

CAMMAC
**(CANADIAN AMATEUR MUSICIANS/
MUSICIENS AMATEURS DU CANADA)**

ANNUAL FINANCIAL REPORT

December 31, 2022

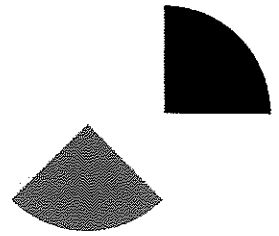
CAMMAC
ANNUAL FINANCIAL REPORT
December 31, 2022

TABLE OF CONTENTS

Independent Auditor's Report	1 - 3
Statement of Revenues and Expenses	4
Statement of Changes in Net Assets	5
Balance Sheet	6 - 7
Statement of Cash Flow	8
Notes to Financial Statements	9 - 15
Additional Information	
Schedule A - General expenses	16
Schedule B - Music programs	16
Schedule C - Rentals	16
Schedule D - Financial expenses	17



Société
de comptables
professionnels
agréés



INDEPENDENT AUDITOR'S REPORT

To the members of the board of directors of
CAMMAC

Qualified Opinion

We have audited the financial statements of CAMMAC (the Organization), which comprise the balance sheet as at December 31, 2022, and the statements of revenues and expenses, changes in net assets and cash flow 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 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 Organization as at December 31, 2022, 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.

Basis for Qualified Opinion

In common with many charitable organizations, the organization derives revenue from donations the completeness of which is not susceptible to satisfactory audit verification. As a result, our audit of these products was limited to amounts recorded in the books of the organization and we were not able to determine whether certain adjustments should have been made to revenues, excess revenues over expenses, assets and net assets.

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 audit opinion.

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 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.

Amyot Gélinas, s.e.n.c.r.l.¹

Sainte-Agathe-des-Monts
April 19, 2023

¹ By CPA auditor, public accountancy permit No. A115332

CAMMAC

STATEMENT OF REVENUES AND EXPENSES

Year ended December 31, 2022

	2022	2021
REVENUES		
General donations and fundraising	\$ 109,524	\$ 694,568
Membership dues	17,875	13,620
Government grants:		
Operations - ministère de la Culture et des Communications	124,615	147,986
MRC d'Argenteuil	55,000	55,000
Emploi Québec	-	2,121
Employment Canada	42,435	13,037
Patrimoine Canada	9,995	-
Association des camps du Québec	17,012	213,247
Canada Emergency Wage Subsidy	-	83,275
Related to fixed assets	102,330	102,080
Interest on long-term debt	49,989	56,409
Other grants	4,300	5,777
Fondation du Grand Montréal contributions	21,320	18,820
Music programs	398,215	86,577
Concerts	16,418	-
Rentals	298,189	22,986
Tuck shop	29,577	3,694
Regional operations	43,577	8,560
Miscellaneous	3,003	1,750
	1,343,374	1,529,507
EXPENSES		
General expenses (schedule A)	631,548	627,770
Music programs (schedule B)	391,058	96,739
Concerts	16,869	2,392
Rentals (schedule C)	204,334	42,613
Tuck shop	20,445	7,296
Regional operations	39,337	3,540
Financial expenses (schedule D)	75,739	67,395
Amortization	184,588	183,707
	1,563,918	1,031,452
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE DONATIONS	(220,544)	498,055
DONATIONS (note 8)	(202,000)	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	\$ (422,544)	\$ 498,055

CAMMAC

STATEMENT OF CHANGES IN NET ASSETS

Year ended December 31, 2022

	Endowment	Invested in fixed assets	Unrestricted	2022 Total	2021 Total
BALANCE, BEGINNING OF YEAR	-	1,382,907	419,335	1,802,242	1,304,187
Excess (deficiency) of revenues over expenses	-	(72,354)	(350,190)	(422,544)	498,055
Contributions received as an endowment	30,038	-	-	30,038	-
Investment in fixed assets	-	133,288	(133,288)	-	-
BALANCE, END OF YEAR	30,038	1,443,841	(64,143)	1,409,736	1,802,242

CAMMAC

BALANCE SHEET December 31, 2022

	2022	2021
ASSETS		
CURRENT ASSETS		
Cash	\$ 68,098	\$ 619,650
Accounts receivable	25,555	222
Grants	48,235	29,242
Inventories	17,018	13,958
Prepaid expenses	19,673	15,268
Current portion of grants receivable (note 3)	169,792	162,869
	348,371	841,209
GRANTS RECEIVABLE (note 3)	858,308	1,028,100
FIXED ASSETS (note 4)	4,046,308	4,093,141
	\$ 5,252,987	\$ 5,962,450

ON BEHALF OF THE BOARD,

John K. McBride
John K. McBride (Apr 29, 2023 13:24 EDT)

