

ANNAPOLIS REGION COMMUNITY ARTS COUNCIL

ANNAPOLIS ROYAL

(See notice to reader)

FINANCIAL STATEMENTS

DECEMBER 31, 2021

C O N T E N T S

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To the Reader

On the basis of information provided by Management, I have compiled the Statement of Financial Position of Annapolis Region Community Arts Council as at December 31, 2021 and the statements of Income and Expenses, and Net Assets for the year then ended.

I have not performed an audit or a review engagement in respect of these financial statements and accordingly, I express no assurance thereon.

Readers are cautioned that these statements may not be appropriate for their purposes.

Prepared for

Annapolis Region Community Arts Council
Annapolis Royal

March 11, 2022

ANNAPOLIS REGION COMMUNITY ARTS COUNCIL
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2021

ASSETS

| | <u>2021</u> | <u>2020</u> |
|---|--------------------------|--------------------------|
| Current Assets: | | |
| Cash | \$ 117,021 | \$ 127,928 |
| Receivables & HST Recoverable | 17,885 | 3,493 |
| Current Investments & Securities (note 4) | <u>105,127</u> | <u>104,762</u> |
| | 240,034 | 236,183 |
| Fixed Assets - Capital (note 1) | 154,151 | 154,151 |
| Fixed Assets - Artwork | <u>4,175</u> | <u>3,772</u> |
| | <u>158,326</u> | <u>157,924</u> |
| Total Assets | <u>\$ 398,360</u> | <u>\$ 394,107</u> |

LIABILITIES AND NET ASSETS

| | | |
|--|--------------------------|--------------------------|
| Current Liabilities: | | |
| Accounts Payable – Trade | \$ 295 | --- |
| Government Remittances (note 2) | 1,157 | \$ 1,161 |
| Accrued Liabilities | 200 | 200 |
| Prepaid Sales and Services | 2,887 | 1,605 |
| Loans Payable Within Period and Deferred Grants (note 3) | <u>73,601</u> | <u>67,115</u> |
| Total Liabilities | 78,140 | 70,081 |
| Net Assets (See Statement of Societies Net Assets) | <u>320,220</u> | <u>324,026</u> |
| Total Liabilities & Net Assets | <u>\$ 398,360</u> | <u>\$ 394,107</u> |

Julia Redgar (Chair) : Officer

Heather Hall (Sec) : Officer

ANNAPOLIS REGION COMMUNITY ARTS COUNCIL
STATEMENT OF LOSS & DEFICIT
12 MONTHS ENDED DECEMBER 31, 2021

| Revenue | <u>2021</u> | <u>2020</u> |
|---|--------------------|--------------------|
| Earned Revenue: | | |
| Fee Workshops and Classes | \$ 2,455 | \$ 4,172 |
| Memberships | 3,876 | 4,252 |
| Facilities Rental and Sale of Art: | | |
| Gallery Rentals | 275 | 387 |
| Membership Art Sales | 5,130 | 2,313 |
| Other Earned Revenue: | | |
| Interest Income | 901 | 1,868 |
| Total Earned Revenue | <u>12,637</u> | <u>12,992</u> |
| Private Sector Revenue: | | |
| Donations | 15,177 | 10,929 |
| Fund-raising - Public Grants | 10,786 | - |
| Fundraising - Auction | 5,679 | 8,936 |
| Total Private Sector Revenue | <u>31,642</u> | <u>19,865</u> |
| Public Sector Revenue: | | |
| Other Federal Grants | 83,514 | 50,240 |
| Federal Funding - Operating | 30,000 | 51,769 |
| Provincial Funding - Operating | 28,000 | 29,954 |
| Provincial - Other Grants | 2,828 | - |
| Total Public Sector Revenue | <u>144,342</u> | <u>131,963</u> |
| Total Revenue | <u>\$ 188,620</u> | <u>\$ 164,820</u> |

