

# REVIEW ENGAGEMENT REPORT

## TO THE BOARD OF DIRECTORS ACEARTINC.

I have reviewed the accompanying financial statements of Aceartinc. as at June 30,2018 that comprise the statements of financial position, operations and cash flows for the year then 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.

### My Responsibility


My responsibility is to express a conclusion on the accompanying financial statements based on my review. I conducted my review in accordance with Canadian generally accepted standards for review engagements, which require me 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. I perform procedures, primarily consisting of making enquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluate 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, I do not express an audit opinion on these financial statements.

### Conclusion

Based on my review, nothing has come to my attention that causes me to believe that the financial statements do not present fairly, in all material respects, the financial position of Aceartinc.as at June 30,2018 and the results of its operations and its cash flows for the year ended in accordance with Canadian accounting standards for not-for-profit organizations.



November 6,2018  
301-1745 Henderson Highway  
Winnipeg, Manitoba R2G 2H8

**ACEARTINC.  
STATEMENT OF FINANCIAL POSITION  
AS AT JUNE 30  
(UNAUDITED)**

**ASSETS**

	2018	2017
<b>CURRENT ASSETS</b>		
Cash and Bank	\$70,769	\$83,290
Accounts Receivable	518	647
Grants Receivable	7,500	0
Prepaid Expenses	572	2,304
	\$79,359	\$86,241

**LIABILITIES AND MEMBERS' EQUITY**

<b>CURRENT LIABILITIES</b>		
Accounts Payable and Accrued Liabilities	\$5,925	\$4,008
Deferred Contributions (Note 2)	45,324	52,778
	51,249	56,786
<b>MEMBERS' EQUITY</b>		
Unappropriated Surplus	20,110	21,455
Appropriated Surplus (Note 3)	8,000	8,000
	\$79,359	\$86,241

Approved: *Nov. 29, 2018*  
 Treasurer: *[Signature]*  
 Director: *PP Mierau*

The accompanying notes form an integral part of these financial statements.

**ACEARTINC.  
STATEMENT OF OPERATIONS  
FOR THE YEAR ENDED JUNE 30  
(UNAUDITED)**

<b>REVENUE</b>	<u>2018</u>	<u>2017</u>
Earned		
Memberships	\$1,945	\$2,450
Miscellaneous	2,753	6,548
Cartae	2,500	2,500
Paperwait	0	275
	<u>\$7,198</u>	<u>\$11,773</u>
Interest Income	<u>\$328</u>	<u>\$225</u>
Total Earned & Interest Income	<u>\$7,526</u>	<u>\$11,998</u>
Private Sector Revenue		
Individual Donations	\$1,064	\$2,424
Corporate Donations	0	2,000
Sponsorships	950	1,400
	<u>\$2,014</u>	<u>\$5,824</u>
Foundation Grants and Donations		
WH & SE Loewen Fdn.	\$6,000	\$6,000
Winnipeg Fdn.	14,317	491
	<u>\$20,317</u>	<u>\$6,491</u>
Fundraising		
Events	\$6,250	\$9,521
Openings	4,333	5,203
	<u>\$10,583</u>	<u>\$14,724</u>
Total Private Sector Revenue	<u>\$32,914</u>	<u>\$27,039</u>
Public Sector Revenue		
Federal		
Cda Council Operating	<u>\$30,000</u>	<u>\$30,000</u>
Municipal		
WAC Operating	<u>\$39,200</u>	<u>\$39,200</u>
Provincial		
MAC Operating	<u>\$89,180</u>	<u>\$89,180</u>
Total Public Sector Revenue	<u>\$158,380</u>	<u>\$158,380</u>
<b>TOTAL REVENUES</b>	<u><u>\$198,820</u></u>	<u><u>\$197,417</u></u>

The accompanying notes form an integral part of these financial statements.

EXPENSES

Administration

Administrative Salaries		
Wages/Benefits	\$40,516	\$39,234
Administrative Professional Fees		
Accounting	\$2,070	\$3,193
Consultant - Admin	1,495	1,682
Review Statement	775	775
Staff and Board Develop	30	613
	\$4,370	\$6,263
Other Administrative Expenses		
Bank Charges	\$341	\$369
Miscellaneous	360	665
Office Supplies	1,077	1,471
Postage	278	192
Printing	128	483
Workers Compensation	110	119
	\$2,294	\$3,299
Total Administration	\$47,180	\$48,796

Artistic

Artists' & Professional Fees		
Artists' Fees	\$16,857	\$11,671
Designers	3,317	3,944
Jurors' Fees	600	600
Lecture Fees	2,752	2,956
Studio Visits/Workshp Fee	1,050	900
Writers	2,400	2,775
	\$26,976	\$22,846
Artistic Salaries		
Wages/Benefits	\$46,676	\$58,014
Production/Technical Salaries		
Consultant Fees	\$450	\$560
Contract Wages	4,898	1,300
Installation Tech	1,890	640
	\$7,238	\$2,500
Prod/Tech Services Prof Fees		
Documentation Fees	\$2,539	\$3,010
Exhibition/Programming & Prod.		
Art Acquisition	\$1,415	\$5,640
Artists' Accomodations	5,910	600
Artists' Per Diems	750	900
Artists' Travel	3,523	2,537
Hospitality	3,718	4,910
Installation Materials	1,460	1,506
Miscellaneous	266	0
Shipping	2,287	1,997
Travel	170	122
	\$19,499	\$18,212
Catalogues & Publications		
Printing	\$3,055	\$2,521

