

**ANNAPOLIS REGION COMMUNITY ARTS COUNCIL**

**ANNAPOLIS ROYAL**

**( See notice to reader)**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2017**

## **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 Balance sheet of Annapolis Region Community Arts Council as at December 31, 2017 and the statements of Income 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

January 23, 2018

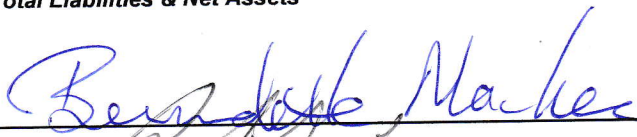
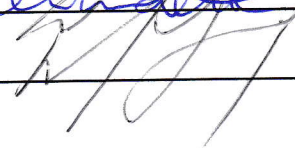
**ANNAPOLIS REGION COMMUNITY ARTS COUNCIL**  
**BALANCE SHEET**  
**DECEMBER 31, 2017**

**ASSETS**

	<u>2017</u>	<u>2016</u>
Current Assets:		
Cash	\$ 38,304	\$ 38,590
Receivables & HST Recoverable	1,085	1,496
Prepaid Expenses	409	2,089
Current Investments & Securities (note 4)	<u>101,672</u>	<u>81,392</u>
	141,470	123,567
Fixed Assets - Capital (note 1)	153,861	154,801
Fixed Assets - Artwork	<u>3,772</u>	<u>3,772</u>
	<u>157,634</u>	<u>158,574</u>
<b>Total Assets</b>	<b><u>\$ 299,103</u></b>	<b><u>\$ 282,140</u></b>

**LIABILITIES AND NET ASSETS**

Current Liabilities:		
Accounts Payable – Trade	\$ 420	\$ 615
Government Remittances (note 2)	1,061	1,368
Prepaid Sales and Services	1,680	1,095
Loans Payable Within Period and Deferred Grants (note 3)	<u>17,347</u>	<u>16,008</u>
	20,508	19,086
Payable to - Scholarship Fund	<u>9,669</u>	<u>9,669</u>
<b>Total Liabilities</b>	30,177	28,755
Net Assets (See Statement of Societies Net Assets)	<u>268,926</u>	<u>253,385</u>
<b>Total Liabilities &amp; Net Assets</b>	<b><u>\$ 299,103</u></b>	<b><u>\$ 282,140</u></b>

  
 \_\_\_\_\_ : Officer  
  
 \_\_\_\_\_ : Officer

**ANNAPOLIS REGION COMMUNITY ARTS COUNCIL**

**STATEMENT OF INCOME AND EXPENSES**

**12 MONTHS ENDED DECEMBER 31, 2017**

<b>Revenue</b>	<b><u>2017</u></b>	<b><u>2016</u></b>
Donations	\$ 32,903	\$ 3,788
Fund-raising	600	-
Fundraising - Auction	-	15,255
Gallery Rentals	1,809	2,258
Grants	106,052	51,658
Interest Income	396	379
Member Sales	7,800	2,210
Membership	4,352	4,509
Other Revenue	1,198	-
Programs	<u>48,827</u>	<u>47,549</u>
<b>Total Revenue</b>	<b>203,936</b>	<b>127,605</b>
<b>Expenses</b>		
Advertising and Promotions	4,972	2,606
Amortization Expense	940	15,338
Bank Fees, Charges & Credit Card Expense	1,868	3,209
Cost of Paint the Town	23,580	24,831
Cost of Programing	88,168	19,399
Fundraising Expense	601	4,424
Grounds Expense	1,611	1,235
Hospitality Expense	348	399
Insurance Expense	2,465	2,138
Miscellaneuos & Supplies	168	231
Office Expenses	3,526	3,453
Other Expenditures	116	241
Payroll Expenses	43,644	38,856
Professional Fees	3,080	4,323
Property Taxes	1,919	1,937
Repairs and Maintenace	5,080	4,641
Scholarship Expense	1,000	500
Telephone Expense	1,709	2,040
Utilities	<u>3,527</u>	<u>3,419</u>
<b>Total Expenses</b>	<b><u>188,321</u></b>	<b><u>133,220</u></b>
<b>Excess of Revenue Over Expenditure (Net Loss)</b>	<b><u>\$ 15,615</u></b>	<b><u>\$ (5,614)</u></b>

