

The background of the entire page is an abstract, textured composition of various colors including red, blue, green, yellow, purple, and black, resembling a collage or a heavily layered painting.

# Annual Report 2017

**H'ART OF OTTAWA ANNUAL REPORT  
APRIL 1, 2016 TO MARCH 31, 2017**

*COVER PHOTO; DETAIL OF PAINT CLOTH*



# LOOKING BACK

## A Message from the Board of Directors

It is my delight to be writing to you for the first time as Chair of the Board of Directors of BEING Studio. After months and months of planning and preparation we were finally able to introduce you to our new brand. We feel that it perfectly captures where we are as an organization and where we would like to go in the future. We are forever indebted to our friends at McMillan who spent hundreds of hours helping make our brand come alive and look forward to showing off our new brand over the coming years.

This year the Board tackled important issues such as the compensation of our staff, the value of the artwork created by the artists and how the artists are paid. We have begun the process of changing how artists are compensated from the sale of their artwork, from a profit sharing model to a commission based model. Starting January 1, 2018, all revenue generated through Being Studio by the sale of artwork will be split equally between Being Studio and the artist(s) who created the work. Should any parents or guardians have any concerns about the repercussions of this switch, we will be pleased to work with you on a case by case basis.

Being Studio sure has come a long way since its humble beginnings in 2002. With our new and exciting brand and energized spirit, we all should be optimistic about the future of Being Studio.



Michael Leaver  
Chair  
Board of H'Art of Ottawa

## A Message from the Executive Director

The most significant event this year is our transition from H'Art to BEING. We were long overdue for a makeover –name, logo, website– that would better reflect who we have become and who we are today. So it was both fortuitous and timely that we were chosen as the recipient of the McMillan Betterful Initiative. The year long process of working with the remarkable people at McMillan required us to reflect, review, clarify and define; to embrace our growth; and then to take a brave leap forward; to BE who we are.

It is the artists that want to share with you what BEING means to them:

“...BEING creative, BEING an artist, BEING who I am, BEING very proud of myself, BEING myself, BEING with my friends, BEING part of something, BEING alive, BEING in my studio, BEING me, BEING happy, BEING part of a group, BEING together to share, BEING good at art, BEING light and dark, BEING who you are, BEING the artist you are, BEING relaxed, BEING wonderful , a colourful BEING, BEING a friend, BEING real, BEING inquisitive, love BEING yourself, BEING independent, BEING down syndrome, BEING smart, BEING funny, BEING true to yourself, BEING a hard worker, excited BEING, BEING everywhere, BEING a person...”

Thank you to the artists, and our dedicated and supportive staff, board, families, friends and supporters of BEING Studio.



Lin Rowsell  
Executive Director  
H'Art of Ottawa

# A YEAR IN REVIEW

## ART SHOWS

### Launch Time

H'Art of Ottawa Upstream Studio  
Community Exhibition Space  
Richcraft Recreation Complex, Kanata  
March 1 to May 2, 2016

### Launch Time 2

H'Art of Ottawa Upstream Studio  
Community Exhibition Space  
Richcraft Recreation Complex, Kanata  
May 2 to November 1, 2016

### Stuck in Traffic

Green Door Vegetarian Restaurant  
October 23 to November 26, 2016

### Selections of the Studio Collection

H'Art of Ottawa Upstream Studio  
Community Exhibition Space  
Richcraft Recreation Complex, Kanata  
November 1, 2016 to June 5, 2017



*"Art is part of me, part of my life. I'm happy when I do my art. It's me from the inside looking out, and what I create is me."*  
~Debbie Ratcliffe

## OTHER EVENTS

### The Transformative Power of Art - Evaluation Report on H'Art of Ottawa Practicum and Research Project by Leigh Kelly

Master's of Disability and Community Rehabilitation with an area of interest in Mental Health  
Cumming School of Medicine, Community Health Sciences  
University of Calgary  
May 4, 2016 completed

The practicum required Leigh to complete a program evaluation on a specific area/ question for an organization where physical and mental disabilities are a factor: does art have the power to transform lives of people with intellectual disabilities?

### Queen's University Student Teacher Alternative Practicum

March 21- April 8, 2016  
Ashley Lai did her three week alternative practicum at H'Art.

