

Mariposa Folk Foundation
Financial Statements
For the Year Ended August 31, 2022

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Independent Auditors' Report

To the Board of Directors of Mariposa Folk Foundation

Qualified Opinion

We have audited the accompanying financial statements of Mariposa Folk Foundation, which comprise the statement of financial position as at August 31, 2022, and the statements of changes in net assets, revenue and expenditures, 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 effect of the matter described in the *Basis for Qualified Opinion* section of our report, the financial statements present fairly, in all material respects, the financial position of Mariposa Folk Foundation as at August 31, 2022, 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 Qualified Opinion

In common with many not-for-profit organizations, Mariposa Folk Foundation derives revenue from donations and special event 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 Mariposa Folk Foundation. Therefore, we were not able to determine whether any adjustments might be necessary to donations, Mariposa Folk Festival revenues, other concerts revenues, net surplus, and cash flows from operations for the years ended August 31, 2022 and 2021, current assets as at August 31, 2022 and 2021, and net assets as at September 1 and August 31 for both the August 31, 2022 and 2021 years. Our audit opinion on the financial statements for the year ended August 31, 2022 was modified accordingly because of the possible effects of this limitation in scope.

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 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 these 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 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.

Hehn Trickey Professional Corporation Chartered Professional Accountants

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

Orillia, Ontario
February 1, 2023

Mariposa Folk Foundation
Statement of Financial Position
As at August 31, 2022

	August 31 2022	August 31 2021
Assets		
Current		
Cash (Note 3)	\$ 97,405	\$ 295,221
Accounts receivable (Note 4)	201,004	32,543
Government receivables	47,129	3,000
Inventory	16,168	30,027
Prepaid expenses	16,362	68,064
	378,068	428,855
Long-term investments (Note 5)	1,054,389	1,117,963
Capital assets (Note 6)	43,600	58,235
	\$ 1,476,057	\$ 1,605,053
Liabilities and Net Assets		
Current		
Accounts payable and accrued liabilities	\$ 53,274	\$ 26,385
Government liabilities	32,526	1,840
Deferred revenue and contributions (Note 7)	14,000	229,325
	99,800	257,550
Long-term debt (Note 8)	40,000	40,000
Deferred contributions related to capital assets (Note 9)	4,218	7,031
	144,018	304,581
Net Assets		
Unrestricted	238,268	131,305
Invested in capital assets	39,382	51,204
Sustaining fund	1,054,389	1,117,963
	1,332,039	1,300,472
	\$ 1,476,057	\$ 1,605,053

Approved by:

_____ President

_____ Treasurer

Mariposa Folk Foundation
Statement of Changes in Net Assets
For the Year Ended August 31, 2022

	August 31 2022	August 31 2021
Unrestricted Net Assets		
Balance, beginning of year	\$ 131,305	\$ 298,715
Net surplus for the year	51,415	178,060
Purchase of capital assets	(8,026)	-
Interfund transfer from (to) sustaining fund for investment of funds	63,574	(345,470)
Balance, end of year	<u>\$ 238,268</u>	<u>\$ 131,305</u>
Net Assets Invested in Capital Assets		
Balance, beginning of year	\$ 51,204	\$ 70,486
Net deficit for the year	(19,848)	(19,282)
Purchase of capital assets	8,026	-
Balance, end of year	<u>\$ 39,382</u>	<u>\$ 51,204</u>
Sustaining Fund		
Balance, beginning of year	\$ 1,117,963	\$ 772,493
Interfund transfer from (to) unrestricted net assets for investment of funds	(63,574)	345,470
Balance, end of year	<u>\$ 1,054,389</u>	<u>\$ 1,117,963</u>
Summary of Net Assets		
Balance, beginning of year	\$ 1,300,472	\$ 1,141,694
Net surplus for the year	31,567	158,778
Balance, end of year	<u>\$ 1,332,039</u>	<u>\$ 1,300,472</u>

