



CANTUS

FINANCIAL STATEMENTS

FOR THE YEAR ENDED JULY 31, 2022



CANTUS

FINANCIAL STATEMENTS

For the Year Ended July 31, 2022
(With Comparative Totals for 2021)

TABLE OF CONTENTS

	Page
Independent Auditor's Report	1
Financial Statements:	
Statement of Financial Position	3
Statement of Activities	4
Statement of Functional Expenses	5
Statement of Cash Flows	6
Notes to Financial Statements	7

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Cantus
Minneapolis, Minnesota

Opinion

We have audited the accompanying financial statements of Cantus (a nonprofit organization), which comprise the statement of financial position as of July 31, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Cantus, as of July 31, 2022, and the changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 required to be independent of Cantus and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Cantus' ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

(Continued)

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 absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. 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. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- 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 Cantus' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Cantus' ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Report on Summarized Comparative Information

We have previously audited Cantus' 2021 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 25, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended July 31, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Mahoney Ulbrich
Christiansen & Russ, PA

November 30, 2022

CANTUS

STATEMENT OF FINANCIAL POSITION

July 31, 2022
(With Comparative Totals for 2021)

	2022	2021
	ASSETS	
Current assets:		
Cash	\$ 992,571	\$ 766,242
Accounts receivable	8,089	750
Grants receivable	33,949	32,708
Prepaid expenses	8,837	18,338
	<hr/>	<hr/>
Total current assets	1,043,446	818,038
	<hr/>	<hr/>
Leasehold improvements and equipment, net	3,517	3,289
Security deposits	1,753	1,753
	<hr/>	<hr/>
Total assets	<u>\$ 1,048,716</u>	<u>\$ 823,080</u>
	LIABILITIES AND NET ASSETS	
Current liabilities:		
Accounts payable	\$ 19,306	\$ 12,187
Accrued payroll and related	24,395	12,537
Deferred revenue	5,000	10,850
Refundable advances	-	58,715
Current portion of notes payable	3,713	6,312
	<hr/>	<hr/>
Total current liabilities	52,414	100,601
Long-term liabilities:		
Notes payable, net of current portion	146,287	257,861
	<hr/>	<hr/>
Total liabilities	198,701	358,462
	<hr/>	<hr/>
Net assets:		
Net assets without donor restrictions:		
Board designated	114,000	54,000
Undesignated	731,015	217,888
Total net assets without donor restrictions	845,015	271,888
Net assets with donor restrictions	5,000	192,730
	<hr/>	<hr/>
Total net assets	850,015	464,618
	<hr/>	<hr/>
Total liabilities and net assets	<u>\$ 1,048,716</u>	<u>\$ 823,080</u>

See accompanying notes to financial statements.

CANTUS

STATEMENT OF ACTIVITIES

For the Year Ended July 31, 2022
(With Comparative Totals for 2021)

	2022				
	Without donor restrictions				
	Undesignated	Board Designated	With restrictions	Total	2021
Support and revenues:					
Support:					
Individual contributions	\$ 295,720	\$ -	\$ -	\$ 295,720	\$ 290,935
Foundation/corporate contributions	64,500	60,000	18,000	142,500	91,200
In-kind contributions	42,000	-	-	42,000	11,500
Forgiveness of PPP loans	114,173	-	-	114,173	120,200
Government grants	142,689	-	169,495	312,184	288,967
Special events:					
Ticket sales	53,077	-	-	53,077	-
Contributions	145,328	-	-	145,328	33,817
Net assets released from restrictions	375,225	-	(375,225)	-	-
Total support	<u>1,232,712</u>	<u>60,000</u>	<u>(187,730)</u>	<u>1,104,982</u>	<u>836,619</u>
Revenues:					
Ticket sales	372,737	-	-	372,737	156,365
Touring fees	150,660	-	-	150,660	23,250
Merchandise sales	20,558	-	-	20,558	13,520
Royalty	-	-	-	-	2,831
Miscellaneous	174	-	-	174	2,980
Interest income	188	-	-	188	151
Total revenues	<u>544,317</u>	<u>-</u>	<u>-</u>	<u>544,317</u>	<u>199,097</u>
Total support and revenues	<u>1,777,029</u>	<u>60,000</u>	<u>(187,730)</u>	<u>1,649,299</u>	<u>1,035,716</u>
Expenses:					
Program services	1,043,158	-	-	1,043,158	595,817
Management and general	134,880	-	-	134,880	112,403
Fundraising	85,864	-	-	85,864	66,364
Total expenses	<u>1,263,902</u>	<u>-</u>	<u>-</u>	<u>1,263,902</u>	<u>774,584</u>
Change in net assets	513,127	60,000	(187,730)	385,397	261,132
Net assets, beginning of year	<u>217,888</u>	<u>54,000</u>	<u>192,730</u>	<u>464,618</u>	<u>203,486</u>
Net assets, end of year	<u>\$ 731,015</u>	<u>\$ 114,000</u>	<u>\$ 5,000</u>	<u>\$ 850,015</u>	<u>\$ 464,618</u>

