,333)
	(600)	3,615	1,192
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES</b>	\$ 1,793	\$ (14,801)	\$ (31,195)

**RED DEER SYMPHONY ORCHESTRA ASSOCIATION**

**Statement of Changes in Net Assets**

**Year Ended May 31, 2024**

	Unrestricted	Invested in Capital Assets	Restricted	Internally Restricted	2024	2023
<b>NET ASSETS AT BEGINNING OF YEAR</b>	\$ 85,072	\$ 3,501	\$ 4,070	\$ 30,440	\$ 123,083	\$ 154,764
Excess (deficiency) of revenue over expenses	(18,416)	-	3,120	495	(14,801)	(31,195)
Amortization	-	(894)	-	-	(894)	(486)
Purchase of capital assets	(2,052)	2,052	-	-	-	-
<b>NET ASSETS AT END OF YEAR</b>	\$ 64,604	\$ 4,659	\$ 7,190	\$ 30,935	\$ 107,388	\$ 123,083

**RED DEER SYMPHONY ORCHESTRA ASSOCIATION**

**Statement of Cash Flows**

**Year Ended May 31, 2024**

	2024	2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash receipts from government assistance and donors	\$ 385,691	\$ 448,149
Cash paid to suppliers and employees	(465,644)	(449,007)
Interest paid	(2,029)	(3,863)
	<b>(81,982)</b>	<b>(4,721)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITY</b>		
Purchase of capital assets	(2,052)	-
	<b>(2,052)</b>	-
<b>INCREASE (DECREASE) IN CASH</b>	<b>(84,034)</b>	<b>(4,721)</b>
CASH AT BEGINNING OF YEAR	<b>228,124</b>	232,845
<b>CASH AT END OF YEAR</b>	<b>\$ 144,090</b>	<b>\$ 228,124</b>
<b>CASH CONSISTS OF:</b>		
Cash	\$ 105,965	\$ 193,695
Internally restricted cash <i>(Note 2)</i>	30,935	30,440
Restricted cash <i>(Note 3)</i>	7,190	3,989
	<b>\$ 144,090</b>	<b>\$ 228,124</b>

Excluded from the statement of cash flows are \$71,694 (2023 - \$21,000) of donations in kind for advertising.

# RED DEER SYMPHONY ORCHESTRA ASSOCIATION

## Notes to Financial Statements

Year Ended May 31, 2024

---

### NATURE OF OPERATIONS

Red Deer Symphony Orchestra ("the association") is a not-for-profit entity incorporated as a registered charity under paragraph 149(1) of the Income Tax Act. In order to maintain its status as a registered not-for-profit entity under the Act, the Association must meet certain requirements within the Act.

The purpose of the Association is to provide Central Alberta with quality music that is nationally recognized. The Association sets out to foster an appreciation for, and the development of, symphonic music in Central Alberta. This is achieved through creative programming, education and outreach, responsible governance and management, and community partnerships.

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations.

#### Fund accounting and revenue recognition

The Association follows the restricted fund method of accounting for contributions. For financial reporting purposes the following funds are established:

Unrestricted: represents the unrestricted activities of the Association's operations.

Invested in capital assets: represents the Association's net contributions for capital assets.

Restricted: represents the casino and raffle activities of which the use of funds are subject to approval by the Alberta Gaming and Liquor Commission.

Internally Restricted: represents internally restricted funds which the use of funds are subject to approval by the Association's board of directors.

Externally restricted contributions related to general operations are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions and donations are recognized as revenue when received. Fundraising and program event revenue is recognized when the event has been performed. Other revenue is recorded as earned.

Government subsidies are recognized upon meeting eligibility criteria in the relevant subsidy period.

*(continues)*

# RED DEER SYMPHONY ORCHESTRA ASSOCIATION

## Notes to Financial Statements

Year Ended May 31, 2024

---

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

#### Measurement uncertainty

The preparation of financial statements in conformity with Canadian accounting standards for private enterprises 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.

Examples of significant estimates include:

- the estimated useful lives of assets and resulting amortization of property and equipment
- the recoverability of long-lived assets

#### Contributed services

Contributed materials and services are recognized in the financial statements when their fair value can be reasonably determined and they are used in the normal course of the Association's operations and would otherwise have been purchased.

The Association benefits from donated services in the form of volunteer time for various committees and fundraising events. Due to the difficulty of determining their fair value, these contributed services are not recognized in these financial statements.

#### Cash and cash equivalents

Cash and cash equivalents include cash on deposit, short-term deposits with a maturity of less than three months at acquisition and temporary bank overdrafts which form an integral part of the Association's cash management.

#### Capital assets

Capital assets are recorded at cost and are being amortized over their estimated useful lives. Capital grants are deferred and amortized to revenue at the same rate as the amortization of the capital asset acquired with the funds. Contributed capital assets are recorded at fair value at the date of acquisition. The annual amortization rates and methods are as follows:

Music library	20 years	straight-line
Computer equipment	5 years	straight-line

Half a year of amortization is recorded in the year of acquisition and none is recorded in the year of disposal.

The carrying amount of an item of property and equipment is tested for recoverability whenever events or changes in circumstances indicate the carrying amount may not be recoverable. An impairment loss is recognized when the asset's carrying amount is not recoverable and exceeds its fair value.

*(continues)*



**RED DEER SYMPHONY ORCHESTRA ASSOCIATION**

**Notes to Financial Statements**

**Year Ended May 31, 2024**

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

Financial instruments

The Association measures its financial instruments initially at fair value and subsequently measures them at amortized cost.