Mariposa Folk Foundation
Statement of Revenue and Expenditures
For the Year Ended August 31, 2022

	August 31 2022	August 31 2021
Revenue		
Mariposa Folk Festival (Schedule 1)	\$ 1,843,386	\$ 207,204
Other concerts - revenues (Note 15)	114,754	6,994
Amortization of deferred funding	2,813	2,813
Donations	21,249	11,620
Donations in kind - general (Note 12)	3,000	3,000
Grants - non-Festival (Note 11)	8,400	4,488
Memberships	1,138	320
Miscellaneous revenue	1,241	-
	<u>1,995,981</u>	<u>236,439</u>
Expenditures		
Mariposa Folk Festival (Schedule 1)	1,592,052	98,663
Other concerts - expenses	118,596	26,852
Amortization of capital assets	22,167	22,095
Bank charges and interest	477	297
Dues, fees and licences	27,924	2,244
General and office	17,994	11,876
Insurance	14,072	7,884
Professional fees	11,315	11,315
Rent and utilities	15,936	15,852
Wages and benefits	83,456	76,845
	<u>1,903,989</u>	<u>273,923</u>
Surplus (deficit) from operations	<u>91,992</u>	<u>(37,484)</u>
Other income		
Loss on disposal of assets	(494)	-
Government assistance (Note 10)	3,643	50,893
Loan forgiveness (Note 8)	-	10,000
Sustaining fund earnings (losses) and market impact (Note 5)	(63,574)	135,369
	<u>(60,425)</u>	<u>196,262</u>
Net surplus for the year	<u>\$ 31,567</u>	<u>\$ 158,778</u>
Apportioned		
Operations	\$ 51,415	\$ 178,060
Net assets invested in capital assets	(19,848)	(19,282)
	<u>\$ 31,567</u>	<u>\$ 158,778</u>

Mariposa Folk Foundation
Statement of Cash Flows
For the Year Ended August 31, 2022

	August 31 2022	August 31 2021
Cash flows from operating activities		
Net surplus for the year	\$ 31,567	\$ 158,778
Items not involving cash		
Amortization of deferred contributions	(2,813)	(2,813)
Amortization of capital assets	22,167	22,095
Loss on disposal of assets	494	-
Sustaining fund earnings (losses) and market impact (Note 5)	63,574	(135,369)
	<u>114,989</u>	42,691
Changes in non-cash working capital balances		
Accounts receivable	(168,461)	47,629
Government receivables	(44,129)	23,576
Inventory	13,859	797
Prepaid expenses	51,702	16,549
Accounts payable and accrued liabilities	26,891	(2,645)
Government liabilities	30,685	(1,728)
Deferred revenue	(215,325)	(43,020)
	<u>(189,789)</u>	83,849
Cash flows from investing activities		
Purchase of capital assets	(8,027)	-
Purchase of investments	-	(210,100)
	<u>(8,027)</u>	(210,100)
Cash flows from financing activities		
Additional long-term debt	-	10,000
	<u>-</u>	10,000
Decrease in cash and cash equivalents during the year	(197,816)	(116,251)
Cash and cash equivalents, beginning of year	295,221	411,472
Cash and cash equivalents, end of year	\$ 97,405	\$ 295,221

Mariposa Folk Foundation
Notes to Financial Statements
For the Year Ended August 31, 2022

1. Significant Accounting Policies

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations.

Nature of Organization

The Mariposa Folk Foundation is incorporated under the laws of Ontario by letters patent without share capital. The business of the organization is to be carried on without the purpose of gain for its members or directors and any profits or accretions to the corporation are to be used in promoting its objects. The organization is a registered charity under the Income Tax Act and is exempt from paying income tax. The organization is dedicated to the promotion and preservation of folk art in Canada through song, story, dance and craft.

