

FINANCIAL STATEMENTS

SCREEN COMPOSERS GUILD OF CANADA

March 31, 2022

**INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT
REPORT**

To the Directors of the
Screen Composers Guild of Canada

We have reviewed the statement of financial position of **Screen Composers Guild of Canada** as at March 31, 2022 and the statements of changes in net assets, operations and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

Practitioner's Responsibility

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

Conclusion

Based on our review nothing has come to our attention that causes us to believe that these financial statements do not present fairly, in all material respects, the financial position of **Screen Composers Guild of Canada** as at March 31, 2022, and the results of operations and its cash flow for the year then ended in accordance with Canadian standards for not-for profit organizations.



Toronto, Ontario
August 16, 2022

Chartered Professional Accountants
Licenced Public Accountants

Screen Composers Guild of Canada
STATEMENT OF FINANCIAL POSITION

Year ended March 31	2022	2021
	\$	\$
ASSETS		
Current		
Cash	241,319	260,765
Accounts receivable	156,000	-
Prepaid expenses	17,178	2,512
HST receivable	29,973	726
	<u>444,470</u>	<u>264,003</u>
LIABILITIES		
Current		
Accounts payable	150,219	14,390
Deferred membership dues	5,865	9,279
Deferred grants	<u>150,095</u>	<u>105,000</u>
	306,179	128,669
NET ASSETS		
Unrestricted	94,520	91,563
Regional Programming fund [note 3]	10,771	10,771
National Seminar/Reading Session fund [note 3]	8,000	8,000
Strategic Planning fund [note 3]	<u>25,000</u>	<u>25,000</u>
	<u>138,291</u>	<u>135,334</u>
	<u>444,470</u>	<u>264,003</u>

see accompanying notes

On behalf of the Board:

Director

Director

Screen Composers Guild of Canada
STATEMENT OF CHANGES IN NET ASSETS

Year ended March 31	2022	2021
	\$	\$
Balance, beginning of year	91,563	75,333
Excess of revenue over expenses for the year	2,957	35,938
Allocation of internally restricted funds [note 3]	-	(19,708)
Balance, end of year	94,520	91,563

see accompanying notes

Screen Composers Guild of Canada
STATEMENT OF OPERATIONS

Year ended March 31	2022 \$	2021 \$
Revenue		
Membership dues	44,624	52,271
SOCAN Foundation	142,500	132,500
Government grants	218,910	13,400
Seminars and other	944	4,595
Sponsorship	<u>12,000</u>	<u>-</u>
	<u>418,978</u>	<u>202,766</u>
Expenses		
Administration	20,023	23,769
Bank charges	472	376
Board	2,150	1,474
Office	6,058	4,878
Professional fees	10,240	8,869
Website	10,033	1,101
Programs		
- Rights & Representations	53,402	57,016
- Professional Development	279,408	31,458
- Membership	21,617	23,934
- Community	<u>12,618</u>	<u>13,953</u>
	<u>416,021</u>	<u>166,828</u>
Excess of revenue over expenses for the year	<u>2,957</u>	<u>35,938</u>

see accompanying notes

Screen Composers Guild of Canada
STATEMENT OF CASH FLOWS

Year ended March 31	2022 \$	2021 \$
OPERATING ACTIVITIES		
Excess of revenue over expenses for the year	2,957	35,938
Changes to non-cash working capital balances related to operations		
Decrease (increase) in accounts receivable	(185,247)	5,419
Decrease (increase) in prepaid expenses	(14,666)	(1,309)
Increase (decrease) in accounts payable	135,829	3,692
Increase (decrease) in deferred membership dues	(3,414)	(4,746)
Increase (decrease) in deferred grants	<u>45,095</u>	<u>(5,900)</u>
Increase (decrease) in cash during the year	(19,446)	33,094
Cash, beginning of year	260,765	227,671
Cash, end of year	241,319	260,765

see accompanying notes

Screen Composers Guild of Canada
NOTES TO FINANCIAL STATEMENTS

March 31, 2022

1. DESCRIPTION OF OPERATIONS

The Screen Composers Guild of Canada (the "Guild") was incorporated under the laws of Canada as a corporation without share capital on January 10, 1980. The Guild is a not-for-profit organization incorporated to promote the publication, recording and distribution of music created by Canadians and to promote the education and the establishment of standards of film music writers, lyricists and composers.

The Guild is exempt from income taxes under Section 149(1) of the Income Tax Act (Canada).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles for not-for-profit organizations and include the following significant accounting policies.

Cash

Cash is defined as cash held by a bank plus outstanding deposits and less outstanding cheques.

Revenue Recognition

Revenue is recognized when it is received except for membership dues and the SOCAN Foundation receipts where the deferral method is used. Under the deferral method, revenue is recognized during the months to which the the membership dues apply or to match to the expenses incurred under the Program.

Furniture

Furniture is recorded at cost. Amortization has been recorded over the useful life of the assets which is straight line over 5 years.

Contributed Services

Various individuals contribute services during the year to assist the organization in carrying out its mandate. Because of the difficulty of determining the fair value of these services, contributed services are not recognized in this financial statement.

Measurement Uncertainty

The preparation of financial statements in conformity with Canadian generally accepted accounting principles 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 include the ultimate realization of the HST and other receivables. Actual results could differ from the estimates.

Screen Composers Guild of Canada
NOTES TO FINANCIAL STATEMENTS

March 31, 2022

3. INTERNALLY RESTRICTED NET ASSETS

The Organization has internally restricted net assets for special projects. These internally restricted amounts are not available for unrestricted purposes without approval of the board.

The Regional Programming Fund is surplus funding from regional allocations and activities to be made available for programming in the next fiscal year.

The SCGC has committed to a three year Strategic Planning cycle. The surplus from operations for this year has been set aside to offset the expense of the 2023 Strategic Planning meeting.

The National Seminars/Reading Sessions fund was established to support programming that is national in nature and open to participation from all regions.

	2022	2021
	\$	\$
Regional programming fund	10,771	10,771
Strategic planning fund	25,000	25,000
National Seminars/Reading Sessions fund	8,000	8,000
	43,772	43,771

4. RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS

The Guild's activities expose it to a variety of financial risks, as defined in section 3856 of the CPA Canada Handbook. The Guild's exposure to financial risks is discussed below.

i) Credit risk, the risk that a counterparty to a financial instrument will fail to discharge an obligation that it has entered into with the Guild;

ii) Liquidity risk, the risk arising when the Guild encounters difficulty in meeting its financial obligations as they come due.

The Guild has minimized its exposure to the above by only undertaking ongoing programs once it has negotiated a funding commitment from the SOCAN Foundation and the Guild's other funding sources. The Guild also ensures that its expenditure practices are in accordance with SOCAN's funding guidelines in order that any receivable from that organization is collectible.

Screen Composers Guild of Canada
NOTES TO FINANCIAL STATEMENTS

March 31, 2022

5. ECONOMIC DEPENDENCE

The size and nature of the operations of the Guild is dependent upon the continued support of SOCAN Foundation, which provides funding for the programs and general operations.