

**TAFELMUSIK**  
**Financial Statements**  
**June 30, 2025**

**TAFELMUSIK**  
**Index to Financial Statements**  
**Year Ended June 30, 2025**

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## INDEPENDENT AUDITOR'S REPORT

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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, 2025, 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, 2025, 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.

### *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.

### *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.

(continues)

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

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 20, 2025

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

**TAFELMUSIK**  
**Statement of Financial Position**  
**As at June 30, 2025**

	2025	2024
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 287,224	\$ 354,442
Short-term investments (Note 3)	2,616,515	2,032,051
Accounts receivable	87,956	121,123
Prepaid expenses and other	43,077	43,531
	<u>3,034,772</u>	<u>2,551,147</u>
<b>CAPITAL ASSETS (Note 4)</b>	<u>537,014</u>	<u>781,067</u>
	<u><b>\$ 3,571,786</b></u>	<u><b>\$ 3,332,214</b></u>
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities	\$ 216,742	\$ 127,977
Deferred performance revenues	647,196	632,574
Deferred contributions revenues (Note 6)	391,010	230,000
Current portion of obligation under capital lease (Note 7)	7,342	6,652
	<u>1,262,290</u>	<u>997,203</u>
<b>OBLIGATION UNDER CAPITAL LEASE (Note 7)</b>	<u>10,260</u>	<u>17,602</u>
<b>DEFERRED CAPITAL CONTRIBUTIONS (Note 8)</b>	<u>724,084</u>	<u>951,534</u>
	<u><b>1,996,634</b></u>	<u><b>1,966,339</b></u>
<b>NET ASSETS</b>		
<i>(Note 2)</i>		
Operating Fund - General	598,717	479,829
Operating Fund - Invested in Capital Assets	22,751	32,702
Artistic Fund	376,244	376,244
Creative Trust Working Capital for the Arts Fund	402,100	402,100
Future Fund	75,000	75,000
Endowment	100,340	-
	<u>1,575,152</u>	<u>1,365,875</u>
	<u><b>\$ 3,571,786</b></u>	<u><b>\$ 3,332,214</b></u>

*Ontario Arts Endowment Fund, Market value \$6,866,568 (Note 10)*

**LINE OF CREDIT (Note 5)**

**COMMITMENTS (Note 9)**

**APPROVED ON BEHALF OF THE BOARD**

Elise Openstein Director

C. Paige Director

*See the accompanying notes to these financial statements*

**TAFELMUSIK**  
**Statement of Changes in Net Assets**  
**Year Ended June 30, 2025**

	Operating Fund - General	Operating Fund - Invested in Capital Assets	Artistic Fund	Creative Trust Working Capital for the Arts Fund	Future Fund	Endowment	2025	2024
<b>NET ASSETS - BEGINNING OF YEAR</b>	\$ 479,829	\$ 32,702	\$ 376,244	\$ 402,100	\$ 75,000	\$ -	\$ 1,365,875	\$ 1,573,940
Excess (deficiency) of revenues over expenses for the year	108,937	-	-	-	-	-	108,937	(208,065)
Endowment contribution	-	-	-	-	-	100,340	100,340	-
Inter-fund transfers representing:								
Amortization of capital assets	283,410	(283,410)	-	-	-	-	-	-
Amortization of deferred capital contributions	(242,450)	242,450	-	-	-	-	-	-
Purchase of capital assets	(39,357)	39,357	-	-	-	-	-	-
Deferred capital contributions received	15,000	(15,000)	-	-	-	-	-	-
Payment of capital lease obligation	(6,652)	6,652	-	-	-	-	-	-
<b>NET ASSETS - END OF YEAR</b>	\$ 598,717	\$ 22,751	\$ 376,244	\$ 402,100	\$ 75,000	\$ 100,340	\$ 1,575,152	\$ 1,365,875

*See the accompanying notes to these financial statements*

**TAFELMUSIK**  
**Statement of Operations**  
**Year Ended June 30, 2025**

	2025	2024
<b>REVENUES</b> <i>(Schedule One)</i>		
Fundraising <i>(Note 6)</i>	\$ 1,549,934	\$ 1,015,444
Performance	1,190,447	1,149,359
Government grants <i>(Note 6)</i>	1,128,779	1,074,170
Other earned	445,404	512,986
Investment <i>(Notes 3 and 10)</i>	442,628	399,850
Amortization of deferred capital contributions <i>(Note 8)</i>	242,450	240,950
	<u>4,999,642</u>	<u>4,392,759</u>
<b>EXPENSES</b> <i>(Schedule One)</i>		
Artistic fees <i>(Note 11)</i>	1,682,095	1,540,551
Marketing <i>(Note 11)</i>	798,682	752,600
Administrative <i>(Note 7)</i>	719,897	682,387
Artistic, production and technical	626,612	694,060
Fundraising <i>(Note 11)</i>	471,548	377,855
Production and technical salaries and fees	308,461	302,098
Amortization of capital assets	283,410	251,273
	<u>4,890,705</u>	<u>4,600,824</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>	<u>\$ 108,937</u>	<u>\$ (208,065)</u>