Inventory

Inventory, consisting of CDs, records, clothing and other merchandise, is stated at the lower of cost and net realizable value. Cost is generally determined on a first-in, first-out basis.

Capital Assets

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution. Amortization is provided over the estimated useful lives of the assets as follows:

Buildings	- 10%	straight line basis
Equipment	- 20%	straight line basis
Furniture and fixtures	- 20%	straight line basis
Computer equipment	- 20%	straight line basis
Website and digital assets	- 25%	straight line basis

Mariposa Folk Foundation
Notes to Financial Statements
For the Year Ended August 31, 2022

1. Significant Accounting Policies (continued)

Financial Instruments *Initial and subsequent measurement*

The organization initially measures its financial assets and liabilities at fair value, except for certain related party transactions that are measured at the carrying amount or exchange amount, as appropriate.

The organization subsequently measures all its financial assets and 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 the fair value of these financial instruments are recognized in net income in the period incurred.

Financial assets measured at cost or amortized cost include cash and accounts receivable.

Financial liabilities measured at cost or amortized cost include accounts payable and accrued liabilities and long-term debt.

Financial assets measured at fair value include long-term investments.

Impairment

For financial assets measured at cost or amortized cost, the organization determines whether there are indications of possible impairment. When there is an indication of impairment, and the organization 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 net income. 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 net income.

Mariposa Folk Foundation
Notes to Financial Statements
For the Year Ended August 31, 2022

1. Significant Accounting Policies (continued)

Net Assets

Part of the organization's net assets have been internally restricted as approved by the organization's board of directors. Transfers among net assets classes are recorded when approved by the board of directors. The purpose of each class of net assets is as follows:

Net assets invested in capital assets: This is the organization's net investment in its capital assets.

Sustaining fund: The sustaining fund is an internally-restricted fund that was set up as part of the strategic plan to help ensure the sustainability of the organization in the future.

Revenue Recognition

The organization follows the deferral method of accounting for contributions. Contributions containing external restrictions as to their use are deferred until the conditions are fulfilled. Contributions that do not contain restrictions as to their use are recognized as revenue when received.

Contributions restricted for the purchase of capital assets are deferred and amortized into revenue on a straight-line basis over the useful life of the respective capital asset.

Ticket sales, other concert revenues and sponsorship revenues are recognized as revenue when the festival and concerts are held.

Crafts and merchandise, food and beverages, other event revenue and miscellaneous revenue are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Government assistance consists of wage subsidies and loan forgiveness. Wage subsidies are recognized in the year the related source deductions and wages are paid or payable, while loan forgiveness is recognized in the year the related loan proceeds are received.

Sustaining fund earnings and market impact revenue is recognized quarterly from the fund statements provided by The Community Foundation of Orillia and Area.

Mariposa Folk Foundation
Notes to Financial Statements
For the Year Ended August 31, 2022

1. Significant Accounting Policies (continued)

**Contributed Materials
and Services**

Contributed materials and some contributed services which are used in the normal course of the organization's operations and would otherwise have been purchased are recorded at their fair value at the date of contribution if fair value can be reasonably estimated.

Cash Equivalents

Cash and cash equivalents consist of cash on hand and bank balances.

Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and the reported amounts of revenues and expenses for the periods covered. The main estimates relate to the useful life of capital assets subject to amortization.

Draft - For Discussion Purposes Only

Mariposa Folk Foundation

Notes to Financial Statements

For the Year Ended August 31, 2022

2. Financial Instruments

The organization has a comprehensive risk management framework to monitor, evaluate and manage the principal risks assumed with financial instruments. The risks that arise from transacting financial instruments include credit risk, liquidity risk, market risk and currency risk.

(a) Credit risk:

The organization is exposed to credit risk with respect to accounts receivable and a portion of its long-term investments. The organization assesses, on a continuous basis, the accounts receivable on the basis of amounts it is virtually certain to receive. The organization uses a reputable third party to manage its long-term investments which are held in a large financial institution.

