

**DANCER TRANSITION RESOURCE CENTRE
CENTRE DE RESSOURCES ET TRANSITION POUR DANSEURS**

Financial Statements

August 31, 2020

**DANCER TRANSITION RESOURCE CENTRE
CENTRE DE RESSOURCES ET TRANSITION POUR DANSEURS**

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Year Ended August 31, 2020

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INDEPENDENT AUDITOR'S REPORT

To the Members of Dancer Transition Resource Centre / Centre de Ressources et Transition pour Danseurs

Qualified opinion

We have audited the financial statements of Dancer Transition Resource Centre / Centre de Ressources et Transition pour Danseurs (the "Centre"), which comprise the statement of financial position as at August 31, 2020, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Centre as at August 31, 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.

Basis for Qualified Opinion

In common with many charitable organizations, the Centre derives revenues from donations and fundraising activities, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Centre. Therefore, we were not able to determine whether any adjustments might be necessary to revenues, excess (deficiency) of revenues over expenses and cash flows from operations for the years ended August 31, 2020 and 2019, and current assets and net assets as at August 31, 2020 and 2019 and September 1, 2019 and 2018.

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 Centre'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 Centre or to cease operations, or has no realistic alternative but to do so.

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

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.

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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 entity'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 entity'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 entity 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
December 14, 2020

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

**DANCER TRANSITION RESOURCE CENTRE
CENTRE DE RESSOURCES ET TRANSITION POUR DANSEURS**


Statement of Financial Position

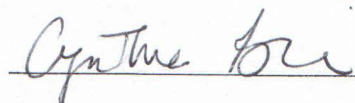
As at August 31, 2020

	2020	2019
ASSETS		
CURRENT		
Cash	\$ 144,391	\$ 436,199
Short-term investments (Note 3)	564,470	200,000
Accounts receivable	20,990	22,412
Prepaid expenses	6,002	1,707
	735,853	660,318
LONG-TERM INVESTMENTS (Note 3)	1,636,127	1,257,922
PROPERTY AND EQUIPMENT (Note 4)	17,963	24,482
	\$ 2,389,943	\$ 1,942,722
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities (Note 5)	\$ 17,016	\$ 25,204
Prepaid membership fees	8,005	12,958
Deferred revenues (Note 6)	169,106	160,000
Dancer grants payable	481,590	338,222
Current portion of obligations under capital lease	3,150	3,150
	678,867	539,534
LEASEHOLD INDUCEMENT	3,150	6,300
	682,017	545,834
NET ASSETS		
ENDOWMENT FUND - WALTER CARSEN (Note 7)	200,000	200,000
ENDOWMENT FUND - AMANDA HANCOX (Note 7)	500,000	-
INTERNALLY DESIGNATED	900,000	858,171
UNRESTRICTED	107,926	338,717
	1,707,926	1,396,888
	\$ 2,389,943	\$ 1,942,722

COMMITMENTS (Note 8)

APPROVED ON BEHALF OF THE BOARD

 Director

 Director

See the accompanying notes to these financial statements

**DANCER TRANSITION RESOURCE CENTRE
CENTRE DE RESSOURCES ET TRANSITION POUR DANSEURS**

**Statement of Operations
Year Ended August 31, 2020**

	2020	2019
REVENUES		
Grants <i>(Note 9)</i>	\$ 695,003	\$ 709,508
Donations and fundraising <i>(Note 10)</i>	165,339	343,669
Government assistance		
Department of Canadian Heritage - Emergency assistance <i>(Note 1)</i>	120,000	-
Temporary Wage Subsidy <i>(Note 1)</i>	8,250	-
Membership fees	81,193	90,151
Interest and other	60,463	65,877
Realized and unrealized losses on investments	(48,616)	(30,293)
	<u>1,081,632</u>	<u>1,178,912</u>
EXPENSES		
Programs and services		
Dancer grants and awards	565,741	349,804
Regional programs and services <i>(Note 11)</i>	193,999	173,301
Dancer consulting services	130,023	143,567
Conferences and workshops	50,680	36,969
Communications and outreach	6,294	10,947
International projects	1,061	6,881
LEAP transition project	-	6,335
	<u>947,798</u>	<u>727,804</u>
Administrative		
Administration personnel <i>(Note 11)</i>	201,771	166,466
Office and general	64,259	72,194
Rent <i>(Note 11)</i>	25,233	30,242
Professional fees	17,086	12,695
Amortization of property and equipment	9,484	8,990
Marketing	2,508	2,981
Fundraising	2,455	16,007
	<u>322,796</u>	<u>309,575</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	<u>\$ (188,962)</u>	<u>\$ 141,533</u>