See accompanying notes to financial statements.

CANTUS

STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended July 31, 2022
(With Comparative Totals for 2021)

	2022				2021
	Program	Management and General	Fund- raising	Total	
Salaries	\$ 450,219	\$ 69,724	\$ 56,728	\$ 576,671	\$ 470,303
Employee benefits	32,450	5,025	4,089	41,564	19,655
Payroll taxes	34,813	5,391	4,387	44,591	37,539
	517,482	80,140	65,204	662,826	527,497
Rental - rehearsal and event	103,363	-	-	103,363	27,119
Independent contractors	96,188	-	-	96,188	36,360
Touring management services	20,100	-	-	20,100	-
Cost of merchandise sales	205	-	-	205	928
Professional services	-	29,366	-	29,366	8,597
Travel and meals	125,889	-	-	125,889	20,936
Marketing	42,664	6,607	5,376	54,647	32,953
General artistic	15,991	-	-	15,991	8,713
Printing, postage, and delivery	31,289	4,846	3,942	40,077	7,099
Rent and storage - office	19,384	3,002	2,442	24,828	25,168
Supplies and equipment	10,484	1,624	1,321	13,429	4,850
Finance and service charges	40,849	6,326	5,147	52,322	36,535
Insurance	12,703	1,967	1,600	16,270	20,606
Information technology	4,654	716	597	5,967	8,469
Depreciation	835	129	107	1,071	460
Miscellaneous	1,078	157	128	1,363	8,294
Total expenses	<u>\$ 1,043,158</u>	<u>\$ 134,880</u>	<u>\$ 85,864</u>	<u>\$ 1,263,902</u>	<u>\$ 774,584</u>

See accompanying notes to financial statements.

CANTUS

STATEMENT OF CASH FLOWS

For the Year Ended July 31, 2022
(With Comparative Totals for 2021)

	2022	2021
Cash flows from operating activities:		
Change in net assets	\$ 385,397	\$ 261,132
Adjustments to reconcile the change in net assets to net cash from operating activities:		
Depreciation	1,071	460
Forgiveness of PPP loans	(114,173)	(120,200)
Changes in operating assets and liabilities:		
Accounts receivable	(7,339)	(601)
Grants receivable	(1,241)	76,982
Prepaid expenses	9,501	3,898
Security deposits	-	-
Accounts payable	7,119	5,005
Accrued payroll and related	11,858	(3,276)
Deferred revenue	(5,850)	(6,510)
Refundable advances	(58,715)	-
Net cash flows from operating activities	227,628	216,890
Cash flows from investing activities:		
Purchase of equipment	(1,299)	(3,094)
Net cash flows from investing activities	(1,299)	(3,094)
Cash flows from financing activities:		
Proceeds from issuance of notes payable	-	114,173
Payments on notes payable	-	(12,232)
Net cash flows from financing activities	-	101,941
Net increase in cash	226,329	315,737
Cash, beginning of year	766,242	450,505
Cash, end of year	\$ 992,571	\$ 766,242
Supplemental disclosures of cash flow information:		
Cash paid during the year for interest	\$ 4,235	\$ 4,125

See accompanying notes to financial statements.