(b) Liquidity risk:

The organization's exposure to liquidity risk is dependent on the receipt of funds from its major funding sources and other related fundraising sources, whether in the form of grant revenue, fund raising or interest.

(c) Market risk:

A portion of the organization's investments in publicly-traded securities exposes the organization to price risks as equity investments are subject to price changes in an open market. The organization does not use derivative instruments to alter the effects of this risk.

(d) 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. A portion of the organization's cash is in US dollars and, consequently, cash in US dollars is exposed to foreign exchange fluctuations.

3. Cash

As at August 31, 2022, cash totaling \$30,482 CDN (2021 - \$150,664 CDN) is denominated in US dollars and converted into Canadian dollars. The foreign exchange gain for the year ending August 31, 2022 is \$933 (2021 - \$(5,264)) which is included in artistic expenses on Schedule 1.

Mariposa Folk Foundation
Notes to Financial Statements
For the Year Ended August 31, 2022

4. Accounts Receivable

	<u>2022</u>	<u>2021</u>
Government grants receivable	\$ 189,900	\$ 7,405
Other receivables	11,104	25,138
	<u>\$ 201,004</u>	<u>\$ 32,543</u>

5. Long-term investments

	<u>2022</u>	<u>2021</u>
Sustaining fund amounts invested with The Community Foundation of Orillia and Area (CFOA)	\$ 810,100	\$ 810,100
Cumulative CFOA held earnings and unrealized gains	244,289	307,863
	<u>\$ 1,054,389</u>	<u>\$ 1,117,963</u>

The CFOA holds funds in trust for the Mariposa Folk Foundation in a pooled fund with other funds that are invested with Connor, Clark and Lunn. It reports the sustaining fund earnings and market impact quarterly.

The pooled investment fund at August 31, 2022 consists of fixed income, Canadian equity, Canadian income equity, global equity, alternative investments and hedge strategies. Sustaining fund earnings (losses) and market impact revenue includes dividend and interest income, realized investment gains and losses on the sale of investments and unrealized gains and losses on investments measured at fair value. As the organization's funds are pooled with CFOA's other funds, it is not possible to separate the realized investment income from its unrealized income.

The earnings and unrealized gains (losses) for the year were \$(63,574) (2021 - \$135,369).

The amounts shown include an estimate of the earnings and unrealized gains (losses) from the third quarter of the calendar year to August 31, 2022 and 2021.

Mariposa Folk Foundation
Notes to Financial Statements
For the Year Ended August 31, 2022

6. Capital Assets

	2022		2021	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Buildings	\$ 21,761	\$ 14,145	\$ 21,761	\$ 11,969
Equipment	100,763	90,703	93,599	87,831
Furniture and fixtures	3,483	3,483	3,483	3,483
Computer equipment	2,878	1,900	2,721	1,622
Website and digital assets	66,522	41,576	66,522	24,946
	\$ 195,407	\$ 151,807	\$ 188,086	\$ 129,851
Net book value		\$ 43,600		\$ 58,235

Mariposa Folk Foundation
Notes to Financial Statements
For the Year Ended August 31, 2022

7. Deferred Revenue and Contributions

	2022	2021
Deferred contributions		
Celebrate Ontario		
Beginning balance	\$ -	\$ 15,920
Amount spent during the year	-	(15,920)
	-	-
Ontario Arts Council		
Beginning balance	-	22,301
Amount received or receivable during the year	-	69,875
Amount spent during the year	-	(92,176)
	-	-
Ontario Cultural Attractions Fund		
Beginning balance	35,000	35,000
Amount spent during the year	(35,000)	-
	-	35,000
Ontario Media Development Corporation		
Beginning balance	4,055	11,000
Amount spent during the year	(4,055)	(6,945)
	-	4,055
County of Simcoe		
Beginning balance	-	-
Amount received or receivable during the year	14,000	-
	14,000	-
Total deferred contributions	\$ 14,000	\$ 39,055

