

ACEART INC.

FINANCIAL STATEMENTS
(Unaudited)

June 30, 2020

ACEART INC.
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June 30, 2020
(Unaudited)

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INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Directors of Aceart Inc.

We have reviewed the accompanying financial statements of Aceart Inc. that comprise the statement of financial position as at June 30, 2020, and the statement of 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.

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 inquiries 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 Aceart Inc. as at June 30, 2020, 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.

**FPLS ACCOUNTING GROUP
CHARTERED PROFESSIONAL ACCOUNTANTS**

Winnipeg, Manitoba
November 9, 2020

ACEART INC.
STATEMENT OF OPERATIONS

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For the year ended June 30, 2020
(Unaudited)

	2020	2019
Revenue		
Earned income		
Cartae	\$ -	\$ 2,760
Memberships	525	1,190
Miscellaneous	1,505	6,103
Foundation donations		
WH & SE Loewen Foundation	12,000	6,000
Winnipeg Foundation	885	16,593
Fundraising income	3,174	11,584
Investment income	797	433
Private sector contributions	425	1,625
Public sector contributions		
Federal	328,743	30,000
Provincial	94,180	89,180
Municipal	37,240	39,200
	479,474	204,668
Expenditures		
Administration expenses - Page 9	58,920	47,300
Artistic expenses - Page 10	84,915	119,640
Facility operating expenses - Page 11	320,949	36,015
Fundraising events	6	695
Marketing & communications	3,274	5,411
	468,064	209,061
Excess (deficiency) of revenue over expenditures for the year	\$ 11,410	\$ (4,393)

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

FPLS ACCOUNTING GROUP

ACEART INC.
STATEMENT OF CHANGES IN NET ASSETS

For the year ended June 30, 2020
(Unaudited)

	Operating Fund	(Note 4) Restricted Fund	2020 Total	2019 Total
Balance, beginning of year	\$ 15,717	\$ 8,000	\$ 23,717	\$ 28,110
Excess (deficiency) of revenue over expenditures for the year	11,410	-	11,410	(4,393)
Balance, end of year	\$ 27,127	\$ 8,000	\$ 35,127	\$ 23,717

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

ACEART INC.
STATEMENT OF FINANCIAL POSITION

June 30, 2020
(Unaudited)

	2020	2019
ASSETS		
Current		
Cash	\$ 99,100	\$ 82,356
Accounts receivable	482	420
Prepaid expenses	409	1,358
Due from government agencies	8,332	517
	\$ 108,323	\$ 84,651
LIABILITIES AND FUND BALANCES		
Current		
Accounts payable and accrued liabilities	\$ 2,502	\$ 4,095
Government agencies payable	464	1,773
	2,966	5,868
Deferred contributions - note 2	70,230	55,066
	73,196	60,934
Fund balances		
Operating fund	27,127	15,717
Restricted fund - note 3	8,000	8,000
	35,127	23,717
	\$ 108,323	\$ 84,651

Approved on behalf of the board:


Allison Fearwood (Dec 11, 2020 15:54 CST) Chair


Sabrina Setni (Dec 11, 2020 13:31 CST) Treasurer

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

FPLS ACCOUNTING GROUP

STATEMENT OF CASH FLOWS

For the year ended June 30, 2020
(Unaudited)

	2020	2019
Operating activities		
Excess (deficiency) of revenue over expenditures	\$ 11,410	\$ (4,393)
Change in non-cash working capital items		
(Increase) decrease in accounts receivable	(62)	(420)
Decrease (increase) in prepaid expenses	949	(786)
(Increase) decrease in due from government agencies	(7,815)	7,500
Decrease in accounts payable and accrued liabilities	(1,593)	(1,829)
(Decrease) increase in government agencies payable	(1,309)	1,773
(Decrease) increase in deferred contributions	15,164	9,742
Increase in cash	16,744	11,587
Cash, beginning of year	82,356	70,769
Cash, end of year	\$ 99,100	\$ 82,356

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

FPLS ACCOUNTING GROUP

June 30, 2020
(Unaudited)

NATURE OF OPERATIONS

Aceart Inc. is a registered non-profit, registered charity and non-commercial artist-run organization. .

1. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of accounting

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO").

(b) Revenue recognition

The organization 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 reasonable assured. Unrestricted investment income is recognized as revenue when earned.