CANTUS

NOTES TO FINANCIAL STATEMENTS

For the Year Ended July 31, 2022
(With Comparative Totals for 2021)

1. ORGANIZATION

Cantus, a full-time professional vocal ensemble, is a not-for-profit corporation organized under the laws of the state of Minnesota. Working without a conductor, the members of Cantus rehearse and perform as chamber musicians, each contributing to the entirety of the artistic process. As the COVID-19 pandemic began to recede, Cantus embraced a hybrid model that offered both in-person and online concerts. The ensemble performed six new subscription programs in the Greater Twin Cities, as well as a collaborative concert with Chanticleer and a long-awaited anniversary gala concert that brought together past and present Cantus members. Online concerts were available to stream on a pay-what-you-can basis, expanding access to listeners in all 50 states and more than a dozen foreign countries. Cantus also resumed its national touring, including performances at Wolf Trap (Vienna, Virginia); Meyerson Symphony Center (Dallas, Texas); and Tanglewood (Lenox, Massachusetts). The ensemble released an album on the Signum Classics label and another on its own label, and was heard regularly on YourClassical Minnesota Public Radio. Committed to the expansion of vocal music repertoire, Cantus is an active commissioner of new music and in the 2021-22 season gave the world premiere of Melissa Dunphy's N-400 Erasure Songs. The ensemble also offers a popular competition for young composers to nurture emerging talent. Integral to the Cantus mission is its commitment to preserve and deepen music education in schools. The ensemble resumed its award-winning High School Residency program in the Greater Twin Cities, participated in YourClassical MPR's "Class Notes" program in schools across Minnesota, and worked with high school and college students nationwide in conjunction with touring engagements.

Cantus' primary sources of support and revenue are contributions, grants, ticket sales and touring fees.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting and Presentation – The financial statements of Cantus have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities. Cantus is required to report information regarding its financial position and activities according to the following net asset categories:

- *Net Assets With Donor Restrictions* – Net assets subject to donor- (or certain grantor-) imposed restrictions that will be met by the passage of time or other actions specified by the donor. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

(Continued)

CANTUS

NOTES TO FINANCIAL STATEMENTS

For the Year Ended July 31, 2022
(With Comparative Totals for 2021)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- *Net Assets Without Donor Restrictions* – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

Use of Estimates – The preparation of financial statements in conformity with generally accepted accounting principles 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. Actual results could differ from those estimates.

Cash and Cash Equivalents – For purposes of the statement of cash flows, Cantus considers all highly liquid investments purchased with a maturity date of three months or less to be cash equivalents.

Accounts and Grants Receivable – Accounts and grants receivable are stated at net realizable value. The accounts and grants receivable balance represents amounts considered collectible at year end; therefore, no allowance for bad debts has been recorded. It is management's policy to charge off uncollectible receivables when management determines the receivable will not be collected. Management has determined that no allowance is necessary at July 31, 2022 and 2021.

Leasehold Improvements and Equipment – Leasehold improvements and equipment are carried at cost, with the exception of donated equipment which is recorded at fair market value at date of gift. Depreciation is computed using the straight-line method over the shorter of the estimated useful life of each asset or the lease term. Maintenance and repairs are expensed as incurred. Major renewals or betterments that extend the lives of leasehold improvements and equipment are capitalized.

Contributions – Contributions are recognized when the donor makes a commitment to give to Cantus that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets with donor restrictions and transferred to net assets without donor restrictions when a specific time restriction ends, or a purpose is accomplished. Contributions restricted for leasehold improvements and equipment are released when the leasehold improvement and equipment are placed into service.

Contributed Materials and Services – Contributed materials are recorded as contributions when received at their fair value. Cantus did not receive any contributed materials in 2022 or 2021.

(Continued)

CANTUS

NOTES TO FINANCIAL STATEMENTS

For the Year Ended July 31, 2022
(With Comparative Totals for 2021)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Contributed services are recorded as contributions, at their fair value, when the service creates or enhances a non-financial asset or the service requires specialized skills that would need to be purchased if not provided by donation. In 2022 and 2021, Cantus received \$ - and \$1,000 in donated professional services.

Cantus receives donated rehearsal and parking space at Westminster Presbyterian Church. See Note 8.

Government Grants – Government grants are accounted for as contributions. Government grants are considered conditional based on certain performance requirements and/or the incurrence of allowable qualifying expenses. Revenue is recognized when the performance requirements are met or when the eligible expenditures, as defined in each grant, are incurred. Funds received before conditions are met are recorded as refundable advances.

Ticket Sales and Touring Fees – Ticket sales and touring fees revenue is recognized at a point in time upon completion of the event. Advance ticket sales and touring fees for future performances are recorded as deferred revenue.

Sales Tax – Cantus collects sales tax from customers and remits it to the respective taxing authority. Cantus' policy is to exclude the tax collected and remitted from sales and cost of sales.