See the accompanying notes to these financial statements

**DANCER TRANSITION RESOURCE CENTRE
CENTRE DE RESSOURCES ET TRANSITION POUR DANSEURS**

Statement of Changes in Net Assets

Year Ended August 31, 2020

	Endowment Fund - Walter Carsen	Endowment Fund - Amanda Hancox	Internally Designated	Unrestricted	2020	2019
NET ASSETS - BEGINNING OF YEAR	\$ 200,000	\$ -	\$ 858,171	\$ 338,717	\$ 1,396,888	\$ 1,255,355
Excess (deficiency) of revenues over expenses	-	-	-	(188,962)	(188,962)	141,533
Contribution to Endowment Fund - Amanda Hancox (<i>Note 7</i>)	-	500,000	-	-	500,000	-
Transfer to internally designated net assets	-	-	41,829	(41,829)	-	-
NET ASSETS - END OF YEAR	\$ 200,000	\$ 500,000	\$ 900,000	\$ 107,926	\$ 1,707,926	\$ 1,396,888

See the accompanying notes to these financial statements

**DANCER TRANSITION RESOURCE CENTRE
CENTRE DE RESSOURCES ET TRANSITION POUR DANSEURS**

**Statement of Cash Flows
Year Ended August 31, 2020**

	2020	2019
OPERATING ACTIVITIES		
Excess (deficiency) of revenues over expenses	\$ (188,962)	\$ 141,533
Items not affecting cash:		
Amortization of property and equipment	9,484	8,990
Leasehold inducement	(3,150)	(150)
Realized and unrealized losses on investments (net)	48,616	30,293
	<u>(134,012)</u>	180,666
Changes in non-cash working capital:		
Accounts receivable	1,422	(2,105)
Prepaid expenses	(4,295)	275
Accounts payable and accrued liabilities	(8,188)	8,063
Prepaid membership fees	(4,953)	(1,937)
Deferred revenues	9,106	14,500
Dancer grants payable	143,368	(69,195)
	<u>136,460</u>	(50,399)
Cash flows from operating activities	<u>2,448</u>	130,267
INVESTING ACTIVITIES		
Purchase of equipment	(2,965)	(3,026)
Change in investments (net)	(791,291)	(134,668)
Cash flows used by investing activities	<u>(794,256)</u>	(137,694)
FINANCING ACTIVITY		
Contribution to Endowment Fund - Amanda Hancox	500,000	-
NET DECREASE IN CASH	(291,808)	(7,427)
CASH - BEGINNING OF YEAR	436,199	443,626
CASH - END OF YEAR	\$ 144,391	\$ 436,199

See the accompanying notes to these financial statements

**DANCER TRANSITION RESOURCE CENTRE
CENTRE DE RESSOURCES ET TRANSITION POUR DANSEURS**

Notes to Financial Statements

Year Ended August 31, 2020

1. NATURE AND PURPOSE OF THE ORGANIZATION

Dancer Transition Resource Centre (the "Centre") was incorporated by letters patent as a not-for-profit organization under the Canada Corporations Act and was continued under the Canada Not-for-profit Corporations Act. The Centre is exempt from income tax in Canada as a registered national arts organization which qualifies for tax-exempt status under subsection 149.1(6) of the Income Tax Act (Canada).

The mandate of the Centre is to help dancers make necessary transitions into, within, and from professional performing careers.

The Centre also operates as a resource centre for the dance community and the general public by providing seminars, educational materials, networking, and information, as well as supporting activities that enhance the socio-economic conditions of artists.

In addition to the Centre's National office in Toronto, there are offices in Montreal and Vancouver which assist the Centre in carrying out its mandate. The operations, assets and liabilities of all offices are included in these financial statements.

Impact of COVID-19

On March 11, 2020, the World Health Organization characterized the outbreak of a strain of the novel coronavirus ("COVID-19") as a pandemic which resulted in a series of public health and emergency measures that have been put in place to combat the spread of the virus. As a result, there has been an increase in the demand for the Organization's core services and programs. The Organization received COVID-19 emergency assistance of \$150,000 from the Department of Canadian Heritage, of which \$120,000 was spent in the fiscal year.

As part of the response to COVID-19, the federal government introduced the Temporary Wage Subsidy to assist employers whose activities have been affected by COVID-19. For the period of March 18 to June 30, 2020, the Centre applied for and received \$8,250.

The duration and impact of COVID-19 are unknown at this time. It is not possible to reliably estimate the impact that the length and severity of these developments will have on the financial results and conditions of the Centre in future periods. The Centre continues to closely monitor and assess the impact on its operations.

