

Annual report

2022-2023



**The Manitoba Conservatory of Music & Arts
is supported by:**



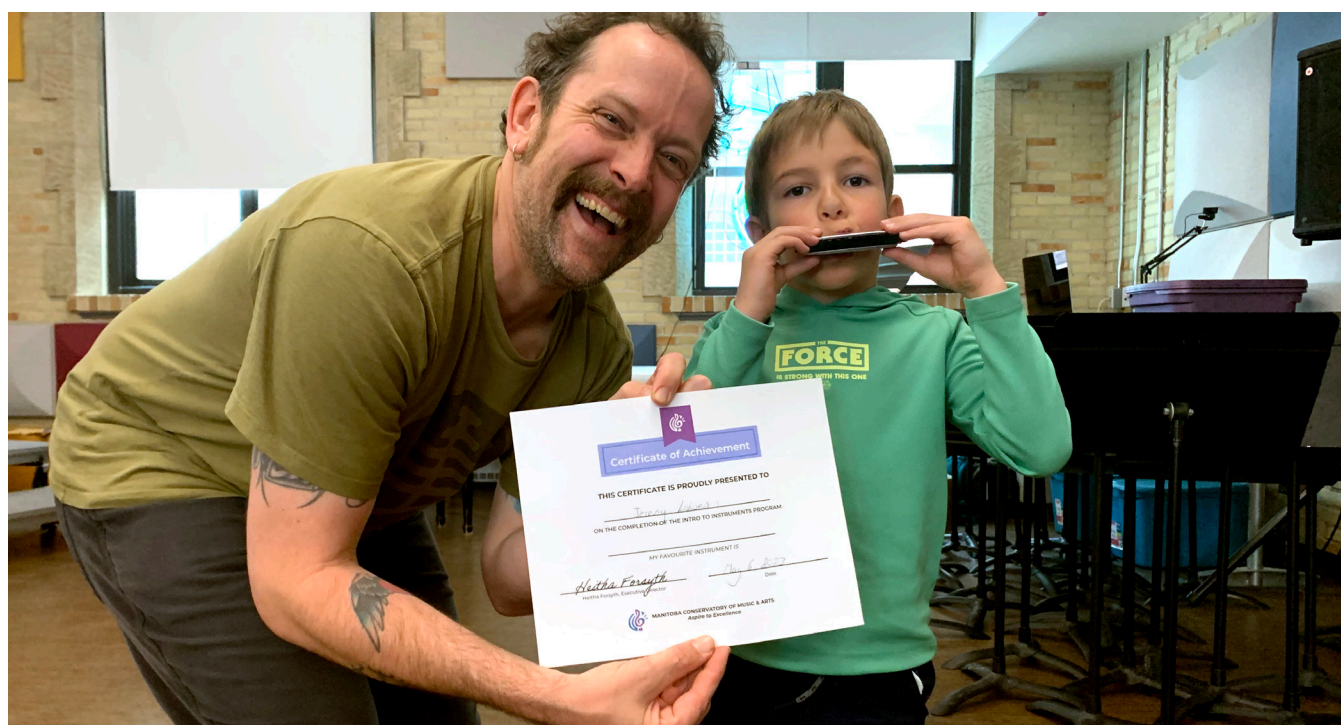


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Mission statement

The Manitoba Conservatory of Music & Arts motivates and supports Manitobans to achieve their music education goals through:

- **aspiring to excellence**
- **opening doors to music**
- **building community**

President's report

I would begin my President's report by acknowledging that the Manitoba Conservatory of Music and Arts (MCMA) is located on Treaty No. 1 Territory, the traditional lands of the Anishinabe (Ojibway), Ininew (Cree), Oji-Cree, Dene, and Dakota, and the homeland of the Red River Métis.

Over the last year the MCMA has experienced growth across the organization. In late 2022 we welcomed our new Executive Director, Heitha Forsyth. Heitha has taken to her new role with what I have discovered are characteristic levels of composure and assurance. With staff she has helped develop new program offerings and community partnerships. I am excited to watch the organization continue to develop under her leadership.

As I prepare to step into the role of Past President at our upcoming Annual General Meeting, I find myself reflecting on the nearly six years I have spent with the MCMA Board. I would begin this reflection by thanking the individuals I have had the absolute pleasure of getting to know and volunteer with around the board table. The dedication and commitment you have given to this organization speaks volumes to your character and your gifts. Thank you.

When I first joined the board, I was drawn to the MCMA's community outreach. The outreach work that MCMA does across Manitoba communities is unique. It has been so wonderful to help in some small way, while this work continues to grow through the tenacity and determination of MCMA staff, donors, community partners, and participants. Thank you to all involved.

As the MCMA continues to grow, I also want to recognize our faculty and staff.

