MANITOBA
CONSERVATORY
OF MUSIC & ARTS

ANNUAL REPORT

2025–2026



We motivate and support Manitobans to achieve their music education goals through aspiring to excellence, opening doors to music, and building community.



We are supported by

CONSEIL DES ARTS DU MANITOBA
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President's report

The annual reports presented in this package for the 2026 Annual General Meeting encourage us to reflect on the events of the past year as well as to contemplate the future. The Committee chairs' reports provide an update on finances, fundraising, marketing , and the Music Equals program. They are remarkable in the fact that they are produced by volunteer Board members whose dedication of time to the MCMA is noted and appreciated. My report here, then, is not meant to rehash those narratives, but to provide an overview from the office of President—a view from "30,000 ft" as it were—as we look forward to 2026.

I am concluding my two year term as President, having been on the MCMA Board for several years in all. I was on the Board when COVID disrupted most of our programs; I was here when we faced a large accumulated debt. But I am also here now is much brighter times, as, under the leadership of our Executive Director Heitha Forsyth, our slate of lessons continues to increase, our various outreach programs continue to be supported, and the inclusive music instruction curriculum shepherded by Domanie Schadek is enjoying higher participation than ever. I must say that many kudos are due to all the 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.

We are a Conservatory of Music, but we are not 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 aforementioned 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 ever more diverse in its programming and Board membership—it has a bright future. Finances have recovered and continue on an upward trajectory. It is worth recalling her the mission statement for the MCMA; it 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

As I reflect on the 2025-26 season, I am filled with gratitude and pride for all that the Manitoba Conservatory of Music & Arts has accomplished this year. Every year brings its own opportunities and challenges, but this year felt particularly significant. It was a year marked by growth, renewed momentum, and a deepening connection to the communities we serve.

At its heart, the MCMA is about people. It is about the child attending their very first music class, the teenager preparing for an examination or performance, the adult returning to music after many years away, and the individuals in our Music Equals programs discovering joy, confidence, and connection through music. Every lesson, class, rehearsal, and performance represents a unique story, and it is a privilege to witness these stories unfold every day.

This year, we welcomed more students into our programs and saw increased participation across both individual instruction and group programming. Our faculty continued to inspire and support students of all ages, helping them achieve personal goals, build confidence, and develop a lifelong appreciation for music. From first recitals to advanced performances, student achievements reminded us of the transformative power of arts education and the importance of creating opportunities for artistic growth.

Our group programming expanded, reaching individuals and families throughout Winnipeg and beyond. We strengthened community partnerships, introduced new program opportunities, and continued to meet learners where they are, whether in our classrooms, community spaces, libraries, or partner organizations. It's been inspiring to see so many people discover the MCMA for the first time and become part of our growing community.

One of the highlights of the year has been witnessing the continued impact of Music Equals. The joy, creativity, and sense of belonging that participants experience through these programs serves as a powerful reminder of why our work matters. Music can bring people together in ways that transcend barriers, and Music Equals remains a shining example of our commitment to accessibility and inclusion.

I am also pleased to share that this year brought positive financial results for the organization. Through growing enrollment, expanding earned revenue opportunities, prudent financial management, and the support of our donors, funders, and community partners, MCMA ended the year in a stronger financial position than we have seen in recent years. While there is always more work to be done, these results reflect the dedication and thoughtful stewardship of our staff, Board, and volunteers, and provide a strong foundation for the future.

As Executive Director, I have the privilege of seeing firsthand the extraordinary commitment of those who make this organization possible. Our faculty bring passion, artistry, and care to every lesson. Our administrative team works tirelessly behind the scenes to support students, families, and programs. Our volunteers contribute countless hours because they believe in the power of music education. And our Board of Directors continues to provide leadership, guidance, and unwavering support as we work toward our strategic goals.

I would like to extend my sincere thanks to our students and families for choosing the MCMA and entrusting us with a part of your musical journey. I am equally grateful to our donors, funders, community partners, faculty, staff, and volunteers. Your belief in our mission makes this work possible.

