

TAFELMUSIK
Financial Statements
June 30, 2024

TAFELMUSIK
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Year Ended June 30, 2024

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INDEPENDENT AUDITOR'S REPORT

To the Members of Tafelmusik

Opinion

We have audited the financial statements of Tafelmusik, which comprise the statement of financial position as at June 30, 2024, and the statements of changes in net assets, operations and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Tafelmusik as at June 30, 2024, 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 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 report. We are independent of Tafelmusik 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.

Other Matter

The financial statements for the year ended June 30, 2023 were audited by another auditor who expressed a qualified audit opinion on those financial statements on October 30, 2023. The Basis for Qualified Opinion related to the completeness of fundraising events and donation revenues due to cash donations.

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 Tafelmusik'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 Tafelmusik or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing Tafelmusik's financial reporting process.

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Independent Auditor's Report to the Members of Tafelmusik *(continued)*

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 Tafelmusik'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 Tafelmusik'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 Tafelmusik 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.

Hogg, Shain & Scheck PC

Toronto, Ontario
October 21, 2024

Authorized to practise public accounting by the
Chartered Professional Accountants of Ontario

TAFELMUSIK
Statement of Financial Position
As at June 30, 2024

	2024	2023
ASSETS		
CURRENT		
Cash	\$ 354,442	\$ 1,080,793
Short-term investments (Note 4)	2,032,051	1,281,827
Accounts receivable	121,123	84,862
Prepaid expenses and other	43,531	47,850
	2,551,147	2,495,332
CAPITAL ASSETS (Note 5)	781,067	1,032,340
	\$ 3,332,214	\$ 3,527,672
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities (Note 6)	\$ 127,977	\$ 103,061
Deferred performance revenues	632,574	627,907
Deferred grants revenues (Note 7)	230,000	-
Current portion of obligation under capital lease (Note 8)	6,652	6,026
	997,203	736,994
OBLIGATION UNDER CAPITAL LEASE (Note 8)	17,602	24,254
DEFERRED CAPITAL CONTRIBUTIONS (Note 9)	951,534	1,192,484
	1,966,339	1,953,732
NET ASSETS		
Operating Fund - General	479,829	649,189
Operating Fund - Invested in Capital Assets	32,702	36,999
Artistic Fund	376,244	410,652
Creative Trust Working Capital for the Arts Fund	402,100	402,100
Future Fund	75,000	75,000
	1,365,875	1,573,940
	\$ 3,332,214	\$ 3,527,672

Ontario Arts Endowment Fund, Market value \$6,709,210 (Note 11)

LINE OF CREDIT (Note 10)

COMMITMENTS (Note 12)

APPROVED ON BEHALF OF THE BOARD

 C. Paige Director

 Elise Orenstein Director

See the accompanying notes to these financial statements

TAFELMUSIK
Statement of Changes in Net Assets
Year Ended June 30, 2024

	Operating Fund - General	Operating Fund - Invested in Capital Assets	Artistic Fund	Creative Trust Working Capital for the Arts Fund	Future Fund	2024	2023
NET ASSETS - BEGINNING OF YEAR	\$ 649,189	\$ 36,999	\$ 410,652	\$ 402,100	\$ 75,000	\$ 1,573,940	\$ 1,804,687
Deficiency of revenues over expenses for the year	(208,065)	-	-	-	-	(208,065)	(230,747)
Inter-fund transfers representing:							
Amortization of capital assets	251,273	(251,273)	-	-	-	-	-
Amortization of deferred capital contributions	(240,950)	240,950	-	-	-	-	-
Transfer from Artistic Fund	34,408	-	(34,408)	-	-	-	-
Payment of capital lease obligation	(6,026)	6,026	-	-	-	-	-
NET ASSETS - END OF YEAR	\$ 479,829	\$ 32,702	\$ 376,244	\$ 402,100	\$ 75,000	\$ 1,365,875	\$ 1,573,940

