

## FINANCIAL STATEMENTS

---

**ARTISTS FOR PEACE AND JUSTICE CANADA**

December 31, 2014

---

---

**Artists for Peace and Justice Canada**

**CONTENTS**

---

December 31, 2014

	<b>Page</b>
<b>INDEPENDENT AUDITOR'S REPORT</b>	1
<b>FINANCIAL STATEMENTS</b>	
Statement of financial position	3
Statement of operations	4
Statement of changes in net assets	4
Statement of cash flows	5
Notes to financial statements	6

Brian J. Quinlan, CPA, CA

Ann M. Donohue, CPA, CA

Ryan Knight, CPA, CA

---

## INDEPENDENT AUDITOR'S REPORT

---

To the directors of  
**Artists for Peace and Justice Canada:**

We have audited the accompanying financial statements of **Artists for Peace and Justice Canada**, which comprise the statements of financial position as at December 31, 2014 and the statements of operations, changes in net assets 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 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.

### *Auditor's Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

.....continued

---

## INDEPENDENT AUDITOR'S REPORT (continued)

---

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

### *Basis for Qualified Opinion*

In common with many charitable organizations, the organization derives revenue from donations, the completeness of which is not susceptible of satisfactory audit verification. Accordingly, our verification of donation revenue was limited to the amounts recorded in the records of the organization and we were not able to determine whether any adjustments might be necessary to donation revenue, excess of revenue over expenses, assets and net assets.

### *Opinion*

In our opinion, the financial statements present fairly, in all material respects, the financial position of **Artists for Peace and Justice Canada** as at December 31, 2014 and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Toronto, Ontario  
November 5, 2015

*Campbell Lawless LLP*

Chartered Professional Accountants  
Licensed Public Accountants

**Artists for Peace and Justice Canada**  
**STATEMENT OF FINANCIAL POSITION**

December 31	2014 \$	2013 \$
<b>ASSETS</b>		
Cash	777,922	619,819
Accounts receivable	39,118	17,062
Investments, at market value	5,000	
	<b>822,040</b>	<b>636,881</b>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	24,320	14,690
Deferred revenue [note 3]	5,000	
	<b>29,320</b>	<b>14,690</b>
<b>NET ASSETS</b>		
Unrestricted	792,720	622,191
	<b>822,040</b>	<b>636,881</b>

*see accompanying notes*

On behalf of the Board:

Director

Director

**Artists for Peace and Justice Canada**  
**STATEMENT OF OPERATIONS**

Year ended December 31	2014 \$	2013 \$
<b>Revenue</b>		
Donations and fundraising event	944,239	1,250,911
Foreign exchange gain	<u>26,529</u>	<u>10,252</u>
	<u>970,768</u>	<u>1,261,163</u>
<b>Expenses</b>		
Program	668,947	701,883
Fundraising event	52,694	62,782
General and administration	26,967	1,348
Salaries and benefits	24,209	42,870
Professional fees	15,891	10,780
Bank charges and interest	10,959	4,680
Travel	<u>572</u>	<u>148</u>
	800,239	824,491
<b>Excess of revenue over expenses for the year</b>	<u>170,529</u>	<u>436,672</u>

**STATEMENT OF CHANGES IN NET ASSETS**

Year ended December 31	2014 \$	2013 \$
Balance, beginning of year	622,191	185,519
Excess of revenue over expenses for the year	<u>170,529</u>	<u>436,672</u>
<b>Balance, end of year</b>	<u>792,720</u>	<u>622,191</u>

*see accompanying notes*

**Artists for Peace and Justice Canada**  
**STATEMENT OF CASH FLOWS**

Year ended December 31	2014 \$	2013 \$
<b>OPERATING ACTIVITIES</b>		
Excess of revenue over expenses for the year	170,529	436,672
Adjustment for item not involving cash - Donations-in-kind	<u>(5,000)</u>	<u>                    </u>
	165,529	436,672
Changes in non-cash working capital items - (Increase) decrease in accounts receivable	(22,056)	3,695
Increase (decrease) in accounts payable and accrued liabilities	9,630	2,825
Increase (decrease) in deferred revenue	<u>5,000</u>	<u>(675,129)</u>
Net cash generated through operating activities	158,103	(231,937)
<b>Cash, beginning of year</b>	<b>619,819</b>	<b>851,756</b>
<b>Cash, end of year</b>	<b>777,922</b>	<b>619,819</b>

