

Annual Report 2018



**BEING STUDIO ANNUAL REPORT
APRIL 1, 2017 TO MARCH 31, 2018**

COVER PHOTO: BEING LAUNCH EVENT

LOOKING BACK

A Message from the Board of Directors

The past year has been one of the most challenging years in the history of BEING.

After running a deficit in 2016/2017 and anticipating another deficit in 2017/2018, immediate action was required. Thanks to the tireless work of Fiona Harrison, who joined the Board as the Treasurer, and the newly created finance committee, BEING has improved its financial procedures and is now in a much stronger financial position than a year ago.

I'm also pleased to report that BEING has now fully implemented the commission based approach to the sale of artwork and has taken steps to enshrine the ownership of said artwork to the artists. This is a fundamental change from the early days of H'art of Ottawa when the artists did not fully own or control the artwork they produced. Each artist now has the opportunity to decide the fate of each masterpiece they create. A special thanks to Stephanie Nadeau and Chris Binkowski for championing this change, which in hindsight, was long overdue.

This year also saw a significant change to the staff of BEING, no change bigger than the retirement of our Executive Director, Lin Rowsell. Lin had faithfully served as Executive Director from almost the beginning and was the face of H'art of Ottawa. There has been no other person that has done as much for this organization as she did. The Board would like to thank Lin for her years of tremendous work and her dedication to the studio and the artists sincerely wish her all the best in her future endeavours.

The hole left by Lin was impossible to fill and the Board continues to weigh its options for a replacement Executive Director. However, we cannot be more thrilled with the current staff at BEING which is being led by our Interim Program Director, Karen McRae and Artistic Coordinator, Rachel Gray along with the invaluable contribution of long-time facilitator Azucena Rogers.

The outlook for 2018/2019 could not be brighter. We have already been successful in obtaining new additional streams of revenue and we have many exciting opportunities on the horizon. The Board looks forward to sharing all of these new exciting projects over the coming year.

Sincerely,



Michael Leaver
Chair
Board of BEING Studio

A Message from the Interim Program Director

This has been an incredible year of transition for the studio: From the launch of our new BEING brand to the retirement of our former Executive Director Lin Rowsell, we have been reinventing ourselves on many levels.

As with most transformations, this year has presented both significant challenges and substantial rewards. There is a momentum and energy at BEING that makes the studio an exhilarating place to be. Each one of us, artists, collaborators and staff, have had the opportunity to grow and to take on new challenges within both the studio and the artistic community. We were especially thrilled to have two of our artists, Anna Coulombe and Marika Smart, represented in the Inaugural Ottawa Art Gallery Exhibit *We'll All Become Stories*.

Through a generous bursary grant from the McKay Cross Foundation and with significant social media and website outreach we find ourselves in the position of having a full artist membership. Along with these new artists and staff team members, the studio has also welcomed some amazing volunteers with each individual making a considerable contribution to the studio.

We are so grateful to be part of BEING during this exciting time and to have the opportunity to support each artist as they continue to explore and share their individual artistic language.

Sincerely,



Karen McRae
Interim Program Director
BEING Studio

A YEAR IN REVIEW

ART SHOWS

River Forest and Blue Sky

Paintings by **Andre Lanthier**
Community Exhibition Space
Richcraft Recreation Complex, Kanata
June 5 – 2017- Feb, 2018

BEING Launch

Great Canadian Theatre Company
Thursday, September 14, 2017 6-8pm

Human Line & Heartbeats Group show

Community Exhibition Space
Richcraft Recreation Complex, Kanata
February 7th, 18 – September 2018

OAG Inaugural Exhibition

We'll All Become Stories

Anna Coulombe and Marika Smart
each exhibited one painting
April 28th, 2018 – August, 2018



Photo by Remi Theriault

OTHER EVENTS

Jeniffer Milburn, Master's of Architecture student,
Carleton University presented her thesis to the artists,
Lynn Bloom and Lois Frankel
April 24-28, 2017

