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# **VANCOUVER RECITAL SOCIETY**

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## **FINANCIAL STATEMENTS**

**August 31, 2025**

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# VANCOUVER RECITAL SOCIETY

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As at August 31, 2025

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## INDEPENDENT AUDITOR'S REPORT

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To the Members of Vancouver Recital Society

### Qualified Opinion

We have audited the financial statements of Vancouver Recital Society, which comprise the statement of financial position as at August 31, 2025, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Society as at August 31, 2025, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

### Basis for Qualified Opinion

In common with many not-for-profit organizations, the Society derives some revenue from voluntary contributions 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 Society. Therefore, we were not able to determine whether any adjustments might be necessary to donations revenue, excess of revenues over expenses, and cash flows from operating activities for the years ended August 31, 2025 and 2024, current assets as at August 31, 2025 and 2024, and net assets as at September 1 and August 31 for both the 2025 and 2024 years. The predecessor auditor's opinion on the financial statements for the year ended August 31, 2024 was modified accordingly because of the possible effects of this limitation in 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 Society 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.

### Other Matter

The financial statements of the Society for the year ended August 31, 2024 were audited by another auditor who expressed a qualified opinion on those financial statements on January 21, 2025 for the reason described in the *Basis for Qualified Opinion* section.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Society'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 Society or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Society'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 will 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 Society'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 Society'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 Society 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.

#### **Report on Other Legal and Regulatory Requirements**

As required by the Societies Act (British Columbia), we report that in our opinion, the accounting principles in Canadian accounting standards for not-for-profit organizations have been applied on a basis consistent with that of the preceding year.

*Lohn Caulder LLP*

Chartered Professional Accountants  
Vancouver, BC  
January 19, 2026

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# VANCOUVER RECITAL SOCIETY

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## STATEMENT OF FINANCIAL POSITION

As at August 31

	2025 \$	2024 \$
<b>ASSETS</b>		
<b>Current</b>		
Cash (note 3)		
Operations Fund	805,248	1,439,738
CRM Acquisition Fund	-	100,000
Accounts receivable (note 4)	83,984	72,445
Prepaid expenses	5,426	5,466
	<u>894,658</u>	<u>1,617,649</u>
<b>Long-term Investments</b> (note 5)	2,500,000	1,800,000
<b>Capital Assets</b> (note 6)	92,095	94,149
<b>Intangible Assets</b> (note 7)	38,400	24,000
	<u>3,525,153</u>	<u>3,535,798</u>
<b>LIABILITIES</b>		
<b>Current</b>		
Accounts payable and accrued liabilities (note 8)	72,200	83,494
GST payable	7,498	10,737
Deferred subscriptions and ticket sales, grants, sponsorship and other revenue (note 9)	300,356	720,964
	<u>380,054</u>	<u>815,195</u>
<b>Fund Balances</b>		
Operations Fund	3,014,604	2,502,454
CRM Acquisition Fund	-	100,000
Capital Asset Fund	130,495	118,149
	<u>3,145,099</u>	<u>2,720,603</u>
	<u>3,525,153</u>	<u>3,535,798</u>

APPROVED BY THE DIRECTORS:

  
\_\_\_\_\_  
Member

  
\_\_\_\_\_  
Member

The accompanying notes are an integral part of these financial statements.

# VANCOUVER RECITAL SOCIETY

## STATEMENT OF OPERATIONS

Year ended August 31

	2025 \$	2024 \$
<b>Revenues</b>		
Subscription and ticket sales	773,254	366,850
Grants and donations - Foundations	491,278	379,904
Sponsorships	140,000	130,000
Grants from City of Vancouver (note 2)	65,810	78,080
Grants from Provincial government	37,000	-
Community gaming grant	-	10,000
	<b>1,507,342</b>	<b>964,834</b>
<b>Concert Expenses</b>		
Artists' fees, travel and accommodation	721,450	447,199
Commission on ticket sales	6,162	3,544
Marketing and publicity	97,204	136,271
Other production costs	87,592	79,216
Theatre rent (note 2)	93,734	93,636
	<b>1,006,142</b>	<b>759,866</b>
	<b>501,200</b>	<b>204,968</b>
<b>Other Income</b>		
Donation revenue	475,993	450,763
Vancouver Foundation distributions (notes 5 and 11)	133,344	115,460
Miscellaneous income	7,962	10,780
Foreign exchange gain	25,177	5,228
Piano rental	-	1,905
	<b>642,476</b>	<b>584,136</b>
Contribution towards unallocated production and other expenses	<b>1,143,676</b>	<b>789,104</b>
<b>Other Expenses</b>		
Amortization	16,660	7,107
Fundraising costs	7,571	14,513
Office and miscellaneous	143,405	144,407
Wages and consulting fees	551,544	530,275
	<b>719,180</b>	<b>696,302</b>
<b>Excess of Revenues Over Expenses for the Year</b>	<b>424,496</b>	<b>92,802</b>

The accompanying notes are an integral part of these financial statements.