As we look ahead, I feel a genuine sense of optimism. The demand for our programs continues to grow, new partnerships are emerging, and our organization is stronger than it has been in many years. Most importantly, we remain focused on our purpose: ensuring that people of all ages, abilities, and backgrounds can experience the joy, creativity, and connection that music can bring.

Thank you for being part of our community. I look forward to what we will accomplish together in the year ahead.

Heitha Forsyth
Executive Director

Student Services report

The 2025–26 academic year was my first full academic year at MCMA, providing many opportunities to learn, improve existing processes, and identify new ways to support our students and instructors.

Throughout the year, the Student Services team found more efficient ways to respond to and schedule consultation forms, communicate with prospective students, and manage registrations.

In September 2025, we had 267 finalized student registrations and 7,206 lessons booked for the academic year. Registration activity continued to grow throughout the year, supported by the consistent efforts of the Student Services administrators.

The Winter Introductory Offer achieved strong results, with a total of 45 students signed up, and 25 students transitioning into regular enrolments for the remainder of the academic year. This represents a 55% conversion rate, compared with 48% the previous year, when 15 of 31 introductory students transitioned into regular enrolments. This represents a 7% increase in conversion and reflects the effectiveness of the promotional initiative, the positive student experience provided by our instructional staff, and the consistent follow-up and communication efforts of the Student Services team.

MCMA's partnership programs with St. Mary's Academy continued to be successful throughout the 2025–26 academic year. Students participated in piano, guitar, voice, and electric guitar lessons delivered within their school setting, allowing us to maintain and strengthen this important community connection.

Many students returned from the previous year, demonstrating the value of these partnerships and the positive relationships developed between students, families, instructors, and MCMA.

Performance opportunities continued to play an important role in fostering student growth, confidence, and community engagement throughout the year. Student recitals were well attended and showcased a high standard of musicianship, commitment, and artistic development. The Year-End Recital was particularly well attended, with such a strong turnout from students and their families that we opened the upstairs area of Convocation Hall to accommodate additional seating.

The Scholarship Competition in May showcased an impressive range of talent. This year, we welcomed a new group of adjudicators who provided valuable and constructive feedback to participants, providing an additional opportunity for students to reflect on their performances and continue developing their musical skills. The Winners' Recital celebrated the outstanding achievements of our scholarship recipients and highlighted the dedication, artistry, and growth of our students. The continued development of this event reflects the high level of instruction at MCMA and the commitment of our students to their musical education.

Early Registration for the 2025–26 academic year opened in May 2025 and received a strong response from returning students. This early commitment helped support continuity across multiple disciplines and provided a strong foundation for the upcoming academic year.

Piano continued to represent the largest share of enrolments, followed by Voice and Strings. These trends provide valuable insight into student demand and will continue to inform our planning and programming.

Overall, the 2025–26 academic year was marked by continued growth, improved operational processes, strong student engagement, and meaningful community connections. The accomplishments of the past year reflect the combined efforts of our students, families, instructors, and administrative team.

As we move forward, I look forward to building on this strong foundation, continuing to improve the student experience, strengthening our community partnerships, and supporting the ongoing growth of the Manitoba Conservatory of Music & Arts as a leading institution for music education in Manitoba.

Chanelle Charbonneau
Operations Manager

Director of Programming/Fund Development report

Group Programming in 2025-26 was highly successful, building on the vision of the previous year's investment and finding new means to provide access in our community. Based on feedback from our participants, previous interest in programming and conversations with faculty members, we implemented a robust offering of group classes that served the highest interest groups.

Due to the high demand of early childhood programs, we sought out new community partnerships to expand our ability to deliver programs such as Baby Beats directly in the communities our students lived in. These included local small businesses and several Winnipeg Public Library locations. The formula presented was to offer a higher frequency of shorter sessions at affordable price points, and the community responded with enthusiasm. This has become a new and exciting revenue source for us, while providing a desired service to individual communities. We also continued to build on the success of previous infant and toddler programs by increasing the number of options for preschool and early elementary school aged children as a strategy for retention. These programs consisted of instrument specific intro classes that were well attended.

