

Financial Statements of

**VANCOUVER SYMPHONY SOCIETY**

And Independent Auditor's Report thereon

Year ended June 30, 2023



**KPMG LLP**

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## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors of Vancouver Symphony Society

### **Report on the Audit of Financial Statements**

#### ***Opinion***

We have audited the financial statements of Vancouver Symphony Society (the "Entity"), which comprise:

- the statement of financial position as at June 30, 2023
- the statement of operations for the year then ended
- the statement of changes in net assets (deficiency) for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies (hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at June 30, 2023, 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 Opinion***

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 auditor's report.

We are independent of the Entity 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 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 Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity'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 the 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 Entity'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 Entity'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 Entity 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.
- 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 policies applied in preparing and presenting financial statements in accordance with Canadian accounting standards for not-for-profit organization have been applied on a basis consistent with that of the preceding period.

*KPMG LLP*

Chartered Professional Accountants

Vancouver, Canada  
October 25, 2023

# VANCOUVER SYMPHONY SOCIETY

## Statement of Financial Position

June 30, 2023, with comparative information for 2022

	2023	2022
<b>Assets</b>		
Current assets:		
Cash and cash equivalent	\$ 3,908,628	\$ 2,359,694
Accounts receivable	385,639	1,053,943
Due from foundations (notes 3(a) and 4)	1,451,803	1,358,019
Inventory	5,225	12,929
Prepaid expenses	603,683	482,238
	<u>6,354,978</u>	<u>5,266,823</u>
Capital assets (note 6)	739,058	722,194
	<u>\$ 7,094,036</u>	<u>\$ 5,989,017</u>

## Liabilities and Net Assets

Current liabilities:		
Accounts payable and accrued liabilities (notes 3(a) and 5)	\$ 1,773,937	\$ 1,857,936
Deferred revenue	3,646,010	2,892,090
Deferred contributions (note 7)	48,476	270,889
	<u>5,468,423</u>	<u>5,020,915</u>
Deferred capital contributions (notes 3(a) and 8)	470,997	688,876
	<u>5,939,420</u>	<u>5,709,791</u>
Net assets	1,154,616	279,226
	<u>\$ 7,094,036</u>	<u>\$ 5,989,017</u>

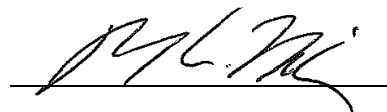
Commitments and contingencies (note 12)

See accompanying notes to financial statements.

Approved on behalf of the Board:



Director



Director

# VANCOUVER SYMPHONY SOCIETY

## Statement of Operations

Year ended June 30, 2023, with comparative information for 2022

	2023	%	2022	%
Revenues (note 9):				
Concert	\$ 8,648,058	40	\$ 5,214,530	30
Endowment funds (notes 3(a) and 4)	1,000,635	5	883,495	5
Fundraising (notes 3(a), 3(b) and 3(c))	4,573,058	21	3,806,177	22
Gifts from other charities and bequests	668,802	3	433,134	3
Grants from the public sector (note 3(c))	6,384,028	30	6,648,579	39
Amortization of deferred capital contributions (note 8)	244,265	1	255,191	1
	<u>21,518,846</u>	100	<u>17,241,106</u>	100
Expenses (note 10):				
Concert	17,213,913	83	13,579,585	82
Administrative, office premises and fundraising	3,429,543	17	3,046,968	18
	<u>20,643,456</u>	100	<u>16,626,553</u>	100
Excess of revenues over expenses for the year	\$ 875,390		\$ 614,553	

## Statement of Changes in Net Assets (Deficiency)

Year ended June 30, 2023, with comparative information for 2022

	2023	2022
Net assets (deficiency), beginning of year	\$ 279,226	\$ (335,327)
Excess of revenues over expenses	875,390	614,553
Net assets, end of year	<u>\$ 1,154,616</u>	<u>\$ 279,226</u>

See accompanying notes to financial statements.

