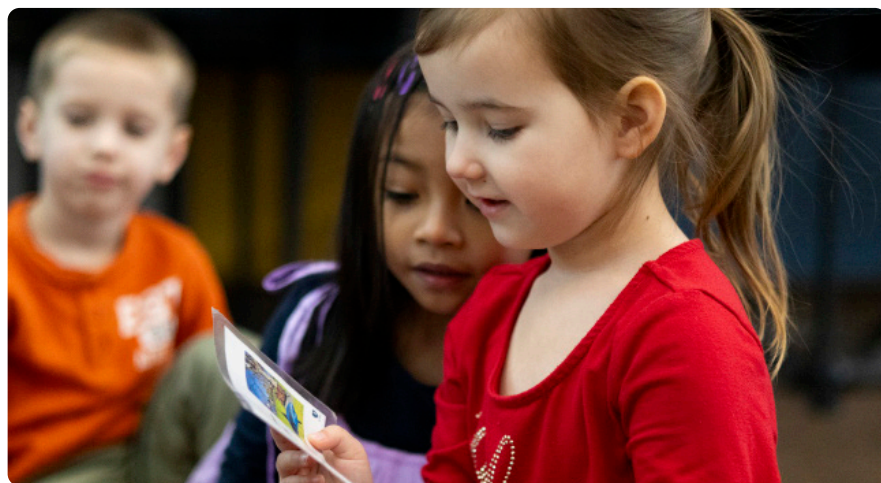


2024–2025
ANNUAL REPORT



**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

It is acknowledged that the Manitoba Conservatory of Music & 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.

Our name—Manitoba Conservatory of Music & Arts—sounds stodgy to some: a conservatory after all, conjures up images of quiet, book-lined rooms. But the MCMA is anything but conservative. Yes, we offer a full slate of traditional music lessons, many of which are pointing in the direction of classical music, but we also offer group classes, musical theatre, music for parents and infants; as well, we provide musicians for community events, and—through the Music Equals program—provide free access to making music in many downtown Winnipeg schools. These diverse approaches to music nevertheless pivot on a common centre—learning music also teaches discipline, the value of practice and the courage to perform. These are life skills, transcending music into life and the challenges it brings.

The MCMA continues to grow, while striving to become more diverse in its programming and Board membership—it has a bright future. Despite the financial battering we took as COVID restrictions shuttered all but some online learning for nearly two years, we have recovered and continue on an upward trajectory. Much of this recovery is due to the creative leadership of our current Executive Director, Heitha Forsyth, who joined us in 2022. In the last three years, Heitha now has a firm grip on the challenges presented by being a non-profit organization largely dependent on grant funding and fund raising and, with a small, mostly part-time staff, has helped develop new program offerings

and community partnerships. The number of individual student lessons offered is gradually creeping back to pre-pandemic levels, and several new group and online classes are thriving. The Music Equals program, under the direction of Domanie Schadek, is growing rapidly, providing, through after-school programming, free music education to students who might otherwise not have access to it. I must say that many kudos are due to all these folks who, with modest resources, produce a significant level of quality programming, be it an individual violin or voice lesson, a group drumming or ukulele class, musical theatre or “Baby Beats”, reaching into the community in different ways through music.

The mission statement for the MCMA says “the Manitoba Conservatory of Music & Arts motivates and supports Manitobans to achieve their music educational goals through an aspiration to excellence, by opening doors to music, and by building community.” I have every reason to believe that the MCMA will continue to attain these targets into the future.

Ed Byard
President

Executive Director's report

The 2024–25 season has been one of transformation and renewed momentum. In my third year as Executive Director, I've gained deeper insight into our evolving needs and strengths. This year brought both exciting progress and meaningful challenges, and I'm proud of how our team responded—with creativity, collaboration, and a shared commitment to our mission.

Our goal remains clear: to make high-quality music education accessible and affordable for Manitobans. Our individual lesson program grew, with more students engaging in meaningful learning. Thanks to our Bursary Program, we were able to offer subsidized lessons to more learners, helping remove financial barriers.