This past program year also focused on Adult programs. We learned that many adults were looking for low pressure, adult spaces to try new things and make new friends. We had high attendance in our multiple adult singing groups, exploring various genres of singing and musical styles. Shorter sessions of 6-8 weeks, with new offerings each session were a key to this success, as we had many returning students register for a variety of classes over the year. It is exciting to build up a community of amateur adult musicians!

We earned a gross revenue of $42,505.00 for group programming, and a net profit of $24,075.00. This is a 33% increase over 2024-25.

Fee For Service programming was steady in 2025-26, primarily booking early childhood, collaborative piano and music therapy contracts with various clients. We earned a gross revenue of $28,419.64, and a net profit of $6,557.50. This is a 52% increase over 2024-25.

Music Equals continued to impact folks across Manitoba with a highly diversified portfolio of programming. Maintaining long term partnerships at eight schools, multiple community partner organizations such as the WECC, Mount Carmel Clinic and Big Brothers Big Sisters and the town of Churchill, we delivered programming to 2,100 participants. We strived to include as much representation of our community as possible. Programs continued to be developed and delivered in response to community needs identified by the partners, and we are proud to have included everything from instrumental, vocal, dance, cultural teaching, live performance, music and wellness, music and technology, digital music and early years. We culminated the year with the Showcase Concert, celebrating the accomplishments of 289 school program students over two days of performances. Music Equals remains a constantly evolving project centered around achieving positive social outcomes via the transformative power of the arts. We continue to see personal circumstances improve for our participants through shared experiences, skill acquisition, the building of peer networks and gaining cultural identity from Winnipeg to Churchill.

Domanie Billinghurst–Schadek
Director of Programming/Fund Development



Marketing report

The Marketing Committee plays an important role in supporting the strategic priorities of The Manitoba Conservatory of Music & Arts, providing guidance on marketing initiatives that strengthen brand awareness, support student recruitment and retention, and foster meaningful engagement within our community.

Aligned with the strategic plan, the committee focused on maximizing the effectiveness of our marketing efforts across digital and traditional channels, including email marketing, social media, website content, search engine optimization (SEO), advertising, events, and community partnerships. Through these efforts, we continued to increase awareness of the MCMA's programs and offerings while supporting registration goals and enhancing connections with current and prospective students, families, and community stakeholders.

The committee continued its work to improve the MCMA's digital presence through ongoing website enhancements, accessibility improvements, and SEO optimization. These initiatives helped strengthen the user experience, improve search visibility, and ensure information is easily accessible to our audience.

The Marketing Committee also supported the promotion of key organizational initiatives, working collaboratively across the organization to amplify important programs, performances, events, and fundraising activities. Partnerships with the Fundraising Committee remained an important area of focus, helping to increase awareness and participation in fundraising initiatives that support the long-term sustainability of the MCMA.

As we look ahead, the committee remains committed to identifying new opportunities to expand the MCMA's reach, strengthen community awareness, and support the organization's mission of providing high-quality music and arts education throughout Manitoba.

I'd like to extend my thanks to the members of the Marketing Committee for their time, expertise, and ongoing commitment to the MCMA. Their support, ideas, and dedication continue to make a meaningful impact on our organization and the communities we serve.

