CHOKECHERRY STUDIOS INCORPORATED

FINANCIAL STATEMENTS

For the fiscal year ended March 31, 2025

and Independent Auditors' Report

Davies & Drury
CHARTERED PROFESSIONAL ACCOUNTANTS*

Kirby L. Drury, CPA, CA** Jeff Gorman, CPA, CA**
Ryan Lupien, CPA, CA** Spencer Beaulieu, CPA, CA**
*operating as a joint venture
**professional corporation

INDEPENDENT AUDITORS' REPORT

To the Directors of Chokecherry Studios Incorporated:

Qualified Opinion

We have audited the accompanying financial statements of Chokecherry Studios Incorporated [the "organization"], which comprise the statement of financial position as at March 31, 2025, and the statement of operations, statement of changes in net assets and statement of 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 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 organization as at March 31, 2025, 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, the organization derives revenue from donations and 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 organization. Therefore, we were not able to determine whether any adjustments might be necessary to revenues, excess of revenues over expenses and net increase in cash from operating activities for the years ended March 31, 2025 and March 31, 2024, current assets as at March 31, 2025 and March 31, 2024, and net assets as at April 1, 2023, March 31, 2024, April 1, 2024, and March 31, 2025. Our audit opinion on the financial statements for the year ended March 31, 2025 was modified accordingly because of possible effects of this limitation of 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 organization, 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.

Other Information

Management is responsible for the other information. The other information comprises the information, other than the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do 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 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. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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 organization'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 organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the organization financial reporting process.

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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 organization’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 organization'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 organization 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.

Chartered Professional Accountants
Saskatoon, Saskatchewan

August 13, 2025

CHOKECHERRY STUDIOS INCORPORATED

STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2025

	2025	2024
ASSETS		
CURRENT ASSETS:		
Cash	$ 138,548	$ 199,249
Short-term investments	5,005	-
Accounts receivable	83,700	-
Deposits	8,171	4,392
	235,424	203,641
CAPITAL ASSETS (Note 3)	46,498	55,552
	$ 281,922	$ 259,193
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES:		
Accounts payable and accrued liabilities	$ 30,378	$ 49,383
Deferred revenue (Note 4)	95,540	67,624
	125,918	117,007
NET ASSETS:		
Unrestricted net assets	109,506	86,634
Invested in capital assets	46,498	55,552
	156,004	142,186
	$ 281,922	$ 259,193

COMMITMENT (Note 7)

Approved on behalf of the Board:

___________________________________ Director

___________________________________ Director

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

CHOKECHERRY STUDIOS INCORPORATED

STATEMENT OF OPERATIONS

FOR THE YEAR ENDED MARCH 31, 2025

	2025	2024
REVENUE:		
Donations	$ 11,801	$ 136,290
Grants - government (Note 5)	284,524	195,496
Grants - other (Note 6)	208,290	263,591
Workshops, sponsorships and other income	29,498	109,598
	534,113	704,975
EXPENDITURES:		
Advertising and promotion	-	2,178
Amortization	11,039	8,239
Bank charges and interest	553	907
Consulting fees	47,186	25,049
Contracted services	2,600	80,681
Honorariums	7,021	39,566
Insurance	2,546	2,262
Meals and groceries	24,969	14,576
Office	16,572	45,470
Professional fees	11,026	10,817
Rent	55,335	38,150
Repairs and maintenance	3,533	2,206
Supplies, programming and project expenses	25,557	30,336
Travel	8,403	14,244
Utilities	4,188	3,659
Wages and benefits	299,767	347,929
	520,295	666,269
EXCESS OF REVENUE OVER EXPENDITURES	$ 13,818	$ 38,706

CHOKECHERRY STUDIOS INCORPORATED

STATEMENT OF CHANGES IN NET ASSETS

FOR THE YEAR ENDED MARCH 31, 2025

	2025		
	Unrestricted net assets	Invested in capital assets	Total
Balance, beginning of year	$ 86,634	$ 55,552	$ 142,186
Capital asset purchases	(1,985)	1,985	-
Excess (deficiency) of revenue over expenditures	24,857	(11,039)	13,818
Balance, end of year	$ 109,506	$ 46,498	$ 156,004

	2024		
	Unrestricted net assets	Invested in capital assets	Total
Balance, beginning of year	$ 84,353	$ 19,127	$ 103,480
Capital asset purchases	(44,664)	44,664	-
Excess (deficiency) of revenue over expenditures	46,945	(8,239)	38,706
Balance, end of year	$ 86,634	$ 55,552	$ 142,186

CHOKECHERRY STUDIOS INCORPORATED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2025

