

**VISUAL ARTS NOVA SCOTIA**  
**Statement of Financial Position**

(Unaudited)

March 31, 2020

2020

2019

**ASSETS**

Current

Cash and bank	\$	<b>83,292</b>	\$	52,405
Accounts receivable		<b>8,603</b>		3,806
Prepaid expenses		<b>4,550</b>		1,570

**96,445** 57,781

Cash subject to restrictions (note 4)

**53,921** 59,435

**\$ 150,366 \$ 117,216**

**LIABILITIES AND SURPLUS**

Current liabilities

Accounts payable and accrued liabilities	\$	<b>2,524</b>	\$	3,324
Deferred revenue (note 5)		<b>83,229</b>		47,222

**85,753** 50,546

Artist emergency fund (note 6)

**6,756** 6,935

**92,509** 57,481

**SURPLUS**

Capital reserve fund (note 7)		<b>43,583</b>		45,000
Capital equipment purchase fund (note 7)		<b>3,582</b>		7,500
Unrestricted surplus		<b>10,692</b>		7,235

**57,857** 59,735

**\$ 150,366 \$ 117,216**

See accompanying notes to the financial statements

Approved by:

Director: \_\_\_\_\_

Director: \_\_\_\_\_

**VISUAL ARTS NOVA SCOTIA**  
**Statement of Operations and Surplus**

*(Unaudited)*

**For the Year Ended March 31, 2020**

**2020**

**2019**

Revenue			
Department of Communities, Culture & Heritage	\$	<b>90,220</b>	\$ 86,780
Grants - municipal		<b>9,000</b>	8,000
Grants - federal		-	8,086
Advertising		<b>19,098</b>	17,158
NS lottery		<b>6,250</b>	6,250
Memberships & donations		<b>13,030</b>	10,099
Subscriptions		<b>7,338</b>	6,506
Copyright fees		<b>474</b>	341
Programming, education & special projects		<b>28,118</b>	14,235
Paints grants and fees		<b>54,634</b>	61,981
Interest income		<b>1,139</b>	749
Donations - Susan Wood Award		-	20,923
		<b>229,301</b>	241,108
Expenses			
Leadership		<b>51,893</b>	43,254
Support services		<b>68,020</b>	60,487
Programs		<b>111,266</b>	114,980
Susan Wood Award donation		-	20,923
		<b>231,179</b>	239,644
Excess of revenues over expenses	\$	<b>(1,878)</b>	\$ 1,464
Unrestricted surplus, beginning of year	\$	<b>7,235</b>	\$ 7,771
Excess of revenues over expenses		<b>(1,878)</b>	1,464
Capital reserve fund - fund increase		-	(2,000)
Capital reserve fund - purchases		<b>1,417</b>	-
Capital equipment purchase fund - fund increase		-	(1,262)
Capital equipment purchase fund - equipment purchased		<b>3,918</b>	1,262
Unrestricted surplus, end of year	\$	<b>10,692</b>	\$ 7,235

See accompanying notes to the financial statements

**VISUAL ARTS NOVA SCOTIA****Statement of Cash Flows***(Unaudited)***For the Year Ended March 31, 2020****2020****2019**

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Cash flow from operating activities		
Cash received from customers and members	\$ 260,332	\$ 241,112
Cash paid to suppliers and employees	(234,959)	(238,821)
	<b>25,373</b>	<b>2,291</b>

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**Cash flows from investing activities**

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**Cash flows from financing activities**

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Net increase in cash	<b>25,373</b>	2,291
Cash and cash equivalents		
Beginning of year	<b>111,840</b>	109,549
End of year	<b>\$ 137,213</b>	<b>\$ 111,840</b>

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**Cash and cash equivalents are comprised of:**

Cash and bank	<b>83,292</b>	82,405
Cash subject to restrictions	<b>53,921</b>	59,435
	<b>\$ 137,213</b>	<b>\$ 141,840</b>

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See accompanying notes to the financial statements

**VISUAL ARTS NOVA SCOTIA****Schedule of Expenses***(Unaudited)***For the Year Ended March 31, 2020****2020****2019**

<b>Leadership</b>			
Salaries	\$	45,000	\$ 36,095
Benefits		6,641	6,998
Travel		252	161
	\$	51,893	\$ 43,254
<b>Support services</b>			
Benefits	\$	2,037	\$ 2,144
Bookkeeping		4,010	3,830
Computer and equipment		7,359	5,737
Fundraising and promotion		589	1,630
Insurance		1,420	1,399
Interest and bank charges		759	700
Non recoverable HST		2,545	2,415
Photocopying		427	549
Postage and delivery		706	1,018
Professional fees		1,750	1,750
Salaries		40,360	31,777
Staff and board development		2,664	4,619
Stationery and office		1,750	1,395
Telephone, fax and internet		1,644	1,524
	\$	68,020	\$ 60,487
<b>Program expenditures</b>			
Mentorship program	\$	8,036	\$ 8,402
Special projects		5,835	3,823
Media library		770	24
Meetings and workshops		12,177	12,746
Memberships		530	380
Magazine		39,284	38,086
Paints program		44,634	51,519
	\$	111,266	\$ 114,980