### West Carleton Arts Society Arts Conference

April 9, 2016  
Lin Rowsell was invited to speak to the West Carleton Arts Society about H'Art Studio.

## **Creative Spirit Art Centre Conference: Art, Education, Employment and Disabilities - Access to Employment Opportunities for Professional Artists and Crafts People with Disabilities**

Toronto

June 2, 2016

Lin Rowsell attended the conference.

Find supported employment opportunities in the arena of arts and crafts.

Overcoming barriers produced by socio-economic constraints. Forging vibrant, meaningful employment and opportunities based on equitable wages. Share ideas that become templates for organizations, professionals, educators and social enterprise projects. Marketing: possibility of developing a common market or co-operative markets Rights, laws, legislation and policies.

## **McMillan Betterful Initiative**

June 2, 2016

H'Art of Ottawa won the McMillan Betterful Initiative. Thirty non-profit organizations submitted.

## **McMillan Betterful Initiative**

June 16, 2016

The McMillan team surprise visit to the studio to announce H'Art's win.

## **Professor Lois Frankel**

**Carleton University School of Industrial Design**

June 6, 2016

Professor Frankel presented collaboration ideas to H'Art's board.

## **University of Ottawa Faculty of Medicine**

June 21, 2016

Aajab Abdulhussein, 3<sup>rd</sup> year medical student

Family Medicine rotation placement at H'Art.

## **McMillan and H'Art Board Members and Staff**

McMillan

Sussex Drive

June 28, 2016

First meeting to begin the process of rebranding H'Art.

## **Anthropologie Opening**

Rideau Centre

August 18, 2016

Anthropologie chose H'Art as the charity to support at the opening of their Rideau Centre store. 10% of proceeds from the sales were donated to H'Art.

## **Lofty Dreams: The Arts and Craft Crawl- Whiskey Edition**

September 17, 2016

H'Art Studio was one of four galleries visited.

## **One World Grannies**

September 20, 2016

Dianne Breton visited the studio.



*"Creating art changes how I feel. I am more expressive. My spirit, my soul, my heart are the light inside of me and that light comes out in my art. I see myself changing. The studio believes in me and my work and my dreams."*

~ Analisa Kiskis

### **Rebranding Meeting with McMillan**

September 15, 2016

Megan Findlay and Michael McDonald-Beraskow from McMillan with H'Art board members and staff.

### **Citizen Advocacy Fundraiser: In the Spotlight**

The Shenkman Arts Centre

October 20, 2016

The evening included a spoken word performance by H'Art artist Julie Fletcher. Julie also had paintings exhibited at the event.

### **One World Grannies**

#### **2016 World Market**

Horticultural Building, Lansdowne Park

October 30, 2016

This event celebrated the ten-year anniversary of the founding of the Stephen Lewis Grandmothers Campaign which has funded many initiatives in the African countries hardest hit by the HIV/AIDS pandemic. The One World Grannies exhibited and sold H'Art paintings.

### **AGM/ Open House**

November 22, 2016

New board members: Chris Binkowski, Michael Orsini, Rachel Gray, Raissa Coulombe, Richard Bolduc, Tam-Co Vo-Van; Jay Innes and Angie Stockley resigned.

### **H'Art's New Logo Reveal**

#### **McMillan**

541 Sussex Drive

December 15, 2016

H'Art's new logo is revealed to H'Art Board and staff.

### **A Place Where You Feel Happy: Researching and Designing a Room for the New Extension of CHEO**

January 8 to 17, 2017

Jeniffer Milburn, Master of Architecture student at Carleton University's School of Architecture did a three week placement in the studio that contributed to her Master's research and thesis. "I am interested in the neurology in Architecture and using drawing as a tool to design Architecture with well-being properties". The artists were asked to describe a place where they feel happy, then illustrate it. Their drawings and ideas were incorporated into Jeniffer's final design.

### **Jeniffer Milburn's Thesis Presentation**

May 4, 2017

Jeniffer presented her thesis to the artists, focusing on their design elements that were integral to the overall design. We invited Lynn Bloom, Faculty Mentor for the Medical Student Art Show, and Lois Frankel, Carleton University School of Industrial Design.