Marketing Expenses – Marketing costs are expensed as incurred. Marketing expenses were \$54,647 in 2022 and \$32,953 in 2021.

Functional Expenses – Cantus allocates its expenses among its program and support services. Expenses that can be identified with a program or support service are recorded directly according to their natural expenditure classification. Indirect expenses that are common to several functions are allocated based on employee time efforts. Indirect expenses include payroll and related, rent and storage – office, insurance, information technology, supplies and equipment, depreciation, and miscellaneous.

The increase in the percent of Cantus spending on its program functions in 2022 compared to the prior year reflects the impact of the Coronavirus (Covid-19) pandemic on the organization during the year ended July 31, 2021. The ensemble was able to perform live compared to the prior year where live performances were cancelled. As a result, it spent significantly more than prior year on direct program expenses, most notably on: rehearsal and event space, independent contractors (musicians), touring management services, and travel and meals.

(Continued)

CANTUS

NOTES TO FINANCIAL STATEMENTS

For the Year Ended July 31, 2022
(With Comparative Totals for 2021)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes – Cantus is exempt from income taxes under Internal Revenue Code Section 501(c)(3) and applicable Minnesota Statutes, except to the extent it has taxable income from activities that are not related to its exempt purpose. Management believes Cantus did not have any unrelated business income in 2022 or 2021. Cantus believes that it has appropriate support for any tax positions taken, and accordingly, does not have any uncertain tax positions that are material to the financial statements.

Comparative Totals – The financial statements include certain prior-year summarized comparative information in total but not by net asset class and functional expenses. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with Cantus' financial statements for the year ended July 31, 2021, from which the summarized information was derived.

3. LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure within one year of July 31, comprise of the following:

	2022	2021
Cash	\$ 992,571	\$ 766,242
Accounts receivable	8,089	750
Grants receivable	33,949	32,708
Total financial assets available within one year	1,034,609	799,700
Less cash unavailable for the following year	-	(5,000)
	<u>\$ 1,034,609</u>	<u>\$ 794,700</u>

As part of liquidity management, Cantus budgets carefully and anticipates having sufficient funds to cover general expenditures. Cantus considers all expenditures related to its ongoing activities, as well as activities undertaken to support those activities, to be general expenditures. Monthly financial statements containing budget versus actual results are produced which are monitored by the finance committee.

(Continued)

CANTUS

NOTES TO FINANCIAL STATEMENTS

For the Year Ended July 31, 2022
(With Comparative Totals for 2021)

4. GRANTS RECEIVABLE

Grants receivable are expected to be collected in the year ending July 31, 2023.

5. LEASEHOLD IMPROVEMENTS AND EQUIPMENT

Leasehold improvements and equipment consist of the following:

	2022	2021	Estimated useful life - years
Equipment	\$ 25,035	\$ 23,736	5
Leasehold improvements	2,050	2,050	4.5
Accumulated depreciation	(23,568)	(22,497)	
	<u>\$ 3,517</u>	<u>\$ 3,289</u>	

6. NOTES PAYABLE

Notes payable consist of the following:

	2022	2021
Paycheck Protection Program	\$ -	\$ 114,173
Economic Injury Disaster	150,000	150,000
	<u>150,000</u>	<u>264,173</u>
Less current portion	<u>(3,713)</u>	<u>(6,312)</u>
	<u>\$ 146,287</u>	<u>\$ 257,861</u>

Paycheck Protection Program Loan - In April 2020, Cantus received an unsecured loan in the amount of \$120,200 through the Paycheck Protection Program (PPP) a program developed by the Federal government in response to the COVID-19 pandemic. The loan allowed for forgiveness if the proceeds were used according to the PPP requirements or payment terms including interest at 1% if they were not so used. \$110,200 of the loan was forgiven in December 2020, and the remaining \$10,000 of the loan was forgiven in February 2021.

(Continued)

CANTUS

NOTES TO FINANCIAL STATEMENTS

For the Year Ended July 31, 2022
(With Comparative Totals for 2021)

6. NOTES PAYABLE (Continued)

In January 2021, Cantus received an unsecured loan in the amount of \$114,173 through the Paycheck Protection Program. The loan allowed for forgiveness if the proceeds were used according to the PPP requirements or payment terms including interest at 1% if they were not so used. \$114,173 of the loan was forgiven in September 2021.

Economic Injury Disaster Loan - \$150,000 loan from the U.S. Small Business Administration bearing interest at 2.75%. The note requires monthly payments of \$641 commencing January 2023 and all unpaid principal and interest is due June 2050.