*See the accompanying notes to these financial statements*

**TAFELMUSIK**  
**Schedule One**  
**Year Ended June 30, 2025**

	<b>Toronto Live Programming</b>	<b>Touring</b>	<b>Other Live Engagements</b>	<b>Education</b>	<b>Digital Content Creation</b>	<b>Recordings</b>	<b>Operations</b>	<b>Total</b>
<b>REVENUES</b>								
Fundraising	\$ 109,267	\$ -	\$ -	\$ 170,369	\$ -	\$ -	\$ 1,270,298	\$ 1,549,934
Performance	1,177,114	-	-	1,265	11,576	60	432	1,190,447
Government grants:								
Operating	894,000	-	-	-	86,967	-	-	980,967
Other	-	137,000	-	-	-	-	10,812	147,812
Other earned	14,748	121,072	184,465	96,492	-	17,340	11,287	445,404
Investment	-	-	-	-	-	-	442,628	442,628
Amortization of deferred capital contributions	-	-	-	-	-	-	242,450	242,450
	2,195,129	258,072	184,465	268,126	98,543	17,400	1,977,907	4,999,642
<b>EXPENSES</b>								
Artistic fees	1,317,584	113,473	161,432	70,221	19,143	194	48	1,682,095
Marketing	190,174	-	600	3,093	-	19,414	585,401	798,682
Administrative	64,336	937	33	6,004	-	2,779	645,808	719,897
Artistic, production and technical	329,919	130,744	10,510	50,780	79,620	10,391	14,648	626,612
Fundraising	33,273	-	-	56,222	-	-	382,053	471,548
Production and technical salaries and fees	206,230	45,075	405	56,751	-	-	-	308,461
Amortization of capital assets	-	-	-	-	-	-	283,410	283,410
	2,141,516	290,229	172,980	243,071	98,763	32,778	1,911,368	4,890,705
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>	<b>\$ 53,613</b>	<b>\$ (32,157)</b>	<b>\$ 11,485</b>	<b>\$ 25,055</b>	<b>\$ (220)</b>	<b>\$ (15,378)</b>	<b>\$ 66,539</b>	<b>\$ 108,937</b>

*See accompanying notes to these financial statements*



**TAFELMUSIK**  
**Statement of Cash Flows**  
**Year Ended June 30, 2025**

	2025	2024
<b>OPERATING ACTIVITIES</b>		
Excess (deficiency) of revenues over expenses	\$ 108,937	\$ (208,065)
Items not affecting cash:		
Amortization of capital assets	283,410	251,273
Amortization of deferred capital contributions	(242,450)	(240,950)
	<u>149,897</u>	<u>(197,742)</u>
Changes in non-cash working capital:		
Accounts receivable	33,167	(36,261)
Prepaid expenses and other	454	4,319
Accounts payable and accrued liabilities	88,765	24,916
Deferred performance revenues	14,622	4,667
Deferred contributions revenues	161,010	230,000
	<u>298,018</u>	<u>227,641</u>
Cash flows from operating activities	<u>447,915</u>	<u>29,899</u>
<b>INVESTING ACTIVITIES</b>		
Purchase of capital assets	(39,357)	-
Increase in short-term investments, net	(584,464)	(750,224)
Cash flows used by investing activities	<u>(623,821)</u>	<u>(750,224)</u>
<b>FINANCING ACTIVITIES</b>		
Endowment contributions received	100,340	-
Deferred capital contributions received	15,000	-
Repayment of obligation under capital lease	(6,652)	(6,026)
Cash flows from (used by) financing activities	<u>108,688</u>	<u>(6,026)</u>
<b>DECREASE IN CASH</b>	<u>(67,218)</u>	<u>(726,351)</u>
<b>CASH - BEGINNING OF YEAR</b>	<u>354,442</u>	<u>1,080,793</u>
<b>CASH - END OF YEAR</b>	<u>\$ 287,224</u>	<u>\$ 354,442</u>

*See the accompanying notes to these financial statements*

**TAFELMUSIK**  
**Notes to Financial Statements**  
**Year Ended June 30, 2025**

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**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 10*.

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.

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**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 an endowment fund and 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.

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**TAFELMUSIK**  
**Notes to Financial Statements**  
**Year Ended June 30, 2025**

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**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.

The endowment fund is restricted to provide tuition payments for the Tafelmusik Baroque Summer Institute. It is expected that the income earned from this fund will provide the tuition payments for two students annually, with the principal being held in perpetuity.

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.

Performance 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.

Investment 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.

Endowment contributions are recognized as direct increases in net assets.

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 excess (deficiency) of revenues over expenses.

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**TAFELMUSIK**  
**Notes to Financial Statements**  
**Year Ended June 30, 2025**

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**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, as set out in Note 11.

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.

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**3. SHORT-TERM INVESTMENTS**

Short-term investments consist of a high interest savings account and sixteen (2024 - twelve) Guaranteed Investment Certificates which earn interest between 3.10% to 4.97% (2024 - 5.10% to 5.72%), and mature between July 2025 to May 2026 (2024 - November 2024 to May 2025).