See accompanying notes to the financial statements

# **VISUAL ARTS NOVA SCOTIA**

## **Notes to Financial Statements**

*(Unaudited)*

**For the Year Ended March 31, 2020**

**2020**

**2019**

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### **1. Purpose of the organization**

Visual Arts Nova Scotia ("VANS") was incorporated under the Nova Scotia Societies Act and its purpose is to foster the development, awareness, and understanding of the visual arts in Nova Scotia; to encourage the production, exhibition and appreciation of works by Nova Scotia's visual artists; and speak for visual artists in areas of common concern and organize and encourage effective educational programs in the visual arts.

VANS is a not for profit organization and is a registered charity under the Income Tax Act.

### **2. Summary of significant accounting policies**

#### Basis of accounting

These financial statements have been prepared in accordance with the Canadian accounting standards for not-for-profit organizations in Part III of the Chartered Professional Accountants Handbook.

#### Cash and cash equivalents

Cash includes cash and cash equivalents. Cash and cash equivalents consist primarily of term deposits and deposits with a maturity date within one year. Because of the short term nature of these investments, their carrying amount approximated fair market value.

#### Capital assets

VANS has adopted the policy of expensing all capital assets in the year of acquisition. During the year \$7,359 (2019 - \$1,262) was spent on assets of a capital nature. VANS owns various office furniture, equipment and computer equipment which are not recorded as capital assets.

#### Revenue recognition

VANS follows the deferral method of accounting for contributions. Designated contributions are recognized as revenue in the year in which the related expenses are incurred. Undesignated contributions are recognized as revenue when received.

Magazine subscriptions and advertising are recognized as revenue in the year invoiced, where there is virtual certainty that the amounts billed will be collected.

#### Use of Estimates

The preparation of financial statements in conformity with Canadian generally accepted 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 year. Actual results could differ from those reported.

### **3. Financial instruments**

VANS financial instruments consist of cash, investments, trade receivables and payables. The fair values of these financial instruments approximate their carrying values. It is managements opinion that VANS is not exposed to significant interest rate, currency or credit risks associated with these financial instruments.

## **VISUAL ARTS NOVA SCOTIA**

### **Notes to Financial Statements**

*(Unaudited)*

**For the Year Ended March 31, 2020**

**2020**

**2019**

#### **4. Cash subject to restrictions**

Cash subject to restrictions is comprised of the artists emergency fund (note 6); the capital reserve fund and the capital equipment purchase fund (note 7).

#### **5. Deferred revenues**

Revenues received during the current year for programs continuing into the new fiscal year are comprised of the following items:

Membership fees	\$	<b>5,554</b>	\$	4,977
Magazine subscriptions		<b>3,964</b>		4,060
Portia White award		<b>7,000</b>		8,000
Paints program		<b>16,031</b>		12,840
Province of NS		<b>5,060</b>		13,280
Province of NS - new grad program		-		4,065
Canada Council project funding		<b>41,245</b>		-
Arts NS project		<b>4,375</b>		-
	\$	<b>83,229</b>	\$	<b>47,222</b>

#### **6. Artists emergency fund**

The Artists emergency fund was created in 2011 for the purpose of providing emergency assistance to artists in need. The fund, upon reaching \$5,000 has become active and a committee appointed to oversee applications for assistance.

Balance, beginning of year	\$	<b>6,935</b>	\$	6,439
Contributions and donations		<b>321</b>		496
Assistance granted		<b>(500)</b>		-
Balance, end of year	\$	<b>6,756</b>	\$	<b>6,935</b>

#### **7. Capital reserve fund**

The Board of Directors has established a capital reserve fund and has increased the fund in the current year by \$0 (2019 - \$2,000). Interest on the fund is used for funding of membership bursaries and for current operations of VANS. Board approval is required prior to the commitment of capital reserve funds. During the year \$1,418 (2019- \$0) was spent on grant advance software. The Board established a Capital Equipment Purchase Fund with an initial funding allocation of \$7,500, during the year \$3,918 (2019 - 1,262) was spent on computer equipment and furniture.

#### **8. Economic dependence**

VANS is dependent on funds received from the Nova Scotia Department of Communities, Culture and Heritage for continuation of its operations.

#### **9. Related party transactions**

The Cultural Federations of Nova Scotia ("CFNS") provides premises to VANS on a rent free basis, subject to a charge for any operating deficit of the CFNS. In addition, VANS purchases certain shared services from the CFNS on a cost recovery basis.