

ANNAPOLIS REGION COMMUNITY ARTS COUNCIL

ANNAPOLIS ROYAL

FINANCIAL STATEMENTS

DECEMBER 31, 2023

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Compilation Engagement Report

On the basis of information provided by management, we have compiled the balance sheet of Annapolis Region Community Arts Council as at December 31, 2023 and the statement of income for the year then ended and note 1, which describes the basis of accounting applied in the preparation of the compiled financial information.

Management is responsible for the accompanying financial information, including the accuracy and completeness of the underlying information used to compile it, and the selection of the basis of accounting.

We performed this engagement in accordance with Canadian Standard on Related Services (CSRS) 4200, Compilation Engagements, which requires us to comply with relevant ethical requirements. Our responsibility is to assist management in the preparation of the financial information

We did not perform an audit engagement or a review engagement, nor were we required to perform procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an audit opinion or a review conclusion or provide any form of assurance on the financial information.

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

Prepared for

Annapolis Region Community Arts Council
Annapolis Royal

March 8, 2024


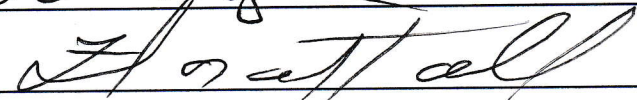
ANNAPOLIS REGION COMMUNITY ARTS COUNCIL
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2023

ASSETS

	<u>2023</u>	<u>2022</u>
Current Assets:		
Cash	\$ 186,513	\$ 155,054
Receivables & HST Recoverable	14,663	36,808
Current Investments & Securities (note 5)	<u>365,879</u>	<u>74,335</u>
	567,055	266,197
Fixed Assets - Capital (note 2)	154,838	154,838
Fixed Assets - Artwork	<u>4,175</u>	<u>4,175</u>
 Total Assets	 <u>\$ 726,068</u>	 <u>\$ 425,210</u>

LIABILITIES AND NET ASSETS

Current Liabilities:		
Accounts Payable – Trade	\$ 9,212	\$ 949
Government Remittances (note 3)	5,576	(348)
Accrued Liabilities	1,808	200
Prepaid Sales and Services	4,739	1,226
Loans Payable Within Period and Deferred Grants (note 4)	<u>27,363</u>	<u>69,892</u>
 Total Liabilities	 48,698	 71,919
 Net Assets (See Statement of Societies Net Assets)	 <u>677,371</u>	 <u>353,291</u>
 Total Liabilities & Net Assets	 <u>\$ 726,068</u>	 <u>\$ 425,210</u>


 _____ : Officer

 _____ : Officer

ANNAPOLIS REGION COMMUNITY ARTS COUNCIL
STATEMENT OF INCOME AND EXPENSES
12 MONTHS ENDED DECEMBER 31, 2023

Revenue	<u>2023</u>	<u>2022</u>
Earned Revenue:		
Fee Workshops and Classes	\$ 8,901	\$ 5,090
Memberships	5,464	8,569
Facilities Rental and Sale of Art:		
Gallery Rentals	1,282	828
Membership Art Sales	12,969	5,853
Other Earned Revenue:		
Interest Income	6,068	1,013
Other Event Revenue	2,846	-
Total Earned Revenue	<u>37,529</u>	<u>21,353</u>
Private Sector Revenue:		
Donations	390,432	38,239
Fundraising - Auction	29,955	11,879
Total Private Sector Revenue	<u>420,387</u>	<u>50,117</u>
Public Sector Revenue:		
Other Federal Grants	59,150	98,709
Federal Funding - Operating	30,000	30,000
Provincial Funding - Operating	28,000	28,000
Municipal - Projects	5,000	-
Provincial - Other Grants	30,000	-
Total Public Sector Revenue	<u>152,150</u>	<u>156,709</u>
 Total Revenue	 <u>\$ 610,066</u>	 <u>\$ 228,180</u>

ANNAPOLIS REGION COMMUNITY ARTS COUNCIL
STATEMENT OF INCOME AND EXPENSES
12 MONTHS ENDED DECEMBER 31, 2023

Expenses	<u>2023</u>	<u>2022</u>
Artistic :		
Artists and Professional Fees	\$ 41,801	\$ 27,864
Artistic Salaries	43,039	14,643
Total Artistic Expense	<u>84,840</u>	<u>42,507</u>
Programs:		
Exhibition Expense and Workshops	10,524	2,457
Media Arts	8,665	77,026
Professional Development for Artists	3,921	403
Education and Audience, Development	2,262	325
Other Artistic, Program and Services Expense	88,919	8,544
Scholarship Expense	-	1,260
Total Programing Expense	<u>114,291</u>	<u>90,015</u>
Facilities:		
Insurance Expense	4,051	3,753
Property Taxes	1,872	1,906
Repairs and Maintenance	1,793	6,801
Grounds Expense	2,970	2,009
Utilities - Telephone	1,239	1,675
Utilities - Power, Water and Furnace Oil	5,462	6,320
Total Facility Expense	<u>17,387</u>	<u>22,463</u>
Marketing and Communications:		
Advertising and Promotions	<u>11,880</u>	<u>7,556</u>
Fundraising:		
Fundraising Expense	<u>704</u>	<u>735</u>
Administrative:		
Administrative Salaries	47,080	28,849
Professional Fees	5,418	4,201
Bank Fees, Charges & Credit Card Expense	1,401	1,019
Office Expenses	4,774	2,719
Miscellaneous & Supplies	-	926
Other Expenditures	130	131
Total Administrative Expense	<u>58,802</u>	<u>37,845</u>
 Total Expenses	 287,904	 201,121
In Kind	1,081	1,373
Excess of Revenue Over Expenditure	<u><u>\$ 323,243</u></u>	<u><u>\$ 28,432</u></u>

