

WARNING - ROUNDING IS DISABLED

NATIONAL ACCESSARTS CENTRE
Financial Statements
Year Ended March 31, 2021

NATIONAL ACCESSARTS CENTRE
Statement of Financial Position
March 31, 2021

	General Fund	Jane Cameron Archive Fund	2021 Total	2020 Total
ASSETS				
CURRENT				
Cash	\$ 195,757	\$ 12,857	\$ 208,614	\$ 133,880
Accounts receivable (Note 4)	57,855	-	57,855	53,271
GST recoverable	23,483	-	23,483	7,575
Prepaid expenses	1,435	-	1,435	1,163
Restricted cash (Note 5)	69,024	-	69,024	68,549
	347,554	12,857	360,411	264,438
CAPITAL ASSETS (Note 6)	249,758	-	249,758	457,532
INTANGIBLE ASSETS (Note 7)	273,675	-	273,675	-
	\$ 870,987	\$ 12,857	\$ 883,844	\$ 721,970
LIABILITIES AND NET ASSETS				
CURRENT				
Accounts payable and accrued liabilities	\$ 149,251	\$ -	\$ 149,251	\$ 70,240
Deferred operating revenue	18,083	-	18,083	29,510
Deferred gaming revenue (Note 5)	69,024	-	69,024	75,940
Deferred grants (Note 9)	110,468	-	110,468	129,427
Other deferred revenue	1,675	-	1,675	-
	348,501	-	348,501	305,117
LOANS PAYABLE (Note 10)	40,000	-	40,000	-
DEFERRED CAPITAL CONTRIBUTIONS (Note 11)	225,884	-	225,884	414,595
DEFERRED DIGITAL STRATEGY FUND CONTRIBUTIONS (Note 11)	273,675	-	273,675	-
	888,060	-	888,060	719,712
NET ASSETS				
General fund	(40,944)	-	(40,944)	(56,583)
Jane Cameron Archives Fund	-	12,857	12,857	15,905
Invested in capital assets	23,874	-	23,874	42,937
	(17,070)	12,857	(4,213)	2,259
	\$ 870,990	\$ 12,857	\$ 883,847	\$ 721,971

ON BEHALF OF THE BOARD

_____ Director

See notes to financial statements

NATIONAL ACCESSARTS CENTRE

_____ *Director*

NATIONAL ACCESSARTS CENTRE
Statement of Revenues and Expenditures
Year Ended March 31, 2021

	General Fund	Jane Cameron Archives Fund	2021	2020
REVENUES				
<i>Operating Funds</i>				
PDD provincial operating grant	\$ 487,379	\$ -	\$ 487,379	\$ 487,379
CADA - operating grants	167,393	-	167,393	75,000
Alberta Foundation for the Arts	62,000	-	62,000	62,000
Canada Council for the Arts	29,100	-	29,100	-
<i>Other Revenues</i>				
Amortization of capital contributions	208,723	-	208,723	205,325
Donations	167,144	-	167,144	77,825
Project grants	161,992	-	161,992	60,642
Community program revenues	105,347	-	105,347	192,863
Canada Council Digital Strategy Fund	47,825	-	47,825	3,900
Exhibition revenues	11,179	-	11,179	19,317
Fundraising	10,684	-	10,684	18,542
Capital planning	3,327	-	3,327	21,614
Interest income	2,064	143	2,207	795
Other revenues	1,932	-	1,932	285
Gaming revenues	645	-	645	40,746
	<u>1,466,734</u>	<u>143</u>	<u>1,466,877</u>	<u>1,266,233</u>
OPERATING EXPENSES				
PDD program costs and direct wages	534,922	-	534,922	478,973
Administrative and community program wages	294,265	-	294,265	236,113
Amortization	227,786	-	227,786	219,721
Administration	197,578	191	197,769	110,658
Marketing and travel	62,546	-	62,546	73,946
Facility	51,459	3,000	54,459	63,929
Digital Strategy Fund	51,291	-	51,291	-
Fundraising expenses	18,743	-	18,743	15,390
Exhibitions	12,685	-	12,685	93,645
Capital planning	12,671	-	12,671	23,457
Community programming	6,210	-	6,210	11,242
	<u>1,470,156</u>	<u>3,191</u>	<u>1,473,347</u>	<u>1,327,074</u>
DEFICIENCY OF REVENUES OVER OPERATING EXPENSES	<u>\$ (3,422)</u>	<u>\$ (3,048)</u>	<u>\$ (6,470)</u>	<u>\$ (60,841)</u>

See notes to financial statements

NATIONAL ACCESSARTS CENTRE
Statement of Changes in Net Assets
Year Ended March 31, 2021

