Arts Touring Alliance of Alberta Society

Financial Statements

March 31, 2023

(Unaudited)

Arts Touring Alliance of Alberta Society

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DOYLE & COMPANY
CHARTERED PROFESSIONAL ACCOUNTANTS

Edward Cheung, CPA, CA*
Scott T. Mockford, CPA, CA*
Allen Lee, CPA, CMA*
Jason Bondarevich, CPA, CA*
*Operates as a Professional Corporation

11210 – 107 Avenue N.W.
Edmonton, Alberta T5H 0Y1
Tel (780) 452-2300, Fax (780) 452-2335

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, 2023, 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, and 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, 2023, 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

July 18, 2023
11210 - 107 Avenue NW
Edmonton, Alberta T5H 0Y1

Chartered Professional Accountants

Arts Touring Alliance of Alberta Society

Statement of Financial Position

As at March 31, 2023

(Unaudited)

	2023 $	2022 $
ASSETS		
Current		
Cash	57,290	100,802
Accounts receivable	434	4,988
Prepaid expenses	2,158	1,776
	59,882	107,566
Restricted Cash (Note 3)	137,450	77,450
Restricted Investments (Note 4)	90,000	150,000
Tangible Capital Assets (Note 5)	212	323
	287,544	335,339
LIABILITIES		
Current		
Accounts payable and accrued liabilities	5,939	5,000
Goods and services tax (GST) payable	103	975
Source deductions payable	3,908	2,420
	9,950	8,395
Long-Term Debt (Note 6)	-	60,000
	9,950	68,395
NET ASSETS		
Unrestricted net assets	49,932	39,172
Jim Robertshaw Legacy fund	16,000	16,000
Stability fund	211,450	211,450
Invested in tangible capital assets	212	322
	277,594	266,944
	287,544	335,339

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, 2023

(Unaudited)

	2023 $	2022 $
Unrestricted Net Assets		
Balance, beginning of year	**39,172**	49,795
Excess (Deficiency) of revenue over expenses	**10,650**	(10,803)
Transfer to invested in tangible capital assets	**110**	180
Balance, end of year	**49,932**	39,172
Jim Robertshaw Legacy Fund		
Balance, beginning of year	**16,000**	16,000
Transfer (to) from unrestricted net assets	**-**	-
Balance, end of year	**16,000**	16,000
Stability Fund		
Balance, beginning of year	**211,450**	211,450
Transfer (to) from unrestricted net assets	**-**	-
Balance, end of year	**211,450**	211,450
Invested in Tangible Capital Assets		
Balance, beginning of year	**322**	502
Current amortization	**(110)**	(180)
Balance, end of year	**212**	322

The accompanying notes form part of these financial statements.

Arts Touring Alliance of Alberta Society

Statement of Operations

For the Year Ended March 31, 2023

(Unaudited)

	2023 $	2022 $
Revenue		
Government Grants (Schedule 1, Note 7)	**177,600**	140,401
Showcase (Schedule 2)	**67,364**	21,616
Block Bookings (Schedule 3)	**13,513**	-
General (Schedule 1, Note 8)	**37,824**	3,593
Interest income (Schedule 1)	**2,190**	4,910
	298,491	170,520
Expenses		
Advertising and promotion	**4,706**	4,068
Amortization	**110**	180
Bank charges, interest, and processing fees	**3,814**	1,050
Conferences	**5,945**	795
Contractors	**20,364**	13,308
Insurance	**1,973**	1,631
Meetings	**9,577**	169
Memberships	**2,666**	1,137
Office	**10,157**	6,229
Professional fees	**5,525**	5,750
Rent	**36,148**	23,775
Supplies	**584**	611
Telephone and Internet	**3,131**	2,271
Travel	**63,554**	28,219
Wages and employee benefits	**100,319**	89,980
Workshop	**19,268**	2,150
	287,841	181,323
Excess (Deficiency) of Revenue over Expenses	**10,650**	(10,803)

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, 2023

(Unaudited)

	2023 $	2022 $
Cash provided by (Used for) the following activities:		
Operating Activities		
Excess (deficiency) of revenue over expense	**10,650**	(10,803)
Non-cash items included in excess of revenues over expense		
Amortization of tangible capital assets	**110**	180
Changes in non-cash working capital accounts:		
Decrease (increase) in accounts receivable	**4,555**	(4,988)
Decrease (increase) in goods and services tax receivable	**-**	573
Decrease (increase) in prepaid expenses	**(382)**	(307)
Increase (decrease) in accounts payable and accrued liabilities	**939**	(19,626)
Increase (decrease) in goods and services tax (GST) payable	**(872)**	975
Increase (decrease) in source deductions payable	**1,488**	1,580
	16,488	(32,416)
Investing Activities		
(Increase) Decrease in restricted investments (short-term)	**-**	5,000
(Increase) Decrease in restricted investments (long-term)	**60,000**	-
Financing Activities		
Long-term debt repaid	**(60,000)**	-
Increase in Cash During the Year	**16,488**	(27,416)
Cash, beginning of year	**178,252**	205,668
Cash, end of year	**194,740**	178,252
Cash consists of:		
Cash	**57,290**	100,802
Restricted cash	**137,450**	77,450
	194,740	178,252

The accompanying notes form part of these financial statements.

