

NATIONAL ACCESSARTS CENTRE
Financial Statements
Year Ended March 31, 2024

NATIONAL ACCESSARTS CENTRE
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Year Ended March 31, 2024

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Elevate LLP

CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Members of National accessArts Centre

Qualified Opinion

We have audited the financial statements of National accessArts Centre (the "Society"), which comprise the statement of financial position as at March 31, 2024, and the statements of revenues and expenditures, changes in fund balances and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Society as at March 31, 2024, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

Basis for Qualified Opinion

In common with many not-for-profit organizations, the Society derives revenue from fundraising activities (including donations) the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Society. Therefore, we were not able to determine whether any adjustments might be necessary to fundraising revenue, excess of revenues over expenses, and cash flows from operations for the year ended March 31, 2024, current assets and net assets as at March 31, 2024. Our audit opinion on the financial statements for the year ended March 31, 2023 was modified accordingly because of the possible effects of this limitation of scope.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Society in accordance with ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with ASNPO, 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.

In preparing the financial statements, management is responsible for assessing the Society's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Society or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Society's financial reporting process.

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Elevate LLP

CHARTERED PROFESSIONAL ACCOUNTANTS

Independent Auditor's Report to the Members of National accessArts Centre *(continued)*

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Society's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Society's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Society to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Elevate LLP

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CHARTERED PROFESSIONAL ACCOUNTANTS

Independent Auditor's Report to the Members of National accessArts Centre *(continued)*

Chartered Professional Accountants

Calgary, Alberta
June 28, 2024



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NATIONAL ACCESSARTS CENTRE
Statement of Financial Position
March 31, 2024

	General Fund	Jane Cameron Archive Fund	2024	2023 (See Note 15)
ASSETS				
CURRENT				
Cash	\$ 142,850	\$ 5,776	\$ 148,626	\$ 81,437
Restricted cash (Note 3)	4,816	-	4,816	72,223
Accounts receivable (Note 4)	118,313	-	118,313	39,363
Goods and services tax recoverable	9,822	-	9,822	18,627
Prepaid expenses	25,040	-	25,040	18,208
	<u>300,841</u>	<u>5,776</u>	<u>306,617</u>	<u>229,858</u>
PROPERTY AND EQUIPMENT (Note 5)	1,606,724	-	1,606,724	1,625,495
INTANGIBLE ASSETS (Note 6)	140,267	-	140,267	176,483
	<u>\$ 2,047,832</u>	<u>\$ 5,776</u>	<u>\$ 2,053,608</u>	<u>\$ 2,031,836</u>
LIABILITIES AND FUND BALANCES				
CURRENT				
Bank indebtedness (Note 7)	\$ 245,516	\$ -	\$ 245,516	\$ 325,956
Accounts payable and accrued liabilities	162,115	-	162,115	102,611
Deferred PDD funding	106,922	-	106,922	17,503
Deferred gaming revenue (Note 3)	4,816	-	4,816	72,223
Deferred grants (Note 8)	287,572	-	287,572	182,170
Other deferred revenue	2,148	-	2,148	1,606
Current portion of long term debt (Note 10)	6,343	-	6,343	40,000
	<u>815,432</u>	<u>-</u>	<u>815,432</u>	<u>742,069</u>
DEFERRED CAPITAL CONTRIBUTIONS (Note 9)	714,774	-	714,774	773,411
LONG TERM DEBT (Note 10)	390,330	-	390,330	-
	<u>1,920,536</u>	<u>-</u>	<u>1,920,536</u>	<u>1,515,480</u>
FUND BALANCES				
General Fund	(904,920)	-	(904,920)	(520,912)
Invested in capital assets	1,032,216	-	1,032,216	1,028,566
Jane Cameron Archives Fund	-	5,776	5,776	8,702
	<u>127,296</u>	<u>5,776</u>	<u>133,072</u>	<u>516,356</u>
	<u>\$ 2,047,832</u>	<u>\$ 5,776</u>	<u>\$ 2,053,608</u>	<u>\$ 2,031,836</u>

ON BEHALF OF THE BOARD


 Laura-Jeanne Stollery - Board Chair
DocuSigned by: E0DE9F6D765C487... Director


 Hyon Chu Lee - Board Vice Chair
397031B047364F4... Director

NATIONAL ACCESSARTS CENTRE
Statement of Revenues and Expenditures
Year Ended March 31, 2024