Group programming also saw strong growth, supported by our “My Musical Journey” and “Intro” frameworks. These models allow us to offer flexible, inclusive, and affordable options that meet the diverse needs of our community. We've welcomed new participants and seen many return for additional classes.

This year brought transitions within our Student Services team. Joyce German completed her one-year contract, and Sarah Witiuk returned briefly before accepting a new role with the Winnipeg Symphony Orchestra. In January, Channele Bohemier joined us as our Student Services Manager. She has quickly become an invaluable part of our team, bringing warmth and professionalism.

We also promoted Domanie Billingham-Schadek to Director of Programming and Fund Development. Her leadership and tenacity have driven the growth of Music Equals, group programming, and outreach initiatives. This well-earned promotion reflects her impact.

Operationally, we've strengthened our infrastructure. Our registration software supports payments, rentals, payroll, scheduling, and attendance. We launched a new website to better serve our community and meet growing online interest.

Community engagement remains central to our work. We've expanded our reach into rural Manitoba—including Churchill, Thompson, and St. Teresa's Point—building partnerships and increasing access to music education.

The Music Equals program continues to thrive, with returning initiatives and new projects tailored to community needs. This year, the Music Equals Concerts expanded to two performances, showcasing the outstanding work of our instructors, participants, and community members.

While we celebrate these successes, we are addressing a financial deficit. Our elimination strategy involves increasing revenue through individual instruction, group registrations, fee-for-service contracts, and fundraising. We're reviewing operations to identify opportunities for restructuring and cost reductions to ensure long-term sustainability.

I am grateful to our staff and faculty. Their expertise and passion shape the experience of every student. I also thank our Board of Directors for their strategic insight and steadfast support.

Looking ahead, I'm energized by the possibilities. With a strong team and a clear vision, we are well-positioned to adapt, innovate, and thrive as a cornerstone of Manitoba's arts and education community.

Heitha Forsyth
Executive Director

Student Services report

The 2024–25 academic year was a period of continued progress and operational stability within the Student Services Department. In January 2025, I assumed the role of Student Services Manager, succeeding prior leadership and joining a dedicated and collaborative administrative team committed to supporting the MCMA's mission of excellence.

Significant attention was given to strengthening internal processes, enhancing communication, and ensuring consistent, high-quality service. The ongoing use of Mindbody as our central registration and management software has continued to yield efficiencies in scheduling, reporting, and data management. The Student Services team has demonstrated adaptability and professionalism in refining procedures to maximize the benefits of this system.

The Winter Intro Offer launched in December achieved strong results, generating 31 new student sign-ups, of which 15 transitioned into regular enrolments. This outcome reflects both the success of our promotional initiatives and the effectiveness of the student experience provided by our instructors.

Our partnership programs with Mennonite Brethren Collegiate Institute and St. Mary's Academy continued successfully throughout the academic year. Piano, guitar, voice, violin, and electric guitar lessons were delivered to students within their school settings, maintaining and strengthening important community connections. These partnerships remain a key component of our outreach strategy.

Performance opportunities played a central role in fostering student growth and community engagement. The student recitals were well attended

and demonstrated a high standard of musicianship, commitment, and artistic development. The Adult Recital Series also saw renewed participation and enthusiasm, highlighting the strength of our adult programming and the inclusive nature of our performance culture.

The 2025 Scholarship Competition in May showcased an impressive range of talent across all categories. The Winners' Recital celebrated the outstanding achievements of students whose dedication and artistry continue to elevate the reputation of MCMA. The growth of this event underscores both the high calibre of instruction and the commitment of our students to their musical development.

Early Registration for the 2025–26 academic year opened in May and received a strong response from returning students, ensuring continuity across multiple disciplines. Piano continues to represent the largest share of enrolments, followed by Strings, Voice, and Winds/Brass.

I'd like to acknowledge the Student Services team for their continued dedication and adaptability throughout this period. Their professionalism, attention to detail, and commitment to student satisfaction have been integral to the department's success.

In summary, the 2024–25 academic year was marked by stable operations, effective program delivery, and meaningful student engagement. I look forward to building upon this foundation to strengthen our position as a leading institution for music education in Manitoba.

