

**Western Manitoba Centennial  
Auditorium**

**Financial Statements**  
For the year ended December 31, 2022

# **Western Manitoba Centennial Auditorium**

## **Financial Statements**

**For the year ended December 31, 2022**

	<b>Contents</b>
<b>Independent Auditor's Report</b>	<b>1</b>
<b>Financial Statements</b>	
Statement of Financial Position	<b>3</b>
Statement of Operations and Changes in Net Assets	<b>4</b>
Statement of Cash Flows	<b>5</b>
Notes to Financial Statements	<b>6</b>



Tel: 204 727 0671  
Fax: 1 833 888 1678  
Toll Free: 800 775 3328  
www.bdo.ca

BDO Canada LLP  
148 - 10<sup>th</sup> Street  
Brandon MB R7A 4E6 Canada

---

## Independent Auditor's Report

---

### To the Directors of Western Manitoba Centennial Auditorium

#### Opinion

We have audited the financial statements of Western Manitoba Centennial Auditorium (the Entity), which comprise the statement of financial position as at December 31, 2022, and the statements of operations and changes in net assets 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 the Entity as at December 31, 2022, and its financial performance and its cash flows for the year then ended in accordance with Canadian public sector 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 the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

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

#### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of 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 Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

*BDO Canada LLP*

Chartered Professional Accountants

Brandon, Manitoba  
March 22, 2023

## Western Manitoba Centennial Auditorium Statement of Financial Position

December 31	2022	2021
<b>Assets</b>		
<b>Current Assets</b>		
Cash	\$ 297,285	\$ 105,703
Accounts receivable	2,103	39,012
Inventories (Note 2)	2,263	4,604
Prepaid expenses	21,107	19,429
	322,758	168,748
<b>Capital assets</b> (Note 3)	1,071,047	1,149,089
	\$ 1,393,805	\$ 1,317,837
<b>Liabilities and Net Assets</b>		
<b>Current Liabilities</b>		
Accounts payable (Note 5)	\$ 77,750	\$ 40,407
Deferred revenue (Note 6)	202,090	113,925
Deficit advances repayable (Note 7)	161,203	155,884
	441,043	310,216
<b>Long-term debt</b> (Note 8)	40,000	40,000
<b>Deferred capital contributions</b> (Note 9)	912,762	967,621
	1,393,805	1,317,837
<b>Net Assets</b>	-	-
	\$ 1,393,805	\$ 1,317,837

The accompanying notes are an integral part of these financial statements.

## Western Manitoba Centennial Auditorium Statement of Operations and Changes in Net Assets

For the year ended December 31	2022	2021
<b>Revenue</b>		
Box office	\$ 122,671	\$ 8,209
WMCA presentations	192,791	8,505
Rental revenue	97,655	36,612
Stage revenue	12,946	3,518
Food and beverage sales	27,254	4,057
Interest revenue	2,587	42
Miscellaneous	4,070	1,901
Amortization of deferred capital contributions	128,042	117,622
	<b>588,016</b>	180,466
<b>Cost of Sales</b>		
Box office	348,458	80,085
Food and beverage	14,818	3,545
Stage expenses	61,988	14,674
	<b>425,264</b>	98,304
<b>Gross profit (deficit)</b>	<b>162,752</b>	82,162
<b>Expenses</b>		
Amortization	122,042	117,622
Administrative (Page 13)	174,488	149,358
Building (Page 14)	98,622	56,398
	<b>395,152</b>	323,378
<b>Deficit for year before other items</b>	<b>(232,400)</b>	(241,216)
<b>Other items</b>		
CEWS grant	-	61,107
CEBA loan	35,000	5,000
Manitoba arts council grant	20,897	17,603
Manitoba bridge grant	-	15,000
Gain (loss) on foreign exchange	57	(4)
	<b>55,954</b>	98,706
<b>Deficiency of revenue over expenses for the year</b>	<b>(176,446)</b>	(142,510)
<b>Allocation to deficit advances repayable</b>	<b>176,446</b>	142,510
<b>Excess (deficiency) of revenue over expenses after allocation to deficit advances repayable</b>	<b>-</b>	-
<b>Net assets, beginning of year</b>	<b>-</b>	-
<b>Net assets, end of year</b>	<b>\$ -</b>	<b>\$ -</b>

The accompanying notes are an integral part of these financial statements.