(c) Property, plant and equipment

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

(d) Financial Instruments

The company's financial instruments are recorded at fair value when acquired or issued. In subsequent periods, equities traded in an active market and derivatives are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at cost or amortized cost less impairment, if applicable. Financial assets are tested for impairment when changes in circumstances indicate the asset could be impaired. Transaction costs on the acquisition, sale or issue of financial instruments are expensed for those items remeasured at fair value at each balance sheet date and charged to the financial instrument for those measured at amortized cost.

(e) Income taxes

The corporation is non-taxable under paragraph 149(1)(i) of the Income Tax Act.

June 30, 2020
(Unaudited)

2. DEFERRED CONTRIBUTIONS

	2020	2019
Canada Council	\$ 8,000	\$ 22,500
Manitoba Arts Council	44,590	5,000
Other	-	1,081
Winnipeg Arts Council	17,640	19,600
Winnipeg Foundation	-	885
WH & SE Loewen Foundation	-	6,000
	\$ 70,230	\$ 55,066

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

3. RESTRICTED FUND

The Board of Directors has approved the appropriation of \$8,000 (2019 - \$8,000) towards facility development.

4. LEASE COMMITMENTS

Aceart Inc. has an agreement with TransGlobe Holdings Ltd for the lease of space on the second floor at 290 McDermot Avenue with base monthly lease payments of \$2,101 plus GST. The lease expires September 30, 2020.

As of the date of the financial statements, the terms and conditions of a new lease agreement have yet to be finalized. Aceart Inc. has an agreement in draft form with CentreVenture Development Corporation for the lease of space on Unit #1 of 208 Princess Street.

June 30, 2020
(Unaudited)

5. CONTRIBUTED SERVICES

A substantial number of unpaid volunteers have made significant contributions of their time in furtherance of the organizations activities. Due to the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

6. SUBSEQUENT EVENTS

The Organization's operations may be affected by the recent and ongoing outbreak of the corona virus disease 2019 (COVID-19) which was declared a pandemic by the World Health Organization in March 2020. The ultimate disruption which may be caused by the outbreak is uncertain; however, it may result in a material adverse impact on the Organization's financial position, operations and cash flows. Possible effects may include but are not limited to, disruption in the Organization's supplementary income, absenteeism in the Organization's labor and volunteer workforce, cancellation of fund raising events and a decline in the value of the Organization's assets.

ACEART INC.
SCHEDULE OF ADMINISTRATION EXPENSES

For the year ended June 30, 2020
(Unaudited)

	2020	2019
Accounting	\$ 2,747	\$ 2,162
Administrative salaries	45,293	41,402
Bank charges	64	352
Consultant fees	4,275	115
Hospitality	484	-
Insurance	964	-
Membership and subscriptions	190	-
Office supplies	1,175	1,375
Other administration expenses	1,686	366
Postage	81	305
Printing	140	213
Review statement	757	775
Staff and board development	974	200
Workers compensation	90	35
	\$ 58,920	\$ 47,300

ACEART INC.
SCHEDULE OF ARTISTIC EXPENSES

For the year ended June 30, 2020
(Unaudited)

	2020	2019
Advocacy	\$ -	\$ 10
Artistic salaries	57,748	52,986
Artists' fees	15,421	34,253
Audience development	160	347
Catalogues & publications	2,055	2,363
Exhibition, programming & production	3,413	15,959
Membership & registration	-	265
Other expenses	1,140	1,392
Postage fees	654	520
Production & technical salaries	2,704	4,958
Production & technical service fees	1,620	6,587
	\$ 84,915	\$ 119,640

ACEART INC.
SCHEDULE OF FACILITY OPERATING EXPENSES

For the year ended June 30, 2020
(Unaudited)

	2020	2019
Capital renovations	\$ 285,000	\$ -
Gallery maintenance	2,999	2,455
Insurance	2,395	3,260
Internet	1,357	833
Rent	25,676	24,395
Repairs & maintenance	929	1,806
Security	1,105	907
Telephone	594	774
Utilities	894	1,585
	\$ 320,949	\$ 36,015









Aceart Inc. Financial Statements for signing

Final Audit Report

2020-12-11

Created:	2020-12-09
By:	Tani Miki (tani@aceart.org)
Status:	Signed
Transaction ID:	CBJCHBCAABAAed8NoLwcxJlj_1SQJGKtctZ70tRiVExC

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