Photographer Remi Theriault

photo shoot all day in studio May 2, 2017

Rachel Gray photographed artists

for portrait shots on artist pages, week of May 1, 2017

Carleton University Industrial Design

Painted Trays Project
Aya and Renee students' collaboration started May 8, 2017

Ottawa University
Delia Lin, CSL student
volunteer placement
started May 18, 2017

Trophy
Life Changing Stories Told One-On –One
June 5, 2017, 1PM- 11PM
George Street, Byward Market

To celebrate Canada's 150th, Ottawa 2017 and Canada Scene, STO Union- an Ottawa-based theatre company partnered to create Trophy, an episodic performance and living art installation. Trophy is a pop up city of 150 architectural tents filled with 150 story tellers, sharing their stories of change and transformation, turning points in their lives. The storytellers are community members who reflect the diversity of our city, including BEING artists Andre Lanthier, Debbie Ratcliffe, Frances Laube, Julie Fletcher, Richard Bolduc, and Analisa Kiskis.

Interview for Ottawa Magazine featuring **Caroline Joannis**
by Cindy Deachman
August 18, 2017

BEING Launch
Great Canadian Theatre Company
Thursday, September 14, 2017 6-8pm

Carleton University School of Industrial Design
Inclusive Concepts for Artists with Disabilities

Students Alicia Stewart and Abdullah Usman worked with the Thursday artists on this project
October 5, 2017 – March 2018
Final Presentation to Artists – March 22nd, 2018

The goal of this project was to help students experience the process of design research and development. Specifically, students identified a problem affecting individuals related to, or served by, our organization and developed design concepts to improve their experience. Students worked to develop innovative ideas for art equipment relevant to our work and objectives and we were very pleased to support this collaboration.

Alicia Stewart has since won several awards for the products and concepts she developed in collaboration with the studio and participating artists.

University of Ottawa 3rd year medical student, Laura Olejnik
did her family medicine rotation placement at the studio
October 19, 2017

The McKay Cross Foundation funding application

submitted to Joan Currie by Lin

November 1, 2017

Training for administering BEING website

by Scott Thompson @ **McMillan**

attended by Lin, Andrew, Karen

November 2, 2017

Jung Suk Ryu, Executive Director of Indefinite Arts visited the studio

November 6, 2017

2017 Annual General Meeting and Open House

BEING Studio

Thursday, November 23, 2017

6:30-8:30pm

Applied Arts Magazine, The Brief

McMillan Creates a Betterful Brand Identity

An online story about our brand identity

Kristina Urquhart

November 29th, 2017

Artist Christopher Griffin

First presentation of his work to the artists and the beginning of workshops

November 28, 2017

McKay Cross Foundation

Joan Currie and Anne Cross visit studio - December 11, 2017

January 5th, 2018 - we are awarded the McKay Cross Foundation grant to create a bursary program for artists who would otherwise be unable to participate at BEING.

Jan/Feb 2018 - three new artists are awarded bursaries and begin attending the program.