See the accompanying notes to these financial statements

TAFELMUSIK
Statement of Operations
Year Ended June 30, 2024

	2024	2023
REVENUES (Schedule One)		
Performance	\$ 1,149,359	\$ 801,263
Government grants (Note 7)	1,074,170	1,032,192
Fundraising	1,015,444	828,790
Other earned	512,986	301,904
Investment (Notes 4 and 11)	399,850	339,367
Amortization of deferred capital contributions (Note 9)	240,950	237,516
	<u>4,392,759</u>	<u>3,541,032</u>
EXPENSES (Schedule One)		
Artistic fees (Note 13)	1,540,551	1,307,429
Marketing (Note 13)	752,600	549,498
Artistic, production and technical	694,060	374,002
Administrative (Note 8)	682,387	786,693
Fundraising (Note 13)	377,855	246,892
Production and technical salaries and fees	302,098	255,376
Amortization of capital assets	251,273	251,889
	<u>4,600,824</u>	<u>3,771,779</u>
DEFICIENCY OF REVENUES OVER EXPENSES	\$ (208,065)	\$ (230,747)

See the accompanying notes to these financial statements

TAFELMUSIK
Schedule One
Year Ended June 30, 2024

	Toronto Live Programming	Touring	Other Live Engagements	Education	Digital Content Creation	Recordings	Operations	Total
REVENUES								
Performance	\$ 1,130,573	\$ -	\$ 900	\$ 251	\$ 17,635	\$ -	\$ -	\$ 1,149,359
Government grants for operations	855,417	-	-	13,000	102,550	-	10,000	980,967
Other government grants	-	88,000	-	-	-	-	5,203	93,203
Fundraising	25,726	42,534	-	46,631	-	-	900,553	1,015,444
Other earned	33,205	180,376	168,303	93,388	-	15,646	22,068	512,986
Investment	-	-	-	-	-	-	399,850	399,850
Amortization of deferred capital contributions	-	-	-	-	-	-	240,950	240,950
	2,044,921	310,910	169,203	153,270	120,185	15,646	1,578,624	4,392,759
EXPENSES								
Artistic fees	1,232,758	80,484	151,099	44,778	30,362	1,070	-	1,540,551
Marketing	253,083	-	4,575	6,050	7,177	26,457	455,258	752,600
Artistic, production and technical	368,843	173,283	15,824	38,460	87,558	5,010	5,082	694,060
Administrative	2,910	1,539	15	222	11	2,292	675,398	682,387
Fundraising	9,519	15,738	-	17,254	-	-	335,344	377,855
Production and technical salaries and fees	205,219	43,967	-	52,808	-	-	104	302,098
Amortization of capital assets	-	-	-	-	-	-	251,273	251,273
	2,072,332	315,011	171,513	159,572	125,108	34,829	1,722,459	4,600,824
DEFICIENCY OF REVENUES OVER EXPENSES	\$ (27,411)	\$ (4,101)	\$ (2,310)	\$ (6,302)	\$ (4,923)	\$ (19,183)	\$ (143,835)	\$ (208,065)

See accompanying notes to these financial statements

TAFELMUSIK
Statement of Cash Flows
Year Ended June 30, 2024

	2024	2023
OPERATING ACTIVITIES		
Deficiency of revenues over expenses	\$ (208,065)	\$ (230,747)
Items not affecting cash:		
Amortization of capital assets	251,273	251,889
Amortization of deferred capital contributions	(240,950)	(237,516)
Forgiveness of Canada Emergency Business Account loan	-	(10,000)
	<u>(197,742)</u>	<u>(226,374)</u>
Changes in non-cash working capital:		
Accounts receivable	(36,261)	3,917
Prepaid expenses and other	4,319	26,971
Accounts payable and accrued liabilities	24,916	50,167
Deferred performance revenues	4,667	157,010
Deferred grants revenues	230,000	(297,918)
	<u>227,641</u>	<u>(59,853)</u>
Cash flows from (used by) operating activities	<u>29,899</u>	<u>(286,227)</u>
INVESTING ACTIVITIES		
Purchase of capital assets	-	(42,419)
Increase in short-term investments, net	(750,224)	(37,950)
Cash flows used by investing activities	<u>(750,224)</u>	<u>(80,369)</u>
FINANCING ACTIVITIES		
Repayment of obligation under capital lease	(6,026)	(5,459)
Repayment of the Canada Emergency Business Account loan	-	(30,000)
Cash flows used by financing activities	<u>(6,026)</u>	<u>(35,459)</u>
DECREASE IN CASH	(726,351)	(402,055)
CASH - BEGINNING OF YEAR	1,080,793	1,482,848
CASH - END OF YEAR	\$ 354,442	\$ 1,080,793