	General Fund	Jane Cameron Archives Fund	2024	2023 <i>(See Note 15)</i>
REVENUES				
Grants and external funding <i>(Note 11)</i>	\$ 1,323,327	\$ -	\$ 1,323,327	\$ 1,109,924
Donations and sponsorships <i>(Note 12)</i>	405,205	-	405,205	288,617
Programming fees and revenues	123,813	-	123,813	113,996
Amortization - deferred capital contributions <i>(Note 9)</i>	107,313	-	107,313	84,101
Gaming revenues recognized <i>(Note 3)</i>	60,401	-	60,401	63,472
Other revenues	51,800	-	51,800	25,472
Exhibition and event revenues	30,656	-	30,656	15,890
Fundraising	11,544	-	11,544	18,392
Interest income	1,081	113	1,194	1,402
Gain (loss) on disposal of property and equipment	-	-	-	(1,117)
	<u>2,115,140</u>	<u>113</u>	<u>2,115,253</u>	<u>1,720,149</u>
OPERATING EXPENSES				
Payroll and employment	1,192,855	-	1,192,855	1,114,491
Travel	281,551	-	281,551	164,871
Facility and administrative <i>(Note 13)</i>	203,324	-	203,324	167,258
Programming, exhibition and event	168,300	3,000	171,300	147,130
Artist fees	163,100	-	163,100	79,093
Marketing and media	125,050	-	125,050	145,604
Professional fees	110,022	-	110,022	143,030
Finance and banking	50,326	39	50,365	12,661
Amortization - intangible assets <i>(Note 6)</i>	73,136	-	73,136	60,559
Amortization - property and equipment <i>(Note 5)</i>	40,665	-	40,665	32,433
Team development and training	40,042	-	40,042	24,079
Equipment and tools	18,372	-	18,372	13,774
Board expenses	17,305	-	17,305	28,951
Donations	11,450	-	11,450	-
	<u>2,495,498</u>	<u>3,039</u>	<u>2,498,537</u>	<u>2,133,934</u>
DEFICIENCY OF REVENUES OVER OPERATING EXPENSES	<u>\$ (380,358)</u>	<u>\$ (2,926)</u>	<u>\$ (383,284)</u>	<u>\$ (413,785)</u>

NATIONAL ACCESSARTS CENTRE
Statement of Changes in Fund Balances
Year Ended March 31, 2024

	2023 Balance	Deficiency of revenues over operating expenses	Transfers and contributions	Withdrawals	2024 Balance
General Fund	\$ (520,912)	\$ (380,358)	\$ (3,650)	\$ -	\$ (904,920)
Capital Asset Fund (Note 5)	1,028,566	-	3,650	-	1,032,216
Jane Cameron Archives Fund	8,702	(2,926)	-	-	5,776
	<u>\$ 516,356</u>	<u>\$ (383,284)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 133,072</u>

	2022 Balance	Deficiency of revenues over operating expenses	Transfers and contributions	Withdrawals	2023 Balance
General Fund	\$ (89,664)	\$ (410,636)	\$ (20,612)	\$ -	\$ (520,912)
Capital Asset Fund	7,954	-	1,020,612	-	1,028,566
Jane Cameron Archives Fund (Note 5)	11,851	(3,149)	-	-	8,702
	<u>\$ (69,859)</u>	<u>\$ (413,785)</u>	<u>\$ 1,000,000</u>	<u>\$ -</u>	<u>\$ 516,356</u>