, Director

Jean-Charles Grégoire
Jean-Charles Grégoire (Apr 29, 2023 13:43 EDT)

, Director

CAMMAC

BALANCE SHEET

December 31, 2022

	2022	2021
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable (note 5)	\$ 78,683	\$ 56,942
Customer deposits	23,497	77,061
Deferred revenue	60,500	50,000
Current portion of long-term debt (note 6)	209,792	177,869
	372,472	361,872
Long-term debt claimable during next year (note 6)	499,915	-
	872,387	361,872
LONG-TERM DEBT (note 6)	368,392	1,088,099
DEFERRED CONTRIBUTIONS (note 7)	2,602,472	2,710,237
	3,843,251	4,160,208
NET ASSETS		
Endowment	30,038	-
Invested in fixed assets	1,443,841	1,382,907
Unrestricted	(64,143)	419,335
	1,409,736	1,802,242
	\$ 5,252,987	\$ 5,962,450

CAMMAC

STATEMENT OF CASH FLOW Year ended December 31, 2022

	2022	2021
OPERATING ACTIVITIES		
Excess (deficiency) of revenues over expenses	\$ (422,544)	\$ 498,055
Non-cash items:		
Amortization of fixed assets	184,588	183,707
Amortization of deferred contributions	(111,502)	(110,155)
	(349,458)	571,607
Net change in non-cash items related to operating activities	(73,114)	36,621
	(422,572)	608,228
FINANCING ACTIVITIES		
Net changes in advances from individuals	(25,000)	(80,007)
Repayment of debts	(162,869)	(156,332)
Receipt of deferred contributions	3,737	17,051
Contributions received as endowments	30,038	-
	(154,094)	(219,288)
INVESTING ACTIVITIES		
Receipt of grants receivable	162,869	156,330
Acquisition of fixed assets	(137,755)	(57,741)
	25,114	98,589
INCREASE (DECREASE) IN CASH	(551,552)	487,529
CASH, BEGINNING OF YEAR	619,650	132,121
CASH, END OF YEAR	\$ 68,098	\$ 619,650

CAMMAC

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

1. STATUTES OF INCORPORATION AND NATURE OF ACTIVITIES

CAMMAC (Canadian Amateur Musicians/Musiciens amateurs du Canada) is a not-for-profit organization constituted under Part III Of the Quebec Companies Act. The organization is devoted to creating opportunities for musicians of all levels to make music together in a relaxed, non-competitive atmosphere.

2. SIGNIFICANT ACCOUNTING POLICIES

The Organization applies the Canadian accounting standards for not-for-profit organizations.

Accounting for contributions

Contributions are recognized using the deferral method. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when they are received or receivable if the amount can be reasonably estimated and receipt is reasonably assured. Contributions received as endowments or for the acquisition of non-depreciable long-term assets are credited directly to net assets.

Contributions for the acquisition of depreciable long-term assets are recorded as deferred contributions and are amortized in the same manner as the related assets.

Accounting for other revenues

The registration fees for sessions are recognized as revenue when the sessions are held.

Membership dues are recognized as revenue in proportion to the period to which they relate.

Fund accounting

Revenues and expenses relating to provided services and administration are presented in the general administration fund.

Contributions received as endowments are presented in the endowment fund. Investment income derived from the resources of this fund is presented in the general administration fund in accordance with the guidelines set by the contributors of funds held as endowments. Gains and losses on endowment fund resources are presented in the endowment fund.

The fixed assets fund presents the assets, liabilities, income and expenses relating to fixed assets.

Use of estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the amounts recognized as revenues and expenses for the periods covered. Actual results may differ from these estimates. The critical estimates relate to the impairment of financial assets, the net realizable value of the inventories and the useful life of fixed assets.

CAMMAC

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Fixed assets

The music library, recorded at the nominal value of \$1, represents a major asset with over 10,000 works. Additions are expensed in the year of purchase. Significant donated musical instruments and art works are recorded at their appraised value and are not depreciated.

Other fixed assets are recorded at cost and are depreciated over their useful life using the straight-line method over the following periods:

	Periods
Buildings and improvements	40 years
Landscaping and restoration	5 years
Equipment, materials and tools	5 years
Office equipment	5 years
Computer, hardware and software	5 years
Musical instruments	5 years and 10 years
Cultural equipment	5 years
Furniture	5 years

Contribution received as services

The Organization receives contributions in the form of services from donors and volunteers. These contributions are not recognized in the annual financial report.