	2020 Balance	Deficiency of revenues over operating expenses	Contributions	Withdrawals	2021 Balance
General Fund	\$ (56,585)	\$ 15,641	\$ -	\$ -	\$ (40,944)
Jane Cameron Archives Fund	15,905	(3,048)	-	-	12,857
Invested in capital assets	42,937	(19,063)	-	-	23,874
	<u>\$ 2,257</u>	<u>\$ (6,470)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (4,213)</u>

	2019 Balance	Deficiency of revenues over operating expenses	Contributions	Withdrawals	2020 Balance
General Fund	\$ (23,644)	\$ (39,716)	\$ 6,777	\$ -	\$ (56,583)
Jane Cameron Archives Fund	22,635	(6,730)	-	-	15,905
Invested in capital assets	64,109	(14,395)	(6,777)	-	42,937
	<u>\$ 63,100</u>	<u>\$ (60,841)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,259</u>

******* DIAGNOSTIC WARNING *******

Prior year closing balance of \$2,259 does not agree to current year opening balance of \$2,257

NATIONAL ACCESSARTS CENTRE
Statement of Cash Flows
Year Ended March 31, 2021

	2021	2020
OPERATING ACTIVITIES		
Deficiency of revenues over operating expenses	\$ (6,470)	\$ (60,841)
Items not affecting cash:		
Amortization of capital assets	227,786	219,721
Amortization of capital contributions	<u>(208,723)</u>	<u>(205,325)</u>
	<u>12,593</u>	<u>(46,445)</u>
Changes in non-cash working capital:		
Accounts receivable	(4,584)	23,628
Accounts payable and accrued liabilities	79,011	4,279
Prepaid expenses	(272)	8,512
Goods and services tax payable	(15,908)	(3,711)
Deferred income	(35,627)	34,496
Additions to deferred capital contributions	<u>293,687</u>	<u>11,440</u>
	<u>316,307</u>	<u>78,644</u>
	<u>328,900</u>	<u>32,199</u>
INVESTING ACTIVITIES		
Purchase of capital assets	(20,012)	(4,663)
Purchase of intangible assets	<u>(273,675)</u>	<u>-</u>
	<u>(293,687)</u>	<u>(4,663)</u>
FINANCING ACTIVITY		
Proceeds from long term financing	<u>40,000</u>	<u>-</u>
INCREASE IN CASH FLOW	75,213	27,536
Cash - beginning of year	<u>202,429</u>	<u>174,894</u>
CASH - END OF YEAR	\$ 277,642	\$ 202,430
CASH CONSISTS OF:		
Cash	\$ 208,614	\$ 133,880
Restricted cash	<u>69,024</u>	<u>68,549</u>
	<u>\$ 277,638</u>	<u>\$ 202,429</u>

See notes to financial statements

NATIONAL ACCESSARTS CENTRE

Notes to Financial Statements

Year Ended March 31, 2021

1. PURPOSE OF THE SOCIETY

The National accessArts Centre ("NaAC") provides artistic training, creation, exhibition, and presents opportunities for artists with disabilities, by sharing the power of their creativity through local and global partnerships and advocacy that opens doors for their inclusion in our arts and culture ecosystem.

NaAC was incorporated under the *Societies Act* (Alberta) on April 14, 1975 and is a registered charity under the *Income Tax Act* (Canada).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO) and, in management's opinion, with consideration of materiality and within the framework of the following accounting policies:

Cash and cash equivalents

Cash and cash equivalents include petty cash, unrestricted cash in banks, and cash restricted by the AGLC held in banks.

Capital assets

Capital assets are stated at cost or deemed cost less accumulated amortization and are amortized over their estimated useful lives on a declining balance basis at the following rates and methods:

Computer equipment	3 years	straight-line method
Office equipment	5 years	straight-line method
Classroom equipment	5 years	straight-line method
Leasehold improvements	term of the lease	straight-line method

The society regularly reviews its capital assets to eliminate obsolete items.

Capital assets acquired during the year but not placed into use are not amortized until they are placed into use.

Contributed services

The operations of the organization depend on both the contribution of time by volunteers and donated materials from various sources. Donated goods are recorded at their fair market value at the time of the donation. During the year, the society received \$23,722 of goods donated in-kind (2020 - \$21,125). The fair value of donated services cannot be reasonably determined and are therefore not reflected in these financial statements.

Financial instruments

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

Foreign currency translation

The society does not carry any monetary or non-monetary assets or liabilities. However, a limited amount of expenses incurred were translated at the rate of exchange prevailing at the material time.

There were no foreign exchange gains or losses on monetary assets and liabilities.

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NATIONAL ACCESSARTS CENTRE
Notes to Financial Statements
Year Ended March 31, 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fund accounting

The society follows the restricted fund method of accounting for contributions.

The General Fund accounts for the society's program delivery and administrative activities. Restricted contributions related to general operations are recognized as revenue of the General 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 of the General Fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

The Capital Asset Fund reports the assets, liabilities, revenues and expenses related to the society's capital assets.