Lin Rowsell Retires

January 2018

University of Ottawa 3rd year medical student, Lin Do

did her family medicine rotation placement at the studio

March 8th, 2018

University of Ottawa 3rd year medical student, Bronwyn Thompson

did her family medicine rotation placement at the studio

April 11th, 2018

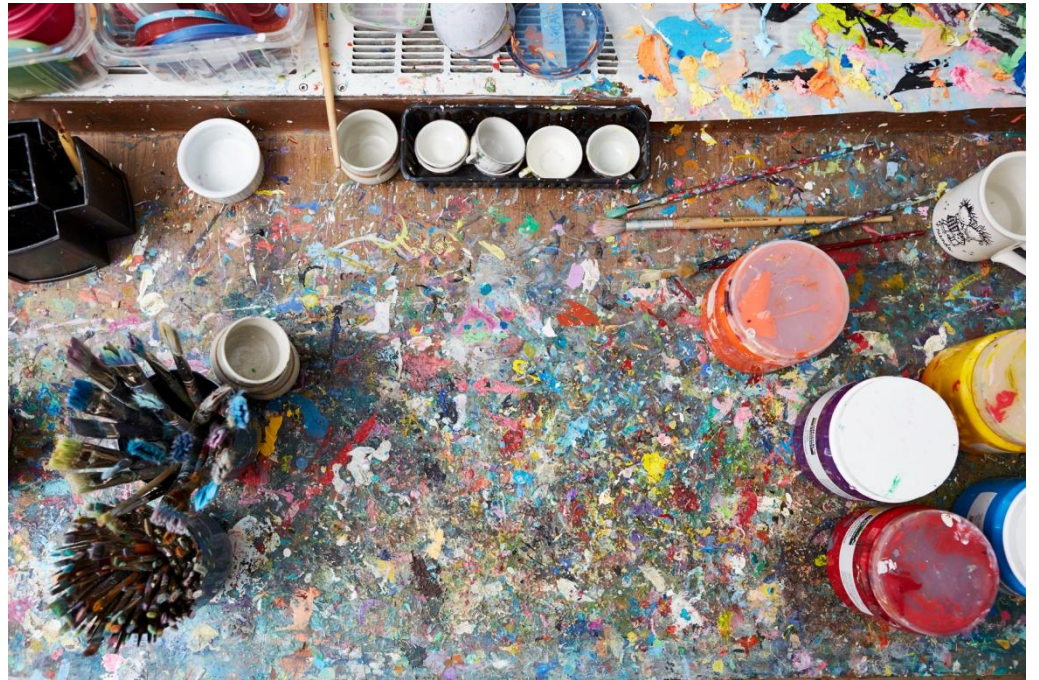


Photo by Remi Theriault

BEING STUDIO

BOARD OF DIRECTORS, STAFF AND STUDIO VOLUNTEERS 2018 – 2018

Board of Directors

Michael Leaver- *Chairperson*
Claire Leduc
Jennifer McKay
Stephanie Nadeau
Kathryn Craner

Chris Binkowski
Fiona Harrison
Richard Bolduc
Raissa Coulombe

Staff

Karen McRae- *Program Director, Studio Facilitator*
Rachel Gray- *Artistic Coordinator, Studio Facilitator, Board Staff Representative*
Azucena Rogers- *Studio Facilitator*
Elora Hall- *Studio Facilitator*
Andrew Stewart- *Administrative Assistant*

Studio Volunteers

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

Alicia Hofland
Akiko Reinhart
Laura Teutsch

Renee Bourque
Chris Griffin
Shawn MacDonell

Placements

- Brooke Trealout, Algonquin College DSW
- Alicia Stewart & Abdullah Usman, Carleton University School of Industrial Design
- Emily Fraser, Queens University Alternative Practicum

DONORS' LIST 2017 – 2018

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

Friend (\$1 – \$499)

Adam Welch
BMO Nesbitt Burns
Alisenne Boxall
Ruth O'Halloran
Art East
Judith Dunn
Maricia E Taylor
Meredith Berriman
Jesse Stewart
Kathleen Gordon
Aileen Leo
Jeannie Page
Pam McCurdy
Hay Lake Lodge & Cottage
Dalia Kudirka
Canadian Conservation Institute

Barbara Laskin
Carol Payne
Caroline Wetherilt
Erika Dolphin
Mitchell Frank
Minodora Taler
Janine Debanne
Reesa Greenberg
Laura Horak
Anne Maheux
Michelle Gewurtz
Natalie Brender
Heather Moore
Justine Bell
Sandra Dyck
Deborah Margo

Supporter (\$500 – \$999)

Laurie Anne King
James Fletcher
National Bank of Canada
Mackenzie Investments

Funder (\$1000 – \$1499)

Martha Scott
Fiona Harrison
Franklin Templeton

Builder (\$1500–\$1999)

RBC Global Asset Management
Anonymous

Patron (\$2000+)

McKay Cross Foundation
Invesco Canada Ltd
CI Investments
Clementine Vanveen
Malcolm Fletcher

Canada Helps, United Way and Anonymous Donors

Thank you to the many of you who used Canada Helps, United Way or other means to make memorial, anonymous and regular donations.