Courtney Stewner
Marketing Committee Chair



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 the AGM

Directors for election for their 2026-28 term:
- Shon Illet
- Pamela Rutherford
- Rizzie Enriquez
- Floyd Buhler

Directors standing for re-election for their 2026-28 term:
- Dave Barchyn
- Jamie Dyck
- Jill Parsonage
- Courtney Stewner
- Edward Byard

Directors standing for re-election for their 2025-27 term:
- Samuel Adeniji
- Tobi Oluwadare
- Melina Aiello

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: Jamie Dyck
- Vice President: Dave Barchyn
- Treasurer: Samuel Adeniji
- Secretary: Tobi Oluwadare
- Past President: Edward Byard

Committee Chairs for appointment:
- Executive Committee: Jamie Dyck
- Finance Committee: Samuel Adeniji
- Fundraising Committee: Melina Aiello
- Marketing Committee: Courtney Stewner
- Music Equals Committee: Jill Parsonage
- HR Committee: Edward Byard
- Nominating Committee: Edward Byard
- Governance Committee: Edward Byard

Consent has been given by all nominees.

Mark Walker
Nominating Committee

Governance report

The governance committee chair and members of the executive committee met in fall 2026 to discuss a review of the MCMA bylaws. At that time, it was decided that given the past practice of the MCMA that a substantive review of the bylaws be undertaken every five years with the last review having been undertaken in 2022, that a substantive bylaw review will be needed in 2026/27 fiscal year. The governance committee is committed to a substantive review of the bylaws in the 2026/27 fiscal year with the board of directors, as required based on past practice. The bylaws of the MCMA have continued to serve the organization well since their last substantive review in 2022.

Mark Walker
Governance Committee



Donors

The MCMA Board of Directors would like to acknowledge the generosity of all who made financial and in-kind donations to the Manitoba Conservatory of Music & Arts in the 2025-2026 fiscal year.

- Winnipeg Foundation
- Mb Arts Council
- Winnipeg Arts Council
- Graham C. Lount Family Foundation Inc.
- The Bertram Austin Goodman, May Easton McLaren Goodman and Dorothy Jean Goodman Foundation
- Richardson Foundation
- Border Chemical
- The Mauro Family
- Chamandy Foundation
- The Gail Asper Family Foundation Inc.
- Johansen-Larsen Foundation
- Walker, Mark
- Steinbach Credit Union
- The Lloyd Carr-Harris Foundation
- Red River Coop
- Winnipeg Goldeyes
- Estate of Eleanor Beaudoin
- Canada Helps
- Harty, Norine
- Hope, Ray & Jacquie
- Krahn, Lauren
- Byard, Edward
- Manitoba Hydro
- Benevity
- Couture Klassen
- Cloutier, Genevieve
- Held, Tauba
- Basra, Navinder
- Soto-Guerrero, Eliana

Treasurer's report

For the 2025–2026 fiscal year, the Manitoba Conservatory of Music & Arts recorded a significant improvement in its financial performance, moving from a deficit in the prior year to a healthy operating surplus. Total revenue increased by $150,973, representing approximately 23% growth compared to the 2024–2025 fiscal year. This improvement was driven primarily by a $92,194 increase in earned revenue and a $66,840 increase in foundation grants. Government grants remained unchanged at $82,800, while fundraising revenue decreased by $7,774.

On the expenditure side, total expenses increased by $68,894, representing approximately 10% growth over the previous year. The increase was primarily attributable to higher program fees, which rose by $67,111, as well as increases in wages and employee benefits, rent, and office expenses. Wages and employee benefits increased modestly by approximately 2%, from $215,574 to $219,730. Despite these cost pressures, revenue growth outpaced expenditure growth, contributing to a substantial improvement in the organization's overall financial position.

As a result, the MCMA recorded an annual surplus of $47,642, compared to a deficit of $34,437 in the previous fiscal year. This represents a positive year-over-year improvement of $82,079 and reflects the organization's stronger revenue performance and its ability to manage expenditure growth relative to available resources.