2. INTERNALLY RESTRICTED CASH

Internally restricted cash consists of a savings account restricted by the Association's board of directors, whereby use of these funds is only available for approved expenditures, as per the cash reserve policy.

3. RESTRICTED CASH

Restricted cash consists of savings account deposits restricted by the Alberta Gaming Liquor and Cannabis (AGLC), whereby use of these funds is only available for qualifying and approved expenditures.

4. CAPITAL ASSETS

	Cost	Accumulated amortization	2024 Net book value	2023 Net book value
Music library	\$ 9,711	\$ 6,694	\$ 3,017	\$ 3,502
Computer equipment	4,231	2,589	<b>1,642</b>	-
	\$ 13,942	\$ 9,283	\$ 4,659	\$ 3,502

5. OPERATING LOAN

The Association has available a maximum \$25,000 line of credit. The line of credit bears interest at the bank's prime rate (currently 7.20%) plus 2.2% and is secured by a general security agreement. At year end, no amounts were drawn against the line of credit.

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2024	2023
Trade payables and accruals	\$ 10,849	\$ 5,257
Government remittances payable	<b>5,209</b>	4,173
	\$ 16,058	\$ 9,430

## RED DEER SYMPHONY ORCHESTRA ASSOCIATION

### Notes to Financial Statements

Year Ended May 31, 2024

#### 7. DEFERRED REVENUE

	2024	2023
City of Red Deer	\$ 23,500	\$ 25,400
Seasonal tickets	7,155	23,375
Sponsorships	1,000	-
Music + Explorers School Fees	900	-
Alberta Federation of the Arts	-	52,398
Community Foundations of Canada	-	22,583
	\$ 32,555	\$ 123,756

#### 8. GRANTS

	2024	2023
Community Services Recovery Fund	\$ 69,000	\$ -
Alberta Foundations for the Arts	52,398	55,039
City of Red Deer	48,900	14,600
Canada Council for the Arts	23,500	59,894
Community Foundations of Canada	22,584	6,794
National Arts Centre	4,000	-
Government of Alberta	-	18,200
	\$ 220,382	\$ 154,527

#### 9. DESIGNATED FUNDS

The Red Deer Symphony Orchestra Association is the beneficiary of two Designated Funds owned and administered by the Red Deer & District Community Foundation. The funds were created in 1991 and the income is available to the Association during its existence. As at December 31, 2023, the Red Deer Symphony Orchestra Lapalme Legacy Fund market value was \$134,287 (2022 - \$128,188) the Canadian Arts Heritage Sustainability Program Fund market value was \$84,706 (2022 - \$80,858). As beneficiary of the funds, the Red Deer Symphony Orchestra Association receives annual disbursements of net income earned by each fund. Annual disbursements to December 31, 2023 are \$9,654 (2022 - \$9,992).

#### 10. COMMITMENTS

The Association has a letter of understanding in place with Red Deer Polytechnic for the Main Stage rental for its performances totalling \$2,200 per performance which covers rental and stage crew only.

The Association has an agreement with the Calgary Musician's Association. If a concert does not take place, the Association is liable for fifty percent of the musicians fees based on the set service rates.

**RED DEER SYMPHONY ORCHESTRA ASSOCIATION**  
**Notes to Financial Statements**  
**Year Ended May 31, 2024**

---

11. ECONOMIC DEPENDENCE

The Association is dependent on funding from government grants to maintain its operations. If funding was not received, its operations would be significantly reduced.

12. FINANCIAL INSTRUMENTS

The Association 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 Association's risk exposure and concentration as of May 31, 2024.

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. In seeking to minimize the risks from interest rate fluctuations, the Association manages exposure through its normal operating and financing activities. The Association is exposed to interest rate risk primarily through its floating interest rate operating loan and credit facilities.

13. COMPARATIVE FIGURES

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

14. BUDGET AMOUNTS

The 2024 budget amounts have not been audited or reviewed and are provided for information purposes only.

**RED DEER SYMPHONY ORCHESTRA ASSOCIATION**

**Schedule of Unrestricted Revenues**

*(Schedule 1)*

**Year Ended May 31, 2024**

	Budget	2024	2023
Grants <i>(Note 8)</i>	\$ 147,038	\$ 220,382	\$ 154,527
Membership and ticket sales	132,500	<b>142,580</b>	139,750
Donations in kind	30,000	<b>71,694</b>	21,000
Cash donations	37,500	<b>42,703</b>	33,726
Sponsorship	73,000	<b>30,003</b>	28,450
Designated funds and interest income	8,500	<b>9,654</b>	9,992
Season program advertising	8,000	<b>6,490</b>	6,482
Good and Services Tax rebate	-	<b>2,552</b>	1,872
	<u>\$ 436,538</u>	<u>\$ 526,058</u>	<u>\$ 395,799</u>

RED DEER SYMPHONY ORCHESTRA ASSOCIATION

Schedule of Unrestricted Administrative Expenses

(Schedule 2)

Year Ended May 31, 2024

	Budget	2024	2023
<b>EXPENSES</b>			
Wages and benefits	\$ 108,428	\$ 108,631	\$ 85,864
Advertising and promotion	1,200	70,581	4,285
Rent	10,200	10,483	8,270
Professional fees	7,000	6,000	4,750
Office	6,180	2,967	2,995
Interest and bank charges	3,720	2,029	3,860
Insurance	1,920	1,743	1,815
Memberships and licences	775	488	488
Courier and shipping	660	370	822
Telephone	-	-	422
	<u>\$ 140,083</u>	<u>\$ 203,292</u>	<u>\$ 113,571</u>