

PACIFIC OPERA VICTORIA ASSOCIATION
Financial Statements
Year Ended June 30, 2022

PACIFIC OPERA VICTORIA ASSOCIATION
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Year Ended June 30, 2022

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INDEPENDENT AUDITOR'S REPORT

To the Directors of Pacific Opera Victoria Association

Report on the Financial Statements

Qualified Opinion

We have audited the financial statements of Pacific Opera Victoria Association (the Association), which comprise the statement of financial position as at June 30, 2022, and the statements of changes in net assets, revenues and expenses and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Association as at June 30, 2022, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO)

Basis for Qualified Opinion

In common with many not-for-profit organizations, the Association derives revenue from fundraising activities the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Association. Therefore, we were not able to determine whether any adjustments might be necessary to fundraising revenue, excess of revenues over expenses, and cash flows from operations for the year ended June 30, 2022, current assets and net assets as at June 30, 2022.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Association in accordance with ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with ASNPO, 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 Association'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 Association or to cease operations, or has no realistic alternative but to do so.

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

(continues)

* Denotes professional corporation

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association'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 Association'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 Association 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.

Report on Other Legal and Regulatory Requirements

As required by the Societies Act of British Columbia, we report that, in our opinion, the accounting policies applied in preparing and presenting the financial statements in accordance with Canadian Accounting Standards for Not-for-profit Organizations have been applied on a basis consistent with that of the preceding year.

Victoria, B.C.
October 20, 2022

Clark Trowsdale LLP

Chartered Professional Accountants

CLARK TROWSDALE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

PACIFIC OPERA VICTORIA ASSOCIATION

Statement of Financial Position

June 30, 2022

	2022	2021
ASSETS		
CURRENT		
Cash (Note 3)	\$ 817,626	\$ 888,541
Cash - Operating Reserve	501,245	500,000
Investments	303,337	300,658
Accounts and grants receivable (Note 17)	57,854	372,317
Goods and services tax recoverable	40,853	19,648
Prepaid expenses	16,202	41,763
Pledges receivable	29,531	41,327
Deferred costs (Note 4)	197,090	34,003
	<u>1,963,738</u>	2,198,257
CAPITAL ASSETS (Note 5)	<u>1,779,586</u>	1,115,509
	<u>\$ 3,743,324</u>	<u>\$ 3,313,766</u>
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 315,812	\$ 119,777
Provincial sales tax payable	929	93
Deferred revenue (Note 6)	771,262	672,562
	<u>1,088,003</u>	792,432
DEFERRED REVENUE - ANNIVERSARY CAMPAIGN (Note 7)	856,800	856,800
DEFERRED CAPITAL CONTRIBUTIONS (Note 8)	<u>1,273,729</u>	1,099,651
	<u>3,218,532</u>	2,748,883
NET ASSETS		
Unrestricted Fund	(482,310)	49,025
Invested in Capital Fund	505,857	15,858
Operating Reserve (Note 2)	501,245	500,000
	<u>524,792</u>	564,883
	<u>\$ 3,743,324</u>	<u>\$ 3,313,766</u>

ON BEHALF OF THE BOARD

_____ Director

_____ Director

See notes to financial statements

PACIFIC OPERA VICTORIA ASSOCIATION
Statement of Changes in Net Assets
Year Ended June 30, 2022

	Unrestricted Fund	Invested in Capital Fund	Operating Reserve	2022	2021
Net assets - beginning of year	\$ 49,025	\$ 15,858	\$ 500,000	\$ 564,883	\$ (86,071)
Purchase of capital assets	(827,832)	827,832	-	-	-
Amortization of capital assets	163,755	(163,755)	-	-	-
Amortization of Deferred capital contributions	(118,928)	118,928	-	-	-
Deferred capital contributions received	293,006	(293,006)	-	-	-
Interest earned	(1,245)	-	1,245	-	-
Excess (Deficiency) of revenues over expenses	(40,091)	-	-	(40,091)	650,954
Net assets - end of year	\$ (482,310)	\$ 505,857	\$ 501,245	\$ 524,792	\$ 564,883

