

MISCELLANEOUS PRODUCTIONS SOCIETY

FINANCIAL STATEMENTS

31 DECEMBER 2020

MISCELLANEOUS PRODUCTIONS SOCIETY

Financial Statements

For the year ended 31 December 2020

Contents

Independent Practitioners' Review Engagement Report	
Statement of Financial Position	4
Statement of Changes in Net Assets	5
Statement of Operations	6
Statement of Cash Flows	7
Notes to the Financial Statements	8 - 13

INDEPENDENT PRACTITIONERS' REVIEW ENGAGEMENT REPORT

To the Directors,
MISCELLANEOUS Productions Society

We have reviewed the accompanying financial statements of MISCELLANEOUS Productions Society that comprise the statement of financial position as at 31 December 2020, and the statements of changes in net assets, operations and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Practitioners' Responsibility

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioners perform procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluate the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

Basis for Qualified Conclusion

The Society derives revenue from ticket sales and fundraising activities which are not susceptible to satisfactory review procedures. Accordingly, our review of this revenue was limited to the amounts recorded in the records of the Society and we were not able to determine whether any adjustments might be necessary to ticket sales, other donations and fundraising, excess of revenues over expenses and net assets.

INDEPENDENT PRACTITIONERS' REVIEW ENGAGEMENT REPORT - Continued

Qualified Conclusion

Based on our review, except for the effects of the matter described in the Basis for Qualified Conclusion paragraph, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of MISCELLANEOUS Productions Society as at 31 December 2020, 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.

Report on Other Legal and Regulatory Requirements

As required by the Societies Act (British Columbia) we report that, in our opinion, the accounting principles in Canadian accounting standards for the not-for-profit organization have been applied on a basis consistent with that of the preceding year.

Rolfe Benson LLP

CHARTERED PROFESSIONAL ACCOUNTANTS

Vancouver, Canada
14 June 2021

MISCELLANEOUS PRODUCTIONS SOCIETY
Statement of Financial Position
31 December 2020

	2020	2019
Assets		
Current		
Cash	\$ 45,699	\$ 28,519
Term deposits	184,706	115,278
Accounts receivable	500	25,215
Prepaid expenses	4,064	3,349
GST receivable	3,509	1,109
	<u>238,478</u>	<u>173,470</u>
Tangible capital assets (Note 3)	<u>4,653</u>	<u>5,817</u>
	<u>\$ 243,131</u>	<u>\$ 179,287</u>
Liabilities		
Current		
Accounts payable and accrued liabilities	\$ 45,634	\$ 20,801
Deferred revenue (Note 4)	78,500	92,500
	<u>124,134</u>	<u>113,301</u>
Commitments (Note 5)		
Net Assets		
Unrestricted	66,597	13,586
Internally Restricted (Note 6)	52,400	52,400
	<u>118,997</u>	<u>65,986</u>
	<u>\$ 243,131</u>	<u>\$ 179,287</u>

APPROVED BY THE DIRECTORS:

 Director

 Director

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

MISCELLANEOUS PRODUCTIONS SOCIETY

Statement of Changes in Net Assets

For the year ended 31 December 2020

	Unrestricted	Internally Restricted	Total 2020	Total 2019
Balance - beginning of year	\$ 13,586	\$ 52,400	\$ 65,986	\$ 47,472
Excess of revenues over expenses for the year	53,011	-	53,011	18,514
Balance - end of year	\$ 66,597	\$ 52,400	\$ 118,997	\$ 65,986

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

MISCELLANEOUS PRODUCTIONS SOCIETY**Statement of Operations****For the year ended 31 December 2020**

	2020	2019
Revenues		
Grants - federal (Note 7)	\$ 148,400	\$ 100,500
Grants - provincial (Note 7)	147,867	157,224
In-kind revenue	47,891	25,000
Grants - municipal (Note 7)	42,000	19,500
Donation from Magnafire Media Ltd.	37,384	-
Donation - Vancouver Foundation	25,000	65,000
Other donations and fundraising	13,152	3,096
Ticket sales	265	1,631
Interest and other income	26	2,845
Corporate sponsorship	-	12,830
	<u>461,985</u>	<u>387,626</u>
Expenses		
Production	126,022	102,989
Artistic fees	116,957	111,386
Administration	113,721	102,755
Marketing	28,039	28,399
Facility	20,273	12,937
Workshop	2,799	10,000
Amortization	1,163	646
	<u>408,974</u>	<u>369,112</u>
Excess of revenues over expenses for the year	\$ 53,011	\$ 18,514