ANNAPOLIS REGION COMMUNITY ARTS COUNCIL

STATEMENT OF LOSS & DEFICIT

12 MONTHS ENDED DECEMBER 31, 2021

| Expenses | <u>2021</u> | <u>2020</u> |
|--|--------------------|--------------------|
| Artistic : | | |
| Artists and Professional Fees | \$ 26,637 | \$ 19,219 |
| Artistic Salaries | <u>20,705</u> | <u>18,245</u> |
| Total Artistic Expense | 47,341 | 37,463 |
| Programs: | | |
| Exhibition Expense | 1,303 | 521 |
| Media Arts | 49,879 | 33,442 |
| Education and Audience, Development | 80 | 59 |
| Other Artistic, Program and Services Expense | 37,357 | 5,546 |
| Scholarship Expense | <u>1,500</u> | <u>330</u> |
| Total Programing Expense | 90,119 | 39,898 |
| Facilities: | | |
| Insurance Expense | 3,397 | 3,080 |
| Property Taxes | 1,838 | 1,974 |
| Repairs and Maintenance | 3,252 | 5,508 |
| Grounds Expense | 1,425 | 1,321 |
| Utilities - Telephone | 1,782 | 1,481 |
| Utilities - Power, Water and Furnace Oil | <u>4,431</u> | <u>3,707</u> |
| Total Facility Expense | 16,125 | 17,071 |
| Marketing and Communications: | | |
| Advertising and Promotions | <u>7,870</u> | <u>4,817</u> |
| Fundraising: | | |
| Fundraising Expense | <u>113</u> | <u>540</u> |
| Administrative: | | |
| Administrative Salaries | 23,760 | 23,057 |
| Professional Fees | 3,262 | 3,418 |
| Bank Fees, Charges & Credit Card Expense | 814 | 621 |
| Office Expenses | 1,840 | 1,720 |
| Miscellaneous & Supplies | 1,043 | 1,334 |
| Other Expenditures | <u>139</u> | <u>170</u> |
| Total Administrative Expense | 30,858 | 30,320 |
| Total Expenses | <u>192,427</u> | <u>130,108</u> |
| Excess of Expenditure Over Revenue | <u>\$ (3,807)</u> | <u>\$ 34,712</u> |

ANNAPOLIS REGION COMMUNITY ARTS COUNCIL
STATEMENT OF SOCIETIES NET ASSETS
YEAR ENDED 2021

| | Unrestricted Net Assets | Capital Net Assets | Endowment Fund Equity | Scholarship Fund Equity | Total |
|------------------------------------|----------------------------|-----------------------|--------------------------|----------------------------|------------|
| (Unaudited - See Notice to Reader) | | | | | |
| Balance, beginning of year | \$ 71,662 | \$ 204,510 | \$ 22,120 | \$ 25,734 | \$ 324,026 |
| amortization of capital assets | 50,650 | (50,650) | | | |
| Excess of expenditure over revenue | (3,807) | | | | (3,807) |
| Increases during year | --- | --- | 102 | 309 | 411 |
| | 118,505 | 153,860 | 22,222 | 26,043 | 320,631 |
| Decreases during period | 411 | --- | --- | --- | 411 |
| Balance, end of year | \$ 118,094 | \$ 153,860 | \$ 22,222 | \$ 26,043 | \$ 320,220 |

ANNAPOLIS REGION COMMUNITY ARTS COUNCIL
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

Revenue recognition

We recognize revenue when earned, specifically when all the following conditions are met:

Services are provided or delivered to members.
Amounts are fixed or can be determined.
Our ability to collect is reasonably assured.
There is no significant obligation for future performance.
The amount of future returns can be reasonably estimated.

We record payments and contributions received in advance including upfront non-refundable payments as deferred revenues until we provide the service or as such time related expenses are incurred.

