

Canadian Arts Presenting Association

Financial Statements

March 31, 2024

September 24, 2024

Independent Auditor's Report

To the Board of Directors of Canadian Arts Presenting Association

Opinion

We have audited the accompanying financial statements of Canadian Arts Presenting Association, which comprise the statement of financial position as at March 31, 2024, and the statements of operations, changes in net assets 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 Canadian Arts Presenting Association as at March 31, 2024, 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 Canadian Arts Presenting 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.

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 Canadian Arts Presenting 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 Canadian Arts Presenting Association or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Canadian Arts Presenting 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:



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- 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 Canadian Arts Presenting 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 Canadian Arts Presenting 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 Canadian Arts Presenting 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.

ArsenaultBestCameronEllis

Chartered Professional Accountants

Canadian Arts Presenting Association

Statement of Financial Position

As at March 31, 2024

	2024	2023
	\$	\$
Assets (note 3)		
Current assets		
Cash	93,023	83,424
Short-term investments	200,000	200,000
Accounts receivable (note 4)	364,117	460,278
HST receivable	24,850	39,653
	<u>681,990</u>	<u>783,355</u>
Capital assets (note 5)	1,451	2,045
	<u>683,441</u>	<u>785,400</u>
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	162,002	97,237
Employee deductions payable	13,461	11,768
Current portion of long-term debt (note 7)	-	40,000
Deferred revenue (note 6)	213,660	326,955
	<u>389,123</u>	<u>475,960</u>
Net Assets		
Invested in capital assets	1,451	2,045
Unrestricted net assets	142,867	157,395
Internally restricted net assets (note 9)	150,000	150,000
	<u>294,318</u>	<u>309,440</u>
	<u>683,441</u>	<u>785,400</u>

Approved by the Board of Directors

_____ Director

_____ Director

Canadian Arts Presenting Association

Statement of Changes in Net Assets

For the year ended March 31, 2024

	Invested in capital assets \$	Unrestricted \$	Internally Restricted \$	2024 \$	2023 \$
Balance - Beginning of year	2,045	157,395	150,000	309,440	347,060
Excess expenses for the year	(594)	(14,528)	-	(15,122)	(37,620)
Balance - End of year	1,451	142,867	150,000	294,318	309,440

Canadian Arts Presenting Association

Statement of Operations

For the year ended March 31, 2024

	2024	2023
	\$	\$
Revenue		
Canadian Heritage	200,000	255,000
Government assistance (note 8)	17,827	17,329
Membership revenue	72,954	74,590
Ontario Arts Council	24,876	24,876
Other income	7,440	172
Project revenue (Schedule 1)	1,457,464	1,154,359
	<u>1,780,561</u>	<u>1,526,326</u>
Expenses		
Advertising	2,643	4,339
Advocacy	3,175	-
Bad debt	13,285	-
Board strategic planning	277	34,472
Insurance	3,237	5,212
Interest and bank charges	2,811	1,938
Office supplies	1,272	3,710
Professional fees	19,368	17,156
Professional development	-	499
Staff travel	11,624	8,595
Subscriptions and memberships	3,749	3,758
Telephone	3,779	3,109
Translation	-	1,615
Wages and wage levies	226,955	227,474
Website	1,141	1,063
Amortization	594	520
Project expenses (Schedule 1)	1,501,773	1,250,486
	<u>1,795,683</u>	<u>1,563,946</u>
Excess expenses for the year	<u>(15,122)</u>	<u>(37,620)</u>