See notes to financial statements

PACIFIC OPERA VICTORIA ASSOCIATION

Statement of Revenues and Expenses

Year Ended June 30, 2022

	2022	2021
REVENUES		
Government grants	\$ 1,599,000	\$ 1,340,140
Donations (Notes 7, 9)	954,760	1,413,618
Foundation income (Note 9)	700,661	762,989
Ticket sales	332,018	11,727
Pacific Opera Victoria Foundation (Note 13)	168,247	77,599
Sponsorships	155,404	52,000
Government COVID-19 subsidies (Note 17)	128,292	598,568
Amortization of deferred capital contributions (Note 8)	118,928	118,928
Gaming grant	100,000	100,000
Co-production/rental revenue	75,261	10,939
Opera Centre rental revenue	4,385	6,975
Interest income	3,123	2,937
Fundraising events (Note 10)	-	33,320
Gain (Loss) on sale of investments	(753)	5,624
	<u>4,339,326</u>	<u>4,535,364</u>
EXPENSES		
Artistic Operations		
Artists	716,889	639,786
Co-production/rental expenses	48,594	11,214
Orchestra	233,576	71,665
Sets, costumes and sundry	113,400	165,887
Shop lease and expenses	247,156	242,610
Technical staff	409,550	506,154
Theatre charges	96,409	10,744
	<u>1,865,574</u>	<u>1,648,060</u>
Marketing and Fundraising		
Marketing (Note 11)	238,641	185,574
Fundraising	101,848	90,555
	<u>340,489</u>	<u>276,129</u>
Administration		
Amortization	163,755	176,412
Interest and bank charges	27,893	39,151
Opera Centre rent and expenses	175,238	165,075
Other administration expenses	96,331	66,122
Postage and courier	7,433	7,454
Professional development	38,415	24,047
Professional and consulting fees	79,198	53,749
Telephone	23,472	22,608
	<u>611,735</u>	<u>554,618</u>
Salaries and benefits	<u>1,561,619</u>	<u>1,405,603</u>
	<u>4,379,417</u>	<u>3,884,410</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	<u>\$ (40,091)</u>	<u>\$ 650,954</u>

See notes to financial statements

PACIFIC OPERA VICTORIA ASSOCIATION

Statement of Cash Flows

Year Ended June 30, 2022

	2022	2021
OPERATING ACTIVITIES		
Excess (deficiency) of revenues over expenses	\$ (40,091)	\$ 650,954
Items not affecting cash:		
Amortization of capital assets	163,755	176,412
Amortization of deferred capital contributions	<u>(118,928)</u>	<u>(118,928)</u>
	<u>4,736</u>	<u>708,438</u>
Changes in non-cash working capital:		
Accounts and grants receivable	314,463	(79,365)
Goods and services tax recoverable	(21,205)	(13,597)
Prepaid expenses	25,561	(14,219)
Pledges receivable	11,796	51,163
Deferred costs	(163,087)	215,474
Accounts payable and accrued liabilities	196,036	34,111
Provincial sales tax payable (recoverable)	836	(417)
Deferred revenue	98,700	(360,809)
Deferred contributions - Anniversary Campaign	<u>-</u>	<u>(462,249)</u>
	<u>463,100</u>	<u>(629,908)</u>
Cash flow from operating activities	<u>467,836</u>	<u>78,530</u>
INVESTING ACTIVITIES		
Purchase of capital assets	(827,832)	(674,243)
Net sale of investments	<u>(2,679)</u>	<u>511,917</u>
Cash flow used by investing activities	<u>(830,511)</u>	<u>(162,326)</u>
FINANCING ACTIVITIES		
Deferred capital contributions received	293,006	633,440
Repayment of long term debt	<u>-</u>	<u>(10,000)</u>
Cash flow from financing activities	<u>293,006</u>	<u>623,440</u>
INCREASE (DECREASE) IN CASH FLOW	(69,669)	539,644
Cash - beginning of year	<u>1,388,541</u>	<u>848,897</u>
CASH - END OF YEAR	\$ <u>1,318,872</u>	\$ <u>1,388,541</u>
CASH CONSISTS OF:		
Cash	\$ 817,626	\$ 888,541
Cash - Operating Reserve	<u>501,245</u>	<u>500,000</u>
	\$ <u>1,318,871</u>	\$ <u>1,388,541</u>

See notes to financial statements

PACIFIC OPERA VICTORIA ASSOCIATION

Notes to Financial Statements

Year Ended June 30, 2022

1. PURPOSE OF THE ASSOCIATION

Pacific Opera Victoria Association (the "Association"), which was incorporated under the Societies Act of British Columbia in 1975, is registered as a charitable organization (exempt from income taxes) under the Income Tax Act of Canada. The purposes of the Association are:

- To advance the public's appreciation of the arts by creating and staging professional opera for Greater Victoria and for regional, national, and international audiences.
 - To provide Canadian artists with opportunities to expand their repertoire and to offer training opportunities to students of music and theatre in the discipline of opera production.
 - To enhance the impact of opera through curated events and activities that engage diverse communities.
 - To provide opportunities for youth to appreciate and participate in opera, and to promote the use of the arts as a resource for educators.
-

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 (ASNFPO).

