

Financial statements of

Toronto Artscape Foundation

December 31, 2013

Toronto Artscape Foundation

December 31, 2013

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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, 2013, 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, 2013, 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
June 18, 2014

Toronto Artscape Foundation

Statement of financial position as at December 31, 2013

	2013	2012
	\$	\$
Assets		
Current assets		
Cash	227,733	468,662
Goods and Service Tax/Harmonized Sales Tax receivable	15,047	16,222
Donations receivable (Note 3)	115,967	767
Due from related party (Note 4)	34,901	-
	393,648	485,651
Collections (Note 2)	6,638	-
	400,286	485,651
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (Note 6)	331,310	251,654
Due to related party (Notes 4 and 5)	-	165,144
	331,310	416,798
Fund balance		
General - unrestricted	68,976	68,853
	400,286	485,651

Approved by the Board

_____ Director

_____ Director

Toronto Artscape Foundation

Statement of operations and changes in fund balances year ended December 31, 2013

	2013						2012				
	General	Other	Artscape	Daniels			General	Other	Artscape	Daniels	
	fund		Youngplace	Spectrum	Launchpad	Total	fund		Youngplace	Spectrum	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revenue											
Foundations	50,000	-	275,000	635,167	63,000	1,023,167	35,000	-	200,000	951,000	1,186,000
Private and other donations	61,824	6,375	261,705	751,129	-	1,081,033	78,858	225	36,400	1,355,363	1,470,846
Fundraising and events	42,615	-	270,000	423,400	-	736,015	-	-	-	-	-
	154,439	6,375	806,705	1,809,696	63,000	2,840,215	113,858	225	236,400	2,306,363	2,656,846
Expenses											
Salaries and benefits	96,060	-	-	-	-	96,060	63,069	-	-	-	63,069
Professional and consulting fees	7,331	-	-	-	-	7,331	6,972	-	-	3,740	10,712
Printing and promotion	452	-	-	-	-	452	267	-	-	-	267
Special events	17,746	-	-	-	-	17,746	6,190	-	-	51,102	57,292
Office and general	19,727	-	-	-	-	19,727	6,956	-	-	-	6,956
Shared costs (Note 4)	13,000	-	-	-	-	13,000	30,000	-	-	-	30,000
	154,316	-	-	-	-	154,316	113,454	-	-	54,842	168,296
Disbursements to											
Regent Park Arts Development (Note 5)	-	-	-	758,697	-	758,697	-	-	-	460,000	460,000
Toronto Artscape Inc. (Note 5)	-	6,375	806,705	1,050,999	63,000	1,927,079	-	225	236,400	1,791,521	2,028,146
	-	6,375	806,705	1,809,696	63,000	2,685,776	-	225	236,400	2,251,521	2,488,146
Excess of revenue over expenses											
for the year	123	-	-	-	-	123	404	-	-	-	404
Fund balances, beginning of year	68,853	-	-	-	-	68,853	(68,449)	-	-	-	(68,449)
Fund balances, end of year	68,976	-	-	-	-	68,976	68,853	-	-	-	68,853

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, 2013

	2013	2012
	\$	\$
Operating activities		
Excess of revenue over expenses (expenses over revenue) for the year	123	404
Changes in non-cash operating assets and liabilities		
Goods and Service Tax/Harmonized Sales Tax receivable	1,175	(6,885)
Donations receivable	(115,200)	(503)
Accounts payable and accrued liabilities	79,656	188,517
	(34,246)	181,533
Investing activity		
Purchase of collections	(6,638)	-
Financing activity		
Due to related party	(200,045)	154,237
Net (decrease) increase in cash	(240,929)	335,770
Cash, beginning of year	468,662	132,892
Cash, end of year	227,733	468,662

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, 2013

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 publics’ 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”).

(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.

(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, defined as works of art, are stated at cost. No amortization is recorded due to their nature.

3. Grants and donations receivable

	2013	2012
	\$	\$
<u>Amounts due from individuals and corporations</u>	<u>115,967</u>	<u>767</u>

Toronto Artscape Foundation

Notes to the financial statements

December 31, 2013

4. Related party transactions and balances

Transactions

Artscape administers and carries out the activities of the Foundation in accordance with agency agreements. During 2013, 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

	2013	2012
	\$	\$
<u>Due from (to) Toronto Artscape Inc.</u>	34,901	(165,144)

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 and Artscape Wychwood Barns
- Artscape Youngplace
- Daniels Spectrum
- Launchpad

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 \$758,697 (2012 - \$460,000) was contributed for capital costs related to Daniels Spectrum.

In 2013, the Foundation granted \$1,927,079 (2012 - \$2,028,146) to Artscape for fundraising, advanced operating and subsidy costs, and capital costs. \$Nil (2012 - \$236,400) of this is included in due to related party. 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, 2013 and 2012.

Toronto Artscape Foundation

Notes to the financial statements

December 31, 2013

7. Comparative amounts

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

	2012		Per 2012	
	Amounts as re-classified		Financial statements	
	Artscape	Daniels	Artscape	Daniels
	Youngplace	Spectrum	Youngplace	Spectrum
	\$	\$	\$	\$
Foundations	200,000	951,000	236,000	2,306,363
Private and other donations	36,400	1,355,363	-	-
	<u>236,400</u>	<u>2,306,363</u>	<u>236,000</u>	<u>2,306,363</u>