See the accompanying notes to these financial statements

TAFELMUSIK
Notes to Financial Statements
Year Ended June 30, 2024

1. NATURE OF OPERATIONS

Tafelmusik, Canada's award-winning period instrument orchestra, was founded in 1979 and has long been renowned in North America and internationally for its distinct, exhilarating and soulful performances. The Tafelmusik Chamber Choir, specializing in baroque performance practice and vocal technique, was formed in 1981 to complement the orchestra. Tafelmusik performs 80 concerts each year at Trinity-St. Paul's Centre, Koerner Hall, and Massey Hall, performs community outreach concerts, tours extensively in Canada and throughout the world, and has a discography of CDs that have garnered many national and international awards. As a complement to its live season Tafelmusik creates a dynamic array of digital offerings, which includes concerts, talks and short films. Tafelmusik has been associated with major recording companies, including Analekta, Sony BMG and CBC Records, and in 2012, established its own independent recording label, Tafelmusik Media. Its passion for supporting and training the next generation of musicians is manifest in the annual Tafelmusik Baroque Summer and Winter Institute and other music education programs.

Tafelmusik's vision is to be an international centre of excellence in period performance for generations to come. To sustain this vision, Tafelmusik is now creating artists and audiences for the future through artist training and audience development activities

Tafelmusik's mission is to engage audiences locally, provincially, nationally and internationally with historically informed live and recorded musical experiences on period instruments. Through its extensive national and international tours, its critically-acclaimed recordings and TV broadcasts, its new media initiatives and growing web of community and artistic partnerships, it is one of the most prolific orchestras in the world.

Tafelmusik is the income beneficiary of four endowments administered by the Ontario Arts Foundation, the capital of which is not reflected in these financial statements. Details of the endowment funds are set out in *Note 11*.

Incorporated without share capital under the laws of Ontario, Tafelmusik is a registered charity as defined in the Income Tax Act and, as such, is generally exempt from income taxes. Tafelmusik was continued under the Ontario Not-for-Profit Corporations Act in fiscal 2024.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations in Part III of the CPA Canada Handbook.

Fund accounting

Tafelmusik reports its activities using fund accounting, and maintains three internally restricted funds: Artistic, Creative Trust Working Capital for the Arts and Future. In addition, there is an unrestricted Operating fund.

The Operating fund reflects the day-to-day activities of Tafelmusik. The fund balance consists of two components being (1) invested in capital assets for those activities related to the purchases, disposals, amortization and financing of capital assets and (2) general for those day-to-day activities other than invested in capital assets.

The Artistic fund is a Board restricted fund and represents amounts that have been set aside for specific artistic projects. The projects may include touring, recording, education and programming initiatives and require approval by the Board of Directors. During the fiscal year, the Board of Directors approved a transfer of \$34,408 to the Operating fund.

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TAFELMUSIK
Notes to Financial Statements
Year Ended June 30, 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fund accounting (continued)

The Creative Trust Working Capital for the Arts fund is a Board restricted fund providing ongoing working capital as well as funding for future artistic and strategic initiatives. Expenditure of these funds requires approval by the Board of Directors.

The Future fund is a Board restricted fund providing funds for contingencies that will not be covered by the other funds. Its use requires approval by the Board of Directors.

Revenue recognition

Tafelmusik follows the deferral method of accounting for contributions, which include government grants and fundraising revenues. Unrestricted contributions are recognized as revenues in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Externally restricted contributions for operations are recognized as revenues in the year in which the related activity takes place and expenses are incurred.

Performances and other earned revenues are recognized when received or receivable upon substantial completion of performance or program, provided that the amount to be received can be reasonably estimated and collection is reasonably assured.

Interest revenues are recognized on an accrual basis in the year earned, as reported by financial institutions interacted with.

Contributions received towards the purchase of capital assets are deferred and amortized to revenues on the same basis as the related capital assets are amortized.

Financial instruments

Tafelmusik initially measures its financial assets and financial liabilities at fair value. It subsequently measures all its financial assets and financial liabilities at amortized cost.