Canadian Arts Presenting Association

Statement of Cash Flows

For the year ended March 31, 2024

	2024	2023
	\$	\$
Cash provided by (used in)		
Operating activities		
Excess expenses for the year	(15,122)	(37,620)
Item not affecting cash		
Amortization	594	520
	<u>(14,528)</u>	<u>(37,100)</u>
Net change in non-cash working capital items		
Decrease (increase) in accounts receivable	96,161	(242,933)
Decrease (increase) in HST receivable	14,803	(1,850)
Increase in accounts payable and accrued liabilities	64,765	60,696
Increase in employee deductions payable	1,693	1,533
Increase (decrease) in deferred revenue	(113,295)	209,385
	<u>49,599</u>	<u>(10,269)</u>
Financing activity		
Payments on long-term debt	<u>(40,000)</u>	-
Investing activities		
Purchase of capital assets	-	(1,499)
Purchase of short-term investments	-	(200,000)
	<u>-</u>	<u>(201,499)</u>
Increase (decrease) in cash	9,599	(211,768)
Cash - Beginning of year	<u>83,424</u>	<u>295,192</u>
Cash - End of year	<u>93,023</u>	<u>83,424</u>

Canadian Arts Presenting Association

Notes to Financial Statements
March 31, 2024

1 Nature of operations

Canadian Arts Presenting Association (the Association) is incorporated under the Canada Not-for-profit Corporations Act for the purpose of heightening the profile and awareness of the field of presenting performing arts in Canada in addition to providing support to its' members. The Association is a registered Canadian charity and is not subject to income taxes.

2 Summary of significant accounting policies

Basis of accounting

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

Cash

Cash includes cash on hand and balances with banks. Bank borrowings are considered to be financing activities.

Short-term investments

Short-term investments consist of a guaranteed investment certificate with a maturity date within the next 12 months.

Capital assets

Capital assets are accounted for at cost less accumulated amortization. Amortization is calculated using the declining balance method over their estimated useful lives at the following annual rates:

	Rate %
Equipment	20
Computer equipment	30

In the year of acquisition, amortization is recorded at one-half of the normal annual rate; no amortization is recorded in the year of disposal.

Capital assets are tested for recoverability whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. An impairment loss is recognized when the carrying amount of the asset is in excess of the sum of the undiscounted cash flows resulting from its use and eventual disposition. The impairment loss is measured as the amount by which the carrying amount of the long-lived asset exceeds its fair value.

Canadian Arts Presenting Association

Notes to Financial Statements

March 31, 2024

Deferred revenue

Deferred revenue represents unspent proceeds received from various government contracts. The funds are recognized as revenue in the period in which the related expenditures are incurred.

Government assistance

Government assistance related to operating expenses is recorded as revenue as the related expenses are incurred.

Wage subsidy

The Association applied for and received funding from the Federal government under the Canada Emergency Wage Subsidy Program (“CEWS”). Under the CEWS program, the Association is entitled to receive a wage subsidy based on revenue declines, up to a set amount per employee. During the year ended March 31, 2024, the Association recognized payroll subsidies under the CEWS program totaling nil (2023 - \$12,803). These subsidies were recognized as government assistance.

Revenue recognition

The Association follows the deferral method of accounting for contributions. Restricted contributions related to general operations are recognized as revenue of the General Fund in the year in which the related expenses are incurred. All other restricted contributions are recognized as revenue of the appropriate restricted fund. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Conference revenue is recognized in the period in which the conferences are held and expenses are incurred.

Other program revenues and grants are recognized when the amounts to be received can be reasonably estimated and collection is reasonably assured.

Fund accounting

The Association follows the deferral method of accounting for contributions. The Unrestricted Fund accounts for the Association’s operations and administrative activities. This fund reports unrestricted resources.

The Internally Restricted fund accounts for assets restricted by the Board of Directors for future use.

Contributions in kind

Contributions in kind, of goods and services, are recognized only when a fair value can be reasonably estimated and when the goods and services are used in the normal course of the Association’s operations.

Canadian Arts Presenting Association

Notes to Financial Statements

March 31, 2024

Use of estimates

The preparation of these financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the current period. Significant items subject to such estimates and assumptions include the valuation of accounts receivable and the estimated useful life of capital assets. Actual results could differ from those estimates.

Financial instruments

(a) Measurement of financial instruments

Canadian Arts Presenting Association's financial instruments consist of cash, short-term investments, accounts receivable, accounts payable and accrued liabilities, and employee deductions payable.