## Western Manitoba Centennial Auditorium Statement of Cash Flows

For the year ended December 31, 2022	2022	2021
<b>Cash Flows from Operating Activities</b>		
Excess (deficiency) of revenue over expenses after allocation to deficit advances repayable	\$ -	\$ -
Adjustments for		
Amortization of capital assets	122,042	117,622
Loss on disposal of capital assets	(10,326)	-
Changes in non-cash working capital balances		
Accounts receivable	36,909	(17,626)
Inventories	2,341	(3,603)
Prepaid expenses	(1,676)	(6,405)
Accounts payable	37,340	9,711
Deferred revenue	88,165	28,959
Deficit advances repayable	5,319	64,640
Deferred capital contributions	(54,859)	(79,692)
	113,539	(4,016)
	225,255	113,606
<b>Cash Flows from Capital Activities</b>		
Purchase of capital assets	(33,673)	(37,930)
<b>Cash Flows from Financing Activities</b>		
Advances of long term-debt	-	15,000
<b>Increase (decrease) in cash during the year</b>	<b>191,582</b>	<b>90,676</b>
<b>Cash, beginning of year</b>	<b>105,703</b>	<b>15,027</b>
<b>Cash, end of year</b>	<b>\$ 297,285</b>	<b>\$ 105,703</b>

The accompanying notes are an integral part of these financial statements.

---

# Western Manitoba Centennial Auditorium Notes to Financial Statements

**December 31, 2022**

---

## 1. Nature of Operations and Summary of Significant Accounting Policies

**Nature of Operations**            The Entity is an incorporated non-profit organization that operates a facility that houses various musical services and programs to the residents of Brandon and area.

The Entity is a registered charity and, as such, is exempt from income tax and may issue income tax receipts to donors.

**Basis of Accounting**            The financial statements have been prepared in accordance with Canadian public sector accounting standards for not-for-profit organizations.

**Inventories**                        Inventories are stated at the lower of cost and net realizable value where cost is defined as the laid down cost from suppliers.

**Capital Assets**                    Capital assets are stated at cost less accumulated amortization. Purchases of capital assets are capitalized in the year of purchase at cost and amortized over the expected life of the asset as follows:

Leasehold Improvements	20 years straight-line
Acoustic shell	20 years straight-line
Piano	20 years straight-line
Equipment	5 years straight-line

Work in progress consists of projects that are not yet completed. Items in work in progress are not amortized.

**Revenue Recognition**            This Entity follows the deferral method of accounting for contributions.

Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. WMCA presentations revenue is recognized once the show has taken place and collectibility is reasonably assured. Rental revenue is recognized when the rental space has been used and collectibility is reasonably assured. Box office revenue is recognized on a net basis once the show has taken place and collectibility is reasonably assured. Food and beverage revenue is recognized at the time of sale.



---

# Western Manitoba Centennial Auditorium Notes to Financial Statements

December 31, 2022

---

## 1. Nature of Operations and Summary of Significant Accounting Policies (continued)

### Use of Estimates

The preparation of financial statements in accordance with Canadian public sector accounting standards 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 reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.

Estimates have been used by management in the following areas:

The useful life of capital assets,

The collectibility of receivables.

### Financial Instruments

Financial instruments are recorded at fair value when acquired or issued. All financial instruments are subsequently reported at cost or amortized cost less impairment, if applicable. Financial assets are tested for impairment when changes in circumstances indicate the asset could be impaired. Transaction costs on the acquisition, sale or issue of financial instruments are expensed for those items remeasured at fair value at each statement of financial position date and charged to the financial instrument for those measured at amortized cost.

## Western Manitoba Centennial Auditorium Notes to Financial Statements

**December 31, 2022**

### 2. Inventories

	2022	2021
Beverages	<b>\$ 2,263</b>	\$ 4,604

Total inventory expensed during the year was \$23,153 (2021 - \$1,488).

### 3. Capital Assets

	2022		2021	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Leasehold improvements	\$ 3,532,877	\$ 2,509,438	\$ 3,494,558	\$ 2,404,571
Acoustic shell	323,875	323,875	323,875	323,875
Piano	104,049	102,776	104,049	102,704
Equipment	161,030	114,695	152,248	107,919
Work in progress	-	-	13,428	-
	<b>\$ 4,121,831</b>	<b>\$ 3,050,784</b>	\$ 4,088,158	\$ 2,939,069
Net book value		<b>\$ 1,071,047</b>		\$ 1,149,089

### 4. Line of Credit

Western Manitoba Centennial Auditorium has access to a \$200,000 line of credit from Westoba Credit Union secured by a General Security Agreement. The amount outstanding is nil. If the line of credit was used, interest on withdrawn funds would be charged at 7.2% (2021 - 3.2%).

### 5. Accounts Payable

	2022	2021
Trade payables	<b>\$ 66,839</b>	\$ 34,748
Government remittances	<b>10,911</b>	5,659
	<b>\$ 77,750</b>	\$ 40,407

## Western Manitoba Centennial Auditorium Notes to Financial Statements

**December 31, 2022**

### 6. Deferred Revenue

During the year, the Entity collected revenues pertaining to events to be held at a future date. As the events have not yet taken place, the full amount of the funds received was deferred.