Contributions received - "Mécénat Placements Culture" program

As part of Component 1 of the "Mécénat Placements Culture (MPC)" program of the Ministère de la Culture et des Communications, in 2016 the organization undertook a fundraising campaign to collect donations that would be matched by the Ministère. During that period, the organization deposited the money collected to the "Fondation du Grand Montréal". Under the management contract signed with the foundation, the organization transferred its property rights for a period of 10 years. The organization has therefore taken the "Deferred contributions - Donations dedicated to Programme MPC" and the related investment off its books for that period. While the organization is no longer the owner of those amounts, it has access to the statements of accounts relating to the growth of the funds invested in its name.

Financial instruments

Initial measurement

The Organization initially measures its financial assets and liabilities originated or exchanged in arm's length transactions at fair value. Financial assets and liabilities originated or exchanged in related party transactions, except for those that involve parties whose sole relationship with the Organization is in the capacity of management, are initially measured at cost.

CAMMAC

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Subsequent measurement

The Organization subsequently measures all its financial assets and liabilities at cost or amortized cost.

Financial assets measured at amortized cost using the straight-line method include cash, account receivables and grants receivable.

3. GRANTS RECEIVABLE

	2022	2021
Amount receivable for repayment of long-term debt by the "gouvernement du Québec (ministère de la Culture et des Communications)" - Reconstruction project	\$ 491,872	\$ 620,043
Amount receivable for repayment of long-term debt the "gouvernement du Québec (ministère de la Culture et des Communications)" - Infrastructure upgrade work	536,228	570,926
	1,028,100	1,190,969
Current portion of grants receivable	169,792	162,869
	\$ 858,308	\$ 1,028,100

CAMMAC

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

4. FIXED ASSETS

	2022		2021	
	Cost	Accumulated amortization	Net book value	Net book value
Land	\$ 17,853	\$ -	\$ 17,853	\$ 17,853
Undivided interest in vacant land	40,000	-	40,000	40,000
Buildings and improvements	6,075,214	2,305,813	3,769,401	3,852,320
Landscaping and restoration	3,860	2,670	1,190	1,962
Cultural equipment	20,855	14,259	6,596	10,767
Office equipment	7,309	934	6,375	699
Computer, hardware and software	15,160	5,736	9,424	9,320
Equipment, materials and tools	32,816	11,965	20,851	15,263
Furniture	71,732	19,950	51,782	22,682
Musical instruments	77,725	18,861	58,864	58,303
Art works	63,971	-	63,971	63,971
Music library	1	-	1	1
	\$ 6,426,496	\$ 2,380,188	\$ 4,046,308	\$ 4,093,141

5. ACCOUNTS PAYABLE

	2022	2021
Suppliers	\$ 13,151	\$ 7,847
Salaries	36,734	30,841
Fringe benefits	6,004	4,754
Taxes	7,647	304
Accrued liabilities	15,147	13,196
	\$ 78,683	\$ 56,942

CAMMAC

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

6. LONG-TERM DEBT

	2022	2021
Loan, secured by the property, accounts receivable and other receivables including a specific account receivable from the ministère de la Culture et des Communications, repayable in semi-annual instalments of \$76,146 including interest at 4.1%, maturing in June 2026 ^(a)	\$ 491,871	\$ 620,042
Loan, secured by the property, accounts receivable and other receivables including a specific account receivable from the ministère de la Culture et des Communications, repayable in semi-annual instalments of \$30,283 including interest at 4.6%, renewable in March 2024, maturing in March 2034 ^{(a) (c)}	536,228	570,926
Due to an individual, interest at 2%, repayable in a maximum monthly instalment of \$10,000	10,000	10,000
Due to individuals repaid during the year	-	25,000
Loan from the "Canada Emergency Business Account", secured by the government of Canada, interest free, maturing in December 2023 ^(b)	40,000	40,000
	1,078,099	1,265,968
Current portion of long-term debt	209,792	177,869
Long-term debt claimable during next year ^(c)	499,915	-
	\$ 368,392	\$ 1,088,099

Principal payments to be made of the long-term debt over the next four years are as follows, based on the premise that the renewable loans will be renewed on the same terms for repayment of the principal :

2023	\$ 209,792
2024	\$ 149,009
2025	\$ 144,766
2026	\$ 74,617

- a) The gouvernement du Québec (ministère de la Culture et des Communications) has undertaken to pay the interest and principal payments on the \$491,871 and \$536,228 loans as long as CAMMAC remains a charitable organization.

CAMMAC

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

6. LONG-TERM DEBT (continued)

- b) The organization has obtained a loan totaling \$60,000 from the "Canada Emergency Business Account". If the organization repays \$40,000 by December 31, 2023, the balance of \$20,000 will be subject to a write-off. Otherwise, the balance of the loan will bear interest at the rate of 5% and will be repayable in monthly instalments, including principal and interest, until maturity in December 2025. Being reasonably certain to repay \$40,000 by December 31, 2023, the organization recognized \$20,000 in net income when the loan was granted.
- c) The credit agreement is subject to restrictive covenants providing for the maintenance of certain ratios, which were not maintained as at December 31, 2022, and the creditor would therefore be entitled to demand early repayment. As a result, the loan was reclassified under current liabilities.

