

NATIONAL ACCESSARTS CENTRE
Financial Statements
Year Ended March 31, 2025

NATIONAL ACCESSARTS CENTRE
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Year Ended March 31, 2025

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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, 2025, 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, 2025, 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, 2025, current assets and net assets as at March 31, 2025. Our audit opinion on the financial statements for the year ended March 31, 2024 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.

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.

(continues)

Elevate LLP

CHARTERED PROFESSIONAL ACCOUNTANTS

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

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

Elevate LLP
Chartered Professional Accountants


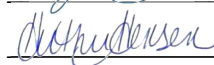
Calgary, Alberta
June 24, 2025

NATIONAL ACCESSARTS CENTRE
Statement of Financial Position
March 31, 2025

	General Fund	Jane Cameron Archive Fund	2025	2024
ASSETS				
CURRENT				
Cash	\$ 6,255	\$ 2,844	\$ 9,099	\$ 148,626
Restricted gaming cash (Note 3)	51,464	-	51,464	4,816
Restricted cash for capital projects under development (Note 4)	99,996	-	99,996	-
Accounts receivable (Note 5)	2,143,636	-	2,143,636	118,313
Goods and services tax recoverable	17,263	-	17,263	9,822
Prepaid expenses	24,828	-	24,828	25,040
	2,343,442	2,844	2,346,286	306,617
PROPERTY AND EQUIPMENT (Note 6)	2,270,051	-	2,270,051	1,606,724
INTANGIBLE ASSETS (Note 7)	84,374	-	84,374	140,267
	<u>\$ 4,697,867</u>	<u>\$ 2,844</u>	<u>\$ 4,700,711</u>	<u>\$ 2,053,608</u>
LIABILITIES AND FUND BALANCES				
CURRENT				
Bank indebtedness (Note 8)	\$ 134,320	\$ -	\$ 134,320	\$ 245,516
Accounts payable and accrued liabilities	749,074	-	749,074	162,115
Deferred PDD funding	106,474	-	106,474	106,922
Deferred gaming revenue (Note 3)	52,095	-	52,095	4,816
Deferred grants (Note 9)	444,817	-	444,817	287,572
Deferred capital projects funding (Note 10)	1,416,169	-	1,416,169	-
Other deferred revenue	1,895	-	1,895	2,148
Current portion of long term debt (Note 12)	6,789	-	6,789	6,343
	2,911,633	-	2,911,633	815,432
DEFERRED CAPITAL CONTRIBUTIONS (Note 11)	1,271,561	-	1,271,561	714,774
LONG TERM DEBT (Note 12)	384,211	-	384,211	390,330
	<u>4,567,405</u>	<u>-</u>	<u>4,567,405</u>	<u>1,920,536</u>
FUND BALANCES				
General Fund	(952,401)	-	(952,401)	(904,920)
Capital Asset Fund	1,082,863	-	1,082,863	1,032,216
Jane Cameron Archives Fund	-	2,844	2,844	5,776
	130,462	2,844	133,306	133,072
	<u>\$ 4,697,867</u>	<u>\$ 2,844</u>	<u>\$ 4,700,711</u>	<u>\$ 2,053,608</u>

SIGNIFICANT EVENTS AND SUBSEQUENT EVENTS (Note 17)

ON BEHALF OF THE BOARD

 _____ Director
 _____ Director

See notes to financial statements

NATIONAL ACCESSARTS CENTRE
Statement of Revenues and Expenditures
Year Ended March 31, 2025