### **The Dream Catcher**

March 2017

Addy Strickland launched a project called The Dream Catcher, with the goal of collecting and sharing the dreams that young people have for the future ([www.dreamersoftoday.org](http://www.dreamersoftoday.org)). In expanding the project's reach she spotlighted specifically on unique or minority groups within Canada and invited H'Art artists to participate. The artists wrote about and illustrated their hopes and dreams, based on the statement "I have a dream".

## **University of Ottawa Community Services Learning Program**

January 23 to April 6, 2017

Music student Laura Teutsch completed her placement then continued to volunteer till June 29, 2017.

## **Professor Lois Frankel, Master's students Aya Fawzi and Renee Isaac-Saper Carleton University School of Industrial Design**

January 24, 2017

Collaboration with Carleton University School of Industrial Design Master's students Aya and Renee and Professor Lois Frankel to create functional works of art. Aya, Renee and Lois visited and worked with the artists over a four month period.

## **McMillan Purchases H'Art Paintings**

January 25, 2017

A group from McMillan visited the studio to purchase nine paintings for their office.

## **Caitlin Lundon**

### **H'Art's Admin Assistant becomes H'Art's Bookkeeper**

January 26, 2017

## **Andrew Stewart**

### **H'Art's new Administrative Assistant**

January 19, 2017

## **Algonquin College DSW Student Placement**

### **Brooke Trealout**

February 27- April 18, 2017

## **Ottawa Art Gallery**

April 6, 2017

Rebecca from the Ottawa Art Gallery visited the studio to choose two paintings that will be exhibited in the Inaugural Exhibition at the opening of the new gallery.

## **Trophy**

### **For Canada's 150<sup>th</sup> Celebration**

H'Art artists worked with Karen Balcome and Madeleine Boyes Manseau developing their stories

March 28 to May 23, 2017

Performance - June 17, 2017

**"Trophy"** is an episodic performance and living installation built around stories of transformation. Audience members move through a pop-up Tent City of Stories, which contains 150 tents – one for each of Canada's 150 years. 150+ people who represent the cultural, economic and linguistic diversity of Ottawa share their stories in the performance and installation. Inside each tent is a person telling a story of a turning point in their life. These are true stories about moments when they experienced real change. Stories of loss, love, aging, careers and more fill the tents over the course of the production. The storytellers are community members who reflect the diversity of our city. **Trophy** is presented by STO Union in partnership with L'Atelier and the National Arts Centre's Canada Scene".

## **McMillan: Meeting: Development of H'Art's New Website**

March 29, 2017



# H'ART OF OTTAWA

## BOARD OF DIRECTORS, STAFF AND STUDIO VOLUNTEERS 2016 – 2017

### Board of Directors

Michael Leaver- *Chair*  
Claire Leduc  
Jennifer McKay  
Jason Trigger  
Alisenne Boxall  
Stephanie Nadeau  
Angie Stockley

Jay Innes  
Chris Binkowski  
Tam- Ca Vo- Van  
Rachel Gray  
Raissa Coulombe  
Richard Bolduc  
Michael Orsini

### Staff

Lin Rowsell– *Executive Director, Studio Facilitator*  
Carmel Whittle– *Studio Facilitator, Studio Coordinator*  
Eliona Hall–*Studio Facilitator; Board Staff Representative*  
Azucena Rogers–*Studio Facilitator*  
Andrew Stewart--*Administrative Assistant*  
Caitlin Lundon – *Administrative Assistant / Bookkeeper*

### Studio Volunteers

Our volunteers are secondary school co op students, students from the University of Ottawa and Carleton University (Community Services Learning Program and Experiential Learning Service Program), Queen's University, Algonquin College, and people from the community.

Tiffany Kelly  
Jeniffer Milburn

Laura Teutsch

### Placements

- Leigh Kelly- University of Calgary, Cumming School of Medicine, Community Health Sciences Master's practicum and research project – The Transformative Power of Art
- Ashley Lai- Queen's University student teacher Alternative Practicum
- Brooke Trealout- Algonquin College DSW student starts placement
- Laura Teutsch- University of Ottawa CSL program
- Jeniffer Milburn- Master's of Architecture, Carleton University



# DONORS' LIST 2016 – 2017

Thank you to all our donors. We couldn't do it without you!

