Arts Touring Alliance of Alberta Society

Financial Statements

March 31, 2021

(Unaudited)

Arts Touring Alliance of Alberta Society

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INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Board of Directors of Arts Touring Alliance of Alberta Society

We have reviewed the accompanying financial statements of **Arts Touring Alliance of Alberta Society** that comprise the statement of financial position as at March 31, 2021, and the statements of change in net assets, operations, and cash flows for the year 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.

Practitioner's Responsibility

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquires of management and others within the entity, as appropriate, an applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of Arts Touring Alliance of Alberta Society as at March 31, 2021, 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.

Doyle & Company

Edmonton, Alberta
September 20, 2021

Chartered Professional Accountants

Arts Touring Alliance of Alberta Society

Statement of Financial Position

As at March 31, 2021

(Unaudited)

	2021 $	2020 $
ASSETS		
Current		
Cash (Note 3)	205,669	168,849
Short-term investments (Note 4)	25,000	5,000
GST receivable	573	4,781
Source deduction recovery	-	857
Prepaid expenses	1,469	2,308
	232,711	181,795
Investments (Note 5)	130,000	90,000
Tangible Capital Assets (Note 6)	502	801
	363,213	272,596
LIABILITIES		
Current		
Accounts payable and accrued liabilities	24,626	9,320
Source deductions payable	839	-
	25,465	9,320
Long-Term Debt (Note 7)	60,000	-
	85,465	9,320
NET ASSETS		
Unrestricted net assets	49,795	35,025
Jim Robertshaw Legacy fund	16,000	16,000
Stability fund	211,450	211,450
Invested in tangible capital assets	503	801
	277,748	263,276
	363,213	272,596

Significant Event - Note 12

Approved by the Board of Directors:

_____, Director

_____, Director

The accompanying notes form part of these financial statements.

Arts Touring Alliance of Alberta Society

Statement of Change in Net Assets

For the Year Ended March 31, 2021

(Unaudited)

	2021 $	2020 $
Unrestricted Net Assets		
Balance, beginning of year	**35,025**	39,978
Excess (Deficiency) of revenue over expenses	**14,472**	(5,458)
Transfer to invested in capital assets	**298**	505
Balance, end of year	**49,795**	35,025
Jim Robertshaw Legacy Fund		
Balance, beginning of year	**16,000**	16,000
Transfer (to) from unrestricted	**-**	-
Balance, end of year	**16,000**	16,000
Stability Fund		
Balance, beginning of year	**211,450**	211,450
Transfer (to) from Unrestricted fund	**-**	-
Balance, end of year	**211,450**	211,450
Invested in Capital Assets		
Balance, beginning of year	**801**	1,306
Current amortization	**(298)**	(505)
Balance, end of year	**503**	801

The accompanying notes form part of these financial statements.

Arts Touring Alliance of Alberta Society

Consolidated Statement of Operations

For the Year Ended March 31, 2021

(Unaudited)

	2021 $	2020 $
Revenue		
Government Grants (Note 8)	**135,518**	147,804
Showcase (Schedule 2)	**-**	84,556
General (Note 9)	**4,673**	9,910
Interest income	**147**	245
	140,338	242,515
Expenses		
Advertising and promotion	**-**	591
Amortization	**298**	505
Insurance	**2,441**	1,954
Interest and bank charges	**132**	139
Meetings	**928**	11,618
Membership benefits	**16,833**	5,048
Office	**2,659**	2,442
Processing fees	**772**	683
Professional fees	**5,000**	5,000
Showcase (Schedule 2)	**2,034**	128,540
Staff and board	**50**	2,688
Telephone and Internet	**3,300**	3,148
Wages and employee benefits	**91,019**	85,617
Workshop	**400**	-
	125,866	247,973
Excess (Deficiency) of Revenue over Expenses	**14,472**	(5,458)

The accompanying notes form part of these financial statements.

Arts Touring Alliance of Alberta Society

Statement of Cash Flows

For the year ended March 31, 2021

(Unaudited)

	2021 $	2020 $
Operating Activities		
Cash received from customers, grants and other sources	**145,404**	239,875
Cash paid to suppliers and employees	**(108,584)**	(251,417)
	36,820	(11,542)
Financing Activities		
Increase in long-term debt	**60,000**	-
Investing Activities		
(Increase) Decrease in investments	**(60,000)**	(90,000)
Increase in Cash During the Year	**36,820**	(101,542)
Cash, beginning of year	**168,849**	270,391
Cash, end of year	**205,669**	168,849

The accompanying notes form part of these financial statements.