	General Fund	Jane Cameron Archives Fund	2025	2024
REVENUES				
Grants and external funding (Note 9)	\$ 1,278,249	\$ -	\$ 1,278,249	\$ 1,323,327
Donations and sponsorships (Note 13)	710,924	-	710,924	405,205
Programming fees and revenues	122,660	-	122,660	123,813
Amortization - deferred capital contributions (Note 11)	93,560	-	93,560	107,313
Gaming revenues recognized (Note 3)	46,455	-	46,455	60,401
Other revenues	37,440	-	37,440	51,800
Exhibition and event revenues	28,330	-	28,330	30,656
Fundraising	11,715	-	11,715	11,544
Interest income	623	68	691	1,194
Loss on disposal of assets	(701)	-	(701)	-
	<u>2,329,255</u>	<u>68</u>	<u>2,329,323</u>	<u>2,115,253</u>
OPERATING EXPENSES				
Payroll and employment	1,122,518	-	1,122,518	1,192,855
Travel	239,937	-	239,937	281,551
Programming, exhibition and event	192,743	3,000	195,743	171,300
Facility and administrative (Note 14)	176,663	-	176,663	203,324
Artist fees	133,305	-	133,305	163,100
Marketing and media	131,849	-	131,849	125,050
Professional fees	123,947	-	123,947	110,022
Amortization - intangible assets (Note 7)	63,964	-	63,964	73,136
Finance and banking	51,882	-	51,882	50,365
Amortization - property and equipment (Note 6)	34,223	-	34,223	40,665
Team development and training	28,791	-	28,791	40,042
Equipment and tools	16,005	-	16,005	18,372
Board expenses	10,262	-	10,262	17,305
Donations	-	-	-	11,450
	<u>2,326,089</u>	<u>3,000</u>	<u>2,329,089</u>	<u>2,498,537</u>
EXCESS (DEFICIENCY) OF REVENUES OVER OPERATING EXPENSES	<u>\$ 3,166</u>	<u>\$ (2,932)</u>	<u>\$ 234</u>	<u>\$ (383,284)</u>

See notes to financial statements

NATIONAL ACCESSARTS CENTRE
Statement of Changes in Fund Balances
Year Ended March 31, 2025

	2024 Balance	Excess of revenues over operating expenses	Transfers and contributions	Withdrawals	2025 Balance
General Fund	\$ (904,920)	\$ 3,166	\$ (50,647)	\$ -	\$ (952,401)
Capital Asset Fund <i>(Note 6)</i>	1,032,216	-	50,647	-	1,082,863
Jane Cameron Archives Fund	5,776	(2,932)	-	-	2,844
	<u>\$ 133,072</u>	<u>\$ 234</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 133,306</u>

	2023 Balance	Excess of revenues over operating expenses	Transfers and contributions	Withdrawals	2024 Balance
General Fund	\$ (520,912)	\$ (380,358)	\$ (3,650)	\$ -	\$ (904,920)
Capital Asset Fund	1,028,566	-	3,650	-	1,032,216
Jane Cameron Archives Fund <i>(Note 6)</i>	8,702	(2,926)	-	-	5,776
	<u>\$ 516,356</u>	<u>\$ (383,284)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 133,072</u>

NATIONAL ACCESSARTS CENTRE

Statement of Cash Flows

Year Ended March 31, 2025

	2025	2024
OPERATING ACTIVITIES		
Excess (deficiency) of revenues over operating expenses	\$ 234	\$ (383,284)
Items not affecting cash:		
Amortization - deferred capital contributions	(93,560)	(107,313)
Amortization - intangible assets	63,964	73,136
Amortization - property and equipment	34,223	40,665
Loss on disposal of assets	701	-
	<u>5,562</u>	<u>(376,796)</u>
Changes in non-cash working capital:		
Accounts receivable	(2,025,323)	(78,950)
Goods and services tax recoverable	(7,441)	8,805
Prepaid expenses	212	(6,832)
Accounts payable and accrued liabilities	586,962	59,503
Deferred income	1,619,990	127,957
	<u>174,400</u>	<u>110,483</u>
	<u>179,962</u>	<u>(266,313)</u>
INVESTING ACTIVITIES		
Purchase of property and equipment	(698,251)	(21,894)
Purchase of intangible assets	(8,071)	(36,920)
	<u>(706,322)</u>	<u>(58,814)</u>
FINANCING ACTIVITIES		
Proceeds from long term financing	-	400,000
Deferred capital contributions received	650,347	48,676
Repayment of long term debt	(5,674)	(43,327)
	<u>644,673</u>	<u>405,349</u>
INCREASE IN CASH FLOW	118,313	80,222
Deficiency - beginning of year	<u>(92,074)</u>	<u>(172,296)</u>
CASH (DEFICIENCY) - END OF YEAR	\$ 26,239	\$ (92,074)
CASH CONSISTS OF:		
Cash	\$ 9,099	\$ 148,626
Restricted gaming cash	51,464	4,816
Restricted cash for capital projects under development	99,996	-
Bank indebtedness	<u>(134,320)</u>	<u>(245,516)</u>
	<u>\$ 26,239</u>	<u>\$ (92,074)</u>