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Mariposa Folk Foundation
Notes to Financial Statements
For the Year Ended August 31, 2022

7. Deferred Revenue and Contributions (continued)

Deferred revenue

Ticket revenue

Beginning balance	\$ 170,553	\$ 173,740
Amount received during the year	740,723	24,192
Amount recognized as donations during the year	(1,467)	(2,213)
Amount refunded during the year	-	(25,166)
Amount recognized into revenue during the year	<u>(909,809)</u>	<u>-</u>
	-	170,553

Sponsorship revenues

Beginning balance	19,717	14,383
Amount received or receivable during the year	76,883	8,034
Amount recognized into revenue during the year	(96,600)	(1,750)
Amount refunded during the year	-	(950)
	-	19,717

Total deferred revenue

- 190,270

Total deferred revenue and contributions

\$ 14,000 \$ 229,325

8. Long-term Debt

	<u>2022</u>	<u>2021</u>
Canada Emergency Business Account loan, interest free, maturing December 2023	<u>\$ 40,000</u>	<u>\$ 40,000</u>

The organization received a \$60,000 Canada Emergency Business Account (CEBA) loan in prior years, \$20,000 of which is forgivable if the balance is repaid by December 2023. The forgivable portion of \$20,000 was reported as revenue in the years received.

If the organization does not repay \$40,000 of the CEBA loan by December 2023, the balance owing will increase to \$60,000 as the organization will not receive the \$20,000 loan forgiveness and the loan will convert to a two-year term loan at 5% interest.

Principal payments required on long-term debt for the next two fiscal years are due as follows:

Year	Amount
2023	\$ -
2024	<u>40,000</u>
	<u>\$ 40,000</u>

Mariposa Folk Foundation
Notes to Financial Statements
For the Year Ended August 31, 2022

9. Deferred Contributions Related to Capital Assets

Deferred contributions related to capital assets represent restricted grants which assisted in purchasing the organization's website.

	<u>2022</u>	<u>2021</u>
Beginning balance	\$ 7,031	\$ 9,844
Less: Amount amortized to revenue	<u>(2,813)</u>	<u>(2,813)</u>
	<u>\$ 4,218</u>	<u>\$ 7,031</u>

10. Government Assistance

During the year, the organization received the following government assistance to offset its wage and rent expenses:

	<u>2022</u>	<u>2021</u>
Wage subsidies	\$ 2,923	\$ 40,536
Rent subsidies	<u>720</u>	<u>10,357</u>
	<u>\$ 3,643</u>	<u>\$ 50,893</u>

The organization claimed \$2,923 (2021 - \$40,536) in Canada emergency wage subsidies and \$720 (2021 - \$10,357) in Canada emergency rent subsidies during the year from the federal government. The Canada emergency wage subsidies claimed are based on wages and revenues earned during the qualifying periods. The Canada emergency rent subsidies claimed are based on commercial rent paid and revenues earned during the qualifying periods. There are no terms and conditions for repayment applicable to the government assistance.

Mariposa Folk Foundation
Notes to Financial Statements
For the Year Ended August 31, 2022

11. Grants

During the year, the organization received grant revenue as follows:

	<u>2022</u>	<u>2021</u>
Mariposa Folk Festival (Schedule 1):		
Canada Arts Presentation Fund	\$ 44,000	\$ 40,000
Canada Council for the Arts	1,200	-
Canadian Live Music Association/Kinaxis	-	6,312
Celebrate Ontario	185,000	15,920
City of Orillia	60,000	-
Ontario Arts Council	44,602	92,176
Ontario Cultural Attractions Fund	35,000	-
Ontario Creates (formerly Ontario Music Fund)	4,055	6,945
Province of Ontario Small Business Support	-	40,000
SOCAN Foundation	3,500	3,500
	<u>377,357</u>	<u>204,853</u>
Other Concerts Grants:		
Celebrate Ontario	50,000	-
Heritage Canada	30,000	-
	<u>80,000</u>	<u>-</u>
Other Grants:		
Canada Summer Jobs	4,711	4,488
Ontario Summer Experience	3,689	-
	<u>8,400</u>	<u>4,488</u>
	<u>\$ 465,757</u>	<u>\$ 209,341</u>