	2025	2024
CASH FLOWS FROM (TO) OPERATING ACTIVITIES:		
Cash received from donors and operations	$ 478,329	$ 788,230
Cash paid to suppliers and employees	(532,040)	(618,539)
	(53,711)	169,691
CASH FLOWS FROM (TO) INVESTING ACTIVITIES:		
Purchase of property and equipment	(1,985)	(44,664)
CASH FLOWS FROM (TO) FINANCING ACTIVITIES:		
Purchase of investments	(5,005)	-
CHANGE IN CASH DURING THE YEAR	(60,701)	125,027
CASH AT BEGINNING OF THE YEAR	199,249	74,222
CASH AT END OF THE YEAR	$ 138,548	$ 199,249

1. NATURE OF OPERATIONS:

Chokecherry Studios Incorporated (the “organization”) is a youth founded non-profit offering arts-based programming and mentorship to young and emerging artists in inner-city Saskatoon on Treaty 6 Territory and the Homeland of the Métis.

The organization is incorporated as a non-profit corporation under *The Non-profit Corporations Act of Saskatchewan.*

2. SIGNIFICANT ACCOUNTING POLICIES:

These financial statements are prepared in accordance with Part III of the CPA Canada Handbook – Accounting, Accounting Standards for Not-for-Profit Organizations, which sets out generally accepted accounting principles for not-for-profit organizations in Canada and includes the significant accounting policies summarized below.

Cash and cash equivalents

Cash and cash equivalents includes balances held with Canadian financial institutions and cash on hand.

Prepaid expenses

Prepaid expenses consist of expenses paid in the current year which relate to project expenses in the upcoming year.

Capital assets

Capital assets are recorded at cost, less accumulated amortization. The organization provides for amortization using the following methods at rates designed to amortize the cost of the capital assets over their estimated useful lives. The annual amortization rates and methods are as follows:

Computer equipment	55% declining balance
Project Equipment	20% declining balance
Furniture and fixtures	20% declining balance
Leasehold	10% straight-line

Deferred revenue

Deferred revenue consists of grant revenue received in the current year that relate to project expenses and other expenses to be incurred in the upcoming year.

Contributed services

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

Income taxes

No provision has been made for income taxes as none of the activities carried on by the organization are subject to income taxes.

CHOKECHERRY STUDIOS INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2025

2. SIGNIFICANT ACCOUNTING POLICIES - continued:

Revenue recognition

The organization follows the deferral method of accounting for contributions, which include donations. Contributions are recognized in the accounts when received, or receivable, if the amount to be received can be reasonably estimated and collection is reasonably assured. Sponsorship, other income and rental income is recorded when received, since pledges are not legally enforceable claims. Unrestricted contributions are recognized as revenue when initially recorded in the accounts. Externally-restricted contributions are deferred when initially recorded in the accounts and recognized as revenue in the year in which the related expenses are recognized.

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 balance sheet date and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates.

Financial instruments

Measurement of financial instruments

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

The organization subsequently measures all its financial assets and financial liabilities at 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.

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

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

Impairment

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in the statement of operations. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no 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.

CHOKECHERRY STUDIOS INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2025

3. CAPITAL ASSETS:

	Cost	Accumulated Amortization	Net Book Value 2025	Net Book Value 2024
Computer equipment	$ 14,993	$ 10,713	$ 4,280	$ 6,313
Project Equipment	3,836	1,074	2,762	3,453
Furniture and fixtures	26,761	12,763	13,998	17,498
Leasehold	29,207	3,749	25,458	28,288
	$ 74,797	$ 28,299	$ 46,498	$ 55,552

4. DEFERRED REVENUE:

During the year, the organization received grants from various organizations for various projects which were still ongoing at year-end. Grants will be recognized in revenue when the related expenses are incurred.

	2025	2024
Community Services Recovery Fund Project Funding	$ -	$ 15,183
IRF Canada	-	1,775
Minister of Indigenous Services - Youth Hope Fund	-	10,150
Minister of Indigenous Services - Family Violence Prevention Projects	18,780	-
Sask Arts Board - Artists in Communities	5,290	-
Saskatchewan Housing Initiative Partnership - Warm-up location	-	30,573
Saskatoon Collaborative Funders Partnership Funding	-	9,943
Timken Foundation grant	71,470	-
	$ 95,540	$ 67,624

5. GOVERNMENT GRANTS:

	2025	2024
Minister of Indigenous Services - Youth Hope Fund funding to be used by March 31, 2025. In 2025, $166,223 (2024 - $151,140) was received and $0 (2024 - $10,150) is included in deferred revenue. $7,720 was returned to the Ministry in 2025.	$ 168,653	$ 148,939
Minister of Indigenous Services - Family Violence Prevention Project funding for a total of $99,708 to be used by March 31, 2025. In 2025, $99,708 (2024 - $0) was received and $18,780 (2024 - $0) is included in deferred revenue.	80,928	-
City of Saskatoon - Saskatoon Collaborative Funders Partnership unrestricted, operating grant for a total of $25,000 (2024 - $56,500). In 2025, 25,000 (2024 - $56,500) was received and $0 (2024 - $9,943) is included in deferred revenue.	34,943	46,557
	$ 284,524	$ 195,496