The financial assets subsequently measured at amortized cost include cash and accounts receivable. The financial liabilities subsequently measured at amortized cost include accounts payable.

Short-term investments are measured at cost plus accrued interest.

Impairment of financial instruments

Financial assets, measured at cost or amortized cost, are tested for impairment if there are indications of possible impairment. The impairment loss is equal to the difference between carrying value and expected recoverable amount. A previously recognized impairment loss may be reversed to the extent of the improvement, either directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal, had the impairment loss not been recognized previously. The amount of any write down or reversal is recognized in deficiency of revenues over expenses.

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TAFELMUSIK
Notes to Financial Statements
Year Ended June 30, 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Capital assets

Purchased capital assets are recorded at cost. Amortization is provided on a straight-line basis over the assets' estimated useful lives as follows:

Leasehold improvements	Life of the lease
Musical instruments	5 years
Office furniture and equipment	5 years
Computer equipment	3 years

Tafelmusik regularly reviews its capital assets to eliminate obsolete items.

Impairment of long-lived assets

Long-lived assets, including capital assets, are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The impairment loss is measured as the amount by which the carrying amount of the capital asset exceeds its fair value. Fair value is determined by the replacement value of the asset.

Leases

An operating lease is a lease which does not involve the transfer of risks and rewards of ownership related to the leased asset from the lessor to the lessee. A capital lease is a lease which transfers substantially all the risks and rewards of ownership related to the leased asset from the lessor to the lessee.

Foreign currency translation

Monetary assets and liabilities are translated at the prevailing rates of exchange at the date of the statement of financial position. Revenues are translated at the bank rate on the date the amount is received and expenses are translated at the bank rate on the date the amount is paid. Tafelmusik does not use derivative instruments to mitigate foreign exchange risk.

Allocation of expenses

Tafelmusik allocates salaries and benefits and general administrative support costs by financial statement expense category based on the percentage of time spent on each expense category.

Use of 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 at the date of the financial statements and the reported amounts of revenues and expenses during the year. Significant estimates incorporated into Tafelmusik's financial statements include estimated useful lives of capital assets, collectability of accounts receivable and year end accrued liabilities. These estimates are reviewed periodically and adjustments are made to revenues and expenses as appropriate in the year they become known.

TAFELMUSIK
Notes to Financial Statements
Year Ended June 30, 2024

3. FINANCIAL INSTRUMENTS

Tafelmusik is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about Tafelmusik's risk exposure and concentration as of June 30, 2024.

Credit risk

Credit risk is the risk that one party to the financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Tafelmusik's accounts receivable are subject to credit risk. Tafelmusik limits its exposure to credit risk by maintaining cash with major financial institutions, as well as only recognizing pledges from accredited donors. There is no impairment allowance recorded against accounts receivable for the current or prior year.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. Liquidity risk includes the risk that, as a result of operational liquidity requirements, Tafelmusik will not have sufficient funds to settle a transaction on the due date; will be forced to sell financial assets at a value, which is less than what they are worth; or may be unable to settle or recover a financial asset. Liquidity risk arises from accounts payable and accrued liabilities, and commitments.

Currency risk

Currency risk is the risk to an entity's excess (deficiency) of revenues over expenses that arise from fluctuations of foreign exchange rates and the degree of volatility of these rates. Tafelmusik is exposed to foreign currency exchange risk on cash held in U.S. dollars. Tafelmusik does not use derivative instruments to reduce its exposure to foreign currency risk.

	2024	2023
U.S. dollar cash, translated into Canadian dollars	\$ 93,950	\$ 75,127

Unless otherwise noted, it is management's opinion that Tafelmusik is not exposed to significant market, interest rate, or other price risks arising from these financial instruments.

4. SHORT-TERM INVESTMENTS

Short-term investments consist of a high interest savings account and twelve (2023 - thirteen) Guaranteed Investment Certificates which earn interest between 5.10% to 5.72% (2023 - 2.40% to 4.75%), and mature between November 2024 to May 2025 (2023 - September 2023 to May 2024).

