

Financial statements of

**Toronto Artscape Foundation**

December 31, 2012 and 2011

# Toronto Artscape Foundation

December 31, 2012 and 2011

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## **Independent Auditor's Report**

To the Directors of  
Toronto Artscape Foundation

We have audited the accompanying financial statements of Toronto Artscape Foundation, which comprise the statements of financial position as at December 31, 2012, December 31, 2011, and January 1, 2011, the statements of operations and changes in fund balances and of cash flows for the years ended December 31, 2012, and December 31, 2011, and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these 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.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Toronto Artscape Foundation as at December 31, 2012, December 31, 2011, and January 1, 2011, and its operations and its cash flows for the years ended December 31, 2012, and December 31, 2011, in accordance with Canadian accounting standards for not-for-profit organizations.

*Deloitte LLP*

Chartered Professional Accountants, Chartered Accountants  
Licensed Public Accountants  
May 29, 2013


# Toronto Artscape Foundation


## Statements of financial position

as at December 31, 2012, December 31, 2011, and January 1, 2011

	December 31, 2012	December 31, 2011	January 1, 2011 (Note 2)
		\$	\$
<b>Assets</b>			
Current assets			
Cash	468,662	132,892	122,660
GST/HST receivable	16,222	9,337	3,452
Donations receivable (Note 4)	767	264	1,200
	<b>485,651</b>	<b>142,493</b>	<b>127,312</b>
<b>Liabilities</b>			
Current liabilities			
Accounts payable and accrued liabilities (Note 6 and 8)	251,654	63,137	2,694
Due to related party (Note 5)	165,144	10,907	71,424
	<b>416,798</b>	<b>74,044</b>	<b>74,118</b>
<b>Fund balance</b>			
General - unrestricted	68,853	68,449	53,194
	<b>485,651</b>	<b>142,493</b>	<b>127,312</b>

Approved by the Board

  
\_\_\_\_\_  
Director

  
\_\_\_\_\_  
Director

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

# Toronto Artscape Foundation

Statement of operations and changes in fund balances  
years ended December 31, 2012 and 2011

	2012						2011 (Note 2)			
	General fund		Artscape YOUNGplace		Daniels Spectrum		Artscape YOUNGplace		Daniels Spectrum	
	Other*								Total	
<b>Revenue (Note 7)</b>										
Foundations	-	35,000	-	236,400	2,306,363	2,577,763	50,000	-	145,000	395,000
Fundraising and events	225	78,858	-	-	-	79,083	46,288	1,152	810	337,016
Government grants	-	-	-	-	-	-	-	-	-	300,000
Corporate donations and sponsorships	-	-	-	-	-	-	-	-	-	173,750
	225	113,858	-	236,400	2,306,363	2,656,846	96,288	1,152	300,810	1,205,766
<b>Expenses</b>										
Salaries and benefits	-	63,069	-	-	-	63,069	39,629	-	-	39,629
Professional and consulting fees	-	6,972	-	-	3,740	10,712	2,061	-	-	2,061
Printing and promotion	-	267	-	-	-	267	1,454	-	-	1,454
Special events	-	6,190	-	-	61,102	57,292	-	-	-	-
Office and general	-	6,956	-	-	-	6,956	7,889	-	-	7,889
Shared costs (Note 5)	-	30,000	-	-	-	30,000	30,000	-	-	30,000
	-	113,454	-	-	54,842	168,296	81,033	-	-	81,033
<b>Disbursements to</b>										
Regent Park Arts Development (Note 6)	-	-	-	-	460,000	460,000	-	-	395,243	395,243
Toronto Artscape Inc. (Note 6)	225	-	225	236,400	1,791,521	2,028,146	-	1,152	300,810	714,235
	225	-	225	236,400	2,251,521	2,488,146	-	1,152	300,810	1,109,478
<b>Excess of revenue over expenses for the year</b>		404	-	-	-	404	15,255	-	-	15,255
Fund balances, beginning of year	-	68,449	-	-	-	68,449	53,194	-	-	53,194
<b>Fund balances, end of year</b>	-	68,853	-	-	-	68,853	68,449	-	-	68,449

\* Artscape Gibraltar Point Centre for the Arts and Artscape Wychwood Barns

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

# Toronto Artscape Foundation

## Statement of cash flows

years ended December 31, 2012 and 2011

	2012	2011
	\$	\$
<b>Operating activities</b>		
Excess of revenue over expenses (expenses over revenue) for the year	404	15,255
Changes in non-cash operating assets and liabilities		
GST/HST receivable	(6,885)	(5,885)
Donations receivable	(503)	936
Accounts payable and accrued liabilities	188,517	60,443
	<u>181,533</u>	<u>70,749</u>
<b>Financing activity</b>		
Due to related party	154,237	(60,517)
Net increase in cash	335,770	10,232
Cash, beginning of year	132,892	122,660
<b>Cash, end of year</b>	<u>468,662</u>	<u>132,892</u>

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

# Toronto Artscape Foundation

## Notes to the financial statements

December 31, 2012 and 2011

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### 1. Organization

The Toronto Artscape Foundation ("the Foundation") was established on January 27, 2005 and began operations on January 1, 2006 with the objectives of increasing the public's understanding of arts and culture through education and to provide support for those activities of Toronto Artscape Inc. ("Artscape") which are of a charitable nature. Artscape provides support to the Foundation in the form of administrative services (Note 5).