## Friend (\$1 – \$499)

Evelyn Beck  
Pam & Lawrence McCurdy  
Cheryl Ward  
Jim Fletcher  
Aileen Leo  
Abdul Aziz

Shawne Beames  
Judith Dunn  
Marcia Taylor  
Doris Beck  
Martha Scott

## Supporter (\$500 – \$999)

Anonymous donation In Honor of  
Malcolm Fletcher & Claire Leduc  
Queen's Players  
National Bank of Canada

## Funder (\$1000 – \$1499)

Anthropologie Store  
Franklin Templeton Investments  
United Way Centraide  
Angela and William Vanveen

## Builder (\$1500–\$1999)

CI Investments

## Patron (\$2000+)

Clementine Vanveen  
RBC Global Assets Management  
Anonymous donation in support of Malcolm  
Fletcher's fundraising efforts

## United Way Donors

Thank you to our many anonymous and designated United Way donors.

## Canada Helps Donors

Thank you to the many of you who used Canada Helps to make memorial, anonymous and regular donations.

## Anonymous Donors

Thank you to our many anonymous donors.

## Gifts in Kind – Thank you to everyone who donates items to H'Art

Art Supplies - thank you to those of you who have donated art supplies  
Books - Bonnie Donovan

# Minutes of the 2016 Annual Meeting of the Members of H'Art of Ottawa

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The Annual Meeting of the Members of H'Art of Ottawa for the year ending March 31, 2016 was held on Tuesday, November 22, 2016 at 6:00 pm at the H'Art of Ottawa Studio at the Bronson Centre.

Michael Leaver, welcomed all members to the meeting.

Claire Leduc is acting as secretary of the meeting.

## **1. APPROVAL OF THE AGENDA**

It was **MOVED** by Jeanny Page and **SECONDED** by Yves Cousineau that the Agenda of the Annual Meeting of the Members of H'Art of Ottawa, held Tuesday, November 22, 2016 be approved.

**CARRIED UNANIMOUSLY**

## **2. QUORUM**

It was confirmed that Quorum was reached and Michael Leaver declared the meeting properly called and duly constituted.

## **3. STUDIO REPORT**

Lin Rowsell presented the report of the studio.

## **4. MCMILLAN REPORT**

Megan and Michael reported to the Members on the upcoming work with the McMillan firm.

## **5. AUDITOR'S REPORT AND FINANCIAL STATEMENT**

It was **MOVED** by Debbie Radcliffe and **SECONDED** by Gale O'Brian that the Auditor's Report and Financial Statements of H'Art of Ottawa for the fiscal year ending March 31, 2016 be approved.

**CARRIED UNANIMOUSLY**

## **6. APPOINTMENT OF AUDITORS**

It was **MOVED** by Alisenne Boxall and **SECONDED** by Yves Cousineau that the firm Welch LLP be appointed to act as Auditors for H'Art of Ottawa for the fiscal year ending March 31, 2017 with remuneration to be set by the Board of Directors.

**CARRIED UNANIMOUSLY**

## **7. ELECTION OF DIRECTORS**

Michael Leaver reminded that terms for Directors are set at one year and that the board of directors have put forth the following names for the position of Director for the year 2016/2017:

Michael Leaver  
Claire Leduc  
Jennifer McKay  
Alisenne Boxall  
Jason Trigger  
Stephanie Nadeau  
Chris Binkowski  
Michael Orsini  
Rachel Gray  
Raissa Coulombe  
Richard Bolduc  
Tam-Ca Vo-Van  
Claudia Gutierrez

It was **MOVED** by Yves Cousineau and **SECONDED** by Debbie Radcliffe that the directors be elected.

**CARRIED UNANIMOUSLY**

## **8. RATIFICATION OF THE ACTS OF THE DIRECTORS AND OFFICERS**

It was **MOVED** by Marlene Burton and **SECONDED** by Debbie Radcliffe that all Acts, Proceedings, Contracts, Appointments, Elections and Payments made, done and taken by the Directors and Officers of H'Art of Ottawa since the last meeting of the Members as recorded in the records of the corporation be approved, ratified and confirmed.

**CARRIED UNANIMOUSLY**

## **9. CONCLUSION OF THE MEETING**

There being no further business, the Chair asked a member to move that the meeting be concluded.