# VANCOUVER RECITAL SOCIETY

## STATEMENT OF CHANGES IN NET ASSETS

Year ended August 31

	Operations Fund \$	CRM Acquisition Fund \$	Capital Asset Fund \$	Total 2025 \$	Total 2024 \$
Balance, beginning	2,502,454	100,000	118,149	2,720,603	2,627,801
Excess of revenues over expenses for the year	441,156	-	(16,660)	424,496	92,802
Fund transfer	100,000	(100,000)	-	-	-
Acquisition of capital assets	(5,006)	-	5,006	-	-
Acquisition of intangible asset	(24,000)	-	24,000	-	-
Balance, ending	3,014,604	-	130,495	3,145,099	2,720,603

The accompanying notes are an integral part of these financial statements.



# VANCOUVER RECITAL SOCIETY

## STATEMENT OF CASH FLOWS

Year ended August 31

	2025 \$	2024 \$
<b>Cash (Used in) Provided by Operating Activities</b>		
Excess of revenues over expenses for the year	424,496	92,802
Adjustments for		
Amortization	16,660	7,107
Grants - City of Vancouver	(65,810)	(78,080)
Donation revenue	(120,366)	(69,721)
Theatre rent	65,810	78,080
	320,790	30,188
Change in non-cash operating working capital:		
Accounts receivable	(11,539)	115,140
Prepaid expenses	40	4,285
Accounts payable and accrued liabilities	(11,294)	16,469
GST payable	(3,239)	5,356
Deferred subscriptions and ticket sales, grants, sponsorship and other revenue	(420,608)	171,516
	(125,850)	342,954
<b>Cash (Used in) Provided by Investing Activities</b>		
Purchase of long-term investments	(700,000)	-
Purchase of capital assets	(5,006)	-
Purchase of intangible asset	(24,000)	(24,000)
Proceeds from sale of quoted equity securities	120,366	69,721
	(608,640)	45,721
<b>Net (Decrease) Increase in Cash</b>	(734,490)	388,675
<b>Cash, beginning of year</b>	1,539,738	1,151,063
<b>Cash, end of year</b>	805,248	1,539,738
<b>Cash Consists of:</b>		
Operations Fund	805,248	1,439,738
CRM Acquisition Fund	-	100,000
	805,248	1,539,738

The accompanying notes are an integral part of these financial statements.

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# VANCOUVER RECITAL SOCIETY

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## NOTES TO THE FINANCIAL STATEMENTS

August 31, 2025

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### 1. Nature of Operations

Vancouver Recital Society (the "Society") is a registered charitable organization which was incorporated on June 5, 1980. The purpose of the Society is to promote and foster musical life in the province of British Columbia. The Society presents a recital series. The Society is a registered charity under the Income Tax Act and, as such, is exempt from income taxes.

### 2. Significant Accounting Policies

#### Basis of Accounting

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

#### Adoption of Accounting Guideline AcG-20, Customer's Accounting for Cloud Computing Arrangements

Effective September 1, 2024, the Society has adopted the requirements of Accounting Guideline AcG-20, Customer's Accounting for Cloud Computing Arrangements, on the presentation and recognition of expenditures related to multiple-element arrangements for the on-demand delivery of computing resources over the internet or a private network.

The application of this policy resulted in additional disclosure requirement in Note 13 on the Society's financial statements.

#### Cloud Computing Arrangements

The Society applies the simplification approach to account for expenditures in cloud computing arrangements. The expenditures in the arrangements are expensed as incurred.

#### Cash and Cash Equivalents

Cash and cash equivalents consists of cash on hand and bank balances.

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# VANCOUVER RECITAL SOCIETY

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## NOTES TO THE FINANCIAL STATEMENTS

August 31, 2025

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### 2. Significant Accounting Policies, continued

#### Fund Accounting

The Society follows the restricted fund method of accounting for contributions. Under this method, each fund retains the donations received and makes expenditures in accordance with either the stated purpose of the designated fund or as specified by the donor, as the case may be.

