

CANADIAN DANCE ASSEMBLY

Financial Statements

March 31, 2019

CANADIAN DANCE ASSEMBLY

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Year Ended March 31, 2019

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INDEPENDENT AUDITOR'S REPORT

To the Members of Canadian Dance Assembly

Opinion

We have audited the financial statements of Canadian Dance Assembly (the Organization), which comprise the statement of financial position as at March 31, 2019, and the statements of operations and deficit and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at March 31, 2019, 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.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing the Organization's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization's financial reporting process.

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Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Hogg, Shain & Scheck PC

Toronto, Ontario
June 12, 2019

Authorized to practise public accounting by the
Chartered Professional Accountants of Ontario

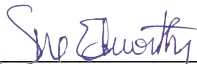
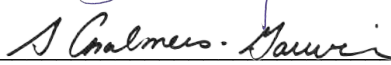
CANADIAN DANCE ASSEMBLY

Statement of Financial Position

As at March 31, 2019

	2019	2018
ASSETS		
CURRENT		
Cash	\$ 30,408	\$ -
Accounts receivable	8,581	3,503
Harmonized Sales Tax recoverable	3,082	1,793
Prepaid expenses	660	1,917
	<u>42,731</u>	<u>7,213</u>
CAPITAL ASSETS (Note 3)	<u>705</u>	<u>881</u>
	<u>\$ 43,436</u>	<u>\$ 8,094</u>
LIABILITIES		
CURRENT		
Bank indebtedness (Note 4)	\$ -	\$ 6,163
Accounts payable and accrued liabilities	10,638	10,510
Government remittances payable (Note 10)	3,720	3,301
Deferred revenues (Note 5)	38,805	4,833
	<u>53,163</u>	<u>24,807</u>
DEFICIT		
UNRESTRICTED	<u>(9,727)</u>	<u>(16,713)</u>
	<u>\$ 43,436</u>	<u>\$ 8,094</u>
COMMITMENT (Note 9)		

APPROVED ON BEHALF OF THE BOARD

 Director
 Director

See the accompanying notes to these financial statements

CANADIAN DANCE ASSEMBLY
Statement of Operations and Deficit
Year Ended March 31, 2019

	2019	2018
REVENUES		
Grants <i>(Note 6)</i>	\$ 167,877	\$ 195,822
Membership	46,557	41,988
Donations and fundraising <i>(Note 8)</i>	8,290	24,541
Other	6,154	9,014
Conference registration <i>(Note 7)</i>	-	4,161
	<u>228,878</u>	<u>275,526</u>
EXPENSES <i>(Schedule 1)</i>		
Operations	179,533	201,580
Membership services <i>(Note 7)</i>	27,987	53,943
Communications and profile <i>(Note 8)</i>	14,372	18,042
	<u>221,892</u>	<u>273,565</u>
EXCESS OF REVENUES OVER EXPENSES	6,986	1,961
DEFICIT - BEGINNING OF YEAR	<u>(16,713)</u>	<u>(18,674)</u>
DEFICIT - END OF YEAR	<u>\$ (9,727)</u>	<u>\$ (16,713)</u>

See the accompanying notes to these financial statements

CANADIAN DANCE ASSEMBLY

**Statement of Cash Flows
Year Ended March 31, 2019**

	2019	2018
OPERATING ACTIVITIES		
Excess of revenues over expenses	\$ 6,986	\$ 1,961
Item not affecting cash:		
Amortization of capital assets	176	221
	<u>7,162</u>	<u>2,182</u>
Changes in non-cash working capital items:		
Accounts receivable	(5,078)	7,676
Harmonized Sales Tax recoverable	(1,289)	3,194
Prepaid expenses	1,257	518
Accounts payable and accrued liabilities	128	3,162
Government remittances payable	419	3,301
Deferred revenues	33,972	(36,967)
	<u>29,409</u>	<u>(19,116)</u>
INCREASE (DECREASE) IN CASH	36,571	(16,934)
CASH (BANK INDEBTEDNESS) - BEGINNING OF YEAR	(6,163)	10,771
CASH (BANK INDEBTEDNESS) - END OF YEAR	\$ 30,408	\$ (6,163)

See the accompanying notes to these financial statements

CANADIAN DANCE ASSEMBLY

Notes to Financial Statements

Year Ended March 31, 2019

1. ORGANIZATION AND OPERATIONS

Canadian Dance Assembly (CDA) is a national arts service organization for professional dance in Canada.

CDA promotes, in both of the official languages of Canada, dance throughout Canada through public awareness, education, research, communication, information exchange, and other activities.

CDA commenced operations in June 2002 and was incorporated on September 10, 2004 as a non-profit member organization. It was granted charitable status on May 1, 2006, and as such is exempt from income tax under Section 149(1) of the Income Tax Act.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements are the representation of management and have been prepared in accordance with Canadian accounting standards for not-for-profit organizations in Part III of the CPA Canada Handbook and include the following significant accounting policies.

Revenue recognition

CDA follows the deferral method of accounting for contributions.

Restricted contributions, including government grants, are recognized as revenues in the year in which the related activity occurs and expenditures are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amounts to be received can be reasonably estimated and collection is reasonably assured.

Membership and conference registration fees are recognized as revenues on the anniversary date of each member's registration.

Other revenues consists mainly of advocacy travel support and reimbursed expenses.