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**TAFELMUSIK**  
**Notes to Financial Statements**  
**Year Ended June 30, 2025**

**4. CAPITAL ASSETS**

	Cost	Accumulated amortization	2025 Net book value	2024 Net book value
Leasehold improvements	\$ 3,340,466	\$ 2,868,342	\$ 472,124	\$ 702,243
Musical instruments	96,970	60,296	36,674	52,906
Office furniture and equipment	117,237	98,149	19,088	21,876
Computer equipment	53,489	44,361	9,128	4,042
	<u>\$ 3,608,162</u>	<u>\$ 3,071,148</u>	<u>\$ 537,014</u>	<u>\$ 781,067</u>

**5. 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, 2025 (\$NIL - 2024)

**6. DEFERRED CONTRIBUTIONS REVENUES**

	Opening balance 2025	Received during year 2025	Recognized as revenues 2025	Closing balance 2025
Canada Council for the Arts	\$ -	\$ 721,800	\$ 558,000	\$ 163,800
Employment and Social Development Canada	-	10,812	10,812	-
Ontario Arts Council	-	379,967	379,967	-
Toronto Arts Council	180,000	180,000	180,000	180,000
Pollock Family Foundation	50,000	-	50,000	-
Fundraising contributions for future years	-	47,210	-	47,210
	<u>\$ 230,000</u>	<u>\$ 1,339,789</u>	<u>\$ 1,178,779</u>	<u>\$ 391,010</u>

	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>

**TAFELMUSIK**  
**Notes to Financial Statements**  
**Year Ended June 30, 2025**

**7. OBLIGATION UNDER CAPITAL LEASE**

	<u>2025</u>	<u>2024</u>
Equipment lease bearing interest at 10% per annum, repayable in quarterly blended payments of \$2,208. The lease matures in December 2027 and is secured by the equipment.	\$ 17,602	\$ 24,254
Amounts payable within one year	<u>(7,342)</u>	<u>(6,652)</u>
	<u>\$ 10,260</u>	<u>\$ 17,602</u>

Included in administrative expenses in the Statement of Operations is interest expense of \$2,807 (\$2,807 - 2024) with respect to this obligation.

**8. 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:

	<u>2025</u>	<u>2024</u>
Deferred capital asset contributions - beginning of year	\$ 951,534	\$ 1,192,484
Contributions received during the fiscal year	15,000	-
Capital asset contributions amortized to revenues	<u>(242,450)</u>	<u>(240,950)</u>
Deferred capital asset contributions - end of year	<u>\$ 724,084</u>	<u>\$ 951,534</u>

Allocation of deferred capital contributions is as follows:

Deferred capital contributions related to capital assets purchased	\$ 496,662	\$ 724,112
Deferred capital contributions relating to future capital projects	<u>227,422</u>	<u>227,422</u>
	<u>\$ 724,084</u>	<u>\$ 951,534</u>

**9. 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 \$86,875 (\$89,218 - 2024).

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 \$12,435 (\$8,811 - 2024).

**TAFELMUSIK**  
**Notes to Financial Statements**  
**Year Ended June 30, 2025**

**10. 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 Lamon 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 Lamon Young Artist Fund to be disbursed in accordance with the purpose set out above.

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	<b>Total 2025</b>
Balance of funds - beginning of year	\$ 2,210,217	\$ 2,318,711	\$ 1,877,201	\$ 303,081	<b>\$ 6,709,210</b>
Change in market value	167,645	175,882	142,337	22,980	<b>508,844</b>
Investment income distributed	(115,071)	(122,905)	(97,734)	(15,776)	<b>(351,486)</b>
Balance of funds - end of year	\$ 2,262,791	\$ 2,371,688	\$ 1,921,804	\$ 310,285	<b>\$ 6,866,568</b>

**TAFELMUSIK**  
**Notes to Financial Statements**  
**Year Ended June 30, 2025**

**10. ENDOWMENT FUNDS** *(Continued)*

	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	\$ <b>6,384,350</b>
Change in market value	234,039	245,217	198,785	32,083	<b>710,124</b>
Investment income distributed	(128,001)	(131,071)	(108,757)	(17,435)	<b>(385,264)</b>
Balance of funds - end of year	\$ 2,210,217	\$ 2,318,711	\$ 1,877,201	\$ 303,081	\$ <b>6,709,210</b>

**11. 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.

	2025	2024
<b>Salaries and benefits</b>		
Marketing	\$ 259,548	\$ 262,400
Fundraising	<b>101,790</b>	120,273
	<b>\$ 361,338</b>	\$ 382,673
<b>General expenses</b>		
Marketing	\$ 117,262	\$ 125,350
Fundraising	<b>78,894</b>	200,572
Artistic, production and technical	<b>15,151</b>	19,620
	<b>\$ 211,307</b>	\$ 345,542



**TAFELMUSIK**  
**Notes to Financial Statements**  
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**12. 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, 2025.

*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 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.

	<u>2025</u>	<u>2024</u>
U.S. dollar cash, translated into Canadian dollars	<u>\$ 12,856</u>	<u>\$ 93,950</u>

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.

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