It is often said that music (and arts) sets one up for lifelong learning. Our staff and faculty exemplify this adage in their willingness to take on new challenges. Whether in Bryce Hall or out in the larger community, their enthusiasm sets them apart as representatives of our organization across Manitoba. On behalf of the Board, our donors, students, and their families, thank you.

I truly believe that the MCMA is a reflection of the communities in which it gets to operate, whether in partnership with the University of Winnipeg, or at local schools and community centres. The support that these communities continue to provide for the mission of the MCMA through their commitment, donations, and patronage allow us to continue our educational and cultural offerings to Manitobans. To our students and their families, donors, and members of our local music and arts communities—thank you. Our organization is very grateful for all that you do.

Mark Walker
President

Executive Director's report

The 2022-23 year will always hold a special place in my heart as my first year at the helm of the MCMA as Executive Director. As I write this message, I reflect on the first steps of taking on this role, while looking forward to our future. I feel so very honored and fortunate to be able to lead such a wonderful team here at the MCMA.

During my short time as Executive Director, we have continued to maintain and build our programming so that music education can be accessible and affordable for Manitobans. Our individual lesson program has been able to recover to comparable pre-pandemic numbers, and continues to grow, along with our group programming. In 2022-23, working closely with the MCMA team, we established a "Musical Journey" outline for parents and students to help them conceptualize and plan their musical education goals. We streamlined group programs to make them more accessible and affordable, while introducing more wellness directives to provide more comprehensive skills and support to our students and community. These initiatives have proved popular, with classes filling up well in advance and second offerings being established to tackle wait lists.

Sharing music with the broader community continues to be a large priority for the MCMA. As a professional performer outside of my role as ED, I have been able to use my connections to establish more fee-for-service programming and performances for faculty and students. Beyond this, we have been able to create bridges with music professionals and arts organizations so that the MCMA continues to build a reputation and legacy as an ally and champion of the arts in the community. This has started to expand to rural communities as well, with exciting future partnerships in the works.

The Music Equals program continues to grow, with both returning programs and additional new concepts and ideas that work for communities and their needs. It has truly been a pleasure to be able to see the profound impact Music Equals has had on communities, with the Music Equals Concert highlighting the outstanding work of our instructors, participants and Domanie, our Music Equals coordinator.

As I continue to learn and grow in my role as Executive Director, I wish to extend my sincere gratitude to the MCMA staff and faculty for their support and patience. Their professionalism, commitment and passion have been truly inspiring, and I look forward to what is in store for the future of the organization with this wonderful team.

I also wish to thank the volunteers who serve on the Board of Directors for their professional expertise, expert guidance, and commitment to the MCMA. Their support during my inaugural year indicates their passion for music education and the community. Moving forward, I know they will continue to ardently champion and uphold the MCMA's mandate and directives.

The MCMA is an important part of the city and province's artistic landscape. I look forward to more innovation, passion and growth in the years ahead.

Heitha Forsyth
Executive Director

Student Services report

The 2022-23 Academic Year began with significant staffing changes for our organization. Our renewed team was happy to embark on an academic year of fewer interruptions and really dive back in to in-person instruction here in our building on Portage Avenue.

In addition to instruction on our MCMA campus, we also continued instruction at our partner site, MBCI, providing individual music lessons to registered students on their school campus. We also struck a partnership with St. Mary's Academy, sending individual instructors after school in Guitar, Piano, Voice, Violin and Electric Guitar. We also assisted in the development of a Choral Program for their Grade 7 & 8 classes once per school day cycle. These programs flourished and laid a fantastic foundation to further music programming for SMA students.

We continued to offer free workshop & performance opportunities to all students. Facilitated by our Faculty, Masterclasses were offered to Voice, Piano and Violin students. These masterclasses are a great opportunity for our students to learn from other MCMA instructors either by participating, or by being an observer in the class. It also encourages a community atmosphere among the students. Students often feel 'alone' in their practice, so sharing what they are working on with others creates a sense of camaraderie within our student population.

Student & Adult recitals flourished—most filled with students wishing to participate! Nothing makes us happier than to see our students build confidence in their abilities by sharing their music with others. Recitals are a great way to build community through music, and to encourage young students to make connections with others. One parent

shared her son's recital experience—after the first in-person recital of the year, he looked forward to not only performing in but attending the recitals. He began as a piano student when all recitals were being held online, so had never had the experience playing in the 'big room'. Although it was a bit intimidating, he recognized other students from the online recitals, and looked forward to hearing what they were going to play at the next one. These experiences inspire our students to pursue their musical goals, which is what the MCMA is all about!

The Annual Winter Intro Offer promotion began in early December and was moderately successful with 27 new registrations resulting. Many of these students continued into the spring.