It was **MOVED** by Yves Cousineau and **SECONDED** by Alisenne Boxall at the hour of 6:30 that the Annual Meeting of the Members of H'Art of Ottawa be concluded.

The Chair thanked the members and guests for attending the meeting.

# Minutes of the 2015 Annual Meeting of the Members of H'Art of Ottawa

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The Annual Meeting of the members of H'Art of Ottawa for the year ending March 31, 2015 was held on Tuesday, November 24, 2015 at 6:00 pm at the H'Art of Ottawa studio at the Bronson Centre.

Michael Leaver welcomed all members to the meeting.  
Claire Leduc is acting as secretary of the meeting.

## **1. Approval of the Agenda**

It was moved by Jason Trigger and seconded by Alisenne Boxall that the Agenda be approved.  
Carried unanimously.

## **2. Report of the Chair**

Michael presented the report of the Chair. He highlighted some of the year's events including an up-date on the Endowment Fund that had reached, at the time of the meeting, \$20,000

## **3. Auditor's Report and Financial Statements**

Jason Trigger presented the Audited Financial Statements. He also mentioned the up-coming changes to H'Art's investment account that will be moved from CIBC to the Community Foundation of Ottawa. It was moved by Alisenne Boxall and seconded by Angie Stockley that the Auditor's Report and Financial Report of H'Art of Ottawa for the fiscal year ending March 30, 2015 be approved.  
Carried unanimously.

## **4. Appointment of the Auditors**

It was moved by Jason Trigger and seconded by Alisenne Boxall that the firm Welch LLP be appointed to act as Auditors for H'Art of Ottawa for the fiscal year ending March 31, 2016 with remuneration to be approved by the Board of Directors.  
Carried unanimously.

## **5. Election of Directors**

Michael leaver reminded the members that the terms for Directors are set at one year, and that the Board of Directors have put forth the following names for the positions of Director for the year 2015/2016:

Michael Leaver  
Claire Leduc  
Angie Stockley  
Jennifer McKay  
Alisenne Boxall  
Jason Trigger  
Stephanie Nadeau  
Jay Innes

It was moved by Angela VanVeen and seconded by Roselyn Riseborough that the Directors be elected.  
Carried unanimously.

## **6. Ratification of the Acts of the Directors and Officers**

It was moved by Debbie Ratcliffe and seconded by Angela VanVeen that all Acts, Proceedings, Contracts, Appointments, Elections and Payments made, done and taken by the Directors and Officers of H'Art of Ottawa since the last meeting of the members as recorded in the records of the Corporation be approved, ratified and confirmed.

Carried unanimously.

## **7. Studio Report**

Lin Rowsell, executive Director, presented the studio Report for the year. She highlighted the various collaborative projects including the Multi media event at the NAC, the exhibitions at the SAW Gallery and Gallery 101 (including an art exchange with Art Australia), the presentation at the National Power of the Art and many others.

A special thank you to Andrew for filming and documenting H'Art's activities and events for many years. During the evening, the artists will make their debut in "spoken words" and read some of their writings.

## **8. Other Business**

There were no other issue raised.

## **9. Conclusion of the Meeting**

There being no further business, the Chair asked a member to move that the meeting be concluded. It was moved by Debbie Ratcliffe and seconded by Jennifer McKay at 6:45 pm that the Annual Meeting of the Members of H'Art of Ottawa be concluded.

The Chair thanked the members and guests for attending and invited everyone to stay for the first annual auction, readings by the artists and reception.



**FINANCIAL STATEMENTS**

**For**

**H'ART OF OTTAWA**

**For year ended**

**MARCH 31, 2017**

## **INDEPENDENT AUDITOR'S REPORT**

To the directors of

### **H'ART OF OTTAWA**

We have audited the accompanying financial statements of H'Art of Ottawa, which comprise the statement of financial position as at March 31, 2017 and the statements of operations and 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 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.

#### *Auditor's Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit 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.

.../2

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

*Basis for Qualified Opinion*

In common with many charitable organizations, H'Art of Ottawa derives revenue from the general public in the form of donations and fundraising events, 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 organization. Therefore, we were not able to determine whether any adjustments might be necessary to donation and fundraising revenues, excess of expenses over revenue, for the years ended March 31, 2017 and 2016, current assets as at March 31, 2017 and 2016, and net assets as at April 1 and March 31 for both the 2017 and 2016 years.