Chanelle Bohemier
Student Services
Manager

Fundraising report

The Fundraising Committee is responsible for the strategic oversight and execution of the Manitoba Conservatory of Music & Arts' fundraising initiatives. Our mandate is to align fundraising activities with organizational priorities, strengthen community partnerships, and support the financial sustainability of the Conservatory's programs.

In 2024-2025, the Committee advanced this mandate through a variety of initiatives that combined proven approaches with new engagement opportunities. Collectively, these efforts enhanced both the visibility and revenue base of the MCMA, supporting continued access to high-quality music education across Manitoba.

Key highlights included the return of our signature event, the Valentine's Day Wine Raffle alongside virtual campaigns that expanded participation beyond traditional audiences. Each initiative reinforced the MCMA's community presence while generating meaningful support for programs like Music Equals, which provides equitable access to music education for children and youth.

The committee pursued new raffle initiatives as it looked to streamline and find efficiencies in its fundraising efforts. The success of these efforts reflects the dedication of MCMA staff, and a generous network of local partners and donors.

On behalf of the Committee, I would like to extend sincere appreciation to the many individuals and organizations whose contributions made these outcomes possible. Your continued support ensures that the Manitoba Conservatory of Music & Arts remains a leader in music education and community enrichment across the province.

Mark Walker
Fundraising Committee

Marketing report

The Marketing Committee plays a vital role in shaping the strategic direction of The Manitoba Conservatory of Music & Arts, ensuring a strong and consistent brand presence, recommending effective marketing initiatives to drive revenue for the organization, and increasing community engagement.

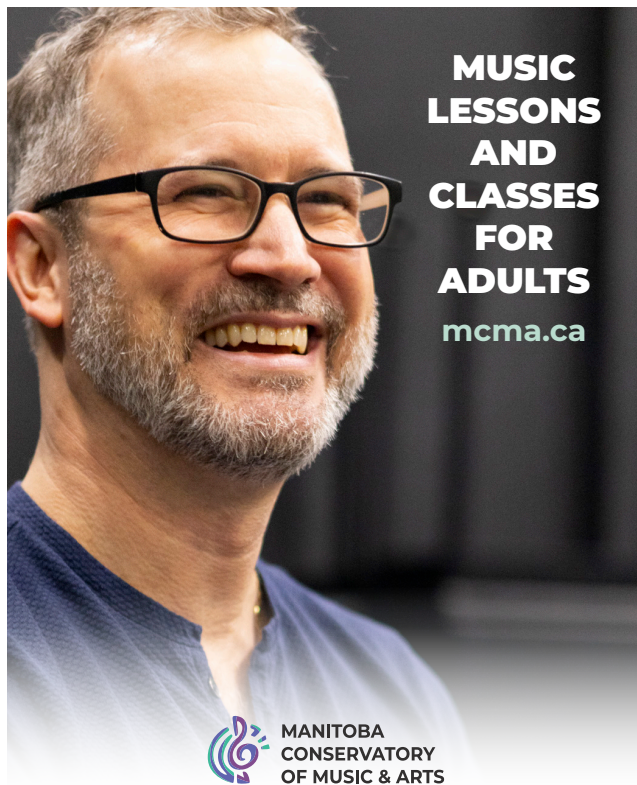
As aligned to the MCMA's strategic plan the Marketing Committee actively pursued opportunities to broaden our marketing reach through tactical execution across new and existing channels (email, web, social, content, SEO, events, and print) and partnerships. This increased awareness of the MCMA brand and its offerings while continuing to drive registrations while deepening our roots within the community.

The Marketing Committee continued working with an external partner to enhance website accessibility, site performance, and SEO—improving user experience, increasing visibility in Google search results (search rank), increasing traffic to our website, and reach within our target audience.

Collaborative efforts between the Marketing and Fundraising Committees were key in ensuring that fundraising strategies (events, raffles, etc.) were promoted effectively throughout the year in order to work towards our shared goals.

I'd like to extend my sincere thanks to the Marketing Committee for their ongoing dedication to the MCMA and their meaningful contributions to our community.

