

Manitoba Opera Association, Inc.
Financial Statements
May 31, 2026

To the Trustees of Manitoba Opera Association, Inc.:

Opinion

We have audited the financial statements of Manitoba Opera Association, Inc. (the "Association"), which comprise the statement of financial position as at May 31, 2026, and the statements of operations and changes in fund balances 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 Association as at May 31, 2026, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Association 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.

Other Information

Management is responsible for the other information. The other information comprises the Annual Report, but does not include the financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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

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

In preparing the financial statements, management is responsible for assessing 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.

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.

Winnipeg, Manitoba

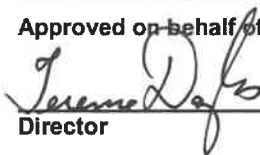
Chartered Professional Accountants

Manitoba Opera Association, Inc.
Statement of Financial Position

As at May 31, 2026

	<i>Operating Fund</i>	<i>Operating Reserve Fund</i>	2026	2025
Assets				
Current				
Cash (Note 3)	754,535	-	754,535	895,937
Grants and other receivables (Note 4)	75,029	-	75,029	73,595
Prepaid expenses and deposits (Note 5)	136,018	-	136,018	52,555
Due from (to) Operating Fund	(414,561)	414,561	-	-
	551,021	414,561	965,582	1,022,087
Liabilities				
Current				
Accounts payable and accrued liabilities	187,456	-	187,456	111,657
Deferred revenue	358,565	-	358,565	590,869
	546,021	-	546,021	702,526
Commitments (Note 11)				
Fund Balances				
Internally restricted	-	414,561	414,561	314,561
Unrestricted	5,000	-	5,000	5,000
	551,021	414,561	965,582	1,022,087

Approved on behalf of the Board of Trustees


 Director


 Director

The accompanying notes are an integral part of these financial statements

Manitoba Opera Association, Inc.
Statement of Operations and Changes in Fund Balances
For the year ended May 31, 2026

	<i>Operating Fund</i>	<i>Operating Reserve Fund</i>	2026	2025
Revenue				
Grants				
Canada Council for the Arts	255,000	-	255,000	255,000
Manitoba Arts Council	370,000	-	370,000	370,000
Winnipeg Arts Council	127,600	-	127,600	127,600
Other grants	404,559	-	404,559	233,815
Donations and fundraising	786,291	-	786,291	1,115,566
Sponsorships	260,200	-	260,200	231,000
Box office	786,246	-	786,246	501,344
Miscellaneous income	174,080	-	174,080	116,190
	3,163,976	-	3,163,976	2,950,515
Expenses				
Administration	431,293	-	431,293	392,596
Education and community engagement	168,400	-	168,400	166,828
Fund development	348,055	-	348,055	420,184
Productions	1,443,079	-	1,443,079	1,351,211
Publicity and promotions	673,149	-	673,149	572,614
	3,063,976	-	3,063,976	2,903,433
Excess of revenue over expenses	100,000	-	100,000	47,082
Fund balance, beginning of year	5,000	314,561	319,561	272,479
Allocation to Operating Reserve Fund (Note 8)	(100,000)	100,000	-	-
Fund balance, end of year	5,000	414,561	419,561	319,561

The accompanying notes are an integral part of these financial statements

Manitoba Opera Association, Inc.
Statement of Cash Flows
For the year ended May 31, 2026

	2026	2025
Cash provided by (used in)		
Operating activities		
Excess of revenue over expenses	100,000	47,082
Changes in working capital accounts		
Grants and other receivables	(1,434)	54,158
Prepaid expenses and deposits	(83,463)	2,333
Accounts payable and accrued liabilities	75,799	(7,729)
Deferred revenue	(232,304)	24,720
Increase (decrease) in cash resources	(141,402)	120,564
Cash, beginning of year	895,937	775,373
Cash, end of year	754,535	895,937

The accompanying notes are an integral part of these financial statements

Manitoba Opera Association, Inc.
Notes to the Financial Statements
For the year ended May 31, 2026

1. Nature of the organization

Manitoba Opera Association, Inc. (the "Association") is a not-for-profit organization, which produces and presents operas primarily within the Province of Manitoba. It is tax exempt under the provisions of the Income Tax Act of Canada.

2. Significant accounting policies

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

Fund accounting

The Association follows the deferral method of accounting for contributions and reports using fund accounting, and maintains two funds: the Operating Fund and Operating Reserve Fund.

The Operating Fund reports the Association's general and administrative operating activities.

The Operating Reserve Fund has been established for the purpose of augmenting the Operating Fund in order to fulfill operating obligations and/or address financial obligations that may arise in case of an emergency. Transfers or disbursements are approved by the Board of Trustees as required.

