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**PENTICTON ACADEMY OF  
MUSIC SOCIETY**

**FINANCIAL STATEMENTS**

**For the year ended July 31, 2022**

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## COMPILATION ENGAGEMENT REPORT

To the Board of Directors of Penticton Academy of Music Society

On the basis of information provided by management, I have compiled the statement of financial position of Penticton Academy of Music Society as at July 31, 2022 and the statement of operations and fund balances for the year then ended, and Note 1, which describes the basis of accounting applied in the preparation of the compiled financial information.

Management is responsible for the accompanying financial information, including the accuracy and completeness of the underlying information used to compile it and the selection of the basis of accounting.

I performed this engagement in accordance with Canadian Standard on Related Services (CSRS) 4200, *Compilation Engagements*, which requires me to comply with relevant ethical requirements. My responsibility is to assist management in the preparation of the financial information.

I did not perform an audit engagement or a review engagement, nor was I required to perform procedures to verify the accuracy or completeness of the information provided by management. Accordingly, I do not express an audit opinion or a review conclusion, or provide any form of assurance on the financial information.

Readers are cautioned that the financial information may not be appropriate for their purposes.

Penticton, British Columbia

November 4, 2022

Chartered Professional Accountant

**Penticton Academy of Music Society**  
**Statement of Financial Position**

**July 31**

**2022**

**2021**

**Assets**

**Current assets**

Cash in bank	<b>\$ 63,168</b>	\$ 119,800
Restricted Cash - Gaming Account (Note 4)	<b>20,012</b>	20,012
Amounts receivable	<b>3,910</b>	3,286
Prepaid expense	<b>186</b>	279
	<b>87,276</b>	143,377

**Property, Plant and Equipment**

Musical instruments	<b>99,939</b>	99,939
Office furniture and equipment	<b>2,098</b>	2,098
Computer software	<b>4,164</b>	4,164
	<b>106,201</b>	106,201
Less: accumulated amortization	<b>(103,618)</b>	(102,972)
	<b>2,583</b>	3,229
	<b>\$ 89,859</b>	\$ 146,606

**Liabilities and Members' Equity**

**Current liabilities**

Accounts payable and accrued liabilities	<b>\$ 1,859</b>	\$ 1,746
CEBA Loan, net of forgivable portion	<b>-</b>	40,000
Deferred revenue, lesson deposits	<b>2,080</b>	3,486
Deferred revenue, gaming grant (Note 4)	<b>20,000</b>	20,000
	<b>23,939</b>	65,232

**Members' equity**

Fund balances	<b>65,920</b>	81,374
	<b>\$ 89,859</b>	\$ 146,606

## Penticton Academy of Music Society Statement of Operations and Fund Balances

**For the year ended July 31**

**2022**

**2021**

### Revenue

Lesson fees	\$ 239,608	\$ 229,910
Gaming grant	20,000	20,000
Registration fees	9,890	12,090
Membership fees	3,055	796
Donations	11,801	13,573
Instrument rental	1,320	1,100
Other revenue		
Forgiveable portion of CEBA Loan	-	20,000
COVID-19 Employment Wage Subsidies	3,175	18,056
Grants, workshops and interest	1,032	5,178
	<b>289,881</b>	<b>320,703</b>

### Expenditures

Advertising and promotion	263	693
Amortization	646	807
Bad debt expense	6,523	1,920
Insurance	1,208	836
Interest and bank charges	1,419	1,066
Instruction costs	201,008	206,376
Memberships, dues and fees	425	1,412
Office and miscellaneous	1,551	1,801
Professional fees	2,674	2,330
Rent	28,366	23,642
Repairs and maintenance	4,879	1,808
Salaries and wages	41,874	39,606
Scholarships	1,460	-
Bursaries	11,223	9,574
Telephone	1,816	2,000
	<b>305,335</b>	<b>293,871</b>

**Excess of revenue (expense) for the year**

(15,454)      26,832

**Fund balances, beginning of year**

**81,374**      54,542

**Fund balances, end of year**

**\$ 65,920**      \$ 81,374

*Represented by:*

Invested in capital assets	\$ 2,583	\$ 3,229
Internally restricted - development	14,232	14,232
Internally restricted - bursary funds	5,946	2,403
Externally restricted (Note 4)	12	12
Unrestricted	43,147	61,498
	<b>\$ 65,920</b>	<b>\$ 81,374</b>

# Penticton Academy of Music Society

## Notes to Financial Statements

**For the year ended July 31, 2022**

### **Note 1 Basis of Accounting**

The basis of accounting to be applied in the preparation of the financial information is on the historical cost basis, reflecting cash transactions with the addition of:

- accounts receivable less an allowance for doubtful accounts;
- accounts payable and accrued liabilities; and
- deferred revenue; and
- capital assets recorded at historical cost and amortized on a systematic basis.

### **Note 2 Authority and Purpose**

The Society is incorporated under the provisions of the Societies Act of British Columbia as a not-for-profit organization and is a registered charity under the provisions of the Canadian Income Tax Act. The Society is exempt from income taxes under the provisions of the Canadian Income Tax Act.

The not-for-profit organization offers music and dramatic arts instruction to students and amateur musicians throughout the South Okanagan.

### **Note 3 Contributed Services**

A number of volunteers contribute a significant amount of time to the Society. Because of the difficulties in determining the fair market value of those contributed services, contributed services are not recognized in the accompanying financial statements.

### **Note 4 Gaming Account Fund**

The Gaming Account is an externally restricted account for funds received from the Province of British Columbia. All deposits to and disbursements from the Gaming Account must be reported on an annual basis to the Gaming Policy and Enforcement Branch of the Ministry of Housing and Social Development.

	<b>2022</b>	2021
Fund balance, beginning of year	\$ 12	\$ 9
Add: gaming grant	20,000	20,000
Less; disbursements from gaming account	<u>(20,000)</u>	<u>(19,997)</u>
Fund balance, end of year	<u>12</u>	<u>12</u>
Represented by:		
Cash in bank	20,012	20,012
Deferred revenue	<u>(20,000)</u>	<u>(20,000)</u>
	<u>12</u>	<u>12</u>