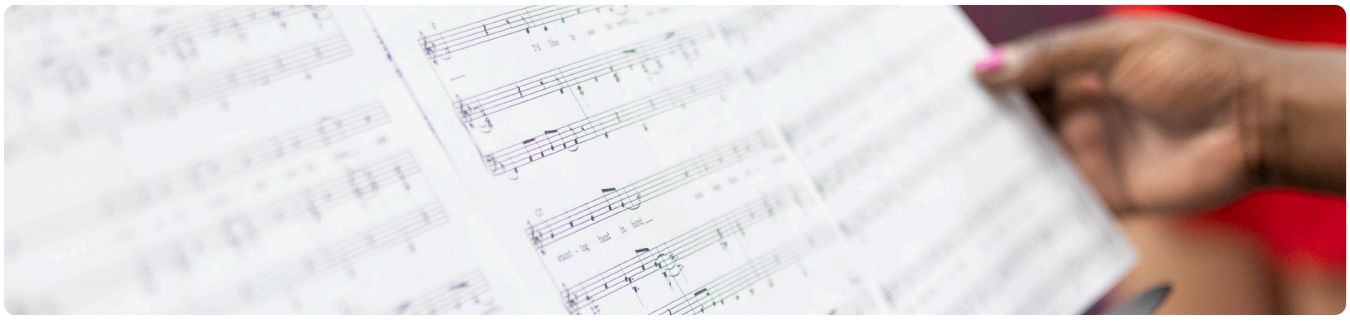
The MCMA's cash position also strengthened considerably during the year. Cash balances increased to $122,228 as at June 30, 2026, compared to $69,281 at the end of the previous fiscal year, representing an increase of $52,947, or approximately 76%. This improvement provides greater liquidity to support ongoing operations and financial commitments. Nevertheless, continued attention to cash flow management remains important, particularly given the organization's deferred revenue obligations and overall financial commitments.

The organization's net asset position also improved significantly, moving from a net asset deficiency of $35,665 in 2025 to positive net assets of $11,977 in 2026. This improvement reflects the year's operating surplus and represents an encouraging step toward strengthening the MCMA's financial sustainability. Continued monitoring of revenue sources, program costs, and working capital will remain important in maintaining this positive momentum.

The MCMA's progress continues to be supported by the commitment of its donors, foundation partners, government funders, staff, instructors, and program participants. Their contributions play an essential role in sustaining the MCMA's mission of providing accessible, high-quality music education and advancing its innovative Music Equals programming across diverse communities.

In closing, I extend my sincere appreciation to the Board of Directors, management, staff, instructors, donors, and all supporters for their dedication and contributions throughout the year. The positive financial results achieved in 2025–2026 provide a stronger foundation for the MCMA to build upon its progress, manage its resources responsibly, and continue enriching lives and communities through music education in the years ahead.

Samuel Adeniji
Treasurer





MANITOBA
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THE MANITOBA CONSERVATORY OF MUSIC AND ARTS INCORPORATED

Financial Statements

Year Ended June 30, 2026

THE MANITOBA CONSERVATORY OF MUSIC AND ARTS INCORPORATED

Index to Financial Statements

Year Ended June 30, 2026

	Page
INDEPENDENT AUDITOR'S REPORT	1 - 3
FINANCIAL STATEMENTS	
Statement of Financial Position	4
Statement of Revenues and Expenditures	5
Statement of Changes in Net Assets	6
Statement of Cash Flows	7
Notes to Financial Statements	8 - 13
Earned revenue *(Schedule 1)*	14
Foundation grants *(Schedule 2)*	14
Government grants *(Schedule 3)*	14
Fundraising *(Schedule 4)*	15

Independent Auditor's 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, 2026, and the statements of revenues and expenditures, 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 matters 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, 2026, 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 (ASNPO).