*Qualified Opinion*

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of H'Art of Ottawa as at March 31, 2017 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.

Chartered Professional Accountants  
Licensed Public Accountants

Ottawa, Ontario  
November 16, 2017.

**H'ART OF OTTAWA**  
**STATEMENT OF FINANCIAL POSITION**  
**MARCH 31, 2017**

	<u>2017</u>	<u>2016</u>
<b><u>ASSETS</u></b>		
<b>CURRENT ASSETS</b>		
Cash	\$ 43,497	\$ 70,666
Short term investments	1,515	1,500
Accounts receivable	2,850	8,419
Prepaid expenses	<u>1,325</u>	<u>1,325</u>
	<u>\$ 49,187</u>	<u>\$ 81,910</u>
<b><u>LIABILITIES AND NET ASSETS</u></b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued liabilities	\$ 3,846	\$ 10,033
Payable to endowment fund (note 4)	23,383	23,383
Deferred revenue	<u>679</u>	<u>7,645</u>
	<u>27,908</u>	<u>41,061</u>
<b>NET ASSETS</b>		
Unrestricted	21,279	40,849
Endowment fund (note 4)	<u>-</u>	<u>-</u>
	<u>\$ 49,187</u>	<u>\$ 81,910</u>

Approved by the Board:

..... Director

..... Director

(See accompanying notes)

**H'ART OF OTTAWA**  
**STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS**  
**YEAR ENDED MARCH 31, 2017**

	<u>2017</u>	<u>2016</u>
<b>Revenue</b>		
Participant fees	\$ 114,045	\$ 117,014
Donations	17,424	7,620
Sales	5,188	15,075
Other income	72	-
Interest earned	15	70
	<u>136,744</u>	<u>139,779</u>
<b>Expenses</b>		
Salaries, wages and employee benefits	123,116	113,312
Rent	13,802	13,387
Office expenses	5,111	11,003
Professional fees	7,798	9,125
Insurance	2,569	2,783
Telecommunication	1,516	1,382
Art and general supplies	1,240	848
Event and public affairs	589	-
Bank charges	352	352
Miscellaneous	144	93
Postage and printing	77	59
Profit sharing	-	3,748
	<u>156,314</u>	<u>156,092</u>
<b>Excess of expenses over revenue</b>	(19,570)	(16,313)
<b>Net assets, beginning of year</b>	<u>40,849</u>	<u>57,162</u>
<b>Net assets, end of year</b>	<u>\$ 21,279</u>	<u>\$ 40,849</u>

(See accompanying notes)



**H'ART OF OTTAWA**  
**STATEMENT OF CASH FLOWS**  
**YEAR ENDED MARCH 31, 2017**

	<u>2017</u>	<u>2016</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Excess of expenses over revenue	\$ (19,570)	\$ (16,313)
Changes in non-cash working capital components:		
Investment income reinvested	(15)	-
	(19,585)	(16,313)
Changes in the level of:		
Accounts receivable	5,569	(1,737)
Accounts payable and accrued liabilities	(6,187)	1,946
Deferred revenue	(6,966)	7,595
	(27,169)	(8,509)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from transfer of investments	-	44,572
Contribution to the endowment fund	-	23,383
	-	67,955
<b>INCREASE (DECREASE) IN CASH</b>	(27,169)	59,446
<b>CASH AT BEGINNING OF YEAR</b>	70,666	11,220
<b>CASH AT END OF YEAR</b>	\$ 43,497	\$ 70,666

(See accompanying notes)

**H'ART OF OTTAWA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED MARCH 31, 2017**

**1. NATURE OF OPERATIONS**

H'Art of Ottawa ("the organization") is a unique and innovative art studio where self-expression and a sense of place are encouraged and celebrated for people with developmental disabilities. Through the common language of art and self-expression, the artists of H'Art of Ottawa contribute to the community and the cultural life of Ottawa. On June 3, 2005, H'Art of Ottawa was incorporated under Part II of the Canada Corporation Act and on September 3, 2014, continued under the Canada Not-for-profit Corporations Act. The organization is exempt from income taxes and is a registered charity.