Courtney Stewner
Marketing Committee Chair



Music Equals report



Music Equals is proud to report that 2024-25 delivered arts programming to 35 program sites, including Winnipeg, St. Theresa Point, Thompson, and Oxford House. Over 2,200 participants became part of our musical and artistic community. This program year focused on community-led initiatives and partnerships with diverse organizations and communities. A renewed commitment to supporting and empowering Indigenous culture through the arts influenced the way we developed programming and has inspired creative projects which used music to tell the stories needing to be shared. We continued to deliver creativity based instrumental and vocal programs while including visual arts and dance for partners wishing to expand their perspective and become even more inclusive. Realizing more each year how transformative it can be to explore artistic practice; this year we encouraged instructors to help their students develop the technical skills necessary to be able to use their musicianship and art to be brave and innovative while supporting their peers in the same pursuit. We nurtured a sense of belonging among the participants, showing them how to find common ground and empathy for one another through shared experiences and experiencing joy in their collective success. Our students became risk takers, critical thinkers, and leaders in their communities, wielding their art as a tool for bettering their circumstance simply by believing that they can.

Programming was delivered in a variety of locations, from schools, retirement communities, virtually, on site at the MCMA and even at a horse stable. We took the desire to be accessible for all ages, background and skill level and allowed it

to fuel creative solutions to the social goals and outcomes we were hoping to achieve.

The Music Equals Showcase Concert was held over two days at the West End Cultural Centre featuring a mosaic of instrumental, vocal and cultural arts offerings that included 308 performers. The Showcase concert was generously sponsored by the Winnipeg Goldeyes Field of Dreams Foundation.

Domanie Billinghamst-Schadek Program and Outreach Manager

Programs delivered in 2024-25:

- Baby Beats
- Bach, Bach Goose
- Coffee House
- Culture and Art Workshop
- DJ Academy for Underrepresented Genders
- Early Childhood Songwriting
- Fiddle
- Guitar
- Indigenous Dance
- Indigenous Drumming
- Indigenous Drumming and the Ojibway Spirit Horse
- Intergenerational Concerts
- Keyboards
- Musical Foundations
- Musical Theatre
- Songwriting Workshop
- Rock Band
- Tune In
- Ukulele
- U-Tunes

Programming report

Building on the success of the Intro programs from 2023-24, onsite group programming continued to grow in 2024-25. Using responses from student surveys and community inquiries, we adjusted and added classes which met the needs and desires of students throughout the year. We discovered that there was a large demand for adult programming, particularly in vocal genres which helped us expand our musical community to include more diverse age groups. We included opportunities for all ages to explore various instrumental and vocal classes and included one-time family events themed around the holidays. New partnerships were nurtured with small businesses, leading to highly successful early childhood programs delivered at satellite locations. Overall, group programming gross revenue increased by 13% over the previous year, and net group programming revenue increased by 32%.

Fee for service contracts included a wide variety of clients to whom we delivered a variety of programming ranging from early childhood music to team building sessions at professional conferences. We provided music therapy for older adults living with dementia and collaborative piano services to adult choirs. Revenue from fee for service programs remained consistent with the previous year, identifying an opportunity for growth in 2025-26.

Community and on-site programming had several goals in 2024-25. We intended to listen to feedback from families and community members to ensure we were offering programs that were interesting and easily accessible to everyone. This enabled us to offer classes through many price points that were financially sustainable for the Manitoba Conservatory of Music & Arts while providing this

accessibility to the community. We intentionally designed programming that would be inviting and inclusive to all age groups and skill level. Group programs were also developed as an opportunity for musical exploration which helped prepare students for individual study. The community responded positively to the programs offered with almost all classes selling to capacity.

Domanie Billinghamst-Schadek
Program and Outreach
Manager



Governance report

The governance committee chair and members of the executive committee met in fall 2025 to discuss a review of the MCMA by-laws. At that time, it was decided that given the past practice of the MCMA that a substantive review of the bylaws be undertaken every 5 years with the last review having been undertaken in 2022, that a substantive by-law review was not needed. However, the governance committee is committed to a general review of the by-laws in the 2025/26 fiscal year with the board of directors, given the number of new directors, and the upcoming substantive review, scheduled for 2026/27. The by-laws of the MCMA have continued to serve the organization well since their last substantive review in 2022.