# VANCOUVER SYMPHONY SOCIETY

## Statement of Cash Flows

Year ended June 30, 2023, with comparative information for 2022

	2023	2022
Cash provided by (used in):		
Operations:		
Excess of revenues over expenses	\$ 875,390	\$ 614,553
Items not involving cash:		
Amortization of deferred capital contributions	(244,265)	(255,191)
Depreciation of capital assets	269,376	302,768
Loss on disposal of capital assets	1,232	-
	901,733	662,130
Changes in non-cash operating working capital:		
Accounts receivable	668,304	(17,736)
Due from foundations	(93,784)	(1,318,523)
Inventory	7,704	4,842
Prepaid expenses	(121,445)	(419,531)
Accounts payable and accrued liabilities	(83,999)	(1,131,264)
Deferred revenue	753,920	1,585,937
Deferred contributions	(222,413)	145,825
	1,810,020	(488,320)
Financing:		
Contributions for capital assets	26,386	150,000
Investments:		
Capital asset additions	(287,472)	(41,417)
Increase (decrease) in cash and cash equivalents	1,548,934	(379,737)
Cash and cash equivalents, beginning of year	2,359,694	2,739,431
Cash and cash equivalents, end of year	\$ 3,908,628	\$ 2,359,694

See accompanying notes to financial statements.

# VANCOUVER SYMPHONY SOCIETY

Notes to Financial Statements

Year ended June 30, 2023

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## 1. Purpose of the Society:

The Vancouver Symphony Society (the "Society") operates the third largest major symphony orchestra in Canada. The Society was incorporated on June 26, 1919 and is registered under the *Societies Act* (British Columbia). The Society is registered as a charitable organization under the Canadian Income Tax Act ("ITA"). As such, the Society is exempt from income taxes and is able to issue donation receipts for income tax purposes. The Society and the Vancouver Symphony Foundation ("VSF") have associated charities designation status under the ITA.

## 2. Significant accounting policies:

The Society follows Canadian accounting standards for not-for-profit organizations. The significant accounting policies are as follows:

(a) Inventory:

Inventory of saleable goods is carried at the lower of cost and estimated net realizable value.

(b) Cash and cash equivalents:

Cash and cash equivalents consist of term deposits with banks with maturity dates of less than 90-days from the date of purchase.

(c) Capital assets:

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution. Depreciation on the basis noted below is provided on the cost of capital assets over their estimated useful lives at the following annual rates:

Asset	Basis	Rate
Computer equipment	Straight-line	20%
Furniture and equipment	Declining balance	20%
Leasehold improvements	Straight-line	10%
Music library	Straight-line	5%
Ticketing system	Straight-line	10%
ArtsVision	Straight-line	20%

(d) Financial instruments:

Financial instruments are recorded at fair value on initial recognition and equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. The Society has not elected to carry any such financial instruments at fair value.

Financial assets carried at cost or amortized cost are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the Society determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset.



# VANCOUVER SYMPHONY SOCIETY

Notes to Financial Statements

Year ended June 30, 2023

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## 2. Significant accounting policies (continued):

### (d) Financial instruments (continued):

If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the Society expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

### (e) Revenue recognition:

The Society follows the deferral method of accounting for contributions which includes donations and government grants.

Unrestricted contributions are recognized as revenue when received or as receivable, if the amount to be received can be reasonably established and collection is reasonably assured.

Externally restricted contributions are recognized as revenue in the year in which the related expenses are recognized. Contributions restricted for the purchase of capital assets are deferred and amortized to revenue on the same basis as the related assets are depreciated.

Pledges are recorded as revenue when signed pledge documents are received and collection is reasonably assured.

Restricted investment income is recognized as revenue in the year in which the related expenses are recognized. Unrestricted investment income is recognized as revenue when earned.

Amounts received from ticket sales, corporate concert sponsorships, and contract fees are recorded upon receipt as deferred revenue until the date of the related performance(s), at which time the amounts are recognized as revenue.