NATIONAL ACCESSARTS CENTRE

Statement of Cash Flows

Year Ended March 31, 2024

	2024	2023 <i>(Restated)</i>
OPERATING ACTIVITIES		
Deficiency of revenues over operating expenses	\$ (383,284)	\$ (413,785)
Items not affecting cash:		
Amortization - property and equipment	40,665	32,433
Amortization - intangible assets	73,136	60,559
Loss on disposal of property and equipment	-	1,117
Amortization - deferred capital contributions	<u>(107,313)</u>	<u>(84,101)</u>
	<u>(376,796)</u>	<u>(403,777)</u>
Changes in non-cash working capital:		
Accounts receivable	(78,950)	(4,435)
Goods and services tax recoverable	8,805	(3,813)
Prepaid expenses	(6,832)	(8,144)
Accounts payable and accrued liabilities	59,503	8,100
Deferred income	<u>127,957</u>	<u>(136,561)</u>
	<u>110,483</u>	<u>(144,853)</u>
	<u>(266,313)</u>	<u>(548,630)</u>
INVESTING ACTIVITIES		
Purchase of property and equipment	(21,894)	(34,371)
Purchase of intangible assets	<u>(36,920)</u>	<u>(6,150)</u>
	<u>(58,814)</u>	<u>(40,521)</u>
FINANCING ACTIVITIES		
Proceeds from long term financing	400,000	-
Deferred capital contributions received	48,676	9,901
Repayment of long term debt	<u>(43,327)</u>	<u>-</u>
	<u>405,349</u>	<u>9,901</u>
INCREASE (DECREASE) IN CASH FLOW	80,222	(579,250)
Cash (deficiency) - beginning of year	<u>(172,296)</u>	406,954
DEFICIENCY - END OF YEAR	\$ (92,074)	\$ (172,296)
CASH CONSISTS OF:		
Cash	\$ 148,626	\$ 81,437
Restricted cash	4,816	72,223
Bank indebtedness	<u>(245,516)</u>	<u>(325,956)</u>
	<u>\$ (92,074)</u>	<u>\$ (172,296)</u>

NATIONAL ACCESSARTS CENTRE

Notes to Financial Statements

Year Ended March 31, 2024

1. PURPOSE OF THE SOCIETY

The National accessArts Centre ("NaAC" or the "Society") 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). On November 18, 2020, NaAC filed Articles of Amendment changing its name from The In-Definite Arts to National accessArts Centre.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO) on a going concern basis, which assumes continuation by realization of assets and the payment of liabilities in the ordinary course of business.

Revenue recognition and fund accounting

National accessArts Centre follows the restricted fund method of accounting for contributions.

General Fund

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 in the year in which the related expenses are incurred.

Unrestricted contributions, including donations and sponsorships, 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.

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

Program fees are recognized as revenue of the General Fund when the programs are held.

Exhibition and event revenues are recognized as revenue of the General Fund when invoiced.

Rental revenues from tenants under lease agreements are recognized in the period the rents are incurred.

Interest income is recognized as interest is earned.

Revenue from sales of artists' products is recognized when title passes to the customer, which generally coincides with the delivery and acceptance of goods.

Capital Asset Fund

The Capital Asset Fund reports the assets, liabilities, revenues and expenses related to National accessArts Centre's property and equipment and intangible assets.

Restricted contributions used to acquire or construct tangible or intangible assets are deferred and recognized as revenue on the same basis as the amortization expense of the related capital assets.

Restricted contributions used to acquire capital assets that will not be amortized are recognized as direct increases in net assets.

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NATIONAL ACCESSARTS CENTRE

Notes to Financial Statements

Year Ended March 31, 2024

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

Jane Cameron Archives Fund

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.

Cash and cash equivalents

Cash and cash equivalents include cash, restricted cash, and bank indebtedness.

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.

Property and equipment

Property and equipment is stated at cost or deemed cost less accumulated amortization and is amortized over its estimated useful life 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
Building	4%	declining balance method

The Society regularly reviews its property and equipment to eliminate obsolete items.

Property and equipment acquired during the year but not placed into use are not amortized until they are placed into use.

Intangible assets

Intangible assets, including the artJourney social media platform, the Break the Barrier CRM, and website development costs are amortized on a straight-line basis over their estimated useful lives of five (5) years.

Software development costs

Costs of planning, designing, and establishing the technological feasibility of computer software for internal use are charged to software development expense.

The costs of producing product masters incurred subsequent to establishing a product's feasibility are capitalized. Capitalization of computer software costs ends and amortization of such costs begins when the product is available for general use. Amortization is computed using the straight-line method over the estimated economic life of the asset, which is five (5) years.

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.

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NATIONAL ACCESSARTS CENTRE
Notes to Financial Statements
Year Ended March 31, 2024

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 and donated non-depreciable capital assets.
- 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, not of transfers, and are available for general purposes.

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.

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 on the transaction date.

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

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.

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.