Education, Aud. Dev. & Outreach		
Co-Production Fees	\$0	\$275
Translation	383	0
	<u>\$383</u>	<u>\$275</u>
Advocacy		
Professional Develop	\$2,136	\$140
Member Communications Arts Org.		
Postage & Mailing	\$536	\$569
Membership & Registration		
Memberships	\$290	\$285
Other Artistic Program Expenses		
Equipment Maintenance	\$10	\$256
Small Equipment	1,359	1,209
	<u>\$1,369</u>	<u>\$1,465</u>
Total Artistic	<u>\$110,314</u>	<u>\$109,837</u>
Facility Operating		
Gallery Maintenance	\$4,225	\$1,420
Insurance	3,186	2,872
Internet	826	888
Recycling	150	150
Rent	22,601	21,986
Repairs- Gallery	406	560
Repairs- Equipment	335	222
Security	988	1,041
Telephone	551	528
Utilities	1,548	902
	<u>\$34,816</u>	<u>\$30,569</u>
Fundraising		
Events	\$1,338	\$4,776
Marketing & Communications		
Advertising	\$2,845	\$1,981
Communication Software	571	0
Materials- Translation	0	200
Printing	2,132	1,974
Website	586	594
	<u>\$6,134</u>	<u>\$4,749</u>
<b>TOTAL EXPENSES</b>	<u>\$200,165</u>	<u>\$198,727</u>
<b>NET LOSS FOR THE YEAR</b>	<u><u>(\$1,345)</u></u>	<u><u>(\$1,310)</u></u>

The accompanying notes form an integral part of these financial statements.

**ACEARTINC.**  
**STATEMENT OF UNAPPROPRIATED SURPLUS**  
**AS AT JUNE 30**  
**(UNAUDITED)**

	<u>2018</u>	<u>2017</u>
Unappropriated Surplus, Beginning Of Year	\$21,455	\$22,765
Net Loss For The Year	<u>(1,345)</u>	<u>(1,310)</u>
Unappropriated Surplus, End Of Year	<u>\$20,110</u>	<u>\$21,455</u>

The accompanying notes are an integral part of these financial statements.

**ACEARTINC.  
STATEMENT OF APPROPRIATED SURPLUS  
AS AT JUNE 30  
(UNAUDITED)**

	<u>2018</u>	<u>2017</u>
Appropriated Surplus, Beginning Of Year	\$8,000	\$8,000
Transfer from Unappropriated Surplus	<u>0</u>	<u>0</u>
Appropriated Surplus, End Of Year	<u><u>\$8,000</u></u>	<u><u>\$8,000</u></u>

The accompanying notes are an integral part of these financial statements.

**ACEARTINC.**  
**STATEMENT OF CASH FLOWS**  
**AS AT JUNE 30**  
**(UNAUDITED)**

	<u>2018</u>	<u>2017</u>
<b>OPERATING ACTIVITIES</b>		
Net Loss For The Year	\$ (1,345)	(\$1,310)
Net Change in Non- Cash Working Capital	(11,176)	7,301
	<u>\$ (12,521)</u>	<u>\$ 5,991</u>
<b>NET CASH SURPLUS (DEFICIENCY) FOR THE YEAR</b>	(12,521)	5,991
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	83,290	77,299
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<u>\$ 70,769</u>	<u>\$ 83,290</u>

The accompanying notes are an integral part of these financial statements.



**ACEARTINC.  
NOTES TO FINANCIAL STATEMENTS  
AS AT JUNE 30, 2018  
(UNAUDITED)**

**PURPOSE AND DESCRIPTION OF THE ORGANIZATION**

Aceartinc. is a registered non-profit, registered charity and non-commercial artist-run organization. Funding for the organization comes from Government Grants, Arts Councils, Corporate Sponsors as well as membership fees and private donations. Accordingly, there is no provision in the accounts for any corporate tax liability.

**1. SIGNIFICANT ACCOUNTING POLICIES**

a) **Revenue Recognition**

Aceartinc. follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. All other revenues are recognized in the accounts when received.

b) **Capital Assets and Amortization**

Capital asset purchases are fully amortized in the year of acquisition.

c) **Financial Instruments**

Financial instruments of the organization are measured at amortized cost. Financial assets measured at amortized cost consist of cash and bank and grants and accounts receivable. Financial liabilities measured at amortized cost consist of accounts payable and accrued liabilities. Any impairment of a financial instrument is charged to income in the year the impairment is determined.

**2. DEFERRED CONTRIBUTIONS**

	2018	2017
Beginning balance, related to operating funding	\$52,778	\$49,445
Less amounts recognized as revenue in the year	(52,778)	(49,445)
Add amounts received related to the following year	45,324	52,778
Ending balance, related to operating funding	\$45,324	\$52,778

The ending balance in the current year consists of the following:

Winnipeg Arts Council	\$19,600
Winnipeg Foundation	17,478
WH & SE Loewen Fdn.	6,000
Other	2,246
	\$45,324

These contributions represent unspent operating funding received in the current period that are related to the subsequent period.

3. APPROPRIATED SURPLUS

The Board has approved the appropriation of \$8,000 of the accumulated surplus towards facility development.

4. LEASE COMMITMENT

Aceartinc. has a multi-year agreement with TransGlobe Holdings Ltd. for the lease of space on the 2nd floor at 290 McDermot Avenue as follows:

October 1,2017 to September 30,2018                      Base Monthly Rent-\$1,850 plus GST

In the 2017/18 year, Aceartinc. paid rent in the amount of \$ 22,601 for base rent and its proportionate share of common area cost increases.

5. CONTRIBUTED SERVICES

Volunteers contribute a significant number of hours per year to assist Aceartinc.in carrying out its activities. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.