Capital assets

Capital assets are stated at cost or deemed cost less accumulated amortization. Assets donated are recorded at fair value at the date of contribution. Capital assets are amortized over their estimated useful lives at the following rates and methods:

Furniture and equipment	5 years	straight-line method
Computers	3 years	straight-line method
Vehicles	10 years	straight-line method
Leasehold improvements	9 and 10 years	straight-line method

Revenue recognition

Pacific Opera Victoria Association follows the deferral method of accounting for revenues.

Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions including donations, foundation, fundraising events, sponsorships and Pacific Opera Victoria Foundation revenues are recognized when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Ticket sales, co-production/rental, amortization of deferred capital contributions, Opera Centre rental, other grants, interest and gain (loss) on sale of investment revenues are recognized when earned.

Government grants, gaming grant and government COVID-19 subsidies revenues are recognized when there is reasonable assurance that the Association has complied with and will continue to comply with, all the necessary conditions to obtain the government assistance.

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PACIFIC OPERA VICTORIA ASSOCIATION

Notes to Financial Statements

Year Ended June 30, 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Donated services

The Association benefits greatly from donated services, such as time spent by many volunteers on various committees and businesses donating their services for production needs. The value of these donated services are not recognized in these financial statements due to the difficulty in providing a value.

Financial instruments policy

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

Financial instruments risks

(a) Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Association is exposed to credit risk with respect to the accounts receivable. The Association assesses, on a continuous basis, receivables and provides for any amounts that are not collectible in the allowance for doubtful accounts.

(b) Other risks

As at June 30, 2022, it is management's opinion that the Association is not exposed to significant currency, interest rate, liquidity, market, or other price risk.

Measurement uncertainty

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 amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

Going concern

These financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the payment of liabilities in the ordinary course of business. Should the Association be unable to continue as a going concern, it may be unable to realize the carrying value of its assets and to meet its liabilities as they become due.

The Association's ability to continue as a going concern is dependent upon its ability to generate future net profits and obtain funding. These financial statements do not reflect the adjustments or reclassification of assets and liabilities, which would be necessary if the Association were unable to continue its operations.

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PACIFIC OPERA VICTORIA ASSOCIATION
Notes to Financial Statements
Year Ended June 30, 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Fund accounting

Resources for designated activities are segregated for accounting and reporting purposes into specific funds as follows:

(i) The Unrestricted Fund represents monies received and expended in the general day-to-day operations of the Association.

(ii) The Invested in Capital Fund represents the assets, liabilities, revenues and expenses related to the Association's furniture, equipment, computers, vehicles and leasehold improvements.

(iii) The Operating Reserve represents internally restricted funds intended to provide an internal source of funds for situations such as a sudden increase in expenses, one-time unbudgeted expenses, unanticipated loss in funding, or lost revenues. The Operating Reserve may also be used for one-time, nonrecurring expenses that will build long-term capacity, such as staff development, research and development, or investment in infrastructure.

3. CASH

	2022	2021
Operating account and petty cash	\$ 717,626	\$ 447,252
BC Community Gaming account	100,000	441,289
	\$ 817,626	\$ 888,541

Line of credit available:

- Royal Bank of Canada with a limit of \$75,000 bearing interest at prime plus 1.5%.

As at the statement of financial position date, there is no amount owing on the line of credit.

