

Canadian Arts Presenting Association

Financial Statements

March 31, 2025



September 19, 2025

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, 2025, 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, 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 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, 2025

	2025 \$	2024 \$
Assets (note 3)		
Current assets		
Cash	589,147	93,023
Short-term investments	100,000	200,000
Accounts receivable (note 4)	162,999	364,117
HST receivable	34,876	24,850
Prepaid expenses	25,422	-
	912,444	681,990
Capital assets (note 5)	1,032	1,451
	913,476	683,441
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	223,721	162,002
Employee deductions payable	10,875	13,461
Deferred revenue (note 6)	372,050	213,660
	606,646	389,123
Net Assets		
Invested in capital assets	1,032	1,451
Unrestricted net assets	155,798	142,867
Internally restricted net assets (note 8)	150,000	150,000
	306,830	294,318
	913,476	683,441

Approved by the Board of Directors

 Director

 Director

Canadian Arts Presenting Association

Statement of Changes in Net Assets

For the year ended March 31, 2025

	Invested in capital assets \$	Unrestricted \$	Internally Restricted \$	2025 \$	2024 \$
Balance - Beginning of year	1,451	142,867	150,000	294,318	309,440
Excess revenue (expenses) for the year	(419)	12,931	-	12,512	(15,122)
Balance - End of year	1,032	155,798	150,000	306,830	294,318

Canadian Arts Presenting Association

Statement of Operations

For the year ended March 31, 2025

	2025 \$	2024 \$
Revenue		
Canadian Heritage	225,935	200,000
Government assistance (note 7)	23,828	17,827
Membership revenue	74,820	72,954
Ontario Arts Council	24,876	24,876
Other income	4,624	7,440
Project revenue (Schedule 1)	1,326,157	1,457,464
	<u>1,680,240</u>	<u>1,780,561</u>
Expenses		
Advertising	2,274	2,643
Advocacy	21	3,175
Bad debt	1,750	13,285
Board strategic planning	119	277
Insurance	3,485	3,237
Interest and bank charges	2,888	2,811
Office supplies	2,224	1,272
Professional fees	41,100	19,368
Professional development	100	-
Staff travel	10,997	11,624
Subscriptions and memberships	4,599	3,749
Telephone	2,811	3,779
Wages and wage levies	266,348	226,955
Website	3,606	1,141
Amortization	419	594
Project expenses (Schedule 1)	1,324,987	1,501,773
	<u>1,667,728</u>	<u>1,795,683</u>
Excess revenue (expenses) for the year	<u>12,512</u>	<u>(15,122)</u>

Canadian Arts Presenting Association

Statement of Cash Flows

For the year ended March 31, 2025

	2025 \$	2024 \$
Cash provided by (used in)		
Operating activities		
Excess revenue (expenses) for the year	12,512	(15,122)
Item not affecting cash		
Amortization	419	594
	12,931	(14,528)
Net change in non-cash working capital items		
Decrease in accounts receivable	201,118	96,161
Decrease (increase) in HST receivable	(10,026)	14,803
Increase in prepaid expenses	(25,422)	-
Increase in accounts payable and accrued liabilities	61,719	64,765
Increase (decrease) in employee deductions payable	(2,586)	1,693
Increase (decrease) in deferred revenue	158,390	(113,295)
	396,124	49,599
Financing activity		
Payments on long-term debt	-	(40,000)
Investing activity		
Redemption of short-term investments	100,000	-
Increase in cash	496,124	9,599
Cash - Beginning of year	93,023	83,424
Cash - End of year	589,147	93,023

Canadian Arts Presenting Association

Notes to Financial Statements

March 31, 2025

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 bank account balances. 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 %
Computer equipment	30
Equipment	20

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, 2025

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.

Revenue recognition

The Association follows the deferral method of accounting for contributions. Restricted contributions related to general operations are recognized as revenue of the Unrestricted 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.

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.