NATIONAL ACCESSARTS CENTRE

Notes to Financial Statements

Year Ended March 31, 2024

3. RESTRICTED CASH AND DEFERRED GAMING REVENUE

Deferred gaming revenue reported in the General Fund represents unspent funding restricted for expenditures approved by the Alberta Gaming, Liquor and Cannabis Commission. Changes in the deferred gaming revenue are as follows:

	<u>2024</u>	<u>2023</u>
Casino cash balance and deferred revenue, beginning of year	\$ 72,223	\$ 51,658
Proceeds from casino	-	74,338
Received as donations from other not-for-profit organizations	4,800	19,600
Subtotal	77,023	145,596
Amounts expended on program delivery	(60,000)	(60,000)
Amounts expended on property and equipment (deferred capital contributions)	(11,806)	(9,901)
Casino advisor fees	-	(2,351)
Bank charges, GST, and other	(401)	(1,121)
Casino cash balance, end of year	\$ 4,816	\$ 72,223

4. ACCOUNTS RECEIVABLE

	<u>2024</u>	<u>2023</u>
Amounts receivable from artists	\$ 15,278	\$ 5,947
Allowance for Doubtful Accounts	(962)	(339)
Subtotal	14,316	5,608
Other receivables	103,997	33,755
	\$ 118,313	\$ 39,363

5. PROPERTY AND EQUIPMENT

	Cost	Accumulated amortization	<u>2024</u> Net book value	<u>2023</u> Net book value
Leasehold improvements	\$ 2,130,514	\$ 2,130,514	\$ -	\$ -
Computer equipment	62,689	50,911	11,778	12,109
Classroom equipment	41,070	37,538	3,532	1,935
Office equipment	45,554	39,746	5,808	2,867
Building	622,521	36,915	585,606	608,584
Land	1,000,000	-	1,000,000	1,000,000
	\$ 3,902,348	\$ 2,295,624	\$ 1,606,724	\$ 1,625,495

During the year, the Society recognized amortization of \$40,665 (2023 - \$32,433) in its operations.

In 2023, the Society received a donation of land and building with an appraised value of \$1,600,000. The portion related to the building in the amount of \$600,000 (see Note 9) has been recorded as a deferred capital contribution. The portion related to land in the amount of \$1,000,000 has been recorded as a direct increase to net assets.

NATIONAL ACCESSARTS CENTRE
Notes to Financial Statements
Year Ended March 31, 2024

6. INTANGIBLE ASSETS

	<u>2024</u>	<u>2023</u>
artJourney social media platform	\$ 276,827	\$ 276,827
Break the Barrier CRM	15,580	15,580
Digital Music software	7,400	-
Website	29,520	-
	<u>329,327</u>	<u>292,407</u>
Accumulated amortization	<u>(189,060)</u>	<u>(115,924)</u>
	<u>\$ 140,267</u>	<u>\$ 176,483</u>

During the year, the Society completed the development of Digital Music software and a new website at a cost of \$7,400 and \$29,520, respectively.

During the year, the Society recognized amortization of \$73,136 (2023 - \$60,559) in its operations.

7. BANK INDEBTEDNESS

	<u>2024</u>	<u>2023</u>
Bank indebtedness	\$ 245,516	\$ 325,956

2024

During the year, the Society obtained a new business Line of Credit (Revolving by Overdraft) - authorized to a maximum of \$400,000. The facility bears interest at Bank Prime Rate plus 1.75% per annum payable monthly. The effective interest rate at March 31, 2024 was 8.95%.

The business Line of Credit and the mortgage facilities are secured by a Collateral Mortgage in the principal amount of \$800,000 (see Note 10).

2023

During the year, the Society obtained a new revolving credit line authorized to a maximum amount of \$400,000. The facility bears interest at the Bank's Prime Rate plus 1.15% per annum with interest payable monthly. The effective interest rate at March 31, 2023 was 7.85%.

This credit facility was paid out June 8, 2023.

NATIONAL ACCESSARTS CENTRE

Notes to Financial Statements

Year Ended March 31, 2024

8. DEFERRED GRANTS

Deferred grants reported in the General Fund represents unspent restricted funding received for specific purposes, as follows:

	<u>2024</u>		<u>2023</u>
Federal Grants & Funding	\$ 91,563	\$	75,932
Provincial Grants & Funding	19,996		-
Municipal Grants & Funding	25,000		22,417
Foundation Grants & Funding	-		6,545
Private Grants & Funding	151,013		77,276
	<u>\$ 287,572</u>	\$	<u>182,170</u>

During the year, the Society received \$525,374 (2023 - \$175,021) of new project grant funding and realized \$383,102 (2023 - \$276,263) in operations and transferred \$36,870 (2023 - \$Nil) to deferred capital contributions.