4. DEFERRED COSTS

These costs will be expensed in the year the performance and fundraising events occur. The deferred costs balances are as follows:

	2022	2021
Deferred subscription costs	\$ 39,551	\$ -
Deferred production costs	157,539	34,003
	\$ 197,090	\$ 34,003

PACIFIC OPERA VICTORIA ASSOCIATION

Notes to Financial Statements

Year Ended June 30, 2022

5. CAPITAL ASSETS

	Cost	Accumulated amortization	2022 Net book value	2021 Net book value
Furniture and equipment	\$ 333,107	\$ 282,893	\$ 50,214	\$ 63,166
Computers	134,984	113,649	21,335	24,092
Vehicles	180,898	52,174	128,724	145,887
Leasehold improvements - Shop	143,462	143,462	-	-
Leasehold improvements - Balmoral	2,426,517	847,204	1,579,313	882,364
	\$ 3,218,968	\$ 1,439,382	\$ 1,779,586	\$ 1,115,509

6. DEFERRED REVENUE

Deferred revenue represents amounts received prior to the year-end, which relate specifically to events of the subsequent year. Changes in the deferred revenue balance are as follows:

	2022	2021
Ticket subscriptions for subsequent year	\$ 308,496	\$ 343,230
Gift certificates	165,041	7,125
CRD Arts & Culture Operating Grant	117,225	-
The Flight of the Hummingbird	82,500	44,227
Donations	50,000	-
BC Arts Council Grant	48,000	110,000
Carmen subscriptions and ticket sales	-	144,414
Open Air Festival	-	23,566
	\$ 771,262	\$ 672,562
Deferred revenue, beginning of year	\$ 672,562	\$ 1,033,371
Amounts received during year	940,362	217,084
Amounts recognized as revenue	(841,662)	(577,893)
Deferred revenue, end of year	\$ 771,262	\$ 672,562

PACIFIC OPERA VICTORIA ASSOCIATION

Notes to Financial Statements

Year Ended June 30, 2022

7. DEFERRED REVENUE - ANNIVERSARY CAMPAIGN

Contributions received during the 40th Anniversary Campaign will be deferred and recognized as revenue in the same periods as the related expenses are recognized. Changes in the deferred balance are as follows:

	<u>2022</u>	<u>2021</u>
Deferred revenue, beginning of year	\$ 856,800	\$ 1,319,049
Amounts received during year	-	37,751
Amounts recognized as revenue	-	(500,000)
Deferred revenue, end of year	<u>\$ 856,800</u>	<u>\$ 856,800</u>

Amounts recognized as revenue are included in donations on the statement of revenues and expenses. \$500,000 was recognized in 2021 to establish the Board-designated Operating Reserve in accordance with campaign goals.

8. DEFERRED CAPITAL CONTRIBUTIONS

Deferred capital contributions represent capital assets funded by government and private donations. The contributions are recognized as revenue as the capital assets are amortized. Changes in the deferred capital contributions balance are as follows:

	<u>2022</u>	<u>2021</u>
Deferred contributions, beginning of the year	\$ 1,099,651	\$ 585,139
Deferred contributions received	293,006	633,440
Amounts recognized as revenue	(118,928)	(118,928)
Deferred contributions, end of the year	<u>\$ 1,273,729</u>	<u>\$ 1,099,651</u>

\$7,325 (2021 - \$7,325) of the amounts recognized as revenue relate to the deferred BC Gaming Capital Project Grant.

9. PLEDGE REVENUE

Pledge revenue has been recognized in the following revenue sources:

	<u>2022</u>	<u>2021</u>
Donations	\$ 8,207	\$ 32,227
Foundation income	20,000	-
Total pledge revenue recognized during the year	<u>\$ 28,207</u>	<u>\$ 32,227</u>

PACIFIC OPERA VICTORIA ASSOCIATION

Notes to Financial Statements

Year Ended June 30, 2022

10. FUNDRAISING EVENTS

Fundraising events represents the revenues recognized net of direct expenses from the fundraising events held during the fiscal year.

	<u>2022</u>	<u>2021</u>
Revenues	\$ -	\$ 52,333
Expenses	-	(19,013)
Net revenues	<u>\$ -</u>	<u>\$ 33,320</u>

No fundraising events were held during the fiscal year ending June 30, 2022.

11. MARKETING

Marketing represents the net expenses incurred promoting the operas held during the fiscal year.

	<u>2022</u>	<u>2021</u>
Expenses	\$ 242,296	\$ 185,574
Expenses recovered	(3,655)	-
Net expenses	<u>\$ 238,641</u>	<u>\$ 185,574</u>

12. CONTRACTUAL OBLIGATIONS

The premise lease agreement for the Opera Shop is for a 5 year term commencing March 1, 2021 ending February 28, 2026. Basic monthly rent payments, not including GST are \$8,715 then increasing to \$9,441 on March 1, 2023. Additional common costs are approximately \$6,347 per month.