The 2023 Scholarship Competition saw the first in-person auditions since 2019. Auditions were held in Piano, Strings, Voice and Jazz categories across all skill levels. The competition saw some truly fantastic performances, many of which were on display at the Winners' Recital held on May 28.

In May, our Early Registration period began for 2023-24. 152 registrations were accepted, up 16% from the 2022-23 Early Registration period.

Our Student Services staff team for the 2022-23 academic year have been Sarah Witiuk (Student Services Manager), Asia Reyes, Allyza Tabirara & HaElN Gebre (Student Services Clerks), as well as Shannon Davis (Casual Student Services).

Sarah Witiuk
Student Services
Manager

Fundraising report

The Fundraising Committee is responsible for the strategic direction and management of fundraising activities of the MCMA. These activities include fundraising events and other projects, which the Committee and Board of Directors deem appropriate to meet short and long-term fundraising objectives.

The 2022-2023 fiscal year included a number of fundraising initiatives that were both old favourites and new ideas.

On October 21, the MCMA held a virtual Music Trivia night hosted by music historian and faculty member, John Einarson, which tested teams online on categories such as the 1980's, women of pop music, songs about cities, one-hit wonders, the swinging sixties, and Canadian rock stars! It was a fun evening where participants learned new musical songs and facts throughout the night.

The fall season leading up to the holidays included continuing to sell Music Equals ornaments but also adding holiday cards designed by local artists will all proceeds going towards the Music Equals program.

This year also saw the return of the online Valentine's Day Wine Raffle which continues to be one of our most successful fundraisers each year. Three wine packages were raffled for 10, 15 and 25 bottles of wine.

The largest fundraising event of the year was the Happy Hour Social which was held on the Thursday prior to Good Friday at the King's Head Pub. The event was held starting in the late afternoon and ending in the early evening and this timeslot allowed for a higher turnout than previous years. The social included music trivia hosted by John Einarson, a photo booth, musical petting zoo, door prizes, and mingling with our incredible

community of students and friends. We would like to extend a huge thank you to members of the community and local businesses who donated items towards the social's raffle prizes: Assiniboine Park Conservancy, Colin Corneau, Ed Byard, Flavia, Good Life Fitness, Jen Wawyn, Little Dragons Karate, Long & McQuade, Manitoba Chamber Orchestra, Manitoba Children's Museum, Manitoba Hydro, Manitoba Hydro International, Manitoba Theatre for Young People, Mark Walker, Mona Lisa Restaurant, Spotted Eagle Handmade, True North Sports & Entertainment, Uptown Alley, Visions Electronics, Winnipeg Ice, Winnipeg Symphony Orchestra, Winnipeg Toy Rentals, Wow Hospitality, and Zealous Medi Spa. This event would not have been possible without your incredible support.

Thank you to the members of the Fundraising Committee, Board of Directors, MCMA faculty and staff, and members of the community who contributed to such a prosperous year of fundraising efforts!

Lauren Krahn
Fundraising Committee Chair



Donors

The MCMA Board of Directors would like to acknowledge the generosity of all who made financial and in-kind donations to the MCMA in the 2022-2023 fiscal year.

- MB Arts Council
- Winnipeg Foundation
- Winnipeg Arts Council
- Estate of Eleanor Beaudoin
- St. Mary's Academy
- Graham C. Lount Family Foundation Inc.
- The Bertrand A. Goodman
- Richardson Foundation
- Mark Walker
- Chamandy Foundation
- Border Chemical
- The Gail Asper Family Foundation Inc.
- Andison Foundation
- Telus
- Johansen-Larsen Foundation
- Royal Conservatory of Music
- Richardson Centre Ltd.
- Assiniboine Credit Union
- Steinbach Credit Union
- Winnipeg Goldeyes
- ACCESS
- Long & McQuade
- Norine Harty
- Ray & Jacquie Hope
- Lauren Krahm
- Lindsay Sailor
- Kyle Giesbrecht
- Peisan Lew
- Edward Byard
- Neil Jennings
- Peter Sribniak
- Emily Ann Dueck
- Danika Burdeniuk
- Dana Letkeman
- Christopher Neufeld

- Julie Ton
- Samuel Hodgkinson
- Cynthia Mazurek
- Matthew Childs
- Celia Palli
- Stephanie Johnston
- Virginia Stevens
- McKenna Ogg
- Melvin Finlayson
- Alice Newman
- Alina Havrylyuk
- Joan Kuzia
- Adam White
- David Fitzpatrick
- Shauna Martin
- Domanie Billinghamurst-Schadek
- Colin Goldstone
- Julie Estoy
- Brenda Lindberg
- Kathy Feader
- Ann Gable
- Clair Tang
- David Shefford
- Tom Axworthy
- Raymond Kreitzer and Donald Henry
- Rob & Laura Fulton
- Claudia Anderson
- Marion Penner
- Heitha Forsyth
- Letty Lawrence

Marketing report



MANITOBA CONSERVATORY OF MUSIC & ARTS
Aspire to Excellence

The Marketing Committee is responsible for providing strategic direction, maintaining strong brand presence, as well as providing recommendations for the promotion of The Manitoba Conservatory of Music & Arts.

