

**FINANCIAL STATEMENTS**

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**SCREEN COMPOSERS GUILD OF CANADA**

**March 31, 2023**

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## INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

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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, 2023 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, 2023, 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, 2023

Chartered Professional Accountants  
Licenced Public Accountants

Screen Composers Guild of Canada  
**STATEMENT OF FINANCIAL POSITION**

Year ended March 31	2023	2022
	\$	\$
<b>ASSETS</b>		
<b>Current</b>		
Cash	317,368	241,319
Accounts receivable	525	156,000
Prepaid expenses	-	17,178
HST receivable	1,026	29,973
	<u>318,919</u>	<u>444,470</u>
<b>LIABILITIES</b>		
<b>Current</b>		
Accounts payable	87,235	150,219
Deferred membership dues	8,756	5,865
Deferred grants	<u>120,000</u>	<u>150,095</u>
	215,991	306,179
<b>NET ASSETS</b>		
Unrestricted	84,872	94,520
Regional Programming fund [note 3]	10,056	10,771
National Seminar/Reading Session fund [note 3]	8,000	8,000
Strategic Planning fund [note 3]	<u>-</u>	<u>25,000</u>
	102,928	138,291
	<u>318,919</u>	<u>444,470</u>

*see accompanying notes*

On behalf of the Board:

Director

Director

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Screen Composers Guild of Canada  
**STATEMENT OF CHANGES IN NET ASSETS**

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Year ended March 31	2023	2022
	\$	\$
<b>Balance</b> , beginning of year	94,520	91,563
Excess of revenue over expenses for the year	(10,364)	2,957
Allocation of internally restricted funds [note 3]	716	-
<b>Balance</b> , end of year	84,872	94,520

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*see accompanying notes*

Screen Composers Guild of Canada  
STATEMENT OF OPERATIONS

Year ended March 31	2023	2022
	\$	\$
<b>Revenue</b>		
Membership dues	45,981	44,624
SOCAN Foundation	158,500	142,500
Government grants	52,585	218,910
Seminars and other	19,876	944
Sponsorship	<u>7,500</u>	<u>12,000</u>
	<u>284,442</u>	<u>418,978</u>
<b>Expenses</b>		
Administration	20,167	20,023
Bank charges	761	472
Board	3,103	2,150
Office	5,970	6,058
Professional fees	13,699	10,240
Website	1,534	10,033
Programs		
- Rights & Representations	73,519	53,402
- Professional Development	124,784	279,408
- Membership	25,419	21,617
- Community	15,651	12,618
- Strategic Planning Session	<u>10,199</u>	<u>-</u>
	294,806	416,021
<b>Excess of revenue over expenses for the year</b>	<u>(10,364)</u>	<u>2,957</u>

*see accompanying notes*

Screen Composers Guild of Canada  
**STATEMENT OF CASH FLOWS**

Year ended March 31	2023 \$	2022 \$
<b>OPERATING ACTIVITIES</b>		
Excess of revenue over expenses for the year	(10,364)	2,957
Strategic Planning Fund	<u>(25,000)</u>	<u>-</u>
Changes to non-cash working capital balances related to operations		
Decrease (increase) in accounts receivable	184,423	(185,247)
Decrease (increase) in prepaid expenses	17,178	(14,666)
Increase (decrease) in accounts payable	(62,984)	135,829
Increase (decrease) in deferred membership dues	2,891	(3,414)
Increase (decrease) in deferred grants	<u>(30,095)</u>	<u>45,095</u>
<b>Increase (decrease) in cash during the year</b>	<b>76,049</b>	<b>(19,446)</b>
Cash, beginning of year	<u>241,319</u>	<u>260,765</u>
<b>Cash, end of year</b>	<b><u>317,368</u></b>	<b><u>241,319</u></b>

*see accompanying notes*

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**Screen Composers Guild of Canada**  
**NOTES TO FINANCIAL STATEMENTS**

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March 31, 2023

**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 recivables. Actual results could differ from the estimates.

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**Screen Composers Guild of Canada**  
**NOTES TO FINANCIAL STATEMENTS**

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March 31, 2023

**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.

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	2023	2022
	\$	\$
Regional programming fund	10,056	10,771
Strategic planning fund	-	25,000
National Seminars/Reading Sessions fund	8,000	8,000
	<b>18,057</b>	<b>43,771</b>

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**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.



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**Screen Composers Guild of Canada**  
**NOTES TO FINANCIAL STATEMENTS**

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March 31, 2023

**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.