*see accompanying notes*

---

**Artists for Peace and Justice Canada**  
**NOTES TO FINANCIAL STATEMENTS**

---

December 31, 2014

**1. PURPOSES OF THE ORGANIZATION**

The purposes of Artists for Peace and Justice Canada (the "organization") are:

- To relieve poverty in Haiti by advancing education and providing equipment, teacher salaries, and physical improvements to local institutions serving those in need.
- To advance education by providing financial assistance to students in Haiti who are in need.
- To promote public health in Haiti by providing medical equipment to be used in treating the general public.
- To do all such other things as are incidental and ancillary to the attainment of the foregoing objects.
- To receive and maintain a fund or funds and to apply all or part of the principal and income therefrom, from time to time, to qualified donees as defined in subsection 149.1(1) of the *Income Tax Act* (Canada).

The organization was incorporated on March 23, 2011 under the Canada Corporations Act as a corporation without share capital. Effective October 9, 2014, the organization continued under the Canada Not-for-profit Corporations Act.

Under the provisions of the Income Tax Act (Canada) [the "Act"], the organization is classified as a registered charity as defined in paragraph 149(1)(f) of the Act and, therefore, is exempt from income taxes providing that it complies with donation and certain other requirements as specified by the Act.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Revenue recognition**

The organization follows the deferral method of accounting for contributions. 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. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred.

**Contributed materials and services**

Contributed materials are recorded at their indicated fair value at the date of contribution only if the fair value can be reasonably estimated and when the materials are used in the normal course of operations and would otherwise have been purchased.

Volunteers contribute their time to assist the organization in carrying out its activities. Due to the difficulty of determining their fair value, these contributed services are not recognized in the financial statements.

---

**Artists for Peace and Justice Canada**  
**NOTES TO FINANCIAL STATEMENTS**

---

December 31, 2014

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

**Financial instruments**

The organization initially measures its financial assets and liabilities at fair value except for certain non-arm's length transactions. The organization subsequently measures all its financial assets and liabilities at amortized cost.

Financial assets and liabilities measured at amortized cost include cash, accounts receivable and accounts payable and accrued liabilities.

The organization has no financial assets or liabilities measured at fair value.

*Impairment*

Financial assets measured at amortized cost are assessed for indicators of impairment. When there is indication of an impairment, the carrying amount of the asset is reduced directly or through the use of an allowance account. The amount of the reduction is recognized in the statement of operations. A previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in the statement of operations.

**Use of estimates**

The preparation of the financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from the estimates.

**3. DEFERRED REVENUE**

Deferred revenue represents the amount of donations that have been received prior to year-end but the related revenue has not been recognized since the expenditures have not been incurred for their intended purpose prior to year-end.

**4. RELATED PARTY TRANSACTIONS**

The organization operates under an agency agreement with Artists for Peace and Justice, a charitable organization with congruent objectives, which assists in the administration of the charitable activities and programs of the organization.

---

**Artists for Peace and Justice Canada**  
**NOTES TO FINANCIAL STATEMENTS**

---

December 31, 2014

**4. RELATED PARTY TRANSACTIONS (continued)**

Program expense includes \$668,947 (2013 - \$701,883) of funds allocated to Artists for Peace and Justice to administer specific charitable activities and programs on behalf of the organization under the terms of the agency agreement. In addition, \$26,495 (2013 - \$Nil) has been paid to Artists for Peace and Justice as an administration fee for the assistance in the administration of the charitable activities and programs of the organization. This amount is included in general and administration expense.

These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

**5. FINANCIAL INSTRUMENT RISK EXPOSURE**

The organization is not exposed to significant risk through its financial instruments.