With a key focus on the MCMA's strategic plan, the Marketing Committee looked for opportunities to expand marketing initiatives to new channels and partnerships, strengthening the MCMA's connection to the community. Through the refinement of tactics within the marketing mix, the Committee has grown MCMA brand awareness and increased student enrollment.

The Marketing Committee sought external resources to support growth of the MCMA website through on-site best practices and SEO. New user acquisition saw double-digit growth over the prior year.

Strengthening internal communication, the Marketing Committee partnered closely with the Fundraising Committee to promote events through-out the year. With cross-committee representation at meetings, we were able to better support the Fundraising Committee's annual plan.

I would like to thank the Marketing Committee for their continued commitment to the MCMA brand and community.

Stephanie Johnston
Marketing Committee Chair

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Music Equals report



Having delivered 22,000 hours of programming to over 1800 participants in 2022-23, Music Equals is celebrating a very successful year with a record number of programs offered!

The 2022-2023 program year focused heavily on finding ways to improve the overall wellbeing of our participants by providing them with accessible artistic opportunities. We worked very closely with our existing partners to find creative ways to engage their communities and to deliver unique programming that isn't being found elsewhere. We met with new partners to collaborate and support them as they also recovered from the pandemic, opening the doors for fresh ideas and the ability to include an even broader reach of support for community members.

Twenty-nine different programs were delivered both virtually and in-person. Participants ranged in age from newborns to older adults, and met online, in their residences or homes, schools, community centres and in partnership with other non-profit organizations. We were excited to include our longtime school programs such as fiddling, keyboards and musical theatre but also develop new programs such as What Does Music Look Like and Welcome to the Rhythm Section which focused on wellness themes and self expression through music and art. We were pleased to bring music appreciation and performances to retirement communities, and to work with new partners to offer music programming aimed at coping with anxiety and promoting individual wellness.

While we provided high quality music and arts instruction in 2022-23, one of our broad objectives remained to use the arts a tool to bring resilience and wellness to our community by building

confidence and offering a healthy coping mechanism and outlet to our participants. We continued to focus on building shared experiences that create a sense of unity among our musicians and music lovers. We saw diverse people working together to challenge themselves and each other, and we believe that our community is stronger and happier because of it. Looking forward to what 2023-24 brings!

Domanie Billinghamst-Schadek
Music Equals Coordinator

Music Equals was supported by:

- Graham C. Lount Foundation
- The B. A. Goodman, M. E. M. Goodman and Dorothy Jean Goodman Foundation
- The Laing Family Foundation
- Richardson Foundation
- Chamandy Foundation
- Johansen Larsen Foundation
- Red River Coop
- The Lloyd Carr-Harris Foundation
- Long & McQuade
- Gail Asper Foundation
- The Winnipeg Goldeyes Field of Dreams Foundation
- Assiniboine Credit Union
- TELUS Friendly Future Foundation
- Mauro Family Fund

Programming report

Programming in 2022-23 focused on several main concepts: diversity, wellness, and the idea that music is a lifetime journey which we begin nurturing in infancy and throughout all stages of development. In doing so, we not only developed new strategies for serving our community through on-site group programs, but we also explored partnerships with other non-profit organizations to deliver music classes in accessible locations throughout the city.

We continued to offer current MCMA students enrichment opportunities such as monthly recitals and regular masterclasses as well as an adjudicated scholarship competition to support their individual lessons. We offered cultural music appreciation series paired with workshops which put the students' theoretical knowledge into practice, as well as continued to offer virtual music appreciation series exploring the rich history of contemporary music.

In analyzing our group programming model, it was obvious that what the community was asking for was a rich early childhood experience with a clear pathway of musical study as they got older. In response to this, we created an Intro program which exposed young children to diverse instruments and areas of study, leading into a clear progression towards private study and beyond. Every Intro program we offered was extremely successful, meeting their enrollment limits.

Music and Wellness programs empowered participants to use music as a tool for individual wellness addressing topics that apply to mental health or neurodivergence. Some of these programs were delivered by music therapists on site and some in partnership with other

community organizations. We also worked with an increased number of fee for service clients, delivering workshops, weekly or monthly programs to retirement residences, post secondary institutions and community centers across the city.

The success of programming in 2022-23 is a testament of our goal to be a musical home for all! By listening to our students' feedback, we were able to implement the best classes for our community and nurture rich musical experiences for everyone wishing to take part.

