

Financial statements of

**Toronto Artscape Foundation**

December 31, 2015

# Toronto Artscape Foundation

December 31, 2015

## Table of contents

Independent Auditor's Report .....	1-2
Statement of financial position .....	3
Statement of operations and changes in fund balances .....	4
Statement of cash flows .....	5
Notes to the financial statements .....	6-8

## **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, 2015, 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, 2015, 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.

*Deloitte LLP*

Chartered Professional Accountants  
Licensed Public Accountants  
May 31, 2016

# Toronto Artscape Foundation

## Statement of financial position as at December 31, 2015

	2015	2014
	\$	\$
<b>Assets</b>		
Current assets		
Cash	-	143,147
Accounts receivable	3,906	2,387
Donations receivable (Note 3)	327,250	366,295
Due from related party (Note 4)	198,961	-
	<b>530,117</b>	511,829
Collections	6,638	6,638
	<b>536,755</b>	518,467
<b>Liabilities</b>		
Current liabilities		
Bank indebtedness	162,789	-
Accounts payable and accrued liabilities (Note 6)	16,316	19,688
Deferred revenue (Note 7)	101,440	412,331
Due to related party (Note 4)	-	10,593
	<b>280,545</b>	442,612
<b>Fund balance</b>		
General - unrestricted	256,210	75,855
	<b>536,755</b>	518,467

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, 2015

							2015	2014
	General fund	Artscape Youngplace	Artscape Launchpad	Daniels Spectrum	Artscape Distillery Studios	British Columbia Artscape	Total	Total
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Revenue</b>								
Foundations	-	-	100,000	826,564	50,000	175,000	1,151,564	838,700
Private and other donations	224,775	361,500	225,000	461,903	-	-	1,273,178	1,801,344
Fundraising and events	1,145,660	-	-	-	-	-	1,145,660	292,393
	<b>1,370,435</b>	<b>361,500</b>	<b>325,000</b>	<b>1,288,467</b>	<b>50,000</b>	<b>175,000</b>	<b>3,570,402</b>	<b>2,932,437</b>
<b>Expenses</b>								
Salaries and benefits	105,683	-	-	-	-	-	105,683	184,769
Professional and consulting fees	5,703	-	-	-	-	-	5,703	14,748
Office and general	18,097	-	-	-	-	-	18,097	8,974
Shared costs (Note 4)	25,000	-	-	-	-	-	25,000	35,000
	<b>154,483</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>154,483</b>	<b>243,491</b>
<b>Disbursements to</b>								
Regent Park Arts Development (Note 5)	-	-	-	696,009	-	-	696,009	709,876
Toronto Artscape Inc. (Note 5)	1,035,597	361,500	325,000	592,458	50,000	175,000	2,539,555	1,972,191
	<b>1,035,597</b>	<b>361,500</b>	<b>325,000</b>	<b>1,288,467</b>	<b>50,000</b>	<b>175,000</b>	<b>3,235,564</b>	<b>2,682,067</b>
<b>Excess of revenue over expenses for the year</b>	<b>180,355</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>180,355</b>	<b>6,879</b>
<b>Fund balances, beginning of year</b>	<b>75,855</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>75,855</b>	<b>68,976</b>
<b>Fund balances, end of year</b>	<b>256,210</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>256,210</b>	<b>75,855</b>

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, 2015

	2015	2014
	\$	\$
<b>Operating activities</b>		
Excess of revenue over expenses for the year	180,355	6,879
Changes in non-cash operating assets and liabilities		
Accounts receivable	(1,519)	12,660
Donations receivable	39,045	(250,328)
Accounts payable and accrued liabilities and	(3,372)	14,361
Deferred revenue	(310,891)	86,348
	<b>(96,382)</b>	<b>(130,080)</b>
<b>Financing activity</b>		
Due (from) to related party	(209,554)	45,494
Net decrease in cash	(305,936)	(84,586)
Cash, beginning of year	143,147	227,733
<b>(Bank indebtedness) cash, end of year</b>	<b>(162,789)</b>	<b>143,147</b>

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, 2015

---

### 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”) 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

	2015	2014
	\$	\$
Amounts due from individuals and corporations	<b>327,250</b>	366,295

# Toronto Artscape Foundation

## Notes to the financial statements

December 31, 2015

---

#### 4. Related party transactions and balances

##### *Transactions*

Artscape administers and carries out the activities of the Foundation in accordance with agency agreements. During 2015 and 2014, two of the Foundation's board members were also Directors of Artscape.

The Foundation shares office premises with Artscape and uses 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*

	2015	2014
	\$	\$
<u>Due from (to) Toronto Artscape Inc.</u>	<u>198,961</u>	<u>(10,953)</u>

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 Distillery Studios;
- 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 \$696,009 (2014 - \$709,876) was contributed for capital costs related to Daniels Spectrum.

In 2015, the Foundation granted \$2,539,555 (2014 - \$1,972,191) 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, 2015 and 2014.

# Toronto Artscape Foundation

Notes to the financial statements

December 31, 2015

---

## 7. Deferred revenue

The changes in deferred revenue balance are as follows:

	2015	2014
	\$	\$
Balance, beginning of the year	412,331	325,983
Contributions received	2,769,444	2,499,299
Contributions recognized as revenue	(3,080,335)	(2,412,951)
<b>Balance, end of year</b>	<b>101,440</b>	<b>412,331</b>