The Jane Cameron Archives Fund reports resources that are to be used for the maintenance of assets contributed to that fund. Investment income earned on resources of the Fund is reported in the Fund.

Goods and services tax

As a registered charity the society can recover 50% of the GST paid on expenditures in the form of a rebate. The unrecoverable portion is recorded either as an expense or capitalized with the cost of any related capital assets. The rebate is treated as a receivable.

Government assistance

Government assistance for acquiring capital assets and related to expenses is recorded as deferred government assistance and is amortized on the same basis and according to the same rates as the related capital assets or to income as eligible expenditures are incurred. Government assistance for current expenses is recorded as revenue. Government assistance for acquiring capital assets is amortized and recorded as revenue.

Government grants

Government grants are recorded when there is a reasonable assurance that the society had complied with and will continue to comply with, all the necessary conditions to obtain the grants.

Impairment of long lived assets

The society tests for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. Recoverability is assessed by comparing the carrying amount to the projected future net cash flows the long-lived assets are expected to generate through their direct use and eventual disposition. When a test for impairment indicates that the carrying amount of an asset is not recoverable, an impairment loss is recognized to the extent the carrying value exceeds its fair value.

Intangible assets

The artJourney social media platform will be amortized on a straight-line basis over its estimated useful life of five years commencing in 2022.

Measurement uncertainty

The preparation of 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, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

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NATIONAL ACCESSARTS CENTRE

Notes to Financial Statements

Year Ended March 31, 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Net assets

- a) Net assets invested in capital assets represents the society's net investment in capital assets which is comprised of the unamortized amount of capital and intangible assets purchased with restricted funds.
- b) Internally restricted net assets are funds which have been designated for a specific purpose by the society's Board of Directors.
- c) Unrestricted net assets comprise the excess of revenue over expenses accumulated by the society each year, net of transfers, and are available for general purposes.

3. ERROR CORRECTION

	As previously reported	Error correction	As restated
ASSETS			
Capital assets	\$ 489,610	\$ (32,078)	\$ 457,532
LIABILITIES			
Accounts payable and accrued liabilities	50,240	20,000	70,240
Due to Cameron Fund	45,499	(45,499)	-
Deferred capital contributions	280,316	134,279	414,595
NET ASSETS			
Invested in capital assets	5,233	37,704	42,937
Jane Cameron Archives Fund	27,613	(11,708)	15,905
General fund	129,687	(186,273)	(56,586)
REVENUES			
Gaming revenues	37,351	3,395	40,746
Amortization of capital contributions	149,585	55,740	205,325
EXPENSES			
Accounting and auditing (Administration)	500	20,500	21,000
Computer software and equipment (Administration)	10,083	(4,663)	5,420
Fundraising expenses	18,530	12	18,542
Amortization	182,979	36,742	219,721

During the year, management determined that there were several errors in the reporting of its 2020 financial statements. Certain of the errors related to errors in the accounts and others were simply mathematical errors contained in the financial statements.

4. ACCOUNTS RECEIVABLE

	2021	2020 <i>(Revised)</i>
Amounts receivable from artists	\$ 31,726	\$ 53,271
Grants receivable	26,129	-
	\$ 57,855	\$ 53,271

NATIONAL ACCESSARTS CENTRE
Notes to Financial Statements
Year Ended March 31, 2021

5. DEFERRED CASINO REVENUE

	2021	2020	<i>(Revised)</i>
Casino cash balance and deferred revenue, beginning of year	\$ 68,549	\$ 49,922	
Received on completion of its casino during the year	-	70,684	
Received as donations from other not-for-profit organizations	13,740	-	
Transfer of raffle proceeds from operating bank account	7,391	-	
Interest income earned	-	170	
	-	-	
Subtotal	89,680	120,776	
Casino advisor fees paid	-	(2,351)	
Bank charges	(191)	(268)	
Amounts expended on program delivery	(453)	(38,168)	
Amounts expended on capital assets (deferred capital contributions)	(20,012)	(11,440)	
	-	-	
	\$ 69,024	\$ 68,549	

6. CAPITAL ASSETS

	Cost	Accumulated amortization	2021 Net book value	2020 Net book value <i>(Revised)</i>
Computer equipment	\$ 39,056	\$ 17,969	\$ 21,087	\$ 10,858
Office equipment	38,537	23,599	14,938	22,287
Classroom equipment	39,670	32,577	7,093	11,107
Leasehold improvements	2,130,514	1,923,875	206,639	413,279
	\$ 2,247,777	\$ 1,998,020	\$ 249,757	\$ 457,531

7. INTANGIBLE ASSETS

	2021	2020	<i>(Revised)</i>
artJourney social media platform	\$ 273,675	\$ -	
Accumulated amortization	-	-	
	\$ 273,675	\$ -	

During the year, the society developed a social media platform for disabled artists to connect with other artists. The society also acts as licensor to other art organizations who must sign a licensee agreement which gives them administrative rights under their organization name. Currently, the licensing is without charge.