5. CAPITAL ASSETS

	Cost	Accumulated amortization	2024 Net book value	2023 Net book value
Leasehold improvements	\$ 3,336,502	\$ 2,634,259	\$ 702,243	\$ 936,326
Musical instruments	75,295	22,389	52,906	60,338
Office furniture and equipment	112,856	90,980	21,876	28,607
Computer equipment	44,152	40,110	4,042	7,069
	\$ 3,568,805	\$ 2,787,738	\$ 781,067	\$ 1,032,340

TAFELMUSIK
Notes to Financial Statements
Year Ended June 30, 2024

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities include government remittances totaling \$1,000 at June 30, 2024 (\$3,772 - 2023).

7. DEFERRED GRANTS REVENUES

	Opening balance 2024	Received during year 2024	Recognized as revenues 2024	Closing balance 2024
Canada Council for the Arts	\$ -	\$ 556,000	\$ 556,000	\$ -
Employment and Social Development Canada	-	5,203	5,203	-
Ontario Arts Council	-	332,967	332,967	-
Toronto Arts Council	-	360,000	180,000	180,000
Pollock Family Foundation	-	50,000	-	50,000
	<u>\$ -</u>	<u>\$ 1,304,170</u>	<u>\$ 1,074,170</u>	<u>\$ 230,000</u>

	Opening balance 2023	Received during year 2023	Recognized as revenues 2023	Closing balance 2023
Canada Council for the Arts	\$ -	\$ 468,000	\$ 468,000	\$ -
Ontario Arts Council	297,918	82,574	380,492	-
Toronto Arts Council	-	180,000	180,000	-
Trillium Foundation	-	3,700	3,700	-
	<u>\$ 297,918</u>	<u>\$ 734,274</u>	<u>\$ 1,032,192</u>	<u>\$ -</u>

8. OBLIGATION UNDER CAPITAL LEASE

	2024	2023
Equipment lease bearing interest at 10% per annum, repayable in monthly blended payments of \$502. The lease matures in September 2028 and is secured by the equipment.	\$ 24,254	\$ 30,280
Amounts payable within one year	<u>(6,652)</u>	<u>(6,026)</u>
	<u>\$ 17,602</u>	<u>\$ 24,254</u>

Included in administrative expenses in the Statement of Operations is interest expense of 2,807 (\$3,373 - 2023) with respect to this obligation.

TAFELMUSIK
Notes to Financial Statements
Year Ended June 30, 2024

9. DEFERRED CAPITAL CONTRIBUTIONS

Deferred capital contributions represent restricted contributions received for the purchase of instruments and leasehold improvements. The continuity of deferred capital asset contributions for the year is as follows:

	2024	2023
Deferred capital asset contributions - beginning of year	\$ 1,192,484	\$ 1,430,000
Capital asset contributions amortized to revenues	(240,950)	(237,516)
Deferred capital asset contributions - end of year	\$ 951,534	\$ 1,192,484

Allocation of deferred capital contributions is as follows:

Deferred capital contributions related to capital assets purchased	\$ 724,112	\$ 965,062
Deferred capital contributions relating to future capital projects	227,422	227,422
	\$ 951,534	\$ 1,192,484

10. LINE OF CREDIT

Tafelmusik has an operating line of credit to a maximum of \$100,000. Any advances on this line of credit bear interest at bank prime rate plus 1.5%. This credit facility is secured by a registered charge on accounts receivable, inventory and equipment. There were no advances against this line of credit during the year or at June 30, 2024 (\$NIL - 2023)

11. ENDOWMENT FUNDS

Tafelmusik is the income beneficiary of four endowment funds administered by Ontario Arts Foundation. Details of these endowment funds are as follows:

(i) The Tafelmusik Baroque Orchestra Arts Endowment Fund has been established at the Ontario Arts Foundation as a program of the Government of Ontario through the Ministry of Citizenship, Culture and Sport administered by the Ontario Arts Foundation. Under the terms of the program, funds raised and contributed by Tafelmusik were matched from Ontario's Arts Endowment Fund.

(ii) The Canada Cultural Investment Fund is a program of the Government of Canada through the Department of Canadian Heritage. Under the terms of the program, a conditional grant is provided to the Ontario Arts Foundation for endowment purposes on the basis of funds raised and contributed by Tafelmusik to the Ontario Arts Foundation.