The Association initially measures its financial assets and financial liabilities at fair value adjusted by, in the case of a financial instrument that will not be measured subsequently at fair value, the amount of transaction costs directly attributable to the instrument. This fair value amount is then deemed to be the amortized cost of the financial instrument.

The Association subsequently measures all its financial assets and financial liabilities at amortized cost.

(b) Impairment

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

(c) Risks

Transacting in financial instruments exposes the Association to certain financial risks and uncertainties. These risks include:

- i) **Interest rate risk:** The Association is exposed to interest rate risk due to the variable rate interest on their bank advances. Changes in the bank lending rates can cause fluctuations in cash flows and interest expense. The Association does not use any derivatives to manage this risk.

Canadian Arts Presenting Association

Notes to Financial Statements

March 31, 2024

- ii) Credit risk: The Association is exposed to credit risk in connection with the collection of its accounts receivable. The Association mitigates this risk by performing continuous evaluation of its accounts receivable.
- iii) Liquidity risk: The Association's exposure to liquidity risk is dependent on the collection of accounts receivable or raising of funds to meet commitments and sustain operations. The Association controls liquidity risk by management of working capital, cash flows and availability of borrowing facilities.

3 Bank indebtedness

The Association has an operating line of credit that allows for advances up to \$25,000. Interest is charged at prime plus 2.85%. Prime as at March 31, 2024 is 7.20% (2023 - 6.70%). The assets of the Association have been pledged as security for the advance. The unused balance as at March 31, 2024 is \$25,000 (2023 - \$25,000).

4 Accounts receivable

	2024	2023
	\$	\$
Government	199,730	334,420
Membership and other	164,387	125,858
	<u>364,117</u>	<u>460,278</u>

5 Capital assets

	<u>2024</u>		<u>2023</u>	
	Cost	Accumulated amortization	Net	Net
	\$	\$	\$	\$
Computer equipment	13,227	11,936	1,291	1,845
Equipment	1,142	982	160	200
	<u>14,369</u>	<u>12,918</u>	<u>1,451</u>	<u>2,045</u>

Canadian Arts Presenting Association

Notes to Financial Statements

March 31, 2024

6 Deferred revenue

Deferred revenue includes amounts for specific projects and purpose for expenditures that will be incurred in future periods.

	2024	2023
	\$	\$
Balance - beginning of year	326,955	117,570
Government contributions received during the year	385,000	98,300
Other contributions received during the year	311,368	295,930
Amount recognized during the year	(809,663)	(184,845)
	<u>213,660</u>	<u>326,955</u>

Consists of:

	2024	2023
	\$	\$
Canada Council for the Arts	136,750	294,400
Department of Canadian Heritage	-	31,025
The Canadian Red Cross Society	76,910	-
Association Des Theatres Francophone Du Canada	-	1,530
	<u>213,660</u>	<u>326,955</u>

7 Long-term debt

	2024	2023
	\$	\$
0% loan, repaid during the year	-	40,000
Less: Current portion of long-term debt	-	40,000
	<u>-</u>	<u>-</u>

Canadian Arts Presenting Association

Notes to Financial Statements

March 31, 2024

8 Government assistance

	2024	2023
	\$	\$
Government assistance		
- Canadian Emergency Wage Subsidy	-	12,803
Government assistance		
- Canada Summer Jobs	17,828	4,526
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	17,828	17,329
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9 Internally restricted fund

The internally restricted reserve has a total balance of \$150,000. The Association may not use these internally restricted assets without approval of the board of directors.

10 In-kind transactions and services

During the year, the Association incurred costs of \$87,197 (2023 - \$71,550) for various expenditures. These expenditures were paid by various third parties on behalf of the Association, and therefore, have been included as in-kind service revenue (Schedule 1).

The type of in-kind costs can be broken down as follows:

	2024	2023
	\$	\$
Professional services	64,520	71,550
Accommodation	14,400	-
Travel	8,277	-
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	87,197	71,550
	<hr/>	<hr/>

11 Economic dependence

Canadian Arts Presenting Association receives funding from government. Because the organization's main source of income is derived from government funding, its ability to continue viable operations is dependent upon maintaining these funding sources from government.