NATIONAL ACCESSARTS CENTRE

Notes to Financial Statements

Year Ended March 31, 2021

8. CREDIT FACILITY

The society has an unused operating line with ATB Financial to a maximum of \$50,000, which bears interest at prime plus 4.75% and is secured by a General Security Agreement. The effective interest rate at March 31, 2021 was 7.2%.

9. DEFERRED GRANTS

	2021	2020 <i>(Revised)</i>
Pandemic Recovery Fund/Covid-19 Resiliency Fund	\$ 63,205	\$ -
CADA - Covid recovery	25,000	-
CADA - Cultural Activation Fund	17,263	-
Canada Council for the Arts - East Asia tour	5,000	-
Capital planning	-	3,327
Canada Council Digital Strategy Fund	-	126,100
	<u>\$ 110,468</u>	<u>\$ 129,427</u>

10. LOAN PAYABLE

The Canada Emergency Business Account ("CEBA") partially forgivable loan through ATB Financial is non-interest bearing and not due until December 31, 2022. After December 31, 2022, any unpaid balance will bear interest at 5% per annum and be repayable as to interest only until December 31, 2025, at which time the balance will be due.

The maximum amount available under this loan program is \$60,000. The loan is forgivable as to 25% on the first \$40,000 borrowed (\$10,000) and 50% on the next \$20,000 borrowed (\$10,000). The society availed itself of the full \$60,000.

During the year, the society recognized the \$20,000 forgivable portion of the loan into income as management fully intends to repay the full amount of the loan on or before December 31, 2022.

11. DEFERRED CAPITAL CONTRIBUTIONS

	2021	2020
<u>Deferred contributions - Fairview</u>		
Balance, beginning of year	\$ 414,595	\$ 608,480
Additions	20,012	11,440
Subtotal	434,607	619,920
Less amounts recognized as revenue in the year	(208,723)	(205,325)
	<u>\$ 225,884</u>	<u>\$ 414,595</u>
 <u>Deferred Digital Strategy Fund contributions</u>		
Additions	<u>\$ 273,675</u>	<u>\$ -</u>

NATIONAL ACCESSARTS CENTRE

Notes to Financial Statements

Year Ended March 31, 2021

12. FINANCIAL INSTRUMENTS

The society is exposed to various risks through its financial instruments. The exposure to these risks are managed in accordance with its Risk Management Policy. The objective of the policy is to reduce volatility in cash flow and earnings. The Board of Directors monitors compliance with risk management policies and reviews risk management policies on a periodic basis. The following analysis provides information about the society's risk exposure and concentration as of March 31, 2021.

Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The society is exposed to credit risk from its member artists. In order to reduce its credit risk, the society reviews a new customer's credit history before extending credit and conducts regular reviews of its existing customers' credit performance. An allowance for doubtful accounts is established based upon factors surrounding the credit risk of specific accounts, historical trends and other information. The society has a significant number of customers which minimizes concentration of credit risk.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The society is exposed to this risk mainly in respect of its receipt of funds from its funders and other related sources and accounts payable. Liquidity requirements are met by preparing and monitoring forecasts of cash flows from operations and maintaining a line of credit.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is comprised of currency risk and interest rate risk.

Currency risk is the risk to the company's earnings that arise from fluctuations of foreign exchange rates and the degree of volatility of these rates. The society is not exposed to currency risk as it has very few transactions denominated in foreign currencies.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. The society is exposed to interest rate risk primarily through its floating interest rate operating line.

13. SUBSEQUENT EVENTS

The following events occurred subsequent to the fiscal year end:

Material donation

On May 11, 2021, subsequent to the year-end, the society received a donation/transfer of casino funds in the amount of \$56,328.

Ongoing - COVID-19

In March 2020, the World Health Organization declared a global pandemic due to the novel coronavirus (COVID-19). The situation is constantly evolving, and the measures put in place by the provincial and federal government are having multiple impacts on local, provincial, national, and global economies.

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NATIONAL ACCESSARTS CENTRE

Notes to Financial Statements

Year Ended March 31, 2021

13. SUBSEQUENT EVENTS *(continued)*

Management is uncertain what the effects of these changes might have on its financial statements and believes that any disturbance may be temporary; however, there is uncertainty about the length of time and potential impact of the disturbance.

As a result, management is unable to estimate the potential impact on the society's operations as of the date of these financial statements.

14. COMPARATIVE FIGURES

Certain of the comparative figures have been reclassified to conform to the current year's presentation.

The prior year financial statements were audited by another Chartered Professional Accountant who issued an unqualified Auditor's Report dated September 22, 2020.