Mark Walker
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 election for their 2025-27 term:

- Laryssa Semegen
- Melina Aiello

Directors for re-election for 2025-27 term:

- Samuel Adeniji
- Tobi Oluwadare

Directors continuing their 2024-26 Term:

- Dave Barchyn
- Jamie Dyck
- Donna Linklater
- Jill Parsonage
- Sharon Singh
- Courtney Stewner
- Mark Walker
- Edward Byard

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 reappointment:

- President: Edward Byard
- Vice President: Jamie Dyck
- Treasurer: Samuel Adeniji
- Secretary: Tobi Oluwadare
- Past President: Mark Walker

Committee Chairs for (re)appointment:

- Executive Committee: Edward Byard
- Finance Committee: Samuel Adeniji
- Fundraising Committee: Melina Aiello
- Marketing Committee: Courtney Stewner
- Music Equals Committee: Jill Parsonage
- HR Committee: Mark Walker
- Nominating Committee: Mark Walker
- Governance Committee: Mark Walker

Consent has been given by all nominees.

Mark Walker
Nominating Committee

Financial report

For the 2024–2025 fiscal year, the Manitoba Conservatory of Music & Arts (MCMA) experienced steady operational performance and continued organizational growth. Total revenue decreased marginally by \$9,129, representing approximately 1% compared to the prior year. The primary reduction occurred in Direct Revenues, which declined by \$7,059, reflecting slight fluctuations in program participation and timing of revenue recognition.

On the expenditure side, total expenses increased modestly by 2% (prior year was 5% increase) over the previous year. This increase was driven largely by an 11% rise in wages and benefits, primarily resulting from staff turnover and recruitment adjustments during the year. Other expenditure categories remained well-managed and within budget expectations.

The combination of decreased total revenue and slightly higher expenditures resulted in an annual deficit of \$34,437, compared to a deficit of \$10,080 in the prior year. While this variance reflects short-term operational pressures, it remains within a manageable range relative to the organization's overall financial capacity.

At year-end, cash on hand totaled \$74,998, compared to \$133,015 at the beginning of the fiscal year. This reduction was primarily due to the settlement of deferred tuition revenue and timing of cash receipts. Despite the decline, MCMA maintained a stable cash flow and sufficient liquidity to support ongoing operations and commitments.

MCMA's financial resilience continues to be strengthened by the dedicated support of our donors, community partners, and program participants. Their continued

engagement enables us to advance our mission of providing accessible, high-quality music education and to expand our innovative Music Equals programming across diverse communities.

In closing, I extend heartfelt appreciation to all board members, staff, instructors, and supporters for their contributions throughout the year. Together, we have sustained a solid financial foundation that will allow the MCMA to continue fostering musical excellence and community enrichment in the years ahead.

Samuel Adeniji
Treasurer





THE MANITOBA CONSERVATORY OF MUSIC AND ARTS INCORPORATED
Financial Statements
Year Ended June 30, 2025

THE MANITOBA CONSERVATORY OF MUSIC AND ARTS INCORPORATED

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Year Ended June 30, 2025

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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 balance sheet as at June 30, 2025, and the statements of earnings (loss), retained earnings and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

We have audited the financial statements of The Manitoba Conservatory of Music and Arts Incorporated (the "Organization"), which comprise the balance sheets as at June 30, 2025 and June 30, 2024, and the statements of earnings (loss), retained earnings and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

Basis for Qualified Opinion

In common with many not-for-profit organizations, the organization derives revenue from fundraising activities, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the organization. Therefore, we were not able to determine whether any adjustments might be necessary to fundraising revenue, excess of revenues over expenses, and cash flows from operations for the year ended June 30, 2025, and current assets and net assets as at June 30, 2025. Our audit opinion on the financial statements for the year ended June 30, 2024 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 Organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Material Uncertainty Related to Going Concern

