

Toronto Artscape Foundation

December 31, 2014

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Financial statements of

Toronto Artscape Foundation

December 31, 2014

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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 statement of financial position as at December 31, 2014, the statements of operations and changes in fund balances and of cash flows for the year then ended, 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 audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit 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, 2014, and its operations and its cash flows for the year then ended, in accordance with Canadian accounting standards for not-for-profit organizations.

Deloitte LLP

Chartered Professional Accountants, Chartered Accountants
Licensed Public Accountants
May 13, 2015

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 statement of financial position as at December 31, 2014, the statement of operations and changes in net assets and cash flows for the year then ended, 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 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 audit. We conducted our audit in accordance with the standards of the Chartered Accountants, Licensed Public Accountants, and Chartered Professional Accountants, which require that we comply with ethical requirements, and plan and perform the audit to obtain reasonable assurance that 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 assessments, the auditor takes into account the control environment, including the internal control system, in order to design and perform procedures that are effective in the circumstances. 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 opinion.

Toronto Artscape Foundation

Statement of financial position as at December 31, 2014

	2014	2013 (Note 8)
	\$	\$
Assets		
Current assets		
Cash	143,147	227,733
Accounts receivable	2,387	15,047
Donations receivable (Note 3)	366,295	115,967
Due from related party (Note 4)	-	34,901
	511,829	393,648
Collections	6,638	6,638
	518,467	400,286
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (Note 6)	19,688	5,327
Deferred revenue (Note 7)	412,331	325,983
Due to related party (Note 4)	10,593	-
	442,612	331,310
Fund balance		
General - unrestricted	75,855	68,976
	518,467	400,286

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
year ended December 31, 2014

	2014										2013	
	General fund	Artscape Youngplace	Artscape Launchpad	Daniels Spectrum	British Columbia Artscape	Total	General fund	Other Youngplace	Artscape Spectrum	Daniels Spectrum	Artscape Launchpad	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revenue												
Foundations	-	245,000	150,000	368,700	75,000	838,700	50,000	275,000	635,167	63,000	1,023,167	
Private and other donations	244,593	289,500	125,000	1,142,251	-	1,801,344	61,824	261,705	751,129	-	1,081,033	
Fundraising and events	292,393	-	-	-	-	292,393	42,615	270,000	423,400	-	736,015	
	536,986	534,500	275,000	1,510,951	75,000	2,932,437	154,439	806,705	1,809,696	63,000	2,840,215	
Expenses												
Salaries and benefits	184,769	-	-	-	-	184,769	96,060	-	-	-	96,060	
Professional and consulting fees	14,748	-	-	-	-	14,748	7,331	-	-	-	7,331	
Printing and promotion	-	-	-	-	-	-	452	-	-	-	452	
Special events	-	-	-	-	-	-	17,746	-	-	-	17,746	
Office and general	8,974	-	-	-	-	8,974	19,727	-	-	-	19,727	
Shared costs (Note 4)	35,000	-	-	-	-	35,000	13,000	-	-	-	13,000	
	243,491	-	-	-	-	243,491	154,316	-	-	-	154,316	
Disbursements to												
Regent Park Arts Development (Note 5)	-	-	-	709,876	-	709,876	-	-	758,697	-	758,697	
Toronto Artscape Inc. (Note 5)	286,616	534,500	275,000	801,075	75,000	1,972,191	-	806,705	1,050,999	63,000	1,927,079	
	286,616	534,500	275,000	1,510,951	75,000	2,682,067	-	806,705	1,809,696	63,000	2,685,776	
Excess of revenue over expenses for the year	6,879	-	-	-	-	6,879	123	-	-	-	123	
Fund balances, beginning of year	68,976	-	-	-	-	68,976	68,853	-	-	-	68,853	
Fund balances, end of year	75,855	-	-	-	-	75,855	68,976	-	-	-	68,976	

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

Toronto Artscape Foundation

Statement of cash flows year ended December 31, 2014

	2014	2013 (Note 8)
	\$	\$
Operating activities		
Excess of revenue over expenses for the year	6,879	123
Changes in non-cash operating assets and liabilities		
Accounts receivable	12,660	1,175
Donations receivable	(250,328)	(115,200)
Accounts payable and accrued liabilities	14,361	(246,327)
Deferred revenue	86,348	325,983
	(130,080)	(34,246)
Investing activity		
Purchase of collections	-	(6,638)
Financing activity		
Due to related party	45,494	(200,045)
Net decrease in cash	(84,586)	(240,929)
Cash, beginning of year	227,733	468,662
Cash, end of year	143,147	227,733

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, 2014

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 4).

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. Summary of significant accounting policies

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPOs") using the deferral method with fund accounting for reporting contributions.

(a) Revenue recognition

Restricted contributions are recognized as revenue in the appropriate fund in the year in which the related expenses are incurred. Unrestricted contributions are 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.

(e) Collections

Collections are recorded at cost and are not amortized.

3. Grants and donations receivable

	2014	2013
	\$	\$
Amounts due from individuals and corporations	366,295	115,967

Toronto Artscape Foundation

Notes to the financial statements

December 31, 2014

4. Related party transactions and balances

Transactions

Artscape administers and carries out the activities of the Foundation in accordance with agency agreements. During 2014, 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's employees. Foundation expenses on specific Artscape projects have in turn been charged back to Artscape.

Balances

	2014	2013
	\$	\$
Due to Toronto Artscape Inc.	10,593	-
Due from Toronto Artscape Inc.	-	34,901

The amount is interest free and due on demand.

5. 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;
- Artscape Launchpad; and
- British Columbia Artscape

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 \$709,876 (2013 - \$758,697) was contributed for capital costs related to Daniels Spectrum.

In 2014, the Foundation granted \$1,972,191 (2013 - \$1,927,079) to Artscape for fundraising, advanced operating and subsidy costs, and capital costs. It is the Foundation's intention to add and wind down funds as new projects are assumed and existing projects are completed.

6. Accounts payable and accrued liabilities

There were no government remittances payable as at December 31, 2014 and 2013.

Toronto Artscape Foundation

Notes to the financial statements

December 31, 2014

7. Deferred revenue

The changes in deferred revenue balance are as follows:

	2014	2013
	\$	\$
Balance, beginning of the year	325,983	-
Contributions received	2,499,299	2,135,679
Contributions recognized as revenue	(2,412,951)	(1,809,696)
Balance, end of year	412,331	325,983

8. Comparative amounts

The following amounts have been re-classified to conform to the current year's financial statement presentation:

	As amended	December 31, 2013 As previously stated
	\$	\$
Statement of financial position		
Accounts payable and accrued liabilities	5,327	331,310
Deferred revenue	325,983	-
	331,310	331,310
Statement of cash flows		
Accounts payable and accrued liabilities	(246,327)	79,656
Deferred revenue	325,983	-
	79,656	79,656