EJS

ACEART INC.

FINANCIAL STATEMENTS
(Unaudited)

June 30, 2023

ACEART INC.
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June 30, 2023
(Unaudited)

INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the members of
Aceart Inc.

We have reviewed the accompanying financial statements of Aceart Inc. that comprise the statement of financial position as at June 30, 2023, and the statements of changes in net assets, 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 private enterprises, 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, 2023, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for private enterprises.

EJS Accounting Group

EJS ACCOUNTING GROUP
CHARTERED PROFESSIONAL ACCOUNTANTS

Winnipeg, Manitoba
December 13, 2023

ACEART INC.
STATEMENT OF OPERATIONS

For the year ended June 30, 2023
(Unaudited)

	2023	2022
Revenue		
Earned income		
Memberships	$ 1,350	$ 175
Foundation donations		
W.H. & S.E. Loewen Foundation	1,000	-
Winnipeg Foundation	150,687	8,813
Fundraising income	480	147
Investment income	1,089	465
Public sector contributions		
Federal	45,000	43,126
Provincial	90,633	110,097
Municipal	37,190	35,280
	327,429	198,103
Expenditures		
Administration expenses - Page 8	41,896	78,328
Artistic expenses - Page 9	59,025	69,887
Facility operating expenses - Page 10	201,570	17,973
Marketing & communications	2,516	3,305
	305,007	169,493
Excess of revenue over expenditures for the year	**$ 22,422**	**$ 28,610**

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

ACEART INC.

STATEMENT OF CHANGES IN NET ASSETS

For the year ended June 30, 2023
(Unaudited)

	Operating Fund	(Note 3) Restricted Fund	2023 Total	2022 Total
Balance, beginning of year	$ 106,990	$ 8,000	$ 114,990	$ 86,380
Excess of revenue over expenditures for the year	22,422	-	22,422	28,610
Balance, end of year	**$ 129,412**	**$ 8,000**	**$ 137,412**	**$ 114,990**

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

ACEART INC.
STATEMENT OF FINANCIAL POSITION

June 30, 2023
(Unaudited)

	2023	2022
ASSETS		
Current		
Cash	$ 188,492	$ 180,028
Accounts receivable	78	-
Prepaid expenses	4,047	1,046
Due from government agencies	1,056	784
Grant receivable	7,500	7,500
	$ 201,173	**$ 189,358**
LIABILITIES AND FUND BALANCES		
Current		
Accounts payable and accrued liabilities	$ 4,989	$ 7,908
Government agencies payable	222	-
	5,211	7,908
Deferred contributions - note 2	58,550	66,460
	63,761	74,368
Fund balances		
Operating fund	129,412	106,990
Restricted fund - note 3	8,000	8,000
	137,412	114,990
	$ 201,173	**$ 189,358**

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

ACEART INC.

STATEMENT OF CASH FLOWS

For the year ended June 30, 2023
(Unaudited)

	2023	2022
Operating activities		
Excess of revenue over expenditures	$ 22,422	$ 28,610
Change in non-cash working capital items		
(Increase) decrease in accounts receivable	(78)	220
(Increase) decrease in prepaid expenses	(3,001)	(12)
Increase in due from government agencies	(272)	(559)
(Decrease) increase in accounts payable and accrued liabilities	(2,919)	4,546
Increase (decrease) in government agencies payable	222	(1,432)
(Decrease) increase in deferred contributions	(7,910)	44,045
Increase in cash	8,464	75,418
Cash, beginning of year	180,028	104,610
Cash, end of year	**$ 188,492**	**$ 180,028**

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

NATURE OF OPERATIONS

Aceart Inc. is a registered non-profit, registered charity and non-commerical 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.

2. DEFERRED CONTRIBUTIONS

	2023	2022
Manitoba Arts Council	$ 40,000	$ 46,133
Winnipeg Arts Council	18,550	18,640
Winnipeg Foundation	-	687
WH & SE Loewen Foundation	-	1,000
	$ 58,550	**$ 66,460**

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 (2022 - $8,000) towards facility development.

4. LEASE COMMITMENTS

Aceart Inc. has an occupancy agreement with Artspace Inc. for the lease of space on Unit #1 of 206 Princess Street with base monthly lease payments of $2,324.

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.

ACEART INC.
SCHEDULE OF ADMINISTRATION EXPENSES

For the year ended June 30, 2023
(Unaudited)

	2023	2022
Accounting	$ 2,692	$ 2,328
Administrative salaries	30,846	49,804
Bank charges	193	18
Consultant fees	-	6,833
Hospitality and travel	370	653
Insurance	1,380	1,309
Internet	231	724
Legal	363	4,099
Membership and subscriptions	260	410
Office supplies	1,679	8,070
Other administration expenses	1,303	490
Postage	128	107
Printing	99	-
Review statement	1,738	1,110
Staff and board development	247	1,986
Telephone	315	315
Workers compensation	52	72
	$ 41,896	**$ 78,328**

ACEART INC.
SCHEDULE OF ARTISTIC EXPENSES

For the year ended June 30, 2023
(Unaudited)

	2023	2022
Artistic salaries	$ 35,352	$ 36,140
Artists' fees	10,573	12,294
Audience development	384	485
Catalogues & publications	271	-
Exhibition, programming & production	7,847	19,609
Production & technical salaries	2,965	459
Production & technical service fees	1,633	900
	$ 59,025	**$ 69,887**

ACEART INC.
SCHEDULE OF FACILITY OPERATING EXPENSES

For the year ended June 30, 2023
(Unaudited)

	2023	2022
Capital renovations	$ 165,000	$ -
Gallery maintenance	4,336	2,293
Insurance	3,109	2,645
Move relocation	-	1,163
Rent	28,394	7,051
Repairs & maintenance	127	711
Security	604	4,110
	$ 201,570	**$ 17,973**