ANNAPOLIS REGION COMMUNITY ARTS COUNCIL
STATEMENT OF SOCIETIES NET ASSETS
YEAR ENDED 2023

	Unrestricted Net Assets	Capital Net Assets	Endowment Fund Equity	Scholarship Fund Equity	Total
(Unaudited - See Notice to Reader)					
Balance, beginning of year	\$ 100,516	\$ 204,510	\$ 22,222	\$ 26,043	\$ 353,291
amortization of capital assets	50,650	(50,650)			
Excess of revenue over expenditure	323,243				323,243
Increases during year	1,672	---	691	1,190	3,553
Decreases during period	476,081	153,860	22,913	27,234	680,088
	1,457	---	---	1,260	2,717
Balance, end of year	\$ 474,624	\$ 153,860	\$ 22,913	\$ 25,974	\$ 677,371

ANNAPOLIS REGION COMMUNITY ARTS COUNCIL
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

1. Basis of Accounting

The basis of accounting applied in the preparation of the balance sheet of Annapolis Region Community Arts Council as at December 31, 2023 and the income statement for the year then ended is the historical cost basis reflecting the cash transactions with the addition of:

- Amounts receivable
- Property, plant and equipment amortized in accordance with amounts allowable for income tax purposes
- Accounts payable and accrued liabilities
- Current income taxes payable as at the reporting date
- Where the financial information is intended for use by third parties, the third parties will have to agree with the basis of accounting, or be in a position to request or obtain additional information from you

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.

ANNAPOLIS REGION COMMUNITY ARTS COUNCIL
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

2. Fixed Assets	Rate	Cost	Depreciation	2023	2022
				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		4,129	2,502	1,627	1,627
		<u>\$ 205,488</u>	<u>\$ 50,650</u>	<u>\$ 154,838</u>	<u>\$ 154,838</u>
<hr/>					
3. Government Remittances				2023	2022
Employee Income Tax Payable				\$ 5,576	- 348
Consolidated Payroll Liabilities				-	-
				<u>\$ 5,576</u>	<u>\$ - 348</u>
<hr/>					
4. Loans Payable Within Period and Deferred Grants				2023	2022
Deferred CADAC Projects - Media				\$ ---	\$ 52,529
Deferred Grant Funds: Provincial Operating				20,675	10,675
Deferred Grant Funds: Canada Council				6,688	6,688
				<u>\$ 27,363</u>	<u>\$ 69,892</u>
<hr/>					
5. Current Investments and Securities				2023	2022
Endowment GIC's Consolidated				\$ 21,861	\$ 22,552
Scholarship GIC's Consolidated				24,691	25,786
Contingency GIC's Consolidated				117,184	25,998
Harris GIC				202,142	-
				<u>\$ 365,879</u>	<u>\$ 74,335</u>
<hr/>					
6. "Paint the Town" Program				2023	2022
Revenue				\$ 25,625	\$ 11,879
Expenses				16,244	6,014
<i>Net Paint The Town Income</i>				<u>\$ 8,192</u>	<u>\$ 1,442</u>
<hr/>					
7. Additional Programing				2023	2022
				Art Sceen & Media	Art Sceen & Media
Revenue				\$ 52,529	\$ 77,026
Expenses				52,529	77,175
<i>Net Program Revenue</i>				<u>\$ 0</u>	<u>(149)</u>

NOTES TO FINANCIAL STATEMENTS - CONTINUED
DECEMBER 31, 2023

Changes in Net Assets

Uncleared cheques for \$816.35, all previously stale dated and reissued or not requested, that are remaining after December 2022, are being reclassified as donations as the recipients do not intend to clear the funds.

Grants

Exhibitions (Artist-Run Centre) Grant:

ARCAC's exhibition programming receives core funding through Canada Council's Engage & Sustain grant 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.

In 2023, a non operating grant of \$10,000 by Arts Nova Scotia for the Harold Cromwell exhibition. A grant of \$10,000 was received from Canada Council for the arts for the Racquel Rowe exhibition tech support. In 2023 the amount of \$1,500 was received from the town of Annapolis Royal and \$2,000 from the County of Annapolis towards the Harold Cromwell exhibition and associated programming (artist-in-residence).

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. The Nova Scotia Government increased their budget during 2023 and a further \$15,000 was received as a one time supplement.

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. A further \$5,000 under the Engage & Sustain grant, was provided by the federal government to assist re-opening for the 2022 operating period. In 2023 the artist in residence program received \$350 from the Parker Mountain Wind Generation Association.

"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. Then artists display their works in a central location, and a silent auction is then held. ARCAC accepts payments for the items that are sold and subsequently issues payments to the artists of half the sale amount. ARCAC records the full sale amount as revenue, and the artist's payments as expense. There is also a registration fee which is recorded as income.

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 (ARTS PLACE). 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. The program finalized in 2023 with some ongoing expenses being recorded as accrued liabilities.

Significant Donations From the Harris Estate

Two significant donations were received from the Harris Estates; the combined funds of Joanna, George and James Harris, during the 2023 reporting period, one for \$87,551.70 (CDN) and a second for \$273,240.41. A GIC was purchased for \$200,000.00 as a contingency and the remaining amounts are in the general operations bank account.