Arts Touring Alliance of Alberta Society

Schedule 1 - General

For the Year Ended March 31, 2021

(Unaudited)

	2021 $	2020 $
Revenue		
Canadian Heritage (APC)	**62,500**	50,000
Canadian Heritage (APC) (recovery)	**(19,626)**	-
Interest income	**147**	245
Memberships	**4,410**	9,910
Other Grants	**-**	5,159
Provincial grant	**92,645**	92,645
Workshop registration fees	**263**	-
	140,339	157,959
Expenses		
Advertising and promotion	**-**	591
Amortization	**298**	505
Insurance	**2,441**	1,954
Interest and bank charges	**132**	139
Meetings	**928**	11,618
Membership benefits	**16,833**	5,048
Office	**2,659**	2,442
Processing fees	**772**	683
Professional fees	**5,000**	5,000
Telephone and Internet	**3,300**	3,148
Workshop	**400**	-
Staff and board	**50**	2,688
Wages and employee benefits	**91,019**	85,617
	123,832	119,433
Excess Revenue over Expenses Before Other - Transfers	**16,507**	38,526
Other - Transfers		
Transfer Canadian Heritage (APC) to Showcase	**-**	(40,000)
Excess (Deficiency) of Revenue over Expenses	**16,507**	(1,474)

The accompanying notes form part of these financial statements.

Arts Touring Alliance of Alberta Society

Schedule 2 - Showcase

For the Year Ended March 31, 2021

(Unaudited)

	2021 $	2020 $
Revenue		
Additional meals	-	3,288
Application fees	-	2,202
Contact room	-	11,355
Fundraising Showcase auction	-	9,235
Program advertising	-	5,514
Registration fees	-	43,829
Showcase sponsorship	-	9,109
Workshops	-	24
	-	84,556
Expenses		
Advertising and promotion	-	4,986
Delegate expenses	-	47,965
Office	-	778
Processing fees	**34**	2,280
Programming expenses	**2,000**	5,330
Staff and board	-	6,309
Supplies	-	1,085
Venue, crew and equipment rental	-	55,754
Workshop	-	4,053
	2,034	128,540
Excess (Deficiency) of Revenue over Expenses Before Other - Transfers	**(2,034)**	(43,984)
Other - Transfers		
Transfer Canadian Heritage (APC) from General	-	40,000
Excess (Deficiency) of Revenue over Expenses	**(2,034)**	(3,984)

The accompanying notes form part of these financial statements.

Arts Touring Alliance of Alberta Society

Notes to the Financial Statements

March 31, 2021

(Unaudited)

Incorporation and Nature of Operations

Arts Touring Alliance of Alberta Society (the "Organization") is a not-for-profit organization incorporated under the Alberta Societies Act in 1993. The Organization is dedicated to fostering a strong performing arts touring industry in Alberta and provides programs designed to encourage and enable artists to tour and co-hosts an annual Showcase conference. The Organization is not a taxable organization under the Income Tax Act (Canada).

1. Significant Accounting Policies

These financial statements have been prepared in accordance with Part III of the CPA Canada Handbook, Canadian Accounting Standards for Not-for-Profit Organizations ("Part III"). The significant accounting policies are described below:

(a) Cash

Cash consists of cash on deposit at a Canadian financial institution.

(b) Internally Restricted Cash

The Organization created an internally restricted reserve for a Stability and Jim Robertshaw Legacy Fund.

The purpose of the Stability Fund is to support programming in the event that the funding is insufficient to cover costs.

The purpose of the Jim Robertshaw Legacy Fund is to provide awards in the name of Jim Robertshaw, a former member of the Organization. Use of the Stability Fund and the Jim Robertshaw Legacy Fund requires approval from the Board of Directors by way of majority vote.

(c) Short-Term Investments

Short-term investments consists of guaranteed investment certificates with a maturity date of twelve months from date of acquisition.

(d) Investments

Investments consists of guaranteed investment certificates with a maturity date greater than twelve months from the date of acquisition. Guaranteed investment certificates maturing within twelve months from the year-end date are classified as current.

(e) Revenue Recognition

The Organization follows the deferral method of accounting for revenue.

Externally restricted revenue such as contribution to property and equipment are recognized as revenue in the year in which the related expenses are incurred.

Unrestricted revenues are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Donations, fundraising, registration fees, interest, and other revenue is recognized when earned.

1. Significant Accounting Policies - Continued

(f) Tangible Capital Assets

Tangible capital assets are initially recorded at cost. Amortization is calculated using the methods below over their estimated useful life at the following rates except in the year of acquisition when one-half the normal rate is applied. No amortization is recorded in the year of disposal.

Computer equipment	45%
Furniture and Equipment	25%

The Organization adopted the new accounting standards Handbook Section 4433 - Tangible capital assets held by not-for-profit organizations. These standards are effective for years beginning on or after January 1, 2019 and are applied on a prospective basis. The adoption of these new standards did not have an impact on the Organization's financial statements.

The Organization has updated their policy as it relates to the impairment of capital assets as follows:

When conditions indicate a capital asset is impaired, the carrying value of the capital asset is written down to the asset's fair value or replacement cost. The write down of the capital assets is recorded as an expense in the statement of operations. A write down shall not be reversed.

(g) Financial Instruments

(i) Measurement of financial instruments

The Organization initially measures all of its financial assets and liabilities at fair value, except for certain non-arm's length transactions.