See notes to financial statements

NATIONAL ACCESSARTS CENTRE

Notes to Financial Statements

Year Ended March 31, 2025

1. PURPOSE OF THE SOCIETY

National accessArts Centre ("NaAC" or the "Society"), formerly known as the In-Definite Arts Society, was created in 2020 following the amalgamation of In-Definite Arts with its sister disability arts organizations Momo Movement and Artistic Expressions. As Canada's first multidisciplinary disability arts company, NaAC provides artistic professional training, creation, and exhibition/presentation opportunities for artists with developmental, physical, and acquired disabilities. The Society supports more than 300 artists living with developmental and/or physical disabilities through on-site studio supports and workshops, and an even broader community of Canadian artists with disabilities through immersive programs delivered online. NaAC currently operates a multidisciplinary studio space in Calgary, and the Won Lee Community Arts Hub in Toronto.

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 (ASNFP) 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.

(continues)

NATIONAL ACCESSARTS CENTRE

Notes to Financial Statements

Year Ended March 31, 2025

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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.

Pledges

Pledges which are legally enforceable (less an allowance for amounts considered uncollectible) are recorded as receivable in the year made if the amount to be received can be reasonably estimated and collection is reasonably assured. Pledges to support current operations are recorded as operating fund receipts. Pledges made for the acquisition of property or to support future operations are recorded as deferred amounts in their respective 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.

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.

Capital projects under development

Capitalized costs include development costs, mortgage interest, realty taxes, interest on general borrowing, and administrative and general expenses incurred in the connection with the acquisition, development and construction of the projects.

(continues)

NATIONAL ACCESSARTS CENTRE

Notes to Financial Statements

Year Ended March 31, 2025

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

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.

Fund balances

- a) The Capital Asset Fund 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) The General Fund comprises the excess of revenue over expenses accumulated by the Society each year, net 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, 2025

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:

	2025	2024
Casino cash balance and deferred revenue, beginning of year	\$ 4,816	\$ 72,223
Proceeds from casino	84,363	-
Received as donations from other not-for-profit organizations	5,800	4,800
Raffle proceeds	6,380	-
Subtotal	101,359	77,023
Amounts expended on program delivery	(44,000)	(60,000)
Amounts expended on property and equipment (Note 11)	(2,809)	(11,806)
Casino advisor fees	(2,445)	-
Bank charges, GST, and other	(641)	(401)
Casino cash balance, end of year	\$ 51,464	\$ 4,816

The casino cash balance represents the deferred gaming revenue of \$52,095 net of prepaids of \$631.

4. RESTRICTED CASH FOR CAPITAL PROJECTS UNDER DEVELOPMENT

Certain funding agreements related to the two capital building projects (see Note 17) require that separate bank accounts be maintained to hold the funds provided. As such, the Society has chosen to segregate all cash received for the purpose of funding the two capital building projects into their own bank accounts.

5. ACCOUNTS RECEIVABLE

	2025	2024
Amounts receivable from artists	\$ 10,726	\$ 15,278
Allowance for doubtful accounts	-	(962)
Subtotal	10,726	14,316
Other receivables	2,132,910	103,997
	\$ 2,143,636	\$ 118,313

Included in other receivables are amounts due from various government funding organizations in the amount of \$2,079,103 (2024 - \$87,781).