Gifts in Kind – Thank you to everyone who donates items to BEING

Art supplies and materials: Christopher Griffin, Bonnie Donovan, Maria & Dario Catana, Elmwood School

Raffle items: Michael Leaver, Ottawa School of Art, West Side Spa

Used MacBook: Craig Cardiff

Videography and photography: Shawn McDonell

Minutes of the 2017 Annual Meeting of the Members of H'Art of Ottawa

The Annual Meeting of the members of H'Art of Ottawa for the year ending March 31, 2015 was held on Tuesday, November 23, 2017 at 6:30 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 and Minutes

It was moved by Jason and seconded by Michael that the Agenda and minutes from the 2016 AGM be approved.
Carried unanimously.

3. Auditor's Report and Financial Statements

It was moved by Andrew and seconded by Fiona Harrison 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 Claire and seconded by Fiona that the firm Welch LLP be appointed to act as Auditors for H'Art of Ottawa for the fiscal year ending March 31, 2018 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
Fiona Harrison
Jennifer McKay
Raissa Coulombe
Jason Trigger
Stephanie Nadeau

Chris Binkowski
Kathryn Craner
Richard Bolduc

It was moved by Andrew and seconded by Brian Harrison that the Directors be elected.
Carried unanimously.

Change of name of the organization :

Motion approving the change of name from H'Art of Ottawa to BEING

Azucena moved

Brian seconded the motion

Carried unanimously

6. Ratification of the Acts of the Directors and Officers

It was moved by Andrew and seconded by Azucena 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 Azucena Andrew 6:40 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.

MINUTES OF THE 2016 ANNUAL MEETING

of the Members of BEING Studio

The Annual Meeting of the Members of BEING Studio for the year ending March 31, 2016 was held on Tuesday, November 22, 2016 at 6:00 pm at the BEING 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 BEING Studio, 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 BEING Studio 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 BEING Studio for the fiscal year ending March 31, 2018 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 2016/2018:

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 BEING Studio 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 BEING Studio be concluded.

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

FINANCIAL STATEMENTS
For
BEING STUDIO
(formally operated as H'art of Ottawa)
For year ended
MARCH 31, 2018

INDEPENDENT AUDITOR'S REPORT

To the Members of

BEING STUDIO

We have audited the accompanying financial statements of BEING Studio, which comprise the statement of financial position as at March 31, 2018 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.

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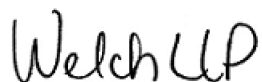
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for Qualified Opinion

In common with many charitable organizations, BEING Studio 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, 2018 and 2017, current assets as at March 31, 2018 and 2017, and net assets as at April 1 and March 31 for both the 2018 and 2017 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 BEING Studio as at March 31, 2018 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
July 11, 2018.

BEING STUDIO
(formally operated as H'art of Ottawa)
STATEMENT OF FINANCIAL POSITION
MARCH 31, 2018

	<u>2018</u>	<u>2017</u>
<u>ASSETS</u>		
CURRENT ASSETS		
Cash	\$ 29,480	\$ 43,497
Short-term investments	1,523	1,515
Accounts receivable	4,976	5,029
Prepaid expenses	<u>1,305</u>	<u>1,325</u>
	<u>\$ 37,284</u>	<u>\$ 51,366</u>
<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 11,543	\$ 3,846
Deferred revenue	250	679
Deferred contributions (note 5)	<u>6,100</u>	<u>-</u>
	<u>17,893</u>	<u>4,525</u>
NET ASSETS		
Unrestricted	<u>19,391</u>	<u>46,841</u>
	<u>\$ 37,284</u>	<u>\$ 51,366</u>

Approved by the Board:

..... Director

..... Director

(See accompanying notes)

BEING STUDIO
(formally operated as H'art of Ottawa)

STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS
YEAR ENDED MARCH 31, 2018