12 Comparative figures

Certain comparative figures presented for the 2023 fiscal year have been restated to conform with the financial statement presentation adopted in the current year.

Canadian Arts Presenting Association

Schedule of Project Revenue and Expenses

For the year ended March 31, 2024

Schedule 1

	Artsdata Initiative \$	Presenters Capacity Building Program \$	Cultural Mission \$	Conference \$	Other \$	Total \$
Revenue						
Federal government contributions	547,000	-	172,675	64,375	49,400	833,450
Other contributions	194,458	113,085	-	40,086	-	347,629
Fees and others	100	-	36,063	67,816	13,654	117,633
In-kind (note 10)	64,520	-	8,277	14,400	-	87,197
Professional development	-	-	-	-	71,555	71,555
	806,078	113,085	217,015	186,677	134,609	1,457,464
Expenses						
Advertising and marketing	7,408	-	-	382	-	7,790
Equipment/software	3,793	-	-	-	-	3,793
Feasting relationships	-	-	-	-	41,157	41,157
In-kind (note 10)	64,520	-	8,277	14,400	-	87,197
Interest and bank charges	-	-	-	4,014	-	4,014
Meetings and events	3,483	-	-	64,400	-	67,883
Miscellaneous	-	-	-	1,174	-	1,174
Office	194	-	-	621	-	815
Professional development	-	105,773	-	-	57,152	162,925
Professional fees	527,411	-	65,000	-	-	592,411
Salaries/fees/benefits	175,008	-	-	24,880	-	199,888
Technical fees	-	-	-	12,120	2,500	14,620
Trade mission	-	-	187,882	-	-	187,882
Translation	10,918	-	-	301	-	11,219
Travel	11,650	-	-	95,247	12,108	119,005
	804,385	105,773	261,159	217,539	112,917	1,501,773
	1,693	7,312	(44,144)	(30,862)	21,692	(44,309)

Canadian Arts Presenting Association

Schedule of Project Revenue and Expenses

For the year ended March 31, 2023

Schedule 1

	Artsdata Initiative \$	Presenters Capacity Building Program \$	Cultural Mission \$	Conference \$	Other \$	Total \$
Revenue						
Federal government contributions	636,000	-	159,895	-	-	795,895
Federal government - Wage subsidy	4,840	-	-	-	-	4,840
Other contributions	-	69,433	-	-	-	69,433
Fees and others	29,225	-	13,250	-	11,391	53,866
In-kind (note 10)	71,550	-	-	-	-	71,550
Professional development	-	-	-	-	158,775	158,775
	<u>741,615</u>	<u>69,433</u>	<u>173,145</u>	<u>-</u>	<u>170,166</u>	<u>1,154,359</u>
Expenses						
Advertising and marketing	5,085	-	-	-	-	5,085
Equipment/software	1,806	-	-	-	-	1,806
In-kind (note 10)	71,550	-	-	-	-	71,550
Meetings and events	2,049	-	-	-	1,736	3,785
Miscellaneous	-	-	-	299	854	1,153
Office	207	-	-	-	30	237
Professional development	-	69,300	-	-	123,087	192,387
Professional fees	598,806	-	55,020	-	-	653,826
Salaries/fees/benefits	66,167	-	-	-	-	66,167
Technical fees	-	-	-	-	3,250	3,250
Trade mission	-	-	214,595	-	-	214,595
Translation	5,895	-	7,602	-	-	13,497
Travel	7,044	-	-	-	16,104	23,148
	<u>758,609</u>	<u>69,300</u>	<u>277,217</u>	<u>299</u>	<u>145,061</u>	<u>1,250,486</u>
	<u>(16,994)</u>	<u>133</u>	<u>(104,072)</u>	<u>(299)</u>	<u>25,105</u>	<u>(96,127)</u>