##### i) Operations fund

The operations fund includes those amounts which pertain to the Society's operations. The operations fund absorbs all administrative costs pertaining to the Society.

##### ii) CRM acquisition fund

The CRM acquisition fund includes amounts internally restricted by the board of directors for acquiring new ticketing and customer relationship management (CRM) system.

##### iii) Capital asset fund

The capital asset fund includes the furniture and equipment, piano, leasehold improvements, and an intangible asset recorded on the books of the Society as well as proceeds received from the sale of capital assets and donations received for the acquisition of capital assets.

#### Financial Instruments

The Society's financial instruments consist of cash, accounts receivable, long-term investments, accounts payable and accrued liabilities. Financial instruments are initially measured at fair value and subsequently measured at amortized cost. Changes in fair value are recognized in the statement of operations.

#### Intangible Assets

The intangible asset consists of expenditures for a new website. The website is carried at cost less accumulated amortization. Amortization is calculated on a straight-line basis over the expected useful life of the asset as follows:

Website

5 years

The intangible asset is tested for recoverability whenever events or changes in circumstances indicate that its carrying amount may not be recoverable. An impairment loss is recognized when the carrying amount of an asset is not recoverable and exceeds its fair value or replacement cost. Write-downs are not reversed.

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# VANCOUVER RECITAL SOCIETY

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## NOTES TO THE FINANCIAL STATEMENTS

August 31, 2025

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### 2. Significant Accounting Policies, continued

#### Capital Assets

Capital assets are recorded at cost less accumulated amortization. Amortization is calculated annually as follows:

Furniture and equipment	20 and 30% declining balance
Piano	5% declining balance

except in the year of acquisition, at which time amortization is provided for based on the date the asset is put into service.

Capital assets are tested for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. An impairment loss is recognized when the carrying amount of an asset is not recoverable and exceeds its fair value or replacement cost. Write-downs are not reversed.

#### Revenue Recognition

Revenues are recorded when they are received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Subscriptions and ticket sales, grants, sponsorships and other revenue which relate to activities of a subsequent year, are reflected as deferred revenue at year-end. Restricted contributions to the operations fund are recognized as revenue in the year in which the related expenses are incurred.

#### Contributed Materials and Services

Contributed materials and services are not recognized in the financial statements unless they are substantial, a fair value can be reasonably estimated and the materials and services are used in the normal course of operations and would otherwise have been purchased. No contributed materials and services were recognized in the year except for theatre rent paid by another organization which is reflected as Grants from City of Vancouver of \$65,810 during the year ended August 31, 2025 (2024: \$78,080) with a corresponding charge recorded as theatre rent.

#### Non-Monetary Donations

Periodically the Society receives shares of quoted equity securities as donations. These non-monetary donations are measured at the quoted closing price on the day received.

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# VANCOUVER RECITAL SOCIETY

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## NOTES TO THE FINANCIAL STATEMENTS

August 31, 2025

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### 2. Significant Accounting Policies, continued

#### Foreign Currency Translation

The Society follows the temporal method of translation whereby monetary assets and liabilities are translated at the exchange rate in effect at the fiscal year end, non-monetary items are translated at historical exchange rates, and revenue and expenses are translated at the exchange rate in effect at the time the revenue is earned or the expense is incurred. Translation gains and losses are included in the statement of operations.

#### Accounting Estimates

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 amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

### 3. Cash

Included in cash - operations fund at August 31, 2025 is \$374 (2024: \$2,383) of restricted cash received from the Province of British Columbia Community Gaming Grant. This cash is to be used for the 2026 fiscal year to assist with artist fees, production, marketing, and other costs essential to the direct delivery of the recital series. Also included in cash - operations fund at August 31, 2025 is \$394,451 in U.S. dollars (2024: \$354,224 in U.S. dollars).

### 4. Accounts Receivable

	2025	2024
	\$	\$
Vancouver Foundation distribution receivable	83,984	69,294
Miscellaneous receivables	-	3,151
	<u>83,984</u>	<u>72,445</u>

### 5. Long-term Investments

Long-term investment is an investment in units of the Vancouver Foundation's Consolidated Trust Fund (the "Fund"). The Fund has transferable terms where the Society is able to request a redemption. Income earned is allocated to the Fund on a quarterly basis.