	<u>2018</u>	<u>2017</u>
Revenue		
Participant fees	\$ 106,311	\$ 114,045
Donations	20,836	17,424
Sales	3,515	5,188
Endowment fund income	2,216	2,179
Grants and other contributions	1,200	-
Other income	439	87
	<u>134,517</u>	<u>138,923</u>
Expenses		
Salaries, wages and employee benefits	122,906	123,116
Rent	14,596	13,802
Professional fees	6,437	7,798
Office expenses	6,652	5,111
Profit sharing	3,334	-
Insurance	2,644	2,569
Event and public affairs	2,599	589
Art and general supplies	1,835	1,240
Telecommunication	308	1,516
Bank charges	302	352
Miscellaneous	269	144
Postage and printing	85	77
	<u>161,967</u>	<u>156,314</u>
Excess of expenses over revenue	(27,450)	(17,391)
Net assets, beginning of year	<u>46,841</u>	<u>64,232</u>
Net assets, end of year	<u>\$ 19,391</u>	<u>\$ 46,841</u>

(See accompanying notes)

BEING STUDIO
(formally operated as H'art of Ottawa)

STATEMENT OF CASH FLOWS
YEAR ENDED MARCH 31, 2018

	<u>2018</u>	<u>2017</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Excess of expenses over revenue	\$ (27,450)	\$ (17,391)
Changes in non-cash working capital components:		
Investment income reinvested	<u>(8)</u>	<u>(15)</u>
	(27,458)	(17,406)
Changes in the level of:		
Accounts receivable	53	3,390
Prepaid expenses	20	-
Accounts payable and accrued liabilities	7,697	(6,187)
Deferred revenue	(429)	(6,966)
Deferred contributions	<u>6,100</u>	<u>-</u>
	<u>(14,017)</u>	<u>(27,169)</u>
DECREASE IN CASH	(14,017)	(27,169)
CASH AT BEGINNING OF YEAR	<u>43,497</u>	<u>70,666</u>
CASH AT END OF YEAR	<u>\$ 29,480</u>	<u>\$ 43,497</u>

(See accompanying notes)

BEING STUDIO
(formally operated as H'art of Ottawa)
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2018

1. NATURE OF OPERATIONS

BEING Studio ("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 BEING Studio contribute to the community and the cultural life of Ottawa. On June 3, 2005, BEING Studio was incorporated under Part II of the Canada Corporation Act and on September 3, 2014, continued under the Canada Not-for-profit Corporations Act. On July 23, 2018, the organization changed its legal name from H'art of Ottawa to BEING Studio. 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

BEING Studio 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. Significant estimates include determining the collectibility of accounts receivable and the amount of accrued liabilities. 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.

BEING STUDIO
(formally operated as H'art of Ottawa)
NOTES TO THE FINANCIAL STATEMENTS - Cont'd.
YEAR ENDED MARCH 31, 2018

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, 2018.

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.

BEING STUDIO
(formally operated as H'art of Ottawa)

NOTES TO THE FINANCIAL STATEMENTS - Cont'd.

YEAR ENDED MARCH 31, 2018

4. ENDOWMENT FUND

In 2015, the organization 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. The organization is entitled only to endowment fund income on an 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, 2018, the endowment fund has a value of \$51,616 and income of \$2,216 was receivable by the organization.

5. DEFERRED CONTRIBUTIONS

During the year, Being Studio received a grant of \$7,300 from the McKay Cross Foundation. Of this amount, \$1,200 has been recognized as revenue and the remaining \$6,100 will be recognized in the coming fiscal year. The funds must be used to subsidize participant fees for artists who would otherwise not have the financial means to participate.

6. ART INVENTORY

The art inventory of the artists of BEING Studio has not been presented in these financial statements due to the difficulty in accurately valuating the inventory.

7. LEASE COMMITMENT

The organization has signed a lease for its premises which requires monthly payments totaling \$15,873 annually and expires December 31, 2018.

No provision for possible loss has been included in these financial statements.

8. SUBSEQUENT EVENT

On April 26, 2018, BEING Studio was awarded a grant of \$10,000 by the Ottawa Community Foundation. The funds, to be received later in 2018, must be used for a project that aims to offer expanded creative skills training to the organization's artists through initiatives such as special workshop experiences. The intention is to complete the project by summer of 2019.

On May 18, 2018, the organization invested \$12,000 in a redeemable guaranteed investment certificate with a Canadian chartered bank. The certificate matures in May 2019 and was funded using surplus unrestricted operating funds.

9. COMPARATIVE FIGURES

Comparative figures have been reclassified where necessary to conform to the presentation adopted in the current year.