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, 2026, and current assets and net assets as at June 30, 2026. Our audit opinion on the financial statements for the year ended June 30, 2025 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 attention to Note 1 in the financial statements, which indicates that, although the organization reported an excess of revenues over expenses of $47,642 for the year ended June 30, 2026 and had positive net assets of $11,977 at year end, the organization continues to face conditions that may cast significant doubt on its ability to continue as a going concern, including a working capital deficit of $106,581, reliance on student enrolment, grants, donations and fundraising revenues, and future lease commitments. As stated in Note 1, these events or conditions, along with the other matters set forth therein, 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.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with ASNPO, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the 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 Manitoba

September 28, 2026

MNP LLP

Chartered Professional Accountants

MNP

THE MANITOBA CONSERVATORY OF MUSIC AND ARTS INCORPORATED

Statement of Financial Position

June 30, 2026

	2026	2025
ASSETS		
CURRENT		
Cash	**$ 122,228**	$ 69,281
Accounts receivable	**25,177**	16,723
Prepaid expenses	**1,063**	6,280
	148,468	92,284
CAPITAL ASSETS *(Note 5)*	**110,330**	112,941
INTANGIBLE ASSETS *(Note 6)*	**1,409**	3,101
EXTERNALLY RESTRICTED FUND *(Note 3)*	**6,819**	5,717
	$ 267,026	$ 214,043
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities *(Note 8)*	**$ 24,218**	$ 25,999
Deferred revenue *(Note 9)*	**230,831**	223,709
	255,049	249,708
NET ASSETS (DEFICIENCY)		
Unrestricted fund	**(106,581)**	(157,424)
Externally restricted fund	**6,819**	5,717
Invested in capital assets	**111,739**	116,042
	11,977	(35,665)
	$ 267,026	$ 214,043

LEASE COMMITMENTS *(Note 11)*

ON BEHALF OF THE BOARD

e-Signed by Edward Byard
2026-09-28 08:11:49:49 MDT _____ *Director*

e-Signed by Samuel Adeniji
2026-09-28 09:38:27:27 MDT _____ *Director*

THE MANITOBA CONSERVATORY OF MUSIC AND ARTS INCORPORATED

Statement of Revenues and Expenditures

Year Ended June 30, 2026

	Budget *(Unaudited)*	**Total 2026**	Total 2025
REVENUES			
Earned revenue *(Schedule 1)*	$ 474,200	**$ 516,841**	$ 424,647
Foundation grants *(Schedule 2)*	137,500	**178,048**	111,208
Government grants *(Schedule 3)*	82,800	**82,800**	82,800
Fundraising *(Schedule 4)*	53,700	**34,769**	42,543
Endowment fund grant *(Note 10)*	-	**5,663**	5,707
Interest revenue	6,500	**3,402**	3,645
	754,700	**821,523**	670,550
EXPENSES			
Advertising and promotion	20,250	**12,190**	18,038
Amortization of capital assets	8,350	**6,103**	5,737
Amortization of intangible assets	-	**1,691**	1,691
Credit card charges	8,550	**8,711**	10,614
Fundraising	602	**-**	-
Insurance	8,100	**9,856**	9,635
Interest and bank charges	2,800	**3,764**	3,357
Office	12,885	**14,308**	14,645
Professional fees	6,500	**7,863**	7,118
Program fee	411,645	**438,870**	371,759
Rent	57,480	**45,237**	40,183
Scholarships and bursaries	3,600	**4,561**	5,611
Telephone	900	**997**	1,025
Wages and employee benefits	198,164	**219,730**	215,574
	739,826	**773,881**	704,987
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	$ 14,874	**$ 47,642**	$ (34,437)

THE MANITOBA CONSERVATORY OF MUSIC AND ARTS INCORPORATED

Statement of Changes in Net Assets

Year Ended June 30, 2026

	Unrestricted Fund	Externally Restricted Fund	Invested in Capital Assets	**2026**	2025
NET ASSETS (DEFICIENCY) - BEGINNING OF YEAR	$ (157,424)	$ 5,717	$ 116,042	**$ (35,665)**	$ (1,228)
Excess of revenues over expenses	47,642	-	-	**47,642**	(34,437)
Purchase of capital assets	(3,491)	-	3,491	**-**	-
Amortization of capital assets	6,103	-	(6,103)	**-**	-
Amortization of intangible assets	1,691	-	(1,691)	**-**	-
Funds received from Winnipeg Foundation	(5,663)	5,663	-	**-**	-
Scholarships awarded to students	4,561	(4,561)	-	**-**	-
NET ASSETS (DEFICIENCY) - END OF YEAR	$ (106,581)	$ 6,819	$ 111,739	**$ 11,977**	$ (35,665)