Canadian Arts Presenting Association

Notes to Financial Statements

March 31, 2025

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 revenue (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 revenue (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.
- 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.

Canadian Arts Presenting Association

Notes to Financial Statements

March 31, 2025

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, 2025 is 4.95% (2024 - 7.20%). The assets of the Association have been pledged as security for the advance. The unused balance as at March 31, 2025 is \$25,000 (2024 - \$25,000).

4 Accounts receivable

	2025 \$	2024 \$
Government	72,050	199,730
Membership and other	90,949	164,387
	<u>162,999</u>	<u>364,117</u>

5 Capital assets

	2025		2024	
	Cost \$	Accumulated amortization \$	Net \$	Net \$
Computer equipment	13,227	12,323	904	1,291
Equipment	1,142	1,014	128	160
	<u>14,369</u>	<u>13,337</u>	<u>1,032</u>	<u>1,451</u>

Canadian Arts Presenting Association

Notes to Financial Statements

March 31, 2025

6 Deferred revenue

Deferred revenue represents amounts received in advance of the delivery of goods or the performance of services.

	2025	2024
	\$	\$
Balance - beginning of year	213,660	326,955
Government contributions received during the year	581,833	440,000
Other contributions received during the year	31,050	256,368
Amount recognized during the year	(454,493)	(809,663)

Balance - end of year	372,050	213,660
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Consists of:

	2025	2024
	\$	\$
Canada Council for the Arts	341,000	136,750
The Chawkers Foundation	20,000	-
The Canadian Red Cross Society	-	76,910
2026 National Conference Fees	11,050	-
	372,050	213,660

7 Government assistance

	2025	2024
	\$	\$
Government assistance - wage subsidies	23,828	17,827

8 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.

Canadian Arts Presenting Association

Notes to Financial Statements

March 31, 2025

9 In-kind transactions and services

During the year, the Association incurred costs of \$81,600 (2024 - \$87,197) 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).

In-kind costs consists of:

	2025	2024
	\$	\$
Professional services	60,350	64,520
Accommodation	10,000	14,400
Stipend	11,250	-
Travel	-	8,277
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	81,600	87,197

10 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.

11 Comparative figures

Certain comparative figures presented for the 2024 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, 2025

Schedule 1

	Artsdata Initiative \$	Presenters Capacity Building Program \$	Cultural Mission \$	Conference \$	Loyalty Project \$	Other \$	Total \$
Revenue							
Federal government contributions	678,833	-	226,050	-	60,000	40,000	1,004,883
Other contributions	92,494	61,970	15,746	-	17,383	-	187,593
Fees and others	1,035	-	22,408	-	-	1,638	25,081
In-kind (note 9)	52,250	-	-	-	29,350	-	81,600
Professional development	-	-	-	-	-	27,000	27,000
	824,612	61,970	264,204	-	106,733	68,638	1,326,157
Expenses							
Advertising and marketing	29,548	-	-	437	4,000	-	33,985
Equipment/software	6,730	-	-	-	-	-	6,730
In-kind (note 9)	52,250	-	-	-	29,350	-	81,600
Meetings and events	2,361	-	-	-	52,063	1,527	55,951
Miscellaneous	-	-	-	320	-	-	320
Office	1,387	-	-	-	-	75	1,462
Professional development	-	52,711	-	-	-	53,969	106,680
Professional fees	494,527	-	30,000	-	10,100	-	534,627
Salaries/fees/benefits	227,905	-	-	-	7,300	-	235,205
Technical fees	-	-	-	-	-	2,500	2,500
Trade mission	-	-	230,095	-	-	-	230,095
Translation	3,107	-	-	-	6,330	-	9,437
Travel	8,573	-	-	-	964	16,858	26,395
	826,388	52,711	260,095	757	110,107	74,929	1,324,987
	(1,776)	9,259	4,109	(757)	(3,374)	(6,291)	1,170

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 9)	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 9)	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)