(iii) The Tafelmusik Baroque Orchestra Horst Dantz and Don Quick Endowed Fund is a trust fund established by Tafelmusik at the Ontario Arts Foundation to support and name a cello chair to be known as Horst Dantz and Don Quick Chair in perpetuity. The capital amount contributed to the Ontario Arts Foundation shall be held in perpetuity and shall not be disbursed. The net income of the Trust Fund shall be disbursed in accordance with the purpose set out above. In the event that the Ontario Arts Foundation ceases to exist for any reason, the Trust Fund shall be transferred to Tafelmusik.

(iv) The Tafelmusik Baroque Orchestra Jeanne Lamoung Young Artist Fund has been established by Tafelmusik at the Ontario Arts Foundation to support Tafelmusik's Artist Training initiatives in perpetuity. Each year Tafelmusik receives investment income from the Jeanne Lamoung Young Artist Fund to be disbursed in accordance with the purpose set out above.

TAFELMUSIK
Notes to Financial Statements
Year Ended June 30, 2024

11. ENDOWMENT FUNDS *(Continued)*

Details of the endowment funds administered by the Ontario Arts Foundation are as follows:

	Tafelmusik Baroque Orchestra Arts Endowment Fund	Canada Cultural Investment Fund	Horst Dantz and Don Quick Endowed Fund	Jeanne Lamon Young Artist Fund	Total 2024
Balance of funds - beginning of year	\$ 2,104,179	\$ 2,204,565	\$ 1,787,173	\$ 288,433	\$ 6,384,350
Change in market value	234,039	245,217	198,785	32,083	710,124
Investment income distributed	(128,001)	(131,071)	(108,757)	(17,435)	(385,264)
Balance of funds - end of year	\$ 2,210,217	\$ 2,318,711	\$ 1,877,201	\$ 303,081	\$ 6,709,210

	Tafelmusik Baroque Orchestra Arts Endowment Fund	Canada Cultural Investment Fund	Horst Dantz and Don Quick Endowed Fund	Jeanne Lamon Young Artist Fund	Total 2023
Balance of funds - beginning of year	\$ 1,873,499	\$ 1,905,196	\$ 1,593,154	\$ 164,368	\$ 5,536,217
Contribution from Tafelmusik	-	-	-	88,155	88,155
Grant from the Department of Canadian Heritage	-	60,338	-	-	60,338
Change in market value	330,403	338,546	281,189	45,007	995,145
Investment income distributed	(99,723)	(99,515)	(87,170)	(9,097)	(295,505)
Balance of funds - end of year	\$ 2,104,179	\$ 2,204,565	\$ 1,787,173	\$ 288,433	\$ 6,384,350

TAFELMUSIK
Notes to Financial Statements
Year Ended June 30, 2024

12. COMMITMENTS

Operating Leases

Tafelmusik is committed to pay rent based on usage of premises for performance and rehearsal space under a lease of fifteen years with the initial term of five years ended on June 30, 2017 and two optional terms for extension of five years each. The first renewal option was exercised and expired on June 30, 2022. The second renewal option has been exercised, effective for the period from July 1, 2022 to June 30, 2027. Operating costs paid for performances, rehearsal usage and box office space for the year amounted to \$89,218 (\$76,030 - 2023).

Tafelmusik is committed to pay annual rent of \$51,988 for administrative, box office and production space under the the fifteen year lease. Mutual agreement is required if the annual rents increase above the greater of the consumer price index for Toronto, 5% or such other amount determined by an arbitrator.

In addition, Tafelmusik is committed to pay its proportionate share of utilities costs, which totaled \$8,811 (\$8,675 - 2023).

13. COST ALLOCATION

Certain staff and general expenses related costs pertain to more than one function, and they have been allocated to marketing and fundraising in the Statement of Operations.

	2024	2023
Salaries and benefits		
Marketing	\$ 262,400	\$ 180,206
Fundraising	120,273	143,463
	\$ 382,673	\$ 323,669
 General expenses		
Fundraising	\$ 200,572	\$ 67,006
Marketing	125,350	100,508
Artistic, production and technical	19,620	19,294
	\$ 345,542	\$ 186,808

14. COMPARATIVE FIGURES

Some of the comparative figures have been reclassified to conform to the current year's presentation.