9. DEFERRED CAPITAL CONTRIBUTIONS

The changes for the year in the deferred capital contributions balance are as follows:

	<u>2024</u>		<u>2023</u>
<u>Deferred capital contributions - property and equipment</u>			
Balance, beginning of year	\$ 600,806	\$	16,071
Additions	15,111		609,901
Subtotal	615,917		625,972
Less amount recognized as revenue in the year	(36,794)		(25,166)
Balance, end of year	<u>579,123</u>		<u>600,806</u>
 <u>Deferred capital contributions - intangibles</u>			
Balance, beginning of year	172,605		231,540
Additions	33,565		-
Subtotal	206,170		231,540
Less amount recognized as revenue in the year	(70,519)		(58,935)
	<u>135,651</u>		<u>172,605</u>
Grand total	<u>\$ 714,774</u>	\$	<u>773,411</u>

During the year, the Society recognized \$107,313 (2023 - \$84,101) of deferred capital contributions into income.

NATIONAL ACCESSARTS CENTRE
Notes to Financial Statements
Year Ended March 31, 2024

10. LONG TERM DEBT

	2024	2023
Canada Emergency Business Account ("CEBA") partially forgivable loan. The loan was repaid on October 13, 2023.	\$ -	\$ 40,000
Mortgage bearing interest at 7.7% compounded semi-annually, repayable in monthly blended payments of \$3,016. The loan matures on June 16, 2025 and is secured by a Collateral Mortgage in the principal amount of \$800,000; an Assignment of Rents and Leases; and a General Security Agreement (see Note 10)	396,673	-
	396,673	40,000
Amounts payable within one year	(6,343)	(40,000)
	\$ 390,330	\$ -
Principal repayment terms are approximately:		
2025	\$ 6,344	
2026	6,841	
2027	7,378	
2028	7,957	
2029	8,582	
Thereafter	359,571	
	\$ 396,673	

NATIONAL ACCESSARTS CENTRE**Notes to Financial Statements****Year Ended March 31, 2024****11. GRANTS AND EXTERNAL FUNDING REVENUES**

	<u>2024</u>	<u>2023</u>
<u>Federal Grants and Funding</u>		
Canada Council of the Arts	\$ 192,588	\$ 178,384
Canada Arts Training Fund	200,000	-
Canada Summer Jobs Program	12,121	18,930
	<u>404,709</u>	<u>197,314</u>
<u>Provincial Grants and Funding</u>		
PDD Funding	526,685	497,205
Alberta Foundation for the Arts (AFA) Funding	65,000	60,000
Community Initiatives Program (CIP) Funding	75,000	-
	<u>666,685</u>	<u>557,205</u>
<u>Municipal Grants and Funding</u>		
Calgary Arts Development Authority	122,557	253,983
Other municipal funding	-	15,307
	<u>122,557</u>	<u>269,290</u>
<u>Foundation Grants and Funding</u>		
Calgary Foundation	-	47,399
Rosza Foundation	7,046	17,954
Other foundations	1,673	20,762
	<u>8,719</u>	<u>86,115</u>
<u>Private Grants and Funding</u>		
Other private grants	120,657	-
Grand total	<u>\$ 1,323,327</u>	<u>\$ 1,109,924</u>

12. CONTRIBUTED SERVICES

During the year, the Society received \$127,965 (2023 - \$39,930) of goods donated in-kind which are included in donations and sponsorships. The fair value of donated services cannot be reasonably determined and are therefore not reflected in these financial statements.

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13. FACILITY AND ADMINISTRATIVE EXPENSES

	2024	2023
Repairs and maintenance	\$ 58,137	\$ 60,243
Utilities	46,644	36,162
Computer-related expenses	26,836	15,600
Insurance	25,980	24,046
Office	15,759	7,389
Internet and communications	15,469	13,261
Property taxes	10,974	6,190
Supplies	2,495	2,791
Memberships and dues	1,030	1,576
	\$ 203,324	\$ 167,258

14. 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, 2024.

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, operating line of credit, accounts payable, and long-term debt. Liquidity requirements are met by preparing and monitoring forecasts of cash flows from operations and maintaining a line of credit.

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.

Unless otherwise noted, it is management's opinion that the Society is not exposed to significant other price risks arising from these financial instruments.

15. COMPARATIVE FIGURES

In 2024, the Society changed its Chart of Accounts to better reflect its reporting of expenses by object. As a result, the comparative figures have been reclassified to conform to the current year's presentation.