THE MANITOBA CONSERVATORY OF MUSIC AND ARTS INCORPORATED

Statement of Cash Flows

Year Ended June 30, 2026

	2026	2025
OPERATING ACTIVITIES		
Excess (deficiency) of revenues over expenses	**$ 47,642**	$ (34,437)
Items not affecting cash:		
Amortization of capital assets	**6,103**	5,737
Amortization of intangible assets	**1,691**	1,691
	55,436	(27,009)
Changes in non-cash working capital:		
Accounts receivable	**(8,454)**	(9,055)
Prepaid expenses	**5,217**	290
Accounts payable and accrued liabilities	**(1,781)**	(5,845)
Deferred revenue	**7,122**	(14,798)
	2,104	(29,408)
Cash flow from (used by) operating activities	**57,540**	(56,417)
INVESTING ACTIVITY		
Purchase of capital assets	**(3,491)**	(1,600)
INCREASE (DECREASE) IN CASH	**54,049**	(58,017)
Cash - beginning of year	**74,998**	133,015
CASH - END OF YEAR	**$ 129,047**	$ 74,998
CASH CONSISTS OF:		
Cash	**$ 122,228**	$ 69,281
Externally restricted fund	**6,819**	5,717
	$ 129,047	$ 74,998

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, 2026, the organization had a working capital deficit of $106,581 (2025 - $157,424).

The organization's ability to continue as a going concern is dependent upon its ability to maintain sufficient enrolment levels, secure ongoing funding and donations, generate positive cash flows from operations, and meet its financial obligations as they become due.

These events and conditions indicate that a material uncertainty exists that may cast significant doubt on the organization's ability to continue as a going concern. If the organization is unable to continue as a going concern, adjustments may be required to the carrying amounts and classification of assets and liabilities reported in the financial statements. Such adjustments could be material.

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 (ASNPO).

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 the statement of revenues and expenditures 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.

(continues)

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

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

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

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

Intangible assets

Intangible assets consist of website development costs and are recorded at cost less accumulated amortization. Amortization is provided on a straight-line basis at an annual rate of 30% over the estimated useful life of the asset. Intangible assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

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 purposes.
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 represent the unamortized carrying value of the organization's capital and intangible assets used in operations. These net assets consist of the cost of such assets less accumulated amortization.

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.

Budget figures

Budget figures included in the Statement of Revenues and Expenditures and related schedules are provided for comparison purposes only and have not been audited. The budget amounts were approved by the Board of Directors and are presented on a basis consistent with that used in the preparation of these financial statements.

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

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, 2026.

Credit risk

Credit risk arises from the potential that a counterparty will fail to perform its obligations. The organization is exposed to credit risk primarily through its accounts receivable from students and other customers. At year-end, accounts receivable were outstanding from nine customers (2025 - seven customers), with one customer representing approximately 47% (2025 - 73%) of the total accounts receivable balance. Management has assessed the significant outstanding balance as collectible, and the 2026 balance is fully secured through post-dated cheques that are deposited monthly. Accordingly, no allowance for doubtful accounts has been recorded. Management monitors receivable balances on an ongoing basis and believes the organization's exposure to credit risk is appropriately managed through established collection practices and regular monitoring of outstanding accounts.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The organization is exposed to this risk mainly in respect of its receipt of funds from its customers and other related sources and accounts payable and accrued liabilities.