The premise and parking lease agreement for the Baumann Centre is for a 7 year term commencing December 1, 2018 and ending November 30, 2025, with an option to renew for an additional 5 year term. Monthly parking fees are \$1,625 and basic monthly rent payments are \$6,119 with an annual adjustment on December 1st.

The Association has a 5 year office equipment lease which will be complete May 18, 2022. The quarterly payments are \$469 plus applicable taxes.

The minimum lease obligations over the next five years are as follows:

2023	\$ 279,229
2024	285,039
2025	285,039
2026	167,678
2027	<u>2,652</u>
	<u>\$ 1,019,637</u>

PACIFIC OPERA VICTORIA ASSOCIATION

Notes to Financial Statements

Year Ended June 30, 2022

13. PACIFIC OPERA VICTORIA FOUNDATION

The Association has a collaborative partnership with the Pacific Opera Victoria Foundation (the "Foundation") and appoints two Directors to the Board of the Foundation, one of whom shall be the President. The Foundation is registered as a charitable organization (exempt from income taxes) under the Income Tax Act of Canada and all transactions between the Association and the Foundation are reported at fair value.

14. REMUNERATION

For the fiscal year ending June 30, 2022, the Association paid total remuneration of \$640,900 to four employees and one contractor, each of whom received total annual remuneration of \$75,000 or greater.

15. ASSETS HELD BY FOUNDATIONS

The Victoria Foundation and the Pacific Opera Victoria Foundation hold funds in trust, in perpetuity, while the Association retains the right to income in perpetuity, from the funds and additions thereto. Since the Association only receives income and has restrictions to access the capital balance of these funds, the endowment funds are not shown on these statements.

The Association has established the following endowment funds with the Victoria Foundation:

The Pacific Opera Victoria Arts Renaissance Fund was established in December 2005. The fair market value of the endowment fund as of June 30, 2022 is \$2,846,303 (2021 - \$3,225,021).

The David Spencer Memorial Fund for Pacific Opera Victoria was established in November 2008. The fair market value of the endowment fund as of June 30, 2022 is \$1,118,568 (2021 - \$1,267,400).

The Egon Baumann Music Fund for Pacific Opera Victoria Fund was established in November 2014. At that time, the Egon Baumann Music Foundation donated \$250,000 to establish the fund. The Department of Canadian Heritage provided a 97% matching contribution of \$243,014 into this fund as well. The fair market value of the endowment fund as of June 30, 2022 is \$532,341 (2021 - \$603,171).

The Association has established the following endowment fund with the Pacific Opera Victoria Foundation:

The David Spencer Fund was established in November 2018. The fair market value of the endowment fund as of June 30, 2022 is \$716,704 (2021 - \$623,917).

The Voigt-Stockey Fund for Young Artists was established on October 28, 2020. The fair market value of the endowment fund as of June 30, 2022 is \$951,610 (2021 - \$863,325).

The Ainsworth Carter Fund was established in October 2021. The fair market value of the endowment fund as of June 30, 2022 is \$575,761.

The Legacy Fund was established in November 2021. The fair market value of the endowment fund as of June 30, 2022 is \$272,039.

16. COMPARATIVE FIGURES

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

PACIFIC OPERA VICTORIA ASSOCIATION

Notes to Financial Statements

Year Ended June 30, 2022

17. COVID-19 PANDEMIC

In March 2020, the World Health Organization declared a global pandemic due to the novel coronavirus (COVID-19). The situation is constantly evolving, and the measures put in place are having multiple impacts on local, provincial, national and global economies.

Management has responded to the pandemic operationally by applying for various government subsidies, restricting building access to the public, reducing discretionary spending, and implementing work arrangements for staff in order to reduce the spread of COVID-19. Events that were originally scheduled to occur in person have been moved to a digital delivery model or postponed.

During the year the Association recognized \$128,292 (2021 - \$598,568) in Government COVID-19 subsidies. \$604 (2021 - \$66,565) under the Canada Emergency Rent Subsidy (CERS) program and \$127,688 (2021 - \$532,003) under the Canada Emergency Wage Subsidy (CEWS) program. Included in accounts receivable at June 30, 2021 is \$49,995 and \$5,035 for the CEWS and CERS programs, respectively.

The financial position and results of operations as of, and for the year ended, June 30, 2022 have captured the impact of these events. The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government and central bank responses, remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of the Association for future periods.