The Foundation is a registered charity under the Income Tax Act and is therefore exempt from income tax, providing it meets the requirements of the Act. In the opinion of management, these requirements have been met.

### 2. Adoption of the new accounting standards

During the year ended December 31, 2012, the Foundation adopted the new Canadian accounting standards for not-for profit organizations ("ASNPOs") issued by the Canadian Institute of Chartered Accountants ("CICA"). In accordance with Section 1501 of the CICA Handbook, "First-time adoption", ("Section 1501"), the date of transition to ASNPOs is January 1, 2011 and the Foundation has presented an opening statement of financial position as at that date. This opening statement of financial position is the starting point for the Foundation's accounting under ASNPOs. In its opening statement of financial position, under the recommendations of Section 1501, the Foundation:

- i) recognized all assets and liabilities the recognition of which is required by ASNPOs;
- ii) did not recognize items as assets or liabilities if ASNPOs do not permit such recognition, and;
- iii) applied ASNPOs in measuring all recognized assets and liabilities.

In accordance with the requirements of Section 1501, the accounting policies set out in Note 3 have been consistently applied to all years presented.

The adoption of ASNPOs has no impact on the previously reported Statement of financial position as at January 1, 2011, or on the previously reported Statements of operations and changes in fund balances, and of cash flows for the year ended December 31, 2011. Consequentially, a reconciliation of previously reported items to those reporting using ASNPOs has not been prepared.

### 3. Summary of significant accounting policies

#### (a) Revenue recognition

The Foundation follows the restricted fund method of recording contributions. Revenue is recognized when received or receivable in the respective fund if the amount to be received can be reasonably estimated.

Pledges are recorded as receivable, as long as collection is reasonably assured.

#### (b) Expenses

Expenses are recorded on the accrual basis in the appropriate fund.

#### (c) Financial instruments

Financial assets and financial liabilities are initially recognized at fair value when the Foundation becomes a party to the contractual provisions of the financial instrument. Subsequently, all financial instruments are measured at amortized cost.

The cost of financial instruments approximates their fair value due to their short-term nature.

#### (d) Use of estimates

Canadian ASNPOs requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Management believes that the estimates utilized in preparing these financial statements are reasonable and prudent. Actual results could differ from these estimates. Accounts requiring significant estimates and assumptions include accrued liabilities.



# Toronto Artscape Foundation

## Notes to the financial statements December 31, 2012 and 2011

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### 4. Grants and donations receivable

	December 31, 2012	December 31, 2011	January 1, 2011
		\$	\$
<u>Amounts due from individuals</u>	<u>767</u>	<u>264</u>	<u>1,200</u>

### 5. Related party transactions and balances

#### *Transactions*

Artscape administers and carries out the activities of the Foundation in accordance with agency agreements. During 2012, two of the Foundation's board members were also Directors of Artscape.

The Foundation shares office premises with Artscape and makes use of Artscape's personnel and other resources. As such, certain expenses are charged by Artscape to the Foundation, based on the Foundation's use of resources and the time involved of Artscape employees. Foundation expenses on specific Artscape projects have in turn been charged back to Artscape.

#### *Balances*

	December 31, 2012	December 31, 2011	January 1, 2011
	\$	\$	\$
<u>Due to Toronto Artscape Inc.</u>	<u>165,144</u>	<u>10,907</u>	<u>71,424</u>

The amount is interest free and due on demand.

### 6. Funds

In addition to the General Fund, the Foundation maintains funds for programs and activities related to the following projects:

- The Artscape Gibraltar Point Centre and Artscape Wychwood Barns
- Artscape YOUNGplace
- Daniels Spectrum

During 2011, the Foundation entered into an agency agreement (the "agreement") with Regent Park Arts Non-Profit Development Corporation ("RPAD"), the not-for-profit joint venture Corporation established to develop Daniels Spectrum. The Foundation has agreed to contribute certain annual amounts to RPAD under the terms of the agreement to fund specific projects.

During the year \$460,000 (2011 - \$395,243) was contributed for capital costs related to Daniels Spectrum.

In 2012, the Foundation granted \$2,028,146 (2011 - \$714,235) to Artscape for fundraising, advanced operating and subsidy costs, and capital costs. \$236,400 (December 31, 2011 - \$Nil; January 1, 2011 - \$Nil) of this is included in due to related party and \$Nil (December 31, 2011 - \$57,243; January 1, 2011 - \$Nil) in accounts payable and accrued liabilities. It is the Foundation's intention to add and wind down funds as new projects are assumed and existing projects are completed.

# Toronto Artscape Foundation

## Notes to the financial statements

December 31, 2012 and 2011

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### 7. Revenue

#### (a) General fund

	2012	2011
	\$	\$
Hamilton Community Foundation	35,000	50,000
Private and other donations	78,858	46,288
	<u>113,858</u>	<u>96,288</u>

#### (b) Artscape Gibraltar Point Centre for the Arts and Artscape Wychwood Barns

	2012	2011
	\$	\$
Fundraising and events	-	902
Private and other donations	225	250
	<u>225</u>	<u>1,152</u>

#### (c) Shaw Street School Re-development

	2012	2011
	\$	\$
Private and other donations	236,400	300,810

#### (d) Regent Park Arts and Culture Centre

	2012	2011
	\$	\$
Private and other donations	2,306,363	807,516

### 8. Accounts payable and accrued liabilities

There were no government remittances payable as at December 31, 2012, December 31, 2011 or January 1, 2011.