We draw your attention to Note 1 in the financial statements, which indicates that the organization incurred a net loss of \$34,437 during the year ended June 30, 2025 (2024 - \$10,080) and, as of that date, the organization's current liabilities exceeded its total assets by \$151,707 (2024 - \$123,097). As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the organization's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

[Other Matter]

The financial statements of the The Manitoba Conservatory of Music and Arts Incorporated for the year ended June 30, 2024 were audited by Lazer Grant LLP of Winnipeg, Manitoba, Canada, prior to its merger with MNP LLP. Lazer Grant LLP expressed a qualified opinion on those statements on October 30, 2024 for the reasons described in the Basis for Qualified opinion paragraph.

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 private enterprises, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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 auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organization to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Winnipeg, MB

October 27, 2025

MNP LLP

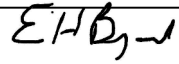
Chartered Professional Accountants

THE MANITOBA CONSERVATORY OF MUSIC AND ARTS INCORPORATED**Statement of Financial Position****June 30, 2025**

	2025	2024
ASSETS		
CURRENT		
Cash (Note 5)	\$ 69,281	\$ 127,394
Accounts receivable	16,723	7,668
Prepaid expenses	6,280	6,570
	92,284	141,632
CAPITAL ASSETS (Note 6)	116,042	121,869
EXTERNALLY RESTRICTED FUND (Note 3)	5,717	5,621
	\$ 214,043	\$ 269,122
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities (Note 7)	\$ 25,999	\$ 31,843
Deferred revenue (Note 8)	223,709	238,507
	249,708	270,350
NET ASSETS (DEFICIENCY)		
Unrestricted fund	(157,424)	(128,718)
Externally restricted fund	5,717	5,621
Invested in capital assets	116,042	121,869
	(35,665)	(1,228)
	\$ 214,043	\$ 269,122

LEASE COMMITMENTS (Note 10)

ON BEHALF OF THE BOARD

 Director
 Director

THE MANITOBA CONSERVATORY OF MUSIC AND ARTS INCORPORATED

Statement of Revenues and Expenditures

Year Ended June 30, 2025

	Budget <i>(Unaudited)</i>	Total 2025	Total 2024
REVENUES			
Earned revenue <i>(Schedule 1)</i>	\$ 436,500	\$ 424,647	\$ 431,706
Foundation grants <i>(Schedule 2)</i>	97,600	111,208	118,070
Government grants <i>(Schedule 3)</i>	82,800	82,800	82,800
Fundraising <i>(Schedule 4)</i>	39,500	42,543	31,220
Endowment fund grant <i>(Note 9)</i>	-	5,707	7,158
Investment revenue	5,700	3,645	6,913
Donations- In kind	-	-	2,095
	662,100	670,550	679,962
EXPENSES			
Advertising and promotion	20,250	18,038	14,128
Amortization	8,350	7,428	9,455
Credit card charges	6,354	10,614	10,439
Fundraising	750	-	933
Insurance	7,000	9,635	9,235
Interest and bank charges	2,640	3,357	3,586
Office	6,960	14,645	14,227
Professional fees	3,710	7,118	8,973
Program fee	365,528	371,759	378,858
Rent	41,580	40,183	38,335
Scholarships and bursaries	3,600	5,611	6,187
Telephone	800	1,025	996
Wages and employee benefits	193,533	215,574	194,690
	661,055	704,987	690,042
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	\$ 1,045	\$ (34,437)	\$ (10,080)

THE MANITOBA CONSERVATORY OF MUSIC AND ARTS INCORPORATED

Statement of Changes in Net Debt

Year Ended June 30, 2025

	Unrestricted Fund	Externally Restricted Fund	Invested in Capital Assets	2025	2024
NET ASSETS					
(DEFICIENCY) -					
BEGINNING OF					
YEAR	\$ (128,718)	\$ 5,621	\$ 121,869	\$ (1,228)	\$ 8,852
Deficiency of					
revenues over					
expenses	(34,437)	-	-	(34,437)	(10,080)
Purchase of capital					
assets	(1,600)	-	1,600	-	-
Amortization of capital					
assets	7,427	-	(7,427)	-	-
Funds received from					
Winnipeg					
Foundation	(5,707)	5,707	-	-	-
Scholarships awarded					
to students	5,611	(5,611)	-	-	-
NET DEBT - END OF					
YEAR	\$ (157,424)	\$ 5,717	\$ 116,042	\$ (35,665)	\$ (1,228)