| 1. Fixed Assets | Rate | Cost | Depleted Value | 2021 | 2020 |
|--|------|-------------------|-------------------|----------------------|----------------------|
| | | | | Net Book Value | |
| Land | | \$ 69,485 | - | \$ 69,485 | \$ 69,485 |
| Buildings | | 27,532 | - | 27,532 | 27,532 |
| Signs | | 500 | - | 500 | 500 |
| Building Improvements | | 103,841 | \$ 48,147 | 55,694 | 55,694 |
| Computer Equipment | | 3,442 | 2,502 | 940 | 940 |
| | | <u>\$ 204,801</u> | <u>\$ 50,650</u> | <u>\$ 154,151</u> | <u>\$ 154,151</u> |
| 2. Government Remittances | | | | 2021 | 2020 |
| Employee Income Tax Payable | | | | - | \$ 588 |
| CPP | | | | - | 443 |
| EI | | | | - | 130 |
| Consolidated Payroll Liabilities | | | | <u>\$ 1,157</u> | <u>-</u> |
| | | | | <u>\$ 1,157</u> | <u>\$ 1,161</u> |
| 3. Loans Payable Within Period and Deferred Grants | | | | 2021 | 2020 |
| Deferred CADAC Projects - Media | | | | \$ 56,238 | \$ 49,752 |
| Deferred Grant Funds: Provincial Operating | | | | 10,675 | 10,675 |
| Deferred Grant Funds: Canada Council | | | | 6,688 | 6,688 |
| | | | | <u>\$ 73,601</u> | <u>\$ 67,115</u> |
| 4. Current Investments and Securities | | | | 2021 | 2020 |
| Endowment GIC's Consolidated | | | | \$ 22,222 | \$ 22,120 |
| Scholarship GIC's Consolidated | | | | 26,043 | 25,734 |
| Contingency GIC's Consolidated | | | | 56,863 | 56,908 |
| | | | | <u>\$ 105,127</u> | <u>\$ 104,762</u> |
| 5. "Paint the Town" Program | | | | 2021 | 2020 |
| Revenue | | | | \$ 10,786 | \$ 8,176 |
| Expenses | | | | 6,528 | 3,088 |
| Net Paint The Town Income | | | | <u>\$ 3,797</u> | <u>\$ 5,088</u> |
| 6. Additional Programing | | | | 2021 | 2020 |
| | | | | Art Sceen & Media | Art Sceen & Media |
| Revenue | | | | \$ 83,514 | \$ 33,442 |
| Expenses | | | | 83,514 | 33,442 |
| Net Program Revenue | | | | <u>\$ 83,514</u> | <u>\$ 33,442</u> |

NOTES TO FINANCIAL STATEMENTS - CONTINUED
DECEMBER 31, 2021

Changes in Net Assets

The restricted Net Asset Funds, Endowment and Scholarship have been increased to reflect the interest earned from GIC assets allocated to those funds.

Grants

Exhibitions (Artist-Run Centre) Grant:

ARCAC's exhibition programming receives core funding through Canada Council's Artist-Run Centre (ARC) program. The grant amounts in 2012 and 2013 were \$22,000 per year, reducing to \$20,000 in 2014 and subsequent years. This grant is used primarily to fund exhibitions and is pro-rated between fiscal years because the grantor's fiscal year is April 1st to March 31st. The portion that relates to the new fiscal year is recognized as revenue in that year.

Nova Scotia Department of Communities, Culture & Heritage:

ARCAC received an operating grant in the amount of \$28,000 per year since 2012. These funds are used for operating expenses. This grant is pro-rated between fiscal years because the grantor's fiscal year is April 1st to March 31st. The portion that relates to the new fiscal year is recognized as revenue in that year.

Canada Council for the Arts:

During the 2020 reporting period ARCAC received an additional \$30,000 from the Canada Council as an emergency support payment to assist operations during the pandemic. A further \$10,000 was received as assistance in the 2021 reporting period.

"Paint the Town" Program

In the annual Paint the Town program, artists are invited to create art on site in Annapolis Royal and allow the public to view this 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. Revenue and Expenses are shown in (note 5) of the financial statements.

ARCAC Media Arts

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 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). Each interaction allows for the artist(s) to present work (with gallery walk-throughs, studio visits, etc.), conversation and questions, facilitated by staff and service providers. The video conferences are marketed, documented, and made available for on-demand access by the broad community.

Significant Event

In March 2020, the World Health Organisation declared COVID-19 a global pandemic. During the remainder of the reporting period the Canadian government issued many emergency orders and introduced restrictions. The Province of Nova Scotia declared a state of emergency that impacted most businesses and travel. The extent of the financial impact cannot be reliably estimated at present

Recognition of Revenue on Future Receivable Donation

A donation was made during 2020 that was not recognisable under the significant policy of revenue recognition. During the 2021 accounting period this donation became assured but not yet received into the bank or investment funds. An estimated amount of \$10,000 is shown on the financial statements as an individual donation and as a donation receivable. These amounts will be adjusted when the cashed in value is realized and the funds are deposited into ARCAC's cash accounts.

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Fax: (902) 532-7466



March 25, 2022

To Whom It May Concern:

Please accept this letter as confirmation that I have reviewed the Financial Statements for Annapolis Region Community Arts Council, Annapolis Royal, dated for December 31, 2021 as presented.

Sincerely,

A handwritten signature in black ink, appearing to be "SD" followed by a long horizontal stroke.

Suzanne Doucette, Branch Manager

Annapolis Royal, NS