Domanie Billinghurst-Schadek
Program and Outreach
Manager



Governance report

There will be no report from the Governance Committee on changes to the By-Laws. The routine review is normally done every 5 years, and was last done in 2022. There have been no problems raised about the By-Laws to trigger an additional review.

My term as Past President has come to an end, and I will be retiring at the A.G.M.

David Shefford
Governance Committee

Nominating report

The Nominating Committee will be reporting to the MCMA members at the AGM in October with the following recommendations for their consideration and vote.

For consideration of the members at AGM

Directors for re-election for 2023-25 term:

- Teko Bailey
- Neil Jennings

New Directors for 2023-25 Term:

- Samuel Adeniji
- Heather Thomson
- Tobi Oluwadare
- Ellen Pruden
- Lisa Thomson Stifora

Directors continuing their 2022-24 Term

- Mark Walker
- Edward Byard

Directors resigning at end of their term:

- David Shefford

The Committee will also be making recommendations to the new Board of Directors, at their meeting following the AGM, on appointment of Officers and Committee Chairs.

For the consideration of the Board of Directors at the October Meeting (after AGM).

Officers for appointment:

- President: Edward Byard
- Treasurer: Samuel Adeniji
- Secretary: Heather Thomson
- Past President: Mark Walker

Committee Chairs for (re)appointment:

- Executive Committee: Edward Byard
- Finance Committee: Samuel Adeniji
- Fundraising Committee: Lisa Thomson Stifora
- Marketing Committee: Ellen Pruden
- HR Committee: TBA
- Nominating Committee: Mark Walker
- Governance Committee: Mark Walker

Consent has been given by all nominees.

David Shefford
Nominating Committee

Financial report

The 2022-2023 fiscal year saw the Manitoba Conservatory of Music & Arts (MCMA) continue its post-pandemic recovery and return to greater fiscal stability during a period of transition as our new Executive Director, Heitha Forsyth was welcomed. Direct revenues increased by almost 40% over the prior year, driven by an increase in students and overall lessons delivered, as well as additional fee-for-service opportunities. Overall, the 21% increase in total revenue was supported by just a 13% increase in expenditures compared to the prior year. This resulted in an improvement in the deficit that had appeared as the COVID-19 government supports ended and student registration numbers were still recovering. These great results, and Heitha's vision and efforts around student recruitment and revenue generation opportunities, give the organization great momentum going into the 2024 fiscal year as it looks to further reduce or eliminate the remaining deficit.

The cash balance at the end of this past fiscal year was \$15,000 higher than at the beginning of the year, reflecting the increase in the student numbers over the past year, and the resulting increase in pre-registration for lessons in the 2023-2024 school year. The relative stability in the beginning and ending cash balances, when compared to the last few years, is another encouraging sign that the organization's finances have stabilized post-COVID. As well, in the past fiscal year there were \$24,000 in payments made against the Canada Emergency Business Account (CEBA) loan, which will be paid off in its entirety in November 2023, prior to the December 31 deadline for partial loan forgiveness, freeing up additional cash once these payments are completed.

The diligent payment of \$2,000 monthly against this loan in the past couple of years has allowed the organization to maintain the availability of cash, while responsibly meeting its debt obligation.

This financial stability, along with the continued and generous support of our donors and partners, before, during and after the pandemic, has allowed the Manitoba Conservatory of Music & Arts to make a real difference in the community through its music education and its growth and delivery of the diverse and high-quality Music Equals programming.

Matt Childs Treasurer



**THE MANITOBA CONSERVATORY OF
MUSIC AND ARTS INCORPORATED**

Financial Statements

Year Ended June 30, 2023

THE MANITOBA CONSERVATORY OF MUSIC AND ARTS INCORPORATED
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Year Ended June 30, 2023

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INDEPENDENT AUDITORS' REPORT

To the Members of The Manitoba Conservatory of Music and Arts Incorporated

Qualified Opinion

We have audited the financial statements of The Manitoba Conservatory of Music and Arts Incorporated (the Organization), which comprise the statement of financial position as at June 30, 2023, 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, 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 Organization as at June 30, 2023, 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 Qualified Opinion

In common with many charitable organizations, the Organization derives revenue from fundraising and donations, 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 Organization and we were not able to determine whether any adjustments might be necessary to contributions, excess of revenues over expenses, current assets and net assets.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' 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 those 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 Organization's ability to continue as a going concern, disclosing, as applicable, matters relating 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.

(continues)

Independent Auditors' Report to the Members of The Manitoba Conservatory of Music and Arts Incorporated
(continued)

Auditors' 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 auditors' 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 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 attention in our auditors' 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 auditors' 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.