6. PROPERTY AND EQUIPMENT

	Cost	Accumulated amortization	2025 Net book value	2024 Net book value
Leasehold improvements	\$ 2,130,514	\$ 2,130,514	\$ -	\$ -
Computer equipment	65,498	58,923	6,575	11,778

(continues)

NATIONAL ACCESSARTS CENTRE

Notes to Financial Statements

Year Ended March 31, 2025

6. PROPERTY AND EQUIPMENT (continued)

	Cost	Accumulated amortization	2025 Net book value	2024 Net book value
Classroom equipment	41,070	38,771	2,299	3,532
Office equipment	46,786	41,028	5,758	5,808
Building	622,521	60,437	562,084	585,606
Land	1,000,000	-	1,000,000	1,000,000
Capital projects under development (a)	693,335	-	693,335	-
	\$ 4,599,724	\$ 2,329,673	\$ 2,270,051	\$ 1,606,724

(a) In 2025, the Society commenced its Multi-Disciplinary Disability Arts Centre ("MDCAH") project (see Note 17).

During the year, the Society recognized amortization of \$34,223 (2024 - \$40,665) in its operations.

7. INTANGIBLE ASSETS

	2025	2024
artJourney social media platform	\$ 276,827	\$ 276,827
Break the Barrier CRM	15,580	15,580
Digital Music software	7,400	7,400
Website	32,800	29,520
Keela donor software	4,791	-
	337,398	329,327
Accumulated amortization	(253,025)	(189,060)
	\$ 84,373	\$ 140,267

During the year, the Society recognized amortization of \$63,964 (2024 - \$73,136) in its operations.

8. BANK INDEBTEDNESS

	2025	2024
Bank indebtedness	\$ 134,320	\$ 245,516

In 2024, 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 6.70% (2024 - 8.95%).

The business Line of Credit and the mortgage facilities are both secured by a Collateral Mortgage in the principal amount of \$1,000,000 (see Note 12).

Unused credit card facility

The Society has a Visa credit card facility with TD Bank to a maximum of \$40,000, which bears interest at 14.99% per annum and is unsecured. At year-end, the unused portion of this facility was \$19,539 (2024 - \$27,645).

NATIONAL ACCESSARTS CENTRE

Notes to Financial Statements

Year Ended March 31, 2025

9. DEFERRED GRANTS

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

	<u>2025</u>	<u>2024</u>
<u>Continuity of deferred grants</u>		
Balance, beginning of year	\$ 287,572	\$ 182,170
	<u>287,572</u>	<u>182,170</u>
Additions:		
Federal grants and funding	322,350	215,728
Provincial grants and funding	-	19,996
Municipal grants and funding	23,513	40,000
Foundation grants and funding	147,405	500
Private grants and funding	43,933	249,150
	<u>537,201</u>	<u>525,374</u>
Subtotal	824,773	707,544
Less amount recognized as revenue in the year	(375,165)	(383,102)
Less amount transferred to deferred capital contributions (Note 11)	(4,791)	(36,870)
	<u>\$ 444,817</u>	<u>\$ 287,572</u>
<u>Balance, end of year comprised of:</u>		
Federal grants and funding	\$ 237,108	\$ 91,563
Provincial grants and funding	-	19,996
Municipal grants and funding	20,612	25,000
Foundation grants and funding	127,372	-
Private grants and funding	59,725	151,013
	<u>\$ 444,817</u>	<u>\$ 287,572</u>

10. DEFERRED CAPITAL PROJECTS FUNDING

In celebration of its 50th anniversary in 2025, the Society is advancing the largest capital project in Canadian disability arts history. Two side-by-side facilities, the Multidisciplinary Disability Community Arts Hub ("MDCAH") and the Trico Communities Accessible Arts Centre, will form North America's first accessible, disability-focused arts learning campus totaling nearly \$25 million in design and development costs.