Financial instruments

CDA initially measures its financial assets and financial liabilities at fair value. It subsequently measures all its financial assets and liabilities at amortized cost. The financial assets subsequently measured at amortized cost include cash and accounts receivable. The financial liabilities subsequently measured at amortized cost include bank indebtedness and accounts payable.

Capital assets

Capital assets are recorded at cost less accumulated amortization. Capital assets are amortized over their estimated useful lives on a declining balance basis at the following rate and method:

Furniture and equipment	20%	declining balance method
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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 amount of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Such estimates are reviewed annually and any adjustments necessary are made to revenues and expenses as appropriate in the year in which they become known.

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CANADIAN DANCE ASSEMBLY

Notes to Financial Statements

Year Ended March 31, 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Donated services

Much of the operations of CDA are dependent on the voluntary service of members and others. Since these services are not normally purchased by CDA, such donated services are not reflected in these financial statements.

3. CAPITAL ASSETS

	Cost	Accumulated amortization	2019 Net book value	2018 Net book value
Furniture and equipment	\$ 9,228	\$ 8,523	\$ 705	\$ 881

4. BANK INDEBTEDNESS

CDA has an operating account at a major Canadian bank, under which it has available a bank credit facility of \$15,000 for general operating purposes. Advances under this credit facility bear interest at the bank prime rate plus 2.85% per annum (6.80% at March 31, 2019), with interest payable monthly, and are secured by a general security agreement over its assets.

5. DEFERRED REVENUES

Deferred grants and other revenues at March 31 are as follows:

	2019	2018
Grants:		
Canada Council for the Arts	\$ -	\$ 2,275
Ontario Arts Council - Compass	17,000	-
Ontario Arts Council - Project	2,555	-
Toronto Arts Council	500	2,558
Donations and fundraising:		
Metcalf Foundation	15,000	-
Other	3,750	-
	<u>\$ 38,805</u>	<u>\$ 4,833</u>

CANADIAN DANCE ASSEMBLY

Notes to Financial Statements

Year Ended March 31, 2019

6. GRANTS REVENUES

Revenues from grants recognized during the year are as follows:

	<u>2019</u>	<u>2018</u>
Canada Council for the Arts - Operating	\$ 113,000	\$ 105,000
Canada Council for the Arts - Project	3,525	10,225
Ontario Arts Council - Operating	26,349	24,482
Ontario Arts Council - Compass	13,000	-
Ontario Arts Council - Project	4,945	-
Toronto Arts Council	7,058	33,442
City of Toronto employment grant	-	10,199
Miziwe Biik employment grant	-	12,474
	<u>\$ 167,877</u>	<u>\$ 195,822</u>

7. CONFERENCE REGISTRATION FEES AND MEMBERSHIP SERVICES EXPENSE

CDA hosts a conference every other year, which results in variances in related fees revenues and expenses from year to year.

8. DONATIONS IN KIND

From time to time, CDA receives donations of goods and services such as advertising, venue rentals, and communications that would normally be purchased. The fair value of these contributed items in 2019 was \$2,175 (2018 - \$3,575). This amount is recognized in the statement of operations and deficit as donations and fundraising revenues and communications and profile expenses.

9. COMMITMENT

On May 1, 2018, CDA extended their premise lease until May 1, 2021. CDA is required to pay a base rent of \$525 plus HST per month, which is inclusive of security, hydro, phone, internet, and insurance. Total future minimum lease payments as at year end are as follows:

2020	\$ 6,300
2021	6,300
2022	<u>525</u>
	<u>\$ 13,125</u>

10. FINANCIAL INSTRUMENTS

The fair value of CDA's financial instruments approximates their carrying value due to the short term to maturity of the instruments. It is management's opinion that CDA is not subject to significant market, credit or liquidity risk in respect to its financial instruments.

CDA's bank and credit facilities are sufficient to cover accounts payable as they come due.

Accounts receivable are monitored regularly to ensure collectibility.

CDA remits their government remittances monthly by the 15th. CDA's March 2019 government remittances were paid on April 15, 2019 (2018 - paid on April 15, 2018).

CANADIAN DANCE ASSEMBLY
Schedule of Expenses - Schedule 1
Year Ended March 31, 2019

	2019	2018
COMMUNICATIONS AND PROFILE		
Writing and translation fees	\$ 5,674	\$ 4,369
Advertising and promotion	4,763	8,999
Internet and website	2,676	2,858
Telephone	621	718
Design	400	800
Printing and postage	238	298
	<u>\$ 14,372</u>	<u>\$ 18,042</u>
MEMBERSHIP SERVICES		
Community/regional meetings	\$ 14,089	\$ 6,041
Advocacy	7,236	7,871
National Council and other meetings	5,047	24,019
Other	1,615	1,446
Conferences	-	12,707
Research	-	1,859
	<u>\$ 27,987</u>	<u>\$ 53,943</u>
OPERATIONS		
Salaries, fees, and benefits	\$ 159,099	\$ 178,560
Rent, repairs and insurance	7,777	8,907
Administration	6,911	4,672
Accounting and audit	3,892	6,250
Bank and interest charges	1,278	1,370
Legal fees	400	1,600
Amortization of capital assets	176	221
	<u>\$ 179,533</u>	<u>\$ 201,580</u>

See the accompanying notes to these financial statements