**2. SIGNIFICANT ACCOUNTING POLICIES**

*Basis of accounting*

The organization prepares the financial statements in accordance with Canadian accounting standards for not-for-profit organizations.

*Revenue recognition*

H'Art of Ottawa follows the deferral method of accounting for contributions which include grants and donations. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

*i) Participant fees*

Participant fees are recognized as revenue as the courses are completed.

*ii) Sales*

Art sales are recognized as revenue when the sales occur.

*Capital assets*

Capital assets are recorded as expenses on the statement of operations in the year they are purchased.

*Use of estimates*

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 amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates as additional information becomes available in the future and adjustments are made to the statement of operations in the year they become known.

*Financial instruments*

*i) Measurement of financial instruments*

The organization initially measures its financial assets and financial liabilities at fair value and subsequently re-measures them at cost or amortized cost at the year-end date.

*ii) Transaction costs*

Transaction costs associated with the acquisition and disposal of investments are capitalized to the acquisition costs or reduce proceeds of disposal.

**H'ART OF OTTAWA**  
**NOTES TO THE FINANCIAL STATEMENTS - Cont'd.**  
**YEAR ENDED MARCH 31, 2017**

**3. FINANCIAL INSTRUMENTS**

The organization is exposed to various risks through its financial instruments. The following analysis provides a measure of the organization's risk exposure and concentrations at March 31, 2017.

The organization does not use derivative financial instruments to manage its risks.

*Credit risk*

The organization is exposed to credit risk resulting from the possibility that parties may default on their financial obligations. The organization's maximum exposure to credit risk represents the sum of the carrying value of its cash, investments and its accounts receivable. The organization's cash and investments are deposited with a Canadian chartered bank and as a result management believes the risk of loss on these items to be remote. The organization manages its credit risk by reviewing accounts receivable aging monthly and following up with outstanding amounts. Management believes that all amounts receivable at year end will be collected.

*Liquidity risk*

Liquidity risk is the risk that the organization cannot meet a demand for cash or fund its obligations as they become due. The organization meets its liquidity requirements by preparing and monitoring detailed forecasts of cash flow from operations, anticipating investing and financing activities and holding assets that can be readily converted into cash.

*Market risk*

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is comprised of currency risk, interest rate risk and other price risk.

*i) Currency risk*

Currency risk refers to the risk that the fair value of instruments or future cash flows associated with the instruments will fluctuate relative to the Canadian dollar due to changes in foreign exchange rates.

The organization's financial instruments are all denominated in Canadian dollars and it transacts primarily in Canadian dollars. As a result, management does not believe it is exposed to significant currency risk.

*ii) Interest rate risk*

Interest rate risk refers to the risk that the fair value of financial instruments or future cash flows associated with the instruments will fluctuate due to changes in market interest rates.

The organization's exposure to interest rate risk arises from its investments. The organization's investments include amounts on deposit with financial institutions that earn interest at market rates.

*iii) Other price risk*

Other price risk refers to the risk that the fair value of financial instruments or future cash flows associated with the instruments will fluctuate because of changes in market prices (other than those arising from currency risk or interest rate risk), whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all similar instruments traded in the market. The organization is not exposed to other price risk.

*Changes in risk*

There have been no significant changes in the organization's risk exposures from the prior year.

**H'ART OF OTTAWA**  
**NOTES TO THE FINANCIAL STATEMENTS - Cont'd.**  
**YEAR ENDED MARCH 31, 2017**

**4. ENDOWMENT FUND**

In 2015, the organization has established an endowment fund with the Community Foundation of Ottawa ("the Foundation"). The organization's initial investment was made in the name of the H'Art of Ottawa legacy fund from a \$50,000 gift. In 2016, an additional contribution of \$23,383 was raised and will be transferred to the fund. The organization is entitled only to investment income from the fund on a semi-annual basis. Income from this fund will be used in the course of the organization's normal operations. Capital funds will remain with the Foundation perpetually. As of March 31, 2017, the endowment fund has a value of \$52,644 and no interest was paid out in the year.

**5. ART INVENTORY**

The art inventory of the artists of H'Art of Ottawa has not been presented in these financial statements due to the difficulty in accurately valuating the inventory.

**6. LEASE COMMITMENT**

The organization has signed a lease for its premises which requires monthly payments totaling \$15,605 annually and expires December 31, 2017.