Prepaid expenses and deposits

Prepaid expenses and deposits represent disbursements that are related to the future performance season.

Revenue recognition

The Association follows the deferral method of accounting for contributions. Restricted contributions and donations are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions and donations are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Season ticket subscriptions, fundraising deposits, sponsorships, grants and donations received for the following production season are recorded as deferred revenue on the statement of financial position and recognized as revenue in the fiscal year to which they relate.

Government grants are recognized as revenue in the year in which the related expenses are incurred and when the amount to be received can be reasonably estimated and collection is reasonably assured.

Contributed services

Contributions of services are recognized both as contributions and expenses in the statement of operations when a fair value can be reasonably estimated and when the services are used in the normal course of the Association's operations and would otherwise have been purchased.

During the year ended May 31, 2026 volunteers contributed approximately 224 hours (2025 - 250 hours) to assist the Association in its programs, activities and governance. Due to the difficulty in determining the fair value, contributed volunteer hours are not recognized in the financial statements.

Cash

Cash includes balances with banks, short-term investments with maturities of three months at origination or less and cashable guaranteed investment certificates ("GIC"). Cash subject to restrictions that prevent its use for current purposes is included in restricted cash.

Financial instruments

The Association recognizes financial instruments when the Association becomes party to the contractual provisions of the financial instrument.

2. Significant accounting policies *(Continued from previous page)*

Financial instruments *(Continued from previous page)*

Arm's length financial instruments

Financial instruments originated/acquired or issued/assumed in an arm's length transaction ("arm's length financial instruments") are initially recorded at their fair value.

At initial recognition, the Association may irrevocably elect to subsequently measure any arm's length financial instrument at fair value. The Association has not made such an election during the year.

The Association subsequently measures investments in equity instruments quoted in an active market and all derivative instruments, except those designated in a qualifying hedging relationship or that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, at fair value. Fair value is determined by published price quotations. Investments in equity instruments not quoted in an active market and derivatives that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, are subsequently measured at cost less impairment. With the exception of financial liabilities indexed to a measure of the Association's performance or value of its equity and those instruments designated at fair value, all other financial assets and liabilities are subsequently measured at amortized cost.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in excess of revenues over expenses. Conversely, transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

Financial asset impairment

The Association assesses impairment of all its financial assets measured at cost or amortized cost. The Association groups assets for impairment testing when available information is not sufficient to permit identification of each individually impaired financial asset in the group. Management considers whether the issuer is having significant financial difficulty; whether there has been a breach in contract, such as a default or delinquency in interest or principal payments in determining whether objective evidence of impairment exists. When there is an indication of impairment, the Association determines whether it has resulted in a significant adverse change in the expected timing or amount of future cash flows during the year.

With the exception of related party debt instruments and related party equity instruments initially measured at cost, the Association reduces the carrying amount of any impaired financial assets to the highest of: the present value of cash flows expected to be generated by holding the assets; the amount that could be realized by selling the assets at the statement of financial position date; and the amount expected to be realized by exercising any rights to collateral held against those assets. Any impairment, which is not considered temporary, is included in current year excess of revenues over expenses.

The Association reverses impairment losses on financial assets when there is a decrease in impairment and the decrease can be objectively related to an event occurring after the impairment loss was recognized. The amount of the reversal is recognized in excess of revenues over expenses in the year the reversal occurs.

Measurement uncertainty (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 date of the financial statements, and the reported amounts of revenues and expenses during the reporting period.

Grants and other receivables are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in excess of revenues over expenses in the periods in which they become known.

Manitoba Opera Association, Inc.
Notes to the Financial Statements
For the year ended May 31, 2026

2. Significant accounting policies *(Continued from previous page)*

Non-monetary transactions

The Association enters into agreements with certain customers from whom the Association acquires goods and services. Transactions involving the exchange of monetary consideration representing 10% or greater of the fair value of the arrangement are considered to be monetary transactions. Non-monetary transactions, for which the Association's future cash flows have been significantly affected ("commercial substance"), are recorded at the fair value of the assets given up or received, whichever is more reliably measurable. Non-monetary transactions are measured at carrying value when the transaction:

- lacks commercial substance;
- is an exchange of a product or property held for sale in the ordinary course of business to be sold in same line of business to facilitate sales to customers other than the parties of the exchange;
- for which neither the fair value of assets received or given up can be reliably measured; or
- non-monetary non-reciprocal transfers to owners in restructurings or liquidations.

