

## **Finance Report & Financial Statements 2021**

**(2022 Budget included for information)**

**submitted by Carol Tonkin, Treasurer**

ARCAC is a financially stable non-profit, with total liabilities including fixed assets at the end of 2021 being \$398,360. This compares to the 2020 total which was \$394,107.

The total revenue for 2021 was \$188,620, expenditure was \$192,427 – giving a deficit of income over expenditure of \$3,807. Our current investments and securities (held at Scotiabank, Annapolis Royal) amount to \$105,127. A number of these investment GICs are designated to support a small operating endowment and also to support a scholarship program that provides tuition/fees for arts learning to deserving individuals.

The Board projects a budget addressing income and expenses each year (approximately \$138K for 2021) and commits to a plan that will address the artistic mission and goals of the organisation, as well as to maintain its building, which is owned outright by ARCAC.

Membership fees, programming fees, and fundraising comprise almost 50% of the annual operating expenses. In addition, ARCAC is supported by Federal and Provincial grants:

Canada Council Engage & Sustain Grant Program:

This supports ARCAC's exhibition programming, an amount of \$20,000 per year.

Canada Council for the Arts:

During 2020, an additional \$30,000 was awarded as emergency support payment during the pandemic, and \$5000 was slated for 2022 to hold in-person events (Canada Council for the Arts).

Nova Scotia Department of Communities, Culture and Heritage: Since 2012, ARCAC has received an annual operating grant of \$28,000, to support the various operating expenses.

"Paint the Town" Program

Artists are invited to create art on site in Annapolis Royal while allowing the public to view the process. In 2020 and 2021 reporting periods, the event was disrupted by the Nova Scotia state of emergency and the requirement to socially distance and isolate where possible. The alternative online auction based system was used to allow the event to occur in a different format. This was again popular and a net income was made of \$3,797 – this compares with last year's program which gave a net income of \$5,088.

ARCAC Media Arts, "Art Seen"

Art Seen is a project funded by the Canada Council for the Arts Digital Strategy Fund. The project receives funding for three years (\$100,000 each year), beginning July 2020. Art Seen features video conferencing using readily accessible internet-based resources to connect the

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broad community to contemporary Canadian artists and gallerists/curators located at artist run centres and select galleries. These real-time interactions, presented for public access, are implemented through the Annapolis Region Community Arts Council (ARTSPACE).

All of ARCAC's monetary assets are held at a single financial institution in Annapolis Royal, where ARCAC uses a business chequing account (2 Board member signatures are required for all cheques) for on-going operational expenses. Investment certificates (GICs) are maintained, amounting to approximately 50% of annual operating expenses - to be used only when needed.

ARCAC contracts a certified public accountant as a bookkeeper that prepares monthly and annual reports of all financial activity. The bookkeeper meets regularly with the Gallery Director and the board member serving as Treasurer. An objective review of the financial statements is completed each year, and a report is shared with the board.

ARCAC's board and the Gallery Director are provided with monthly financial reports which are discussed at monthly board meetings. Any adjustments to expenses and/or revenue in the budget are taken into consideration during these reviews and prudent action is taken if necessary.

Despite the challenges presented by the COVID pandemic over the past two years, ARCAC continues to be a financially healthy organisation that meets its goals as an active arts centre, takes responsibility for the upkeep of its historic building and continues to have good support from the community.