Arts Touring Alliance of Alberta Society

Schedule 1 - General

For the Year Ended March 31, 2023

(Unaudited)

	2023 $	2022 $
Revenue		
Canadian Heritage (APC)	**84,500**	49,500
Fundraising income	**6,400**	-
Interest income	**2,190**	4,910
Memberships	**10,955**	3,593
Miscellaneous	**20,030**	-
Provincial grant	**93,100**	93,100
Provincial grant (recovery)	**-**	(2,199)
Workshop registration fees	**438**	-
	217,613	148,904
Expenses		
Advertising and promotion	**3,153**	3,613
Amortization	**110**	180
Bank charges, interest and processing fees	**1,234**	532
Conferences	**5,945**	795
Contractors	**-**	750
Insurance	**1,973**	1,631
Meetings	**9,577**	169
Membership	**2,666**	1,137
Office	**4,144**	4,047
Professional fees	**5,525**	5,750
Telephone and Internet	**2,280**	2,271
Travel	**29**	79
Wages and employee benefits	**89,471**	89,980
Workshop	**19,268**	2,150
	145,375	113,084
Excess Revenue over Expenses Before Other - Transfers	**72,238**	35,820
Other - Transfers		
Transfer Canadian Heritage (APC) to Showcase	**(65,000)**	(45,000)
Excess (Deficiency) of Revenue over Expenses	**7,238**	(9,180)

The accompanying notes form part of these financial statements.

Arts Touring Alliance of Alberta Society

Schedule 2 - Showcase

For the Year Ended March 31, 2023

(Unaudited)

	2023 $	2022 $
Revenue		
Additional meals	**1,833**	1,752
Application fees	**8,828**	1,917
Contact room	**6,011**	-
Program advertising	**3,065**	767
Registration fees	**35,637**	11,655
Showcase sponsorship	**11,990**	5,525
	67,364	21,616
Expenses		
Advertising and promotion	**1,554**	455
Bank charges, interest, and processing fees	**2,581**	518
Contractors	**20,367**	12,558
Office	**5,062**	2,182
Rent	**36,148**	23,775
Supplies	**584**	611
Travel	**63,222**	28,140
	129,518	68,239
Excess (Deficiency) of Revenue over Expenses Before Other - Transfers	**(62,154)**	(46,623)
Other - Transfers		
Transfer Canadian Heritage (APC) from General	**65,000**	45,000
Excess (Deficiency) of Revenue over Expenses	**2,846**	(1,623)

The accompanying notes form part of these financial statements.

Arts Touring Alliance of Alberta Society

Schedule 3 - Block Bookings

For the Year Ended March 31, 2023

(Unaudited)

	2023 $	2022 $
Revenue		
Commissions	13,513	-
Expenses		
Office	951	-
Salaries and wages	10,848	-
Telephone and Internet	852	-
Travel	304	-
	12,955	-
Excess (Deficiency) of Revenue over Expenses	558	-

The accompanying notes form part of these financial statements.

Arts Touring Alliance of Alberta Society

Notes to the Financial Statements

March 31, 2023

(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) Restricted Cash

The Organization created internally restricted reserves for a Stability Fund 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) Restricted 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. If the investments are for the internally restricted funds, these investments will be classified as long-term even if the maturity date of the investment is within twelve months from the year-end date.

(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%

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, restricted cash, restricted short-term investments, accounts receivable, goods and services tax (GST) receivable and investments.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities, goods and services tax (GST) payable, 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 operations. 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 operations.

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. Restricted Cash

	2023 $	2022 $
Internally Restricted		
Operating bank account	**137,450**	77,450

The internally restricted cash in the above balance is for the stability fund.

4. Restricted Investments

	2023 $	2022 $
Internally Restricted (Long-term)		
ATB Guaranteed Investment Certificate bearing interest, at 1.2% per annum, matured February 2023	-	20,000
ATB Guaranteed Investment Certificate bearing interest, at 0.9% per annum, matured September 2022	-	40,000
ATB Guaranteed Investment Certificate bearing interest, 4.00% per annum, maturing February 2024	**90,000**	90,000
Total	**90,000**	150,000

Internally Restricted: A portion of above investments is for the Jim Robertshaw Legacy fund of $16,000 (2022 - $16,000) and the stability fund $74,000 (2022 - $134,000).

5. Tangible Capital Assets

	2023			2022
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
	$	$	$	$
Computer equipment	**18,851**	**18,769**	**82**	149
Furniture and equipment	**21,180**	**21,050**	**130**	174
	40,031	**39,819**	**212**	323

Amortization amounted to $110 for the year ended March 31, 2023 (2022 - $180), and is included in the statement of operations and Schedule 1 - General.

Tangible Capital Assets

	2022			2021
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
	$	$	$	$
Computer equipment	**18,851**	**18,702**	**149**	270
Furniture and equipment	**21,180**	**21,006**	**174**	232
	40,031	**39,708**	**323**	502

Amortization amounted to $180 for the year ended March 31, 2022 (2021 - $298), and is included in the statement of operations and Schedule 1 - General.

6. Long Term Debt

The Society applied for a Canada Emergency Business Account (CEBA) loan with ATB Financial and received $60,000 in the 2021 year.

The loan was paid back in full as at March 31, 2023, and $20,000 of the loan was forgiven and recognized as miscellaneous revenue in the current year.

7. Grants

	2023 $	2022 $
Canadian Heritage (APC)	**84,500**	49,500
Provincial Grant: Alberta Foundation for the Arts	**93,100**	93,100
Provincial Grant (recovery)	**-**	(2,199)
	177,600	140,401

8. General Revenue

	2023 $	2022 $
Memberships	**10,956**	3,593
Miscellaneous	**20,030**	-
Workshop registration fees	**438**	-
	31,424	3,593

9. Financial Instruments and Concentration of Risk

The Organization's financial instruments consist of cash, restricted cash, restricted short-term investments, accounts receivable, goods and services tax (GST) receivable, accounts payable and accrued liabilities, goods and services tax (GST) payable, 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 fulfil its financial obligations.

10. Comparative Figures

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