7. DEFERRED CONTRIBUTIONS

Capital assets contributions are accounted for as deferred contributions and amortized on the same basis as the related capital assets to which they relate.

	2022	2021
Balance, beginning of year	\$ 2,710,237	\$ 2,803,341
Plus : Contributions received during the year	3,737	17,051
Less : Amortization for the year	(111,502)	(110,155)
Balance, end of year	\$ 2,602,472	\$ 2,710,237

8. "MÉCÉNAT PLACEMENTS CULTURE" - PROGRAM AND SELF-DESIGNATED PHILANTHROPIC FUND

The organization transferred ownership of eligible donations collected during a fundraising campaign in 2016 as well as the matching amounts to "Fondation du Grand Montréal" under the "Mécénat Placements Culture" program. This amount does not appear in the assets of "CAMMAC" because ownership and management of the funds have been transferred to "Fondation du Grand Montréal" for a minimum period of 10 years. As at December 31, 2022, the fair market value of the amounts transferred to "Fondation du Grand Montréal" was \$541,276 (2021 - \$628,498).

During the year, the organization also donated \$202,000 to "Fondation du Grand Montréal" for the creation of a self-designated philanthropic fund. This amount does not appear in the assets of "CAMMAC" because ownership and management of the funds have been transferred to "Fondation du Grand Montréal" for a minimum period of 5 years. As at December 31, 2022, the fair market value of the amounts transferred to "Fondation du Grand Montréal" was \$196,928 (2020 - \$0).

CAMMAC

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

9. COMPARATIVE FIGURES

Certain figures for 2021 have been reclassified to conform to the presentation adopted in 2022.

10. FINANCIAL INSTRUMENTS

Liquidity risk

The Organization is exposed to this risk mainly in respect of its long-term debt and accounts payable.

Credit risk

The Organization's main credit risks are related to its accounts receivable and grants receivable. The Organisation provides credit to its clients in the normal course of its operations. In addition, the Organization assesses, on an ongoing basis, amounts receivable on the basis of the amounts it is virtually certain to receive based on their estimated realizable value.

Interest rate risk

The Organization is exposed to interest rate risk on its fixed and floating interest rate financial instruments. Fixed interest rate instruments subject the Organization to a fair value risk, since fair value fluctuates inversely to changes in market interest rates. Floating interest rate instruments subject the Organization to changes in related future cash flows.

CAMMAC

ADDITIONAL INFORMATION

Year ended December 31, 2022

	2022	2021
SCHEDULE A - GENERAL EXPENSES		
Salaries and fringe benefits - administration	\$ 276,496	\$ 305,072
Insurance	61,144	56,657
Electricity	45,933	27,711
Dues	3,799	1,885
Bad debts	(1,056)	-
Maintenance and repairs including salaries and fringe benefits	123,085	133,879
Training	1,113	4,975
Office supplies and stationery	11,901	14,579
Travelling	4,307	433
Computer programs and supplies	19,063	16,999
Transport fees	2,815	1,659
Professional fees	20,032	19,421
Advertising and promotion	19,383	8,535
Taxes and permits	28,106	27,806
Telecommunications	15,427	8,159
	\$ 631,548	\$ 627,770

SCHEDULE B - MUSIC PROGRAMS		
Salaries and fringe benefits - artistic	\$ 146,000	\$ 58,665
Salaries and fringe benefits - hotel services	107,083	10,373
Salaries and fringe benefits - musicothèque	10,342	7,300
Bursaries	4,350	-
Food	59,352	7,751
Laundry	7,382	422
Maintenance	5,129	1,071
Artistic expenses	27,030	3,466
Other expenses	14,323	2,992
Music library	4,548	808
Other	5,519	3,891
	\$ 391,058	\$ 96,739

SCHEDULE C - RENTALS		
Salaries and fringe benefits - hotel services	\$ 127,779	\$ 32,859
Food	53,537	4,497
Laundry	15,481	423
Other expenses	6,951	3,887
Other	586	947
	\$ 204,334	\$ 42,613

CAMMAC

ADDITIONAL INFORMATION Year ended December 31, 2022

	2022	2021
SCHEDULE D - FINANCIAL EXPENSES		
Interest and bank charges	\$ 26,481	\$ 11,434
Interest on long-term debt	49,258	55,961
	\$ 75,739	\$ 67,395