Exchange

Chartered Professional Accountants LLP
Winnipeg, Manitoba
October 4, 2023

THE MANITOBA CONSERVATORY OF MUSIC AND ARTS INCORPORATED

Statement of Financial Position

June 30, 2023

	Operating Fund 2023	Capital Fund 2023	Total 2023	Total 2022
ASSETS				
CURRENT				
Cash	\$ 130,645	\$ -	\$ 130,645	\$ 115,413
Accounts receivable	5,226	-	5,226	1,232
Prepaid expenses	6,368	-	6,368	8,757
	142,239	-	142,239	125,402
CAPITAL ASSETS (Note 4)	-	123,687	123,687	130,254
	\$ 142,239	\$ 123,687	\$ 265,926	\$ 255,656
LIABILITIES				
CURRENT				
Canada emergency business account loan (Note 6)	\$ 10,000	\$ -	\$ 10,000	\$ 34,000
Accounts payable and accrued liabilities	15,874	-	15,874	25,408
Deferred revenue (Note 7)	119,790	-	119,790	97,557
Deferred contributions	111,410	-	111,410	76,433
	257,074	-	257,074	233,398
NET ASSETS				
Invested in capital assets	-	123,687	123,687	130,254
Restricted for endowment fund	4,650	-	4,650	4,650
Unrestricted	(119,485)	-	(119,485)	(112,649)
	(114,835)	123,687	8,852	22,255
	\$ 142,239	\$ 123,687	\$ 265,926	\$ 255,653

COMMITMENTS (Note 9)

ON BEHALF OF THE BOARD

Matthew Childs Director

[Signature] Director

See notes to financial statements

THE MANITOBA CONSERVATORY OF MUSIC AND ARTS INCORPORATED

Statement of Operations

Year Ended June 30, 2023

	Budget 2023 (Note 10)	Operating Fund 2023	Capital Fund 2023	Total 2023	Total 2022
REVENUE					
Earned-					
Direct program revenue	\$ 347,185	\$ 357,862	\$ -	\$ 357,862	\$ 256,198
Interest income	5,700	6,654	-	6,654	6,048
Facility rent, fundraising, and other income	18,135	33,225	-	33,225	14,128
Registration	11,025	10,771	-	10,771	12,350
Private sector-					
Foundations	86,000	76,150	-	76,150	103,625
Corporate and outreach donations	45,500	23,060	-	23,060	17,300
Individual, board donations and in-kind services	-	50,107	-	50,107	11,703
Government-					
Provincial-					
Culture, Heritage and Tourism operating grants	45,000	45,000	-	45,000	45,400
Manitoba Arts Council	-	-	-	-	27,000
Municipal-					
Winnipeg Arts Council - operating grant	36,000	37,800	-	37,800	36,000
	594,545	640,629	-	640,629	529,752
	593,810	646,159	-	646,159	566,840
EXPENDITURES (Schedule 1)					
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES FROM OPERATIONS	735	(5,530)	-	(5,530)	(37,088)
OTHER INCOME (EXPENDITURES)					
Canada Emergency rent subsidy	-	-	-	-	2,949
Canada Emergency wage subsidy	-	-	-	-	11,321
Amortization	(8,350)	-	(7,870)	(7,870)	(7,769)
	(8,350)	-	(7,870)	(7,870)	6,501
DEFICIENCY OF REVENUE OVER EXPENDITURES	\$ (7,615)	\$ (5,530)	\$ (7,870)	\$ (13,400)	\$ (30,587)

See notes to financial statements

THE MANITOBA CONSERVATORY OF MUSIC AND ARTS INCORPORATED
Statement of Changes in Net Assets
Year Ended June 30, 2023

	Operating fund	Invested in Capital Assets	Restricted for Endowment Fund	2023	2022					
NET ASSETS (DEBT) - BEGINNING OF YEAR	\$	(112,652)	\$	22,252	\$	52,842				
Deficiency of revenue over expenditures	(5,530)	(7,870)	-	(13,400)		(30,587)				
Purchase of capital assets	(1,303)	1,303	-	-		-				
NET ASSETS (DEBT) - END OF YEAR	\$	(119,485)	\$	123,687	\$	4,650	\$	8,852	\$	22,255

See notes to financial statements

THE MANITOBA CONSERVATORY OF MUSIC AND ARTS INCORPORATED

Statement of Cash Flows

Year Ended June 30, 2023

	2023	2022
OPERATING ACTIVITIES		
Cash receipts from customers and funders	\$ 686,938	\$ 521,489
Cash paid to suppliers and employees	(643,229)	(572,053)
Interest received	6,652	6,048
Interest paid	(9,826)	(6,797)
Cash flow from operating activities	<u>40,535</u>	<u>(51,313)</u>
INVESTING ACTIVITY		
Purchase of capital assets	<u>(1,303)</u>	<u>(2,339)</u>
Cash flow used by investing activity	<u>(1,303)</u>	<u>(2,339)</u>
FINANCING ACTIVITY		
Proceeds from short term financing	<u>(24,000)</u>	<u>(6,000)</u>
Cash flow used by financing activity	<u>(24,000)</u>	<u>(6,000)</u>
INCREASE (DECREASE) IN CASH	15,232	(59,652)
CASH - BEGINNING OF YEAR	<u>115,413</u>	<u>175,065</u>
CASH - END OF YEAR	<u>\$ 130,645</u>	<u>\$ 115,413</u>