**ANNAPOLIS REGION COMMUNITY ARTS COUNCIL**  
**STATEMENT OF SOCIETIES NET ASSETS**  
**YEAR ENDED 2017**

	Unrestricted Net Assets	Capital Net Assets	Endowment Fund Equity	Scholarship Fund Equity	Restricted Net Assets	Acc. Other Comprehensive Income	Total
(Unaudited - See Notice to Reader)							
Balance, beginning of year	\$ 12,902	\$ 204,510	\$ 20,154	\$ 11,012	\$ 4,422	\$ 386	\$ 253,385
amortization of capital assets	50,650	(50,650)					
Excess of revenue over expenditure	15,615						15,615
Increases during year	—	—	—	—	500	—	500
	79,166	153,860	20,154	11,012	4,922	386	269,500
Decreases during period	574	—	—	—	—	—	574
Balance, end of year	\$ 78,593	\$ 153,860	\$ 20,154	\$ 11,012	\$ 4,922	\$ 386	\$ 268,926

The accompanying notes are an integral part of these financial statements

**ANNAPOLIS REGION COMMUNITY ARTS COUNCIL**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2017**

**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	Accumulated Depreciation	2017	2016
				Net Book Value	Value
Land		\$ 69,485	-	\$ 69,485	\$ 69,485
Buildings		27,532	-	27,532	27,532
Signs		500	-	500	500
Building Improvements	5yr	103,841	\$ 48,147	55,694	55,694
Computer Equipment	45%	3,152	2,502	650	1,590
		<u>\$ 204,511</u>	<u>\$ 50,650</u>	<u>\$ 153,861</u>	<u>\$ 154,801</u>
2. Government Remittances				2017	2016
HST Payable				\$ -	\$ -
Employee Income Tax Payable				551	343
CPP				344	-
EI				166	161
Payroll Benefits				-	864
				<u>\$ 1,061</u>	<u>\$ 1,368</u>
3. Loans Payable Within Period and Deferred Grants				2017	2016
Deferred Grant Funds: Provincial Operating				\$ 10,683	\$ 9,336
Deferred Grant Funds: Canada Council				6,664	6,672
				<u>\$ 17,347</u>	<u>\$ 16,008</u>
4. Current Investments and Securities				2017	2016
GIC - #1BP46Y - (Endowment)				\$ 12,012	12,156
GIC - 26402544				20,000	-
GIC Scotia 1716TY (Endowment)				8,585	3,179
GIC Scotia 19ZR9G (Scholarship)				10,047	10,164
GIC Scotia YBC45 (Endowment)				-	5,304
Scotia Bank (Contingency)				50,807	50,589
				<u>\$ 101,672</u>	<u>\$ 81,392</u>
5. "Paint the Town" Program				2017	2016
Revenue				\$ 39,680	\$ 41,655
Expenses				23,580	24,831
Net Paint The Town Income				<u>\$ 16,101</u>	<u>\$ 16,824</u>
6. Additional Programing				2017	2016
				Maritime Heritage	-
Revenue				\$ 56,938	-
Expenses				56,393	-
Net Program Revenue				<u>\$ 545</u>	<u>-</u>



**NOTES TO FINANCIAL STATEMENTS - CONTINUED**  
**DECEMBER 31, 2017**

**Changes in Unrestricted Net Assets**

During the fiscal period \$20,080 of iTrade shares were donated to ARCAC. The shares were sold with an additional gain of \$140.00. A new GIC was purchased and \$20,000 of the funds were transferred into the GIC from the iTrade account.

A new reporting column has been added to the Statement of Societies Net Assets for 2017 and restated for 2016, providing information to the reader for the value of non cash transfers between net asset categories reflecting the real value of cash investments on hand.

**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 six major exhibitions per year. 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.

*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.

*Nova Scotia Department of Labour and Advanced Education:*

Each year ARCAC applies for a student support grant from the Department of Labour and Advanced Education to assist in the coordination of summer arts programs. During 2017 ARCAC received \$3,097.50 in funding.

**"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.

**Endowment Fund**

In 1987 an endowment fund was established by ARCAC with a donation of \$20,000. The purpose of the fund is to provide support for ARCAC operations using investment earnings while keeping the \$20,000 corpus intact. Prior to 2010 ARCAC borrowed from this fund, payments transferred back in 2016 ended the liability and brought the fund back to its full value. The Endowment funds are maintained in several investment accounts.

**Scholarship Fund**

A Scholarship Fund was established by ARCAC to accept donations restricted to providing scholarships and bursaries to anyone pursuing studies in the arts, including writing. Both the principle and the earnings of the donated funds are to be dedicated to these activities. An amount is allocated annually by the Board for current year awards, and a committee appointed by the Board reviews applications and selects the successful candidates. In 2017 scholarships totaling \$1,000 were distributed.

**Contributed Materials and Services**

Volunteers contributed extensive hours to assist ARCAC in carrying out its service delivery activities. Because of the difficulty of determining fair value for this work, contributed services are not recognized in the financial statements.