THE MANITOBA CONSERVATORY OF MUSIC AND ARTS INCORPORATED

Statement of Cash Flows

Year Ended June 30, 2025

	2025	2024
OPERATING ACTIVITIES		
Deficiency of revenues over expenses	\$ (34,437)	\$ (10,080)
Item not affecting cash:		
Amortization	7,428	9,455
	(27,009)	(625)
Changes in non-cash working capital:		
Accounts receivable	(9,055)	(2,442)
Prepaid expenses	290	(202)
Accounts payable and accrued liabilities	(5,845)	15,967
Deferred revenue	(14,798)	7,310
	(29,408)	20,633
Cash flow from (used by) operating activities	(56,417)	20,008
INVESTING ACTIVITY		
Purchase of capital assets	(1,600)	(7,638)
FINANCING ACTIVITY		
Repayment of long term debt	-	(10,000)
INCREASE (DECREASE) IN CASH	(58,017)	2,370
Cash - beginning of year	133,015	130,645
CASH - END OF YEAR	\$ 74,998	\$ 133,015
CASH CONSISTS OF:		
Cash	\$ 69,281	\$ 127,394
Externally restricted fund	5,717	5,621
	\$ 74,998	\$ 133,015

1. GOING CONCERN

These financial statements have been prepared on a going-concern basis that contemplates the realization of assets and the payment of liabilities in the ordinary course of business. Should the organization be unable to continue as a going concern, it may be unable to realize the carrying value of its assets and to meet its liabilities as they become due.

As at June 30, 2025, the organization had a working capital deficit of \$157,424 (2024 - \$123,097).

The organization's ability to continue as a going concern is dependent upon its ability to attain profitable operations and generate funds therefrom and/or on borrowing from third parties sufficient to meet current and future obligations.

2. PURPOSE OF THE ORGANIZATION

The Manitoba Conservatory of Music and Arts Incorporated is a not-for-profit school of fine arts which plays a vital role in arts development throughout Manitoba by providing private instruction, performance, workshop, 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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

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

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.

Financial instruments

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 amortization and are amortized over their estimated useful lives at the following rates and methods:

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

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

(continues)

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

One-half the normal rate of amortization is recorded in the year of acquisition.

Net assets

Net assets are segregated based upon the purpose to which they relate, which include those invested in capital assets, restricted and unrestricted.

1. Unrestricted net assets comprise the excess of revenue over expense accumulated by the organization each year, net of transfers, and are available for general purpose.
2. Externally restricted net assets are funds which have been designated for a specific purpose by the donors. The organization has an Endowment Fund at the Winnipeg Foundation that supports the funding for the Externally Restricted net assets.
3. Net assets invested in capital assets are comprised of the unamortized amount of capital assets.

Revenue recognition

1. The Manitoba Conservatory of Music and Arts Incorporated follows the deferral method of accounting for contributions.
2. Restricted contributions, including government grants and foundation grants related to expenses of future periods, are deferred and recognized as revenue in the period in which the related expenses are incurred.
3. Unrestricted contributions, including government grants, interest, donations, fundraising and other 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

The operations of the organization depend on both the contribution of time by volunteers and donated materials from various sources. The fair value of donated materials and services cannot be reasonably determined and are therefore not reflected in these financial statements.

4. 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, 2025.

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.

THE MANITOBA CONSERVATORY OF MUSIC AND ARTS INCORPORATED

Notes to Financial Statements

Year Ended June 30, 2025

5. LINE OF CREDIT

The organization has a line of credit in the amount of \$30,000 with Assiniboine Credit Union, which is repayable on demand, bears interest at the credit union's prime rate plus 3% per annum. As at June 30, 2025, all of this line of credit remained unused (2024 - unused).