	<u>2025</u>	<u>2024</u>
<u>Trico Communities Accessible Arts Centre</u>		
Additions:		
John Bowlen Legacy Fund donation	\$ 100,000	\$ -
	<u>100,000</u>	<u>-</u>

(continues)

NATIONAL ACCESSARTS CENTRE

Notes to Financial Statements

Year Ended March 31, 2025

10. DEFERRED CAPITAL PROJECTS FUNDING (continued)

Multi-Disciplinary Disability Arts Centre (MDCAH)

Additions:		
Calgary Arts Development Authority grant	15,000	-
Green and Inclusive Community Buildings Program grant	970,175	-
Community Facility Enhancement Program grant	1,000,000	-
Subtotal	1,985,175	-
Less amount recognized as revenue in the year (see Note 13)	(26,259)	-
Less amount transferred to deferred capital contributions (Note 11)	(642,747)	-
	1,316,169	-
Grand total	\$ 1,416,169	\$ -

11. DEFERRED CAPITAL CONTRIBUTIONS

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

	<u>2025</u>	<u>2024</u>
<u>Deferred capital contributions - property and equipment</u>		
Balance, beginning of year	\$ 579,123	\$ 600,806
Additions:		
Transferred from deferred gaming revenue (Note 3)	2,809	11,806
Transferred from deferred capital funding (Note 10)	642,747	3,305
Subtotal	1,224,679	615,917
Less amount recognized as revenue in the year	(31,721)	(36,794)
Balance, end of year	1,192,958	579,123
 <u>Deferred capital contributions - intangibles</u>		
Balance, beginning of year	135,651	172,605
Additions:		
Transferred from deferred grants (Note 9)	4,791	33,565
Subtotal	140,442	206,170
Less amount recognized as revenue in the year	(61,839)	(70,519)
	78,603	135,651
Grand total	\$ 1,271,561	\$ 714,774

During the year, the Society recognized \$93,560 (2024 - \$107,313) of deferred capital contributions into income.

NATIONAL ACCESSARTS CENTRE
Notes to Financial Statements
Year Ended March 31, 2025

12. LONG TERM DEBT

	2025	2024
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 on the Society's land and building in the principal amount of \$1,000,000; an Assignment of Rents and Leases; and a General Security Agreement (see Note 8)	\$ 391,000	\$ 396,673
Amounts payable within one year	<u>(6,789)</u>	<u>(6,343)</u>
	\$ 384,211	\$ 390,330

Principal repayment terms are approximately:

2026	\$ 6,789
2027	7,322
2028	7,896
2029	8,516
2030	9,184
Thereafter	<u>351,293</u>
	\$ 391,000

13. CONTRIBUTED GOODS AND SERVICES

During the year, the Society received \$25,887 (2024 - \$127,965) 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.

14. FACILITY AND ADMINISTRATIVE EXPENSES

	2025	2024
Repairs and maintenance	\$ 47,722	\$ 58,137
Utilities	44,144	46,644
Insurance	26,947	25,980
Office	16,629	15,759
Property taxes	15,288	10,974
Internet and communications	12,868	15,469
Computer-related expenses	10,097	26,836
Memberships and dues	2,368	1,030
Supplies	<u>600</u>	<u>2,495</u>
	\$ 176,663	\$ 203,324