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

MISCELLANEOUS PRODUCTIONS SOCIETY**Statement of Cash Flows**
For the year ended 31 December 2020

	2020	2019
Cash provided by (used in):		
Operating activities		
Excess of revenues over expenses for the year	\$ 53,011	\$ 18,514
Item not involving cash		
Amortization	1,163	646
	<u>54,174</u>	<u>19,160</u>
Changes in non-cash working capital balances		
Accounts receivable	24,715	3,835
Prepaid expenses	(715)	(3,349)
GST receivable	(2,400)	1,955
Accounts payable and accrued liabilities	24,834	6,543
Deferred revenue	(14,000)	(31,000)
	<u>86,608</u>	<u>(2,856)</u>
Investing activities		
Term deposits	(69,428)	31,958
Purchase of tangible capital assets	-	(6,463)
	<u>(69,428)</u>	<u>25,495</u>
Net increase in cash	17,180	22,639
Cash - beginning of year	28,519	5,880
Cash - end of year	\$ 45,699	\$ 28,519

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

MISCELLANEOUS PRODUCTIONS SOCIETY
Notes to the Financial Statements
For the year ended 31 December 2020

1. Nature of operations

MISCELLANEOUS Productions Society (the "Society") was incorporated under the Societies Act (British Columbia) in 2000, as a not-for-profit organization. The Society is a registered charity pursuant to the Income Tax Act and is exempt from income tax. The Society was created as a vehicle for diverse collaborative and solo artistic projects, with accessibility and inclusion as central pillars of the Society's mandate.

2. Summary of significant accounting policies

(a) Financial instruments

(i) Measurement of financial instruments

The Society initially measures its financial assets and liabilities at fair value.

The Society subsequently measures all of its financial assets and financial liabilities at cost or amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in the statement of operations in the period incurred.

Financial assets measured at amortized cost include cash, term deposits and accounts receivable.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

(ii) Impairment

For financial assets measured at cost or amortized cost, the Society determines whether there are indications of possible impairment. When there is an indication of impairment, and the Society determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows, a write-down is recognized in the statement of operations. A previously recognized impairment loss may be reversed to the extent of the improvement. The carrying amount of the financial asset may not be greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in the statement of operations.

(iii) Transaction costs

Transaction costs related to financial instruments that will be subsequently measured at fair value are recognized in the statement of operations in the period incurred. Transaction costs related to financial instruments subsequently measured at amortized cost are included in the original cost of the asset or liability and recognized in net income over the life of the instrument using the straight-line method.

MISCELLANEOUS PRODUCTIONS SOCIETY
Notes to the Financial Statements
For the year ended 31 December 2020

2. Summary of significant accounting policies - Continued

(b) Tangible capital assets

Tangible capital assets are recorded at cost. The Society provides for amortization using the declining balance method at rates designed to amortize the cost of the tangible capital assets over its estimated useful life. One half of the year's amortization is recorded in the year of acquisition, no amortization is recorded in the year of disposal.

Office equipment	20%
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(c) Revenue recognition

The Society follows the deferral method of accounting for contributions. Restricted contributions related to expenses of future periods are deferred and recognized as revenue in the period in which the related expenses are incurred.

Unrestricted contributions are recognized as revenue when received or receivable, provided amounts to be received can be reasonably estimated and collection is reasonably assured.

All other revenue is recognized as the related services are provided.

(d) 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 and disclosure of contingent assets and liabilities at the statement of financial position date and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates.

3. Tangible capital assets

	Cost	Accumulated Amortization	2020 Net	2019 Net
Office equipment	\$ 6,463	\$ 1,810	\$ 4,653	\$ 5,817

MISCELLANEOUS PRODUCTIONS SOCIETY

Notes to the Financial Statements

For the year ended 31 December 2020

4. Deferred revenue

Deferred revenues represent unspent resources restricted for the delivery of specified purposes or projects and received in advance of the Society's performance of that purpose or project.