Mariposa Folk Foundation
Notes to Financial Statements
For the Year Ended August 31, 2022

12. Contributed Materials and Services

During the year, the organization received donations in kind as follows:

	<u>2022</u>	<u>2021</u>
Advertising	\$ 76,391	\$ -
Site costs	11,684	-
Donations received for Mariposa Folk Festival (Schedule 1)	<u>\$ 88,075</u>	<u>\$ -</u>
Professional fees	<u>\$ 3,000</u>	<u>\$ 3,000</u>

These donations have been recognized by management at their estimated fair market value on the financial statements.

Volunteers contribute a significant number of hours per year to assist the organization in carrying out its activities. Because of the difficulty in determining their fair value, these contributed services are not recognized in these financial statements.

13. COVID-19

The outbreak of the Coronavirus pandemic ("COVID-19") has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruptions to businesses and organizations globally resulting in an economic slowdown. The duration and impact of the COVID-19 outbreak is unknown at this time, nor is the efficacy of the government and central bank monetary and fiscal interventions designed to stabilize economic conditions. As a result, it is not possible to reliably estimate the length and severity of these developments, nor the impact on the financial position and financial results of the organization in future periods.

14. Related Party Transactions

In accordance with Regulation 4.01 of the Charities' Accounting Act, the Board of the organization passed the requisite motions, and each director agreed in writing to approve the payment of an honorarium to a director. The organization has paid \$10,000 total in honorariums (2021 - \$7,500) to one of its directors for services rendered to the organization other than as a director. This transaction is included in the site, stage and sound production expenditures on Schedule 1 and is measured at the exchange amount, which is the amount of consideration established and agreed to by the Board.

Mariposa Folk Foundation
Notes to Financial Statements
For the Year Ended August 31, 2022

15. Other Concerts - Revenues

	<u>2022</u>	<u>2021</u>
Grant revenue (Note 11)	\$ 80,000	\$ -
Ticket sales	<u>34,754</u>	<u>6,994</u>
	<u>114,754</u>	<u>6,994</u>

16. Commitment

The organization has leased premises to February 2024. The commitments for the next two years including the minimum annual lease payments are approximately as follows:

Year	Amount
2024	\$ 11,400
2025	6,650

17. Comparative Amounts

Certain comparative amounts presented in the financial statements have been reclassified to conform to the current year financial statement presentation.

Mariposa Folk Foundation
Schedule 1 - Mariposa Folk Festival
For the Year Ended August 31, 2022

	August 31 2022	August 31 2021
Revenue		
Ticket sales	\$ 909,809	\$ -
Crafts and merchandise	95,785	2,351
Food and beverages	228,994	-
Other event revenue	46,766	-
Grants (Note 11)	377,357	204,853
Sponsorships	96,600	-
Donations in kind (Note 12)	88,075	-
	<u>1,843,386</u>	<u>207,204</u>
Expenditures		
Crafts and merchandise	65,964	1,509
Food and beverages	83,548	-
Other event expenses	23,672	-
Advertising and publicity	132,650	26,038
Artistic expenses (Note 3)	784,512	19,516
Security costs	50,835	-
Site, stage and sound production (Note 14)	437,859	50,669
Sponsorship expense	376	-
Ticket costs and commissions	11,970	931
Volunteers' expense	666	-
	<u>1,592,052</u>	<u>98,663</u>
Net surplus for the year	<u>\$ 251,334</u>	<u>\$ 108,541</u>