### (f) Donated services, in-kind grants, and office lease arrangements:

The following donated services and in-kind grants are recorded at their estimated fair value:

- (i) Grants from the City of Vancouver to cover a portion of the theatre rent expense for the use of the Orpheum Theatre; and
- (ii) Marketing donations in the form of no-charge advertising included in publicity and promotion expense and annual giving campaign revenue.

Volunteers contribute their time to assist the Society in carrying out its service delivery requirements. Because of the difficulty of determining their fair value, these contributed services are not recognized in the financial statements.

# VANCOUVER SYMPHONY SOCIETY

Notes to Financial Statements

Year ended June 30, 2023

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## 2. Significant accounting policies (continued):

### (g) 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 disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. An area requiring the use of management estimates include the determination of useful life of capital assets for purposes of depreciation. Actual results could differ from those estimates.

## 3. Related party and in-kind transactions:

### (a) VSF and the Orpheum Theatre Foundation (the "OTF"):

#### (i) VSF:

VSF was incorporated on August 15, 1986, for the purposes of holding donated funds and distributing income generated from those funds in accordance with the donors' directions for the benefit of the Society. The VSF holds and invests restricted funds. A portion of the income generated from these funds is distributed to the Society, but the capital of the VSF is not an asset of the Society. The Board of Trustees of the VSF is elected by the membership of the VSF, which comprises Directors of the Society and Trustees of the VSF. Directors of the Society may also be trustees of the VSF but may not comprise a majority of the VSF Board. The VSF has not been consolidated in the Society's financial statements.

Contributions from the VSF totaling \$836,952 (2022 - \$711,355) is included with endowment funds revenue and \$568,250 (2022 - \$750,000) is included in fundraising revenue. At June 30, 2023, net assets of the VSF were \$49,671,017 (2022 - \$45,328,883), the amount recorded as due to the Society was \$1,405,202 (2022 - 1,313,785) and the amount recorded as receivable from the Society is \$2,822 (2022 - nil).

During the year ended June 30, 2010, the Society's Board approved a policy whereby, as long as the Society has a deficiency in net assets, undesignated bequests to the Society will be retained by the Society; thereafter, they will be allocated as to two-thirds to the VSF, with the Society recording the net one-third in gifts from estates and bequests. There were no undesignated estates and bequests received in fiscal 2023.

#### (ii) OTF:

The OTF administers various fundraising projects for the principal users of the Orpheum Theatre. The Board of Trustees of the OTF is appointed by the beneficiary societies, with the Society appointing three of five trustees. At June 30, 2023, net assets of the OTF were \$2,185 (2022 - \$2,209) and the amount recorded as due to the Society was \$5,659 (2022 - \$5,659).

# VANCOUVER SYMPHONY SOCIETY

Notes to Financial Statements

Year ended June 30, 2023

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### 3. Related party and in-kind transactions (continued):

(a) VSF and the Orpheum Theatre Foundation (the "OTF") (continued):

(ii) OTF (continued):

Amounts due to the Society by the VSF and the OTF are interest-free, unsecured and payable in the next fiscal year.

(b) Contributions from directors:

Included in fundraising revenue is \$117,215 (2022 - \$88,936) donated by the Directors of the Society.

(c) In-kind grants and donations:

Annual giving campaign revenue includes \$552,310 (2022 - \$173,498 in respect of in-kind advertising that is recorded as publicity and promotion expense. Included in public sector revenue are amounts totaling \$1,362,663 (2022 - \$1,370,807), which represent in-kind grants from the City of Vancouver, that are recorded as theatre rent. Fundraising sponsorship revenue includes \$10,000 (2022 - \$10,175) representing in-kind donations of other goods and services.