NATIONAL ACCESSARTS CENTRE

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Year Ended March 31, 2025

15. GRANTS AND EXTERNAL FUNDING REVENUES

	<u>2025</u>	<u>2024</u>
<u>Federal Grants and Funding</u>		
Canada Council of the Arts	\$ 176,805	\$ 192,588
Canada Arts Training Fund	200,000	200,000
Canada Summer Jobs Program	-	12,121
Green and Inclusive Community Buildings Program (Note 10)	<u>26,259</u>	-
Subtotal	<u>403,064</u>	404,709
<u>Provincial Grants and Funding</u>		
Persons with Developmental Disabilities	526,685	526,685
Alberta Foundation for the Arts	84,996	65,000
Community Initiatives Program	-	75,000
	<u>611,681</u>	666,685
<u>Municipal Grants and Funding</u>		
Calgary Arts Development Authority	113,041	122,557
	<u>113,041</u>	122,557
<u>Foundation Grants and Funding</u>		
The Calgary Foundation	12,933	-
Rosza Foundation	2,309	7,046
Other foundations	-	1,673
	<u>15,242</u>	8,719
<u>Private Grants and Funding</u>		
Other private grants	135,221	120,657
	<u>135,221</u>	120,657
	<u>\$ 1,278,249</u>	<u>\$ 1,323,327</u>

16. 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, 2025.

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.

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NATIONAL ACCESSARTS CENTRE

Notes to Financial Statements

Year Ended March 31, 2025

16. FINANCIAL INSTRUMENTS *(continued)*

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.

17. SIGNIFICANT EVENTS AND SUBSEQUENT EVENTS

In celebration of its 50th anniversary in 2025, the Society began advancing the largest capital project in Canadian disability arts history. Two side-by-side facilities, the Multidisciplinary Disability Community Arts Hub ("MDCAH") and the Trico Communities Accessible Arts Centre, will form North America's first accessible, disability-focused arts learning campus totaling nearly \$25 million in design and development costs.

Trico Communities Accessible Arts Centre

The City of Calgary has designated the former Scouts Hall in West Hillhurst as the Society's new premises with an estimated move-in date in the spring of 2027. Requiring significant renovations to bring it up to code, the City of Calgary is managing the construction for this project, currently estimated at \$6.7 million. The City of Calgary will contribute \$4.9 million for building upgrades, and the Society is required to fund the remaining \$1.8 million for the interior fit out. Upon completion, the building will be named the Trico Communities Accessible Arts Centre as per the naming rights sponsorship agreement with Trico Communities. This building will be completely accessible and will house the professional visual arts training as well as the majority of the Society's administrative body.

To date, the Society has the following signed and legally binding funding commitments for this project:

1. Trico Communities Inc. sponsorship: \$500,000 over five years providing naming rights for 15 years.
2. Optimist Clubs' Park Society of Calgary donation: \$200,000 from May 15, 2025 to August 15, 2026 to support construction of the Atrium entrance on the east side - funded from gaming funds.
3. John Bowlen Legacy Fund donation: \$100,000 - received prior to year-end.
4. Canada Cultural Spaces Fund grant: \$750,000 - restricted to 50% of eligible costs.

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17. SIGNIFICANT EVENTS AND SUBSEQUENT EVENTS *(continued)*

Multi-disciplinary Disability Arts Centre ("MDCAH")

Currently nearing the end of its design development phase with its architectural partners, MDCAH will be a fully accessible, net-zero carbon building, purpose built for the training and professional development of performing artists learning and practicing dance, music, and film creation. The building will be completely accessible and will boast several spaces designed to generate significant revenue for the Society through rentals and sponsorship investment in its galleries, training theatre, catering kitchen, event space, meeting room, and cafe kiosk - all created for accessibility.

To date, the Society has the following signed and legally binding funding commitments to the MDCAH project:

1. Green and Inclusive Community Buildings Program (GICB) grant: \$8,266,162 over the next two years in four advances - restricted to 60% of eligible costs.
2. Community Facility Enhancement Program (CFEP) grant: \$1,000,000 - restricted to 50% of eligible costs.

The total project budget is set at \$14.53 million and is to be funded by these two grants as well as the Society's capital fundraising campaign.

Subsequent to the year-end, the following events occurred:

- Received \$100,000 from Optimist Clubs' Park Society of Calgary on account of its donation commitment.
 - Received \$970,175 from the Government of Canada on account of the first advance due under the GICB grant.
 - Received \$1,000,000 from the Alberta Government on account of the CFEP grant.
 - Received \$125,000 from Trico Communities Inc. on account of the sponsorship commitment.
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