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 ("ASNPO") in Part III of the CPA Canada Handbook and include the following significant accounting policies.

Net assets

The net assets of the Centre have been divided into three categories that reflect the following:

- Endowment funds - Endowments to be held and invested in perpetuity (*Note 7*).
- Internally designated - Net assets designated by the Board of Directors to be held as a reserve to provide for future financial stability of the Centre including a risk contingency reserve. The investment income earned on designated funds is available for operations.
- Unrestricted - The balance of net assets earned from operations.

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**DANCER TRANSITION RESOURCE CENTRE
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Notes to Financial Statements

Year Ended August 31, 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition

The Centre follows the deferral method of accounting for contributions. Restricted contributions, including grants and donations, 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. Endowment contributions are recognized as direct increases in net assets when received.

Membership fees are recognized when received. Fees clearly indicated for the next fiscal year are recorded as deferred revenues.

Interest income is recognized when earned. Realized and unrealized gains and losses are recognized as investment income when they arise. Related investment costs are expensed as incurred.

Leasehold inducements are taken into income over the term of the lease.

Donated goods and services

Donated goods and services, which are not normally purchased by the Centre, are not recorded in the accounts.

The operations of the Centre depend on the contributions of time by volunteers, the fair value of which cannot be reasonably determined and are, therefore, not reflected in these financial statements.

Expense recognition

Expenses are recorded when goods or services are consumed. The full amount of all awards, including special awards, is recorded in the year the awards are granted.

Property and equipment

Property and equipment are recorded at cost less accumulated amortization. They are amortized on a straight-line basis over their estimated useful lives as follows:

Leasehold improvements	Over the lease term
Furniture and equipment	3 years

The Centre regularly reviews its property and equipment to eliminate obsolete items. Amortization commences when the assets are put into use.

Financial instruments

The Centre's financial instruments consist of cash, short-term investments, accounts receivable, long-term investments, accounts payable, and dancer grants payable.

All financial instruments are initially measured at fair value, and subsequently, at amortized cost, with the exception of long-term investments, which are measured at fair value. Changes in fair value are recognized as realized and unrealized gains (losses) in the statement of operations.

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**DANCER TRANSITION RESOURCE CENTRE
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Notes to Financial Statements

Year Ended August 31, 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Use of estimates

The preparation of financial statements in conformity with ASNPO requires management to make estimates and assumptions that affect the reported amounts 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 periodically and any adjustments are reported in the year in which they become known. Actual results could differ from these estimates.

3. INVESTMENTS

	2020		2019	
	Cost	Market	Cost	Market
Cash and short-term investments	\$ 844,911	\$ 844,911	\$ 559,121	\$ 559,121
Canadian equities	104,510	108,690	345,476	372,721
US equities	141,883	153,106	-	-
International equities	177,178	182,577	-	-
Fixed income	909,744	911,313	562,500	526,080
Less: short-term investments	(564,470)	(564,470)	(200,000)	(200,000)
	\$ 1,613,756	\$ 1,636,127	\$ 1,267,097	\$ 1,257,922

Investments held long-term cover the amounts set aside as endowment and internally designated net assets, including investment income earned and reinvested.

Fixed income investments consist of government and corporate bonds (2019 - preferred shares), which earn interest ranging from 1.50% to 3.50% (2019 - 4.80% to 5.10%), with maturity dates from December 2021 to September 2029.

4. PROPERTY AND EQUIPMENT

	Cost	Accumulated amortization	2020	2019
			Net book value	Net book value
Leasehold improvements	\$ 36,210	\$ 21,726	\$ 14,484	\$ 21,726
Furniture and equipment	8,209	4,730	3,479	2,756
	\$ 44,419	\$ 26,456	\$ 17,963	\$ 24,482

5. GOVERNMENT REMITTANCES PAYABLE

Accounts payable and accrued liabilities at August 31, 2020 include government remittances payable of \$8,155 (2019 - \$7,618).

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Notes to Financial Statements

Year Ended August 31, 2020

6. DEFERRED REVENUES

Deferred revenues consist of the following:

	2020	2019
Canada Council for the Arts		
Operating	\$ 15,100	\$ -
Workshops	-	2,500
Ontario Arts Council - Operating	49,503	49,503
Department of Canadian Heritage	49,982	55,390
Department of Canadian Heritage - Emergency assistance	30,000	-
Deferred government funding	144,585	107,393
Scholarship contribution	5,000	5,000
on the MOVE contributions	16,025	10,000
LEAP Transition Project - corporate funding	2,500	2,500
Restricted donations	996	35,107
	\$ 169,106	\$ 160,000

Continuity of deferred revenues is as follows:

	2020	2019
Balance, beginning of fiscal year	\$ 160,000	\$ 145,500
Add: Funds received from contributors	859,216	739,008
Less: Amounts recognized in revenues in fiscal year		
Grants (<i>Note 9</i>)	(695,003)	(709,508)
Department of Canadian Heritage - Emergency assistance	(120,000)	-
Donations and fundraising	(35,107)	(15,000)
	\$ 169,106	\$ 160,000

7. ENDOWMENT FUNDS

In fiscal 2013, the Centre received an endowment to be held and invested in perpetuity as The Walter Carsen Retraining Endowment Fund. Income from the fund supports dancers who qualify for retraining.