(d) The VSO School of Music Society (the "Music School"):

The Music School was incorporated on June 30, 2010 and is a community music school dedicated to the enrichment of the community through music instruction, music programs, and musical opportunities. The Music School is registered under the *Societies Act* (British Columbia) and as a charitable organization under the ITA and as such, is exempt from income taxes and is able to issue donation receipts for income tax purposes. The Board of Directors of the Music School is elected by the membership of the Music School. Directors of the Society may also be Trustees of the Music School but may not comprise a majority of the Music School Board. The Music School commenced full operations in September of 2012, and it operates independently of the Society. The Society is entitled to receive a share of future excess of revenue over expenses of the Music School. As agreed between the two parties, no amount was paid to the Society for the year ended June 30, 2023 (2022 - nil).

As part of normal operations the Society charges the Music School for shared office expenses totaling \$60,070 (2022 - \$14,005). In 2023, a contribution of \$50,000 (2022 - \$50,000) from the Gala was made to the Music School.

(e) Office rent:

Effective July 1, 2011, the Society entered into a 10-year lease with a 6-month extension option with the Alan and Gwendoline Pyatt Foundation to lease the office premises at 833 Seymour Street, Vancouver, British Columbia for \$1 per year. On January 17, 2021, the 5<sup>th</sup> floor office space was purchased by the VSF from the Alan and Gwendoline Pyatt Foundation.

# VANCOUVER SYMPHONY SOCIETY

Notes to Financial Statements

Year ended June 30, 2023

### 3. Related party and in-kind transactions (continued):

#### (e) Office rent (continued):

Concurrently, the Society entered into a lease with the VSF. The payment terms are \$45,000 per year from January 17, 2020 to June 30, 2021 and \$144,000 per year for the period July 1, 2021 to the expiry of the lease on June 30, 2031. For the year ended June 30, 2023, office rent of \$144,000 (2022 - \$144,000) is included in administrative, office premises and fundraising expenses (note 10).

### 4. Revenue from Vancouver Foundation:

The Vancouver Foundation holds and invests restricted funds. A portion of the income generated from these funds is distributed to the Society, but the capital of the Vancouver Foundation is not an asset of the Society and hence is not recorded in these financial statements. Income from the Vancouver Foundation totaling \$163,683 (2022 - \$146,813) is included with Endowment funds revenue. A receivable portion of \$41,377 (2022 - \$40,466) is included in due from foundations. At June 30, 2023, the fair value of the investments held by the Vancouver Foundation for the benefit of the Society were \$3,503,137 (2022 - \$3,304,343).

### 5. Accounts payable and accrued liabilities:

Included in accounts payable and accrued liabilities are government remittances payable of \$100,601 (2022 - \$64,161), consisting of payroll related tax remittances including WorkSafe BC and Employer Health Tax.

### 6. Capital assets:

June 30, 2023	Cost	Accumulated depreciation	Net book value
Computer equipment	\$ 1,549,337	\$ 1,076,852	\$ 472,485
Furniture and equipment	912,770	779,394	133,376
Leasehold improvements	71,998	69,194	2,804
Music library	349,576	236,434	113,142
Ticket system	708,822	699,820	9,002
ArtsVision	82,763	74,514	8,249
	<u>\$ 3,675,266</u>	<u>\$ 2,936,208</u>	<u>\$ 739,058</u>

# VANCOUVER SYMPHONY SOCIETY

Notes to Financial Statements

Year ended June 30, 2023

## 6. Capital assets (continued):

June 30, 2022	Cost	Accumulated depreciation	Net book value
Computer equipment	\$ 1,306,994	\$ 875,613	\$ 431,381
Furniture and equipment	941,572	790,439	151,133
Leasehold improvements	71,998	67,666	4,332
Music library	320,269	223,950	96,319
Ticket system	708,822	691,554	17,268
ArtsVision	82,763	61,002	21,761
	<u>\$ 3,432,418</u>	<u>\$ 2,710,224</u>	<u>\$ 722,194</u>

Included in computer equipment cost is \$906,379 (2022 - \$716,379) representing the Society's share of funding for digital equipment at the Orpheum Theatre which was purchased jointly with the City of Vancouver and is available for use by the Society in conjunction with its lease of the Theatre.