5. CAPITAL ASSETS

	2026		2025	
	Cost	**Accumulated amortization**	Cost	Accumulated amortization
Computer equipment	**$ 11,327**	**$ 10,360**	$ 10,190	$ 10,190
Furniture and equipment	**92,418**	**91,298**	92,418	90,978
Musical instruments	**188,248**	**80,005**	185,894	74,393
Signage	**4,067**	**4,067**	4,067	4,067
	$ 296,060	**$ 185,730**	$ 292,569	$ 179,628
Net book value	**$ 110,330**		$ 112,941	

6. INTANGIBLE ASSETS

The organization's intangible assets consist of website development costs.

	2026	2025

6. INTANGIBLE ASSETS *(continued)*

		2026		2025
Cost	**$**	**17,888**	$	17,888
Accumulated amortization		**(16,479)**		(14,787)
	$	**1,409**	$	3,101

7. 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, 2026, all of this line of credit remained unused (2025 - unused).

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2026	2025
Trade payables	**$ 5,069**	$ 3,905
Gift certificates	**1,150**	1,050
Vacation payable	**10,004**	12,794
Audit fee accrual	**6,695**	6,500
Scholarship awarded	**1,300**	1,750
	$ 24,218	$ 25,999

9. DEFERRED REVENUE

Deferred revenue consists primarily of tuition and program fees received in advance for lessons and programs to be delivered in future periods, together with grants, sponsorships and other amounts received in advance.

	2026	2025
Deferred revenue, beginning of year	**$ 223,709**	$ 238,507
Contributions and fees received during the year	**598,221**	513,054
Amount recognized as revenue	**(591,099)**	(527,852)
Deferred revenue, end of year	**$ 230,831**	$ 223,709

10. 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.

The funds are owned and administered by The Winnipeg Foundation. As the organization does not control these endowment assets, the market values of the funds are not recorded as assets in the statement of financial position. The organization recognizes only the distributions received from the funds as revenue when receivable or received in accordance with its revenue recognition policy.

(continues)

10. SCHOLARSHIP FUNDS *(continued)*

As at June 30, the funds held by The Winnipeg Foundation were comprised of the following:

	2026	2025
Combined Scholarship Funds		
Market Value of the Fund	**$ 143,000**	$ 125,926
Disbursements received from Winnipeg Foundation	**5,663**	5,707
Joseph John and Margaret Irene Lyon Music Fund		
Market Value of the Fund	**$ 18,570**	$ 16,260
Disbursements received from Winnipeg Foundation	**-**	-

11. 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:

2027	$ 38,839
2028	38,839
2029	38,839
2030	38,839
2031	6,473
	$ 161,829

12. COMPARATIVE FIGURES

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

THE MANITOBA CONSERVATORY OF MUSIC AND ARTS INCORPORATED

Earned revenue *(Schedule 1)*

Year Ended June 30, 2026

	Budget 2026 *(Unaudited)*	**Total 2026**	Total 2025
EARNED REVENUE			
Tuition fees	$ 413,200	**$ 449,666**	$ 352,828
Performance fees	60,000	**66,987**	67,848
Other earned revenue	-	**118**	3,471
Facility rental	1,000	**70**	500
	$ 474,200	**$ 516,841**	$ 424,647

Foundation grants *(Schedule 2)*

Year Ended June 30, 2026

	Budget 2026 *(Unaudited)*	**Total 2026**	Total 2025
FOUNDATION GRANTS			
Other foundations	$ 117,500	**$ 125,918**	$ 82,116
Winnipeg Foundation	20,000	**51,130**	28,592
Corporate grants	-	**1,000**	500
	$ 137,500	**$ 178,048**	$ 111,208

Government grants *(Schedule 3)*

Year Ended June 30, 2026

	Budget 2026 *(Unaudited)*	**Total 2026**	Total 2025
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, 2026

	Budget 2026 *(Unaudited)*	**Total 2026**	Total 2025
FUNDRAISING			
Individual donations	$ 33,000	**$ 12,845**	$ 26,376
Corporate donations	13,200	**18,764**	13,114
Fundraising	7,500	**3,160**	3,053
	$ 53,700	**$ 34,769**	$ 42,543