See notes to financial statements

THE MANITOBA CONSERVATORY OF MUSIC AND ARTS INCORPORATED

Notes to Financial Statements

Year Ended June 30, 2023

1. DESCRIPTION OF OPERATIONS

The Manitoba Conservatory of Music and Arts Incorporated is a non-profit school of fine arts which plays a vital role in arts development throughout Manitoba by providing private instruction, performances, workshops, master classes and other enrichment programs that allow students to reach their highest potential. It was incorporated without share capital on April 8, 1983 and is a registered charity under The Income Tax Act.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. Because a precise determination of many assets and liabilities is dependent upon future events, the preparation of financial statements for a period necessarily involves the use of estimates which have been made using careful judgement. The financial statements have, in management's opinion, been properly prepared within the reasonable limits of materiality and within the framework of the significant accounting policies summarized below:

Fund accounting

Revenues and expenses related to program delivery and administrative activities are reported in the Operating Fund.

The Capital Fund reports the assets, liabilities, revenues and expenses related to the Organization's capital assets.

Financial instruments policy

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

Capital Assets

Capital assets are stated at cost less accumulated depreciation. Contributed capital assets are recorded at fair value at the date of contribution. Capital assets are depreciated over their estimated useful lives at the following rates and methods:

Signage	20%	straight-line method
Furniture and equipment	20%	straight-line method
Computer equipment	30%	straight-line method
Website	30%	straight-line method
Musical instruments	3%	straight-line method

The Organization regularly reviews its capital assets to eliminate obsolete items.

Assets under capital leases

A lease that transfers substantially all of the benefits and risks of ownership is classified as a capital lease. At the inception of a capital lease, an asset and a payment obligation are recorded at an amount equal to the lesser of the present value of the minimum lease payments and the property's fair market value. Assets under capital leases are depreciated on a straight-line basis, over their estimated useful lives. All other leases are accounted for as operating leases and rental payments are expensed as incurred.

(continues)

THE MANITOBA CONSERVATORY OF MUSIC AND ARTS INCORPORATED

Notes to Financial Statements

Year Ended June 30, 2023

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

Revenue recognition

The Manitoba Conservatory of Music and Arts Incorporated follows the deferral method of accounting for contributions.

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

Direct program and related revenue is recognized when services are delivered. Grants and donations are recognized when received, or receivable if reasonable assurance exists relating to collectability.

3. FINANCIAL INSTRUMENTS

The Organization 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 Organization's risk exposure and concentration as of June 30, 2023.

Credit Risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Organization is exposed to credit risk from its students. An allowance for doubtful accounts is established based upon factors surrounding the credit risk of specific accounts, historical trends and other information. The Organization has a significant number of students which minimizes concentration of credit risk.

Interest Rate

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 Organization manages exposure through its normal operating and financing activities. The Organization is exposed to interest rate risk primarily through its floating interest rate bank indebtedness and credit facilities.

4. CAPITAL ASSETS

	2023		2022	
	Cost	Accumulated depreciation	Cost	Accumulated depreciation
Signage	\$ 4,067	\$ 4,067	\$ 4,067	\$ 4,067
Furniture and equipment	90,818	90,818	90,818	90,818
Computer equipment	10,190	7,127	96,177	92,063
Website	12,250	12,250	12,250	12,250
Musical Instruments	183,894	63,269	183,894	57,754
Equipment under capital lease	-	-	15,400	15,400
	\$ 301,219	\$ 177,531	\$ 402,606	\$ 272,352
Net book value	\$ 123,688		\$ 130,254	

THE MANITOBA CONSERVATORY OF MUSIC AND ARTS INCORPORATED

Notes to Financial Statements

Year Ended June 30, 2023

5. LINE OF CREDIT

The Organization has available a line of credit with a limit of \$30,000 with Assiniboine Credit Union, bearing interest at 6.70%. As at June 30, 2023 the line of credit had not been used.

6. CANADA EMERGENCY BUSINESS ACCOUNT LOAN

The Canada Emergency Business Account (CEBA) provided interest-free loans of up to \$60,000 to small businesses to help cover their operating costs during a period where their revenues have been temporarily reduced. This program has been implemented by banks and credit unions in collaboration with Export Development Canada.