Maturities of the notes payable principal payments for the years ending July 31 are as follows:

2023	\$	2,095
2024		3,671
2025		3,773
2026		3,878
2027		3,986
Thereafter		<u>132,597</u>
Total maturities	\$	<u>150,000</u>

7. NET ASSETS

Net assets with donor restrictions at July 31 are for the following:

	<u>2022</u>	<u>2021</u>
Subject to the passage of time:		
General operations – time restriction	\$ 5,000	\$ 10,000
Subject to expenditure for specified purpose:		
National tour	-	30,000
Artists' personnel cost	<u>-</u>	<u>152,730</u>
	<u>\$ 5,000</u>	<u>\$ 192,730</u>

The board has designated \$114,000 of a foundation's grant for general operation funds for use in the year ending July 31, 2023.

(Continued)

CANTUS

NOTES TO FINANCIAL STATEMENTS

For the Year Ended July 31, 2022
(With Comparative Totals for 2021)

8. LEASE AGREEMENT

Cantus leases office space under an operating lease. The lease requires monthly payments of rent (\$1,073 in 2022 increasing approximately 5% every other year). The lease also requires payment of common area maintenance, and reimbursement of construction costs (\$1,068 in 2022 representing Cantus' 2.9% pro rata share). The original lease expired June 30, 2021, and an amendment was signed to extend the lease through June 30, 2026.

Rent expense for the office space was \$24,828 and \$25,168 for the years ended July 31, 2022 and 2021.

Future minimum lease and estimated operating payments for the years ending July 31 will be as follows:

2023	\$	26,002
2024		26,054
2025		26,630
2026		26,630
		<hr/>
	\$	<u>105,316</u>

Cantus also receives donated rehearsal space and parking. The value is provided by the donor based on their rental rates. Contributions and expenses related to the donated space in 2022 and 2021 were valued at \$42,000 and \$10,500, respectively.

9. CONCENTRATIONS

Cantus uses a single booking agent for concerts outside of Minnesota. Revenues received through the booking agent were \$150,660 in 2022 and \$23,250 in 2021.

Cantus maintains its cash in one bank. The balance is insured by the Federal Deposit Insurance Corporation up to \$250,000. At July 31, 2022 and 2021, Cantus' uninsured cash balances were \$750,852 and \$527,482, respectively. Management believes Cantus is not exposed to any significant credit risk on its accounts.

Management intends to open an Insured Cash Sweep account which will fully insure all of its cash in the year ending July 31, 2023.

(Continued)

CANTUS

NOTES TO FINANCIAL STATEMENTS

For the Year Ended July 31, 2022
(With Comparative Totals for 2021)

10. EMPLOYEE BENEFIT PLAN

Cantus sponsors an employee benefit plan established under section 403(b) of the Internal Revenue Code. All full-time employees of Cantus are eligible to participate in the plan and contributions are up to 4% of an employee's gross salary. Cantus made contributions to the plan of \$10,692 in 2022. There were no contributions made by Cantus to the plan in 2021.

11. CORONAVIRUS (COVID-19) PANDEMIC

The COVID-19 pandemic, which emerged in the United States as a public health emergency in 2020, continued to impact Cantus' activities through 2021 and 2022. In 2022, Cantus continued its popular online concerts even as it resumed in-person performances, a hybrid model that expanded access for audiences and acknowledged the complicated dynamics of the pandemic's trajectory. In 2022, Cantus ticket revenue from self-produced concerts in the Twin Cities returned to pre-pandemic levels, buoyed in large part by the success of online concerts. Touring revenue is in the early stages of its rebound.

Cantus obtained a forgivable loan of \$114,000 in 2021 through the Paycheck Protection Program created by the CARES Act. The conditions for forgiveness included incurring eligible expenses and payroll costs within a 24-week covered period while maintaining a certain number of full-time employees. This loan was forgiven in 2021. Cantus received a second PPP loan of \$120,200 which was forgiven in 2022. Cantus also received Shuttered Venue Operators Grants of \$144,000 and \$174,000 in 2022 and 2021 through the Small Business Administration. In addition, Cantus will be filing for Employee Retention Tax Credits in the year ending July 31, 2023.

12. SUBSEQUENT EVENTS

Management has evaluated subsequent events through November 30, 2022, the date on which the financial statements were available for issue.