	<u>2020</u>	<u>2019</u>
Vancouver Foundation	\$ 32,500	\$ 32,500
Canada Council for the Arts	30,000	60,000
BC Arts Council	<u>16,000</u>	<u>-</u>
	<u>\$ 78,500</u>	<u>\$ 92,500</u>

5. Commitments

Future minimum rental payments required under operating leases that have remaining terms in excess of one year are:

2021	\$ 3,657
2022	<u>1,828</u>
	<u>\$ 5,485</u>

6. Internally Restricted Net Assets

The Board of Directors has decided by resolution that certain amounts of the net assets be internally restricted to provide a reserve for situations of financial distress in the future and to fund certain projects in the future.

MISCELLANEOUS PRODUCTIONS SOCIETY
Notes to the Financial Statements
For the year ended 31 December 2020

7. Schedule of Government Grants

a) Federal		<u>2020</u>	<u>2019</u>
Canadian Council for the Arts	\$ 138,400	\$ 79,500	
Canadian Heritage	<u>10,000</u>	<u>21,000</u>	
Total Federal Grants	<u>\$ 148,400</u>	<u>\$ 100,500</u>	
b) Provincial		<u>2020</u>	<u>2019</u>
BC Job Creation Partnership	\$ 75,117	\$ 66,219	
BC Arts Council	32,000	62,000	
BC Gaming Commission	26,250	25,005	
Creative BC	10,500	-	
BC Ministry of Multiculturalism	<u>4,000</u>	<u>4,000</u>	
Total Provincial Grants	<u>\$ 147,867</u>	<u>\$ 157,224</u>	
c) Municipal		<u>2020</u>	<u>2019</u>
City of Vancouver	<u>\$ 42,000</u>	<u>\$ 19,500</u>	

8. Remuneration of Directors, Officers and Contractors

The Societies Act (British Columbia) requires a society (other than a society designated as a member-funded society) to include, in its financial statements, the disclosure of any remuneration paid to its directors, and remuneration paid to employees and contractors earnings more than \$75,000 during the fiscal year. For the fiscal year ended 31 December 2020, the Society had one contractor with remuneration in excess of \$75,000, with a total of \$87,532 (2019 - \$75,073). The directors of the Society did not receive any remuneration during the 2020 fiscal year.

MISCELLANEOUS PRODUCTIONS SOCIETY
Notes to the Financial Statements
For the year ended 31 December 2020

9. Financial instruments

The Society is exposed to various risks through its financial instruments. The following analysis provides a measure of the Society's risk exposure and concentrations at the statement of financial position date, 31 December 2020.

(a) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Society's main credit risks relate to its accounts receivable, cash and term deposits. The Society's cash and term deposits are maintained with a large federally regulated institution of Canada. The Society periodically reviews its investments and is satisfied with the credit rating of the financial institution. Accounts receivable are substantially due from provincial and federal government bodies, exposing the Society to minimal risk. There has been no change to the risk exposure from the prior year.

(b) Liquidity risk

Liquidity risk is the risk that the Society cannot repay its obligations when they become due to its creditors. The Society is exposed to this risk in respect of its accounts payable and accrued liabilities. The Society mitigates this risk by maintaining adequate cash balances to pay liabilities when they come due. Management is of the opinion that the liquidity risk to the Society is low. There has been no change to the risk exposure from the prior year.

(c) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The Society is mainly exposed to interest rate risk.

(d) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market rates. The Society is exposed to interest rate risk on its fixed interest rate financial instruments, which subject the Society to a fair value risk. There has been no change in the risk exposure from the prior year.

MISCELLANEOUS PRODUCTIONS SOCIETY

Notes to the Financial Statements

For the year ended 31 December 2020

10. COVID-19

In March 2020, the World Health Organization declared the COVID-19 outbreak (the "pandemic") to be a public health emergency. The pandemic has led to regulations relating to restrictions on gatherings and closures of public spaces. As a result, events and performances held by the Society were cancelled or postponed. Management is closely monitoring the situation and is of the opinion that, despite the challenges faced by the pandemic, the financial position of the Society has remained strong; however, the full impact of the pandemic on the Society's future operations and cash flows is indeterminable.