## 7. Deferred contributions:

	2023	2022
Balance, beginning of year	\$ 270,889	\$ 125,064
Amounts recognized	(232,413)	(86,925)
Amounts received	10,000	232,750
Balance, end of year	<u>\$ 48,476</u>	<u>\$ 270,889</u>

The revenue recognized during the year is included in grants from the public sector in the statement of revenues and expenses.

## 8. Deferred capital contributions:

Deferred capital contributions related to capital assets represent the unamortized amounts of contributed capital assets and contributions used to purchase equipment. The changes in the deferred capital contributions balance for the year are as follows:

	2023	2022
Balance, beginning of year	\$ 688,876	\$ 794,067
Additions to contributed capital	26,386	150,000
Amounts amortized to revenue	(244,265)	(255,191)
Balance, end of year	<u>\$ 470,997</u>	<u>\$ 688,876</u>

Included in deferred contributions are nil (2022 - \$190,000) of unspent funds.

# VANCOUVER SYMPHONY SOCIETY

Notes to Financial Statements

Year ended June 30, 2023

## 9. Breakdown of revenues:

	2023	2022
Concert revenue:		
Ticket sales:		
Series	\$ 3,710,786	\$ 2,335,835
Specials	4,507,541	2,266,835
Sold services and other events	312,869	601,629
Interest income on advance ticket sales	116,862	10,231
	<u>8,648,058</u>	<u>5,214,530</u>
Revenue from other sources:		
Endowment funds:		
Vancouver Symphony Foundation (note 3(a))	836,952	711,355
Vancouver Foundation (note 4)	163,683	146,813
Other		25,327
	<u>1,000,635</u>	<u>883,495</u>
Fundraising:		
Annual giving campaign (notes 3(b) and 3(c))	3,101,616	2,723,807
Gala, lottery and other (notes 3(b))	957,942	598,195
Sponsorships (note 3(c))	513,500	484,175
	<u>4,573,058</u>	<u>3,806,177</u>
Gifts from other charities and bequests:		
Foundations	145,543	111,250
Estates and bequests	523,259	321,884
	<u>668,802</u>	<u>433,134</u>
Public sector:		
Canada Council and other	1,989,661	2,359,636
Canada Emergency Wage Subsidy	-	1,433,135
Province of British Columbia	2,941,704	1,395,000
City of Vancouver (note 3(c))	1,452,663	1,460,808
	<u>6,384,028</u>	<u>6,648,579</u>
Amortization of deferred capital contributions (note 8)	244,265	255,191
	<u>12,870,788</u>	<u>12,026,576</u>
<b>Total revenues</b>	<b>\$ 21,518,846</b>	<b>\$ 17,241,106</b>

Gaming revenue included in fundraising revenue is \$166,025 (2022 - \$193,495) earned from lottery activities.

# VANCOUVER SYMPHONY SOCIETY

Notes to Financial Statements

Year ended June 30, 2023

## 10. Breakdown of expenses:

	2023	2022
Concert:		
Conductors and soloists	\$ 2,463,223	\$ 1,661,768
Musicians	7,401,550	6,799,358
Theatre rent	1,852,775	1,654,208
Stage and production	1,619,349	1,196,571
Summer events, education and sold services	1,024,976	339,367
Publicity and promotion (note 3(c))	2,852,040	1,928,313
	17,213,913	13,579,585
Administrative, office premises and fundraising:		
Administrative:		
Administrative salaries and benefits	1,055,575	1,045,340
Data processing	11,857	4,089
Depreciation	269,376	302,768
Loss on disposal of capital assets	1,232	-
Insurance	54,791	51,009
Legal and audit	137,176	83,261
Office and sundry	280,876	337,208
	1,810,883	1,823,675
Office premises:		
Rent (note 3(e))	144,000	144,000
Repairs and maintenance	89,654	86,730
	233,654	230,730
Fundraising:		
Salaries	727,597	576,341
Campaign expenses	175,648	149,230
Symphony ball, lottery and other	481,761	266,992
	1,385,006	992,563
	3,429,543	3,046,968
Total expenses	\$ 20,643,456	\$ 16,626,553

## 11. Financial risks:

### (a) Credit risk:

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in a financial loss. The Society is exposed to credit risk with respect to the cash and cash equivalents and accounts receivable. The Society assesses, on a continuous basis, accounts receivable and provides for any amounts that are not collectible in the allowance for doubtful accounts. The Society is not subject to significant credit risks as most of the amounts receivable are from VSF. Cash and cash equivalents are not subject to significant credit risk as they are held with large reputable financial institutions.