CHOKECHERRY STUDIOS INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2025

6. OTHER GRANTS:

	2025	2024
Sask Arts Board - Artists in Communities	$ 14,710	$ 12,810
Community Services Recovery Fund Project Funding	15,182	84,817
United Way	66,000	50,000
Medavie Grant	66,000	-
Saskatchewan Housing Initiative Partnership - Warm-up location	33,123	17,739
Dakota Dunes	1,500	-
Blue Cross	10,000	-
Affinity Credit Union grant	-	15,000
Farm Credit Canda	-	2,000
Saskatchewan Prevention Institute Health Grant	-	3,000
IRF Canada	1,775	73,225
Saskatchewan Indian Gaming Authority Sponsorship	-	5,000
	$ 208,290	$ 263,591

7. COMMITMENT:

The Organization has entered into a lease agreement for their building space with monthly payments including occupancy costs of $4,391. The lease will mature in September, 2026. The estimated minimum annual payments are as follows:

2026	$ 52,692
2027	26,346

8. FINANCIAL INSTRUMENTS:

The organization, as part of its operations, carries a number of financial instruments. It is management's opinion that the organization is not exposed to significant interest or credit risks arising from these financial instruments, except as follows:

Credit risk

The organization is exposed to the risk that one party to a financial instrument may cause a financial loss for the other party by failing to discharge an obligation.

Liquidity risk

The organization is exposed to the risk that it will encounter difficulty in meeting obligations associated with its financial liabilities.

9. COMPARATIVE FIGURES:

Certain prior year figures, presented for comparative purposes, have been restated to conform to the current year's presentation.

CHOKECHERRY STUDIOS INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2025

10. OTHER INFORMATION:

Management is responsible for the following other information, Schedule of Government Grant Funding. The other information comprises the information, other than the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do 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 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. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

CHOKECHERRY STUDIOS INCORPORATED

SCHEDULE OF GOVERNMENT GRANT FUNDING

FOR THE YEAR ENDED MARCH 31, 2025

Minister of Indigenous Services - Family Violence Prevention Projects (FVPP)

	2025	2024
REVENUE:		
Government grants	$ 99,708	$ -
Deferred grant income - current year	(18,780)	-
	80,928	-
EXPENDITURES:		
Consulting fees	3,730	-
Honorariums	1,400	-
Insurance	274	-
Meals and groceries	3,759	-
Office	1,548	-
Rent	4,611	-
Supplies, programming and project expenses	2,861	-
Travel	384	-
Wages and benefits	62,358	-
	80,925	-
EXCESS OF REVENUE OVER EXPENDITURES	$ 3	$ -

City of Saskatoon - Saskatoon Collaborative Funders Partnership (SCFP)

	2025	2024
REVENUE:		
Government grants	$ 25,000	$ 56,500
Deferred grant income - prior year	9,943	-
Deferred grant income - current year	-	(9,943)
	34,943	46,557
EXPENDITURES:		
Consulting fees	3,730	-
Honorariums	140	4,000
Meals and groceries	928	801
Office	60	-
Rent	-	2,100
Supplies, programming and project expenses	1,156	801
Travel	-	1,000
Utilities	408	-
Wages and benefits	27,835	37,855
	34,257	46,557
EXCESS OF REVENUE OVER EXPENDITURES	$ 686	$ -

CHOKECHERRY STUDIOS INCORPORATED

SCHEDULE OF GOVERNMENT GRANT FUNDING

FOR THE YEAR ENDED MARCH 31, 2025

Minister of Indigenous Services - Youth Hope Fund

	2025	2024
REVENUE:		
Government grants	$ 166,223	$ 151,140
Deferred grant income - prior year	10,150	7,949
Deferred grant income - current year	-	(10,150)
less: prior year government grant funding returned	(7,720)	-
	168,653	148,939
EXPENDITURES:		
Consulting fees	29,837	-
Contracted services	2,600	11,900
Honorariums	200	7,300
Professional fees	11,026	9,019
Meals and groceries	7,641	4,259
Office	13,123	10,439
Rent	13,834	11,786
Supplies, programming and project expenses	9,453	9,330
Travel	6,809	4,619
Utilities	3,780	-
Wages and benefits	73,288	72,338
	171,591	140,990
(DEFICIENCY) EXCESS OF REVENUE OVER EXPENDITURES	$ (2,938)	$ 7,949