# VANCOUVER RECITAL SOCIETY

## NOTES TO THE FINANCIAL STATEMENTS

August 31, 2025

### 6. Capital Assets

	2025		2024	
	\$		\$	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Furniture and equipment	130,252	117,521	12,731	10,608
Piano	194,679	115,315	79,364	83,541
	324,931	232,836	92,095	94,149

### 7. Intangible Assets

	2025		2024	
	\$		\$	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Website	48,000	9,600	38,400	24,000

Included in amortization expense for the current year is amortization of intangible assets of \$9,600 (2024: \$nil)

### 8. Accounts Payable and Accrued Liabilities

Accounts payable and accruals are comprised of the following amounts:

	2025	2024
	\$	\$
Accounts payable and accrued liabilities	57,139	70,910
Payroll, WCB and EHT liabilities	15,061	12,584
	72,200	83,494

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## VANCOUVER RECITAL SOCIETY

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### NOTES TO THE FINANCIAL STATEMENTS

August 31, 2025

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**9. Deferred Subscriptions and Ticket Sales, Grants, Sponsorship And Other Revenue**

	Subscription and ticket sales \$	Grants, sponsorship and other \$	2025 Total \$
Balance, beginning of year	525,869	195,095	720,964
Amounts realized	(524,863)	(160,095)	(684,958)
Amounts transferred	-	(25,000)	(25,000)
Amounts received	183,506	105,844	289,350
Balance, end of year	184,512	115,844	300,356

During the year, the deferred grant of \$25,000 received from the City of Vancouver in a previous year was transferred to another arts charitable organization.

	Subscription and ticket sales \$	Grants, sponsorship and other \$	2024 Total \$
Balance, beginning of year	166,018	383,430	549,448
Amounts realized	(166,018)	(358,430)	(524,448)
Amounts received	525,869	170,095	695,964
Balance, end of year	525,869	195,095	720,964

**10. Non-Monetary Donations**

During the year, the Society received donations of quoted equity securities which were immediately disposed of for \$120,366 (2024: \$69,721).

**11. Vancouver Foundation Endowment Fund**

Pursuant to an agreement entered into during 1993, an endowment fund with the Vancouver Foundation was established. Annual income from the fund is distributed to the Society. The Society is restricted in its right to withdraw any assets contributed to the endowment fund. The contributions to the endowment fund are held in perpetuity. Accordingly, the endowment fund is not reflected in the financial statements.

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# VANCOUVER RECITAL SOCIETY

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## NOTES TO THE FINANCIAL STATEMENTS

August 31, 2025

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### 12. Commitments

The Society has operating lease commitments for its CRM software and office premise payments (exclusive of property taxes and operating costs) in the following amounts:

	\$
2026	42,200
2027	49,029
2028	35,727
2029	19,500
2030	14,625
	<u>161,081</u>

Under the terms of agreements with artists, the Society has agreed to pay artists' fees of approximately \$284,168 for performances in fiscal 2026 (2024: \$664,140 for performances in fiscal 2025). Under various agreements, the Society is also required to pay certain artists travel costs as incurred related to future performances.

### 13. Cloud Computing Arrangements

During the year, the Society expensed \$11,014 (2024: \$12,793) with respect to cloud computing arrangements which is included in office and miscellaneous expense.

### 14. Comparative figures

The prior period financial statements were reviewed by another firm of Chartered Professional Accountants.

Certain comparative figures have been reclassified, to conform with the current period's presentation.

### 15. Remuneration of Employees, Contractors And Directors

The B.C. Societies Act requires the society to disclose the remuneration paid to all members of the Board of Directors, and all employees and contractors whose remuneration during the year was at least \$75,000.

Included in wages and consulting fees is a total of \$372,426 paid to 3 employees (2024: \$346,117 paid to 3 employees). No contractors received remuneration over \$75,000 (2024: \$Nil). No remuneration was paid to members of the Board of Directors in the years ended August 31, 2025 and 2024.



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# VANCOUVER RECITAL SOCIETY

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## NOTES TO THE FINANCIAL STATEMENTS

August 31, 2025

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### 16. Financial Instruments

Transactions in financial instruments may result in an entity assuming or transferring to another party one or more of the financial risks described below. The required disclosures provide information that assists users of financial statements in assessing the extent of risk related to financial instruments.

#### (a) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Society is exposed to currency risk since the Society undertakes transactions in foreign currencies and a portion of the Company's cash \$542,055 (\$391,451 USD) is denominated in US dollars. Furthermore, under the terms of agreements with artists, the Society has agreed to pay artists' fees of approximately \$242,168 (\$160,500 USD) in the following year when the performance occurs.

#### (b) Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Society is exposed to significant other price risk in respect of its long-term investment in units of the Vancouver Foundation's Consolidated Trust Fund.