Customers accounting for cloud computing arrangement

The Association has applied the simplification approach to account for expenditures in a cloud computing arrangement. Under the simplification approach, the Association recognizes expenditures related to the elements in the cloud computing arrangement as an expense as incurred. In the current year, expenses of \$31,337 (2025 - \$20,745) have been recognized as administration expenses.

3. Cash

Included in cash is a cashable GIC of \$275,000 (2025 - \$289,429). The GIC bears interest of 2.88% (2025 - 2.71%) per year, and matures April 8, 2027 (2025 - April 8, 2026).

4. Grants and other receivables

	2026	2025
GST receivable	13,562	10,239
Interest receivable	39,521	16,356
Pledges and subscriptions	21,946	47,000
	75,029	73,595

5. Prepaid expenses and deposits

	2026	2025
Administration	10,835	4,036
Education	-	1,668
Promotion	36,899	25,831
Production	88,284	21,020
	136,018	52,555

Manitoba Opera Association, Inc.
Notes to the Financial Statements
For the year ended May 31, 2026

6. Operating facility

The Association has an operating line of credit with the Royal Bank of Canada (RBC), due on demand, which the Association can draw on to a maximum of \$250,000 (2025 - \$250,000). The line of credit bears interest at the RBC prime rate plus 0.50%, 4.45% (2025 - RBC prime rate plus 0.50%, 5.45%). As at May 31, 2026, the Association has not drawn on this facility (2025 - \$nil).

As collateral for the operating facility, the Association has provided the lender a general security agreement. The City of Winnipeg has guaranteed the operating facility to a maximum of \$250,000.

7. Deferred revenue

	2026	2025
Season and single tickets	252,524	215,877
Deferred grant revenue	106,041	374,992
	358,565	590,869

8. Interfund transfer

During the year, the Board of Trustees approved a transfer of \$100,000 (2025 - \$47,082) from the Operating Fund to the Operating Reserve Fund.

9. Related party transactions

Included in production expenses are artistic consulting fees paid to a related company owned by a member of management for \$57,431 (2025 - \$42,411). These transactions with a related company are in the normal course of operations and are recorded at the exchange amount. The exchange amount is the amount established and agreed on by the related company and the Association.

10. A. Kerr Twaddle Robert H. Thorlakson Manitoba Opera Endowment Fund

The Association established The A. Kerr Twaddle Robert H. Thorlakson Manitoba Opera Endowment Fund (the "Opera Fund") with The Winnipeg Foundation (the "Foundation") in 2010.

The Opera Fund is held and administered by the Foundation in perpetuity for the benefit of the Association. Since the Association only receives annual income from the fund, the endowment is not shown in these statements.

The contribution to the Opera Fund held by the Association for the fiscal year ended May 31, 2026 was \$725,123 (2025 - \$862,589). The grant received from Canadian Heritage to match these funds was \$218,880 (2025 - \$329,913). The fund earns investment income in accordance with the Investment Policy of the Foundation. Distributions from the fund are determined by the Distribution Policy of the Foundation which was 4.50% for the 2026 fiscal year (2025 - 4.50%).

Revenues of \$51,351 (2025 - \$47,493) related to the endowment campaign are recorded in donations and fundraising in the statement of operations and changes in fund balances. Expenses of \$56,669 (2025 - \$31,363) related to the endowment campaign are recorded in administration expenses in the statement of operations and changes in fund balances.

As at the Association fiscal year-end of May 31, 2026, the Opera Fund had a market value of \$5,611,556 (May 31, 2025 - \$4,227,251).

Manitoba Opera Association, Inc.
Notes to the Financial Statements
For the year ended May 31, 2026

11. Commitments

The Association has entered into various lease agreements with estimated minimum annual payments as follows:

2027	3,499
2028	2,176
2029	854
2030	854
2031	854
Thereafter	213
	8,450

12. Financial instruments

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

Credit risk

Credit risk is the risk of financial loss because a counterparty to a financial instrument fails to discharge its contractual obligations. The Association's financial assets that are exposed to credit risk consist primarily of grants and other receivables. These receivables are short-term in nature and to a broad base of individuals and organizations. As at May 31, 2026 no allowance has been recorded (2025 - no allowance).

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the Association manages exposure through its normal operating and financing activities. The Association is exposed to interest rate risk primarily through its floating interest rate bank indebtedness.

13. Non-monetary transactions

In the prior year, the Association received a donation of services. Revenues from this non-monetary transaction totaled \$nil (2025 - \$24,800), and is measured at the exchange amount of the services received. Expenses from this non-monetary transaction totaled \$nil (2025 - \$24,800), measured at the exchange amount of the services received.

14. Comparative figures

Certain comparative figures have been reclassified to conform with current year presentation.