	2022	2021
Opening balance	\$ 113,925	\$ 84,966
Add: revenue received	983,595	92,330
Less: revenue recognized	(895,430)	(63,371)
	\$ 202,090	\$ 113,925

### 7. Deficit Advances Repayable

In accordance with an agreement dated December 20, 2020, the operating deficits of the Entity are shared equally by the City of Brandon and the Province of Manitoba. Total deficit advances repayable (receivable) are as follows:

	City	Province	2022	2021
Balance, beginning of year	\$ 199,232	\$ (43,348)	\$ 155,884	\$ 91,244
Deficit funding received	71,365	110,400	181,765	207,150
Share of deficit	(88,223)	(88,223)	(176,446)	(142,510)
	\$ 182,374	\$ (21,171)	\$ 161,203	\$ 155,884

## Western Manitoba Centennial Auditorium Notes to Financial Statements

**December 31, 2022**

### 8. Long-term Debt

	2022	2021
Canada Emergency Business Account Loan, non-interest bearing and no scheduled repayments until December 2023. The loan is fully repayable and matures December 2023. If full payment is not completed by maturity, the loan will convert to a three year loan, bearing interest at 5%, repayable in monthly payments of \$1,199 and will mature December 2025.	\$ 40,000	\$ 40,000
	\$ 40,000	\$ 40,000

Principal repayments on long-term debt over the next year are as follows:

2023	\$ 40,000
------	-----------

### 9. Deferred Capital Contributions

Deferred capital contributions consist of funding received and restricted for capital expenditures. This includes the unamortized portion of amounts received from funding sources to acquire various capital items as well as unused funds received to renovate the Entity's building.

Recognition of these amounts as revenue is deferred until future periods as the related capital assets are amortized. Changes in deferred capital contributions are as follows:

	2022	2021
Opening balance	\$ 967,621	\$ 1,047,313
Amounts deferred in year	67,183	37,930
Revenue recognized in year	(122,042)	(117,622)
	\$ 912,762	\$ 967,621

### 10 Economic Dependence

The Entity is economically dependent upon the Province of Manitoba and the City of Brandon to cover its operating deficit each year.

---

# Western Manitoba Centennial Auditorium Notes to Financial Statements

**December 31, 2022**

---

## **11. Significant Influence and Related Party Transactions**

The six member board of directors of the Western Manitoba Centennial Auditorium is made up of three members appointed by the City of Brandon, two members appointed by the Province of Manitoba and one member-at-large. The City of Brandon has significant influence over the operating, investing and financing activities of the Western Manitoba Centennial Auditorium.

Transactions between the Western Manitoba Centennial Auditorium and the City of Brandon consist of the following amounts recorded at the value of the cash transferred: funding received from the City of Brandon totaling \$71,366 (2021 - \$96,750), insurance and water fees paid to the City of Brandon totaling \$21,266 (2021 - \$17,883). These transactions occurred in the normal course of operations. At December 31, 2022 the City of Brandon owed the Western Manitoba Centennial Auditorium \$Nil (2021 - \$682) for capital projects. At December 31, 2022 the Western Manitoba Centennial Auditorium had deficit advances repayable to the city of \$182,374.

## **12. Financial Risk Management**

The Entity, as part of its operations carried a number of financial instruments. It is management's opinion that the Entity is not exposed to significant interest, currency, credit, liquidity or other price risks arising from these financial instruments except as otherwise noted.

### **Currency Risk**

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Entity holds funds denoted in US dollars. The currency risk is minimal.

### **Liquidity Risk**

Liquidity risk is the risk that the entity will encounter difficulty in meeting obligations associated with financial liabilities. It is the entity's policy to ensure that it will have sufficient cash and short term investments to allow it to meet its liabilities when they come due. The liquidity risk is minimal.

**Western Manitoba Centennial Auditorium  
Schedule of Administrative Expenses  
(Unaudited)**

<b>For the year ended December 31</b>	<b>2022</b>	<b>2021</b>
<b>Expenses</b>		
Audit	\$ 11,348	\$ 9,800
Bad debt	20	-
Insurance	15,234	13,639
Interest and bank charges	1,036	504
Memberships and fees	3,813	3,073
Miscellaneous	-	653
Office	2,800	1,766
Professional fees	18,542	10,625
Salaries and benefits	114,298	102,475
Staff development	389	247
Telephone	7,008	6,576
	<b>\$ 174,488</b>	<b>\$ 149,358</b>

---

**Western Manitoba Centennial Auditorium  
Schedule of Building Expenses  
(Unaudited)**

<b>For the year ended December 31</b>	<b>2022</b>	<b>2021</b>
<b>Expenses</b>		
Cleaning	\$ 18,357	\$ 6,096
Contracted labour	7,055	4,277
Refuse removal	1,443	-
Repairs and maintenance	12,577	8,256
Snow removal	1,765	20
Supplies	2,773	446
Utilities	54,652	37,303
	<hr/>	
	\$ 98,622	\$ 56,398

---