The Organization subsequently measures all of its financial assets and liabilities at amortized cost, except in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in net income.

Financial assets measured at amortized cost include cash, investments, GST receivable, and source deductions recovery.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities, source deductions payable, and long-term debt.

(ii) Impairment

Financial assets measured at cost or amortized cost are tested for impairment, at the end of each year, to determine whether there are indicators that the asset may be impaired. The amount of the write-down, if any, is recognized in income. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account. The reversal may be recorded provided it is no greater than the amount that had been previously reported as a reduction in the asset and it does not exceed the original cost. The amount of the reversal is recognized in income.

2. 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 amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of the tangible capital assets. These estimates and assumptions are reviewed periodically and, as adjustments become necessary, they are reported in the revenue or expenses in the period in which they become known. Actual results could differ from those estimates.

3. Internally Restricted Cash

	2021 $	2020 $
Operating bank account	**205,669**	168,849

A portion of the cash is internally restricted for the stability fund.

4. Short-Term Investments

	2021 $	2020 $
ATB Guaranteed Investment Certificate bearing interest, at 2.95% per annum, maturing May 2021.	**5,000**	5,000
ATB Guaranteed Investment Certificate bearing interest, at 0.5% per annum, maturing February 2022	**20,000**	-
	25,000	5,000

The $5,000 ATB Guaranteed Investment Certificate is used as security for the ATB Mastercard.
A portion of above investments is for the Jim Robertshaw Legacy fund and the stability fund.

5. Investments

	2021 $	2020 $
ATB Guaranteed Investment Certificate bearing interest, at 0.9% per annum, maturing September 2022	**40,000**	-
ATB Guaranteed Investment Certificate bearing interest, 2.02% per annum, maturing February 2023	**90,000**	90,000
	130,000	90,000

A portion of above investments is for the Jim Robertshaw Legacy fund and the stability fund.

6. Tangible Capital Assets

	2021			2020
	Cost $	Accumulated Amortization $	Net Book Value $	Net Book Value $
Computer equipment	**18,851**	**18,581**	**270**	492
Furniture and equipment	**21,180**	**20,948**	**232**	309
	40,031	**39,529**	**502**	801

Amortization amounted to $298 for the year ended March 31, 2021 (2020 - $505), and is included in the consolidated statement of operations and Schedule 1 - General.

7. Long Term Debt

The Society applied for a Canada Emergency Business Account (CEBA) loan with ATB Financial and received $60,000 in the year. The term loan has an initial term and an extended term.

Initial term - the initial term is from the date the money was advanced to December 31, 2022. No repayment of any portion of the loan principal is required and interest does not accrue during this initial term. The interest rate during this initial term is 0% per annum. If the loan is paid back in full on or before December 31, 2022 then $20,000 of the loan will be forgiven.

Extended term - the extended term is from January 1, 2023 to December 31, 2025 and interest on the loan is payable on a monthly basis commencing on the first interest payment date January 31, 2023 (or such other date as agreed by the Bank). On the Extended Term Date December 31, 2025, the balance, if any, of the loan is payable in full. The interest rate during the extended term is 5% per annum.

8. Grants

	2021 $	2020 $
Canadian Heritage (APC)	**62,500**	50,000
Canadian Heritage (APC) (recovery)	**(19,627)**	-
Other Grants	**-**	5,159
Provincial Grant	**92,645**	92,645
	135,518	147,804

9. General Revenue

	2021 $	2020 $
Memberships	**4,410**	9,910
Workshop registration fees (recovery)	**263**	-
	4,673	9,910

10. Financial Instruments and Concentration of Risk

The Organization's financial instruments consist of cash, investments, GST receivable, source deduction recovery, accounts payable and accrued liabilities, and source deductions payable. The fair value of these financial instruments approximates their carrying values unless other wise noted.

Credit risk

Credit risk is the risk that one party to a financial asset will cause a financial loss for the Organization by failing to discharge an obligation. The credit risk is mainly related to trade accounts receivable. Credit is provided to clients in the normal course of operations and the accounts receivables are assessed by the Organization and they record any amounts that are not collectible in the allowance for doubtful accounts.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rate. The Organization is exposed to interest rate risk on bank account balances and any of its fixed and/or floating interest rate financial instruments.

Liquidity Risk

Liquidity risk is the risk that the Organization will encounter difficulty in meeting its obligations associated with financial liabilities. The Organization manages its liquidity risk by monitoring its operating requirements and cash forecasts to ensure it has sufficient funds to fulfill its financial obligations.

11. Comparative Figures

Certain comparative figures have been restated to conform with current year's presentation.

12. Significant Event

As of the date of the financial statements, there is a global outbreak of COVID-19 (cornonavirus), which has had a significant impact on businesses through restrictions put in place by the Canadian, provincial, and municipal governments regarding travel, business operations and isolation/quarantine orders. At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the Organization as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the virus, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and isolation/quarantine measures that are currently, or may be put, in place by Canada and other countries to fight the virus.