Repaying the \$40,000 balance of the loan on or before December 31, 2024 could result in loan forgiveness of 25 percent (up to \$20,000).

Management of the Organization plans to repay the balance of the loan in order to meet the program requirement to qualify for the loan forgiveness, therefore \$20,000 of the loan has been recognized as revenue in prior years.

7. DEFERRED REVENUE

Deferred revenue is made up of prepaid lessons. Customers pay for lessons in advance and the organization recognizes the revenue in the year the lessons are used.

THE MANITOBA CONSERVATORY OF MUSIC AND ARTS INCORPORATED

Notes to Financial Statements

Year Ended June 30, 2023

8. SCHOLARSHIP FUNDS

In April 1999, ownership of the Scholarship Endowment Fund and the CanWest Global Jazz Scholarship Fund was transferred to The Winnipeg Foundation through an initial capital contribution of \$45,302 for the Scholarship Endowment Fund and \$20,564 for the CanWest Global Jazz Scholarship Fund. The Joseph John and Margaret Irene Lyon Music Fund was established through an initial capital contribution of \$10,000. The purpose of these Funds is to provide scholarships to students.

During the year ended June 30, 2021, the Scholarship Endowment Fund and the CanWest Global Jazz Scholarship Fund were amalgamated into a combined Scholarship Fund.

As at the fiscal year end of the Winnipeg Foundation, the Scholarship Funds are comprised of the follow:

	2022	September 2021
Combined Scholarship Funds		
Market value - beginning of year	\$ 124,397	\$ 112,592
Amount available for granting	-	-
Total fund balance - beginning of year	124,397	112,592
Other	-	-
Return on investment	(9,966)	18,290
Administration fee	(622)	(1,089)
Grants approved	(5,584)	(5,395)
Investment fees	(458)	-
	(16,630)	11,806
	107,767	124,398
	-	
Market value - end of year	107,767	124,397
Amount available for granting	-	-
Total fund balance	\$ 107,767	\$ 124,397

(continues)

THE MANITOBA CONSERVATORY OF MUSIC AND ARTS INCORPORATED
Notes to Financial Statements
Year Ended June 30, 2023

8. SCHOLARSHIP FUNDS *(continued)*

	September	
	2022	2021
Joseph John and Margaret Irene Lyon Music Fund		
Market value - beginning of year	\$ 15,896	\$ 14,397
Amount available for granting	1,182	1,192
Total fund balance - beginning of year	17,078	15,589
Contributions received	-	-
Return on investment	(1,274)	2,327
Administration fee	(138)	(139)
Grants approved	-	(700)
	-	1,488
	15,666	17,077
Market value - end of year	15,666	15,895
Amount available for granting	(1,895)	1,182
Total fund balance	\$ 13,771	\$ 17,077

The amount available for granting is determined under The Winnipeg Foundation spending policy less grants approved to date.

9. LEASE COMMITMENTS

The Organization has a long term lease with respect to its premises at 515 Portage Avenue from the University of Winnipeg at a monthly cost of \$3,089 plus GST. The lease expires August 31, 2025.

The Organization also entered in a photocopier lease at the monthly cost of \$263 plus GST. The lease expires October 31, 2024.

Total lease commitments under these arrangements are as follows:

2024	\$ 40,308
2025	38,152
	\$ 78,460

10. BUDGET

The budget figures presented in the financial statements have been presented for comparative purposes only, and have not been audited.

THE MANITOBA CONSERVATORY OF MUSIC AND ARTS INCORPORATED

(Schedule 1)

Expenditures

Year Ended June 30, 2023

	Budget 2022	Operating Fund 2022	Capital Fund 2022	Total 2023	Total 2022
	<i>(Note 10)</i>				
Advertising and promotion	\$ 20,000	\$ 21,676	\$ -	\$ 21,676	\$ 17,513
Concert, competitions and special events	7,100	20,013	-	20,013	8,214
Direct program expenses	296,262	319,321	-	319,321	251,752
Fundraising	1,040	1,039	-	1,039	413
Insurance, taxes and licenses	6,814	8,615	-	8,615	7,790
Interest, bank charges and merchant fees	8,994	9,826	-	9,826	6,797
Office administration	14,850	10,693	-	10,693	15,388
Postage	100	215	-	215	207
Printing	-	4,554	-	4,554	4,054
Professional fees	7,200	7,128	-	7,128	6,944
Rent	36,190	38,701	-	38,701	39,458
Repairs, maintenance and cleaning	-	340	-	340	493
Scholarship and bursaries	3,600	2,736	-	2,736	6,237
Telephone	716	997	-	997	(55)
Wages and employee benefits	190,944	200,305	-	200,305	201,635
	\$ 593,810	\$ 646,159	\$ -	\$ 646,159	\$ 566,840