6. CAPITAL ASSETS

	2025		2024	
	Cost	Accumulated amortization	Cost	Accumulated amortization
Computer equipment	\$ 10,190	\$ 10,190	\$ 10,190	\$ 10,190
Furniture and equipment	92,418	90,978	90,818	90,818
Musical instruments	185,894	74,393	185,894	68,817
Signage	4,067	4,067	4,067	4,067
Website	17,888	14,787	17,888	13,096
	\$ 310,457	\$ 194,415	\$ 308,857	\$ 186,988
Net book value	\$ 116,042		\$ 121,869	

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2025	2024
	\$ -	\$ -
Trade payables	3,905	13,104
Gift certificates	1,050	900
Vacation payable	12,794	10,439
Audit fee accrual	6,500	6,500
Scholarship awarded	1,750	900
	\$ 25,999	\$ 31,843

8. DEFERRED REVENUE

	2025	2024
Tuition fees	\$ 139,635	\$ 124,945
Manitoba Art Council	22,500	22,500
The Winnipeg Foundation	18,000	18,000
Other Foundation Grants	43,574	73,062
	\$ 223,709	\$ 238,507

THE MANITOBA CONSERVATORY OF MUSIC AND ARTS INCORPORATED

Notes to Financial Statements

Year Ended June 30, 2025

9. 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 contribution of \$45,032 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 CanWest Global Jazz Scholarship Fund were amalgamated into a combined Scholarship Fund.

As at fiscal year end the funds held by the Winnipeg Foundation are comprised of the follow:

	2025	2024
<u>Combined Scholarship Funds</u>		
Market Value of the Fund	\$ 125,926	\$ 117,898
Disbursements received from Winnipeg Foundation	5,707	5,757
<u>Joseph John and Margaret Irene Lyon Music Fund</u>		
Market Value of the Fund	\$ 16,260	\$ 15,134
Disbursements received from Winnipeg Foundation	-	1,400

10. 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 rent of \$3,237 plus GST. The lease expires on August 31, 2030.

Total lease commitments under these arrangements are as follows:

2026	\$ 38,543
2027	38,839
2028	38,839
2029	38,839
2030	38,839
Thereafter	6,473
	<u>\$ 200,372</u>

THE MANITOBA CONSERVATORY OF MUSIC AND ARTS INCORPORATED

Earned revenue (Schedule 1)

Year Ended June 30, 2025

	Budget 2025 <i>(Unaudited)</i>	Total 2025	Total 2024
EARNED REVENUE			
Tuition fees	\$ 435,500	\$ 352,828	\$ 364,439
Performance fees	-	67,848	63,783
Other earned revenue	-	3,471	3,059
Facility rental	1,000	500	425
	\$ 436,500	\$ 424,647	\$ 431,706

Foundation grants (Schedule 2)

Year Ended June 30, 2025

	Budget 2025 <i>(Unaudited)</i>	Total 2025	Total 2024
FOUNDATION GRANTS			
Other foundations	\$ 79,600	\$ 82,116	\$ 83,500
Winnipeg Foundation	18,000	28,592	34,570
Corporate grants	-	500	-
	\$ 97,600	\$ 111,208	\$ 118,070

Government grants (Schedule 3)

Year Ended June 30, 2025

	Budget 2025 <i>(Unaudited)</i>	Total 2025	Total 2024
GOVERNMENT GRANTS			
Manitoba Arts Council	\$ 45,000	\$ 45,000	\$ 45,000
Winnipeg Arts Council	37,800	37,800	37,800
	\$ 82,800	\$ 82,800	\$ 82,800

THE MANITOBA CONSERVATORY OF MUSIC AND ARTS INCORPORATED

Fundraising (*Schedule 4*)

Year Ended June 30, 2025

	Budget 2025 (Unaudited)	Total 2025	Total 2024
FUNDRAISING			
Individual donations	\$ 22,300	\$ 26,376	\$ 12,866
Corporate donations	17,200	13,114	12,320
Fundraising	-	3,053	6,034
	\$ 39,500	\$ 42,543	\$ 31,220