During fiscal 2020, the Centre received another endowment to be held and invested in perpetuity as The Amanda Hancox Endowment Fund. Income from the fund provides a scholarship for a dancer for a minimum period of one year to a maximum of \$20,000.

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Notes to Financial Statements

Year Ended August 31, 2020

8. COMMITMENTS

The Centre is committed under three lease agreements for its offices in Toronto until August 31, 2022, Montreal until October 31, 2021, and Vancouver until August 31, 2022. Rent is adjusted annually to reflect changes in common area costs.

Minimum annual lease payments are as follows:

	Toronto Office	Montreal Office	Vancouver Office	Total
2021	\$ 69,240	\$ 12,344	\$ 15,215	\$ 96,799
2022	69,240	2,067	15,649	86,956

9. GRANTS

	2020	2019
Department of Canadian Heritage	\$ 600,000	\$ 600,000
Ontario Arts Council	49,503	59,508
Canada Council for the Arts	45,500	45,000
Toronto Arts Council	-	5,000
	<u>\$ 695,003</u>	<u>\$ 709,508</u>

10. DONATIONS AND FUNDRAISING

	2020	2019
Individuals	\$ 65,623	\$ 35,303
Named scholarships	65,082	42,000
Corporate	22,634	8,542
Foundations	12,000	44,100
Bequests	-	213,724
	<u>\$ 165,339</u>	<u>\$ 343,669</u>

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Notes to Financial Statements

Year Ended August 31, 2020

11. COST ALLOCATIONS

Staff perform more than one function within the Centre, and accordingly, their salaries and benefits have been allocated based on an estimate of the time devoted to each of these functions. Office costs are allocated based on estimated usage of space. These expenses have been allocated in the statement of operations as follows:

	Personnel	Rent/Office	2020	2019
Program and services				
National	\$ 99,059	\$ 24,926	\$ 123,985	\$ 132,988
Regional	135,020	58,979	193,999	173,301
Administrative	201,771	25,233	227,004	196,708
	\$ 435,850	\$ 109,138	\$ 544,988	\$ 502,997

12. ENDOWMENT HELD BY THE ONTARIO ARTS FOUNDATION

The Ontario Arts Foundation ("OAF") operates an Ontario Arts Endowment Fund Program in which it holds and administers funds on behalf of arts organizations. The assets held in this fund on behalf of the Centre are controlled and managed by the OAF in accordance with its investment and income distribution policies and, accordingly, are not reflected in these financial statements.

During the fiscal year ended August 31, 2020, the Centre received \$11,910 (2019 - \$8,031) in investment income from the fund.

As at August 31, 2020, the market value of the assets held for the Centre by the OAF was \$172,480 (2019 - \$181,473).

13. FINANCIAL RISKS

Financial instruments expose the Centre to risks which may affect the cash flows of the Centre. The following are those financial instruments considered particularly significant and their related financial risks:

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Centre manages its liquidity risk by monitoring actual and projected cash flows to ensure that it will always have sufficient liquidity to meet its liabilities when due. The Centre expects to meet its financial obligations for accounts payable and accrued liabilities and dancer grants payable through cash flows from operations.

Currency risk

Currency risk is the risk to the Centre that arise from fluctuations of foreign exchange rates and the degree of volatility of these rates. The Centre is exposed to foreign currency exchange risk on its investments held in US and international equities.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the market interest rates. The Centre is exposed to interest rate risk on its fixed income investments.

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**DANCER TRANSITION RESOURCE CENTRE
CENTRE DE RESSOURCES ET TRANSITION POUR DANSEURS**

Notes to Financial Statements

Year Ended August 31, 2020

13. FINANCIAL RISKS (continued)

Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from currency or interest rate risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Centre is exposed to other price risk arising from its investments in Canadian equities.

It is management's opinion that the Centre is not exposed to significant credit risk arising from its financial instruments.

14. COMPARATIVE FIGURES

Some of the comparative figures have been reclassified to conform to the current year's presentation.