# VANCOUVER SYMPHONY SOCIETY

Notes to Financial Statements

Year ended June 30, 2023

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## 11. Financial risks (continued):

(b) Liquidity risk:

Liquidity risk is the risk of being unable to meet cash requirements or to fund obligations as they become due. The Society manages its liquidity risk by monitoring its operating requirements, and prepares budget and cash forecasts to ensure it has sufficient funds to fulfill its obligations.

(c) Currency risk:

The Society is exposed to fluctuations in exchange rates on amounts paid to guest artists in United States dollars. As a result, the Society has implemented a policy to minimize the foreign exchange risk by hedging 50% - 70% of the United States dollar payments for the upcoming season. Foreign exchange contracts will be entered into in the first month of the fiscal year. All foreign exchange contracts will be short-term and completed by June 30 of the fiscal year. The Society did not designate any foreign exchange contracts as hedges and did not apply hedge accounting for the year ended June 30, 2023. As at June 30, 2023, there were no outstanding contracts.

(d) Other risks:

The Society is not exposed to significant interest or other market risks on its financial instruments.

There has been no change to the risk exposures from 2022.

## 12. Commitments and contingencies:

- (a) Related to licensing of ticketing and development software in 2006, the Society signed a membership agreement with Tessitura Network, Inc. on August 29, 2007, which includes a commitment to pay an annual fee of US\$40,949 commencing October 1, 2007.
- (b) The Society leases office space from the Foundation. The rent from January 17, 2020 to June 30, 2021 is \$45,000 per year. For the period July 1, 2021 to the expiry of the lease rent is \$144,000 per year. A requirement of the lease is that the Society is to pay strata fees directly to the strata of \$3,624 (2022 - \$3,199) per month for the duration of the lease.
- (c) Effective March 19, 2018, the Society entered into a 3-year agreement with Orchestra Management Solutions Inc. for online subscription services to management software called ArtsVision. The software assists with the planning for all activities in the orchestral season including concerts, educational activities, orchestra personnel, guest artists and music library. The total implementation fee and first year project costs are US\$59,150. The annual license fee commencing December 1, 2020 is US\$20,770. The agreement has an automatic three-year renewal after the 3-year term.



# VANCOUVER SYMPHONY SOCIETY

Notes to Financial Statements

Year ended June 30, 2023

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## 12. Commitments and contingencies (continued):

(d) In the prior year, the Society came to an agreement with the City of Vancouver to pay \$265,000 to settle the amounts for rent not covered by an offsetting grant from the City of Vancouver. Starting May 1, 2022, the agreement requires the Society to pay the City of Vancouver \$44,152 on May 1 of each year including May 1, 2027. As at June 30, 2023, \$176,695 (2022 - \$220,847) remain outstanding and have been accrued and included in accounts payable and accrued liabilities in the Statement of Financial Position.

## 13. Credit facilities:

As at June 30, 2023, the Society has a credit facility available with HSBC Bank of Canada for \$750,000 (2022 - \$750,000) bearing interest at HSBC Bank of Canada's prime rate plus 1.5% per annum. Nil amounts were drawn on this facility as at June 30, 2023 (2022 - nil).

## 14. Remuneration of employees and contractors:

For the fiscal year ended June 30, 2023, the Society paid total remuneration of \$1,987,254 (2022 - \$1,708,300) to the top ten employees and contractors for services, each of whom received total annual remuneration of \$75,000 or greater.

No remuneration was paid to any member of the Society's Board of Directors.