

VISUAL ARTS NOVA SCOTIA

Financial Statements

(Unaudited)

Year Ended March 31, 2021

Draft

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Draft

Independent Review Engagement Report

To the Members of VISUAL ARTS NOVA SCOTIA

I have reviewed the accompanying financial statements of VISUAL ARTS NOVA SCOTIA, that comprise the statement of financial position as at March 31, 2021 and the statements of operations and surplus and schedule of expenses for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting standards for not-for-profit organizations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Practitioner's Responsibility

My responsibility is to express a conclusion on the accompanying financial statements based on my review. I conducted my review in accordance with Canadian generally accepted standards for review engagements which require me to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the organization, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, I do not express an audit opinion on these financial statements.

Conclusion

Based on my review, nothing has come to my attention that causes me to believe that the financial statements do not present fairly, in all material respects, the financial position of Visual Arts Nova Scotia as at March 31, 2021 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting standards for not-for-profit enterprises.

Chartered Professional Accountant, CA

June 28, 2021

June 8, 2022 (notes 5 and 10)

PO Box 44075

Bedford, NS B4A 3X5

VISUAL ARTS NOVA SCOTIA
Statement of Financial Position

(Unaudited)

March 31, 2021

2021

2020

ASSETS

Current

Cash and bank	\$	89,853	\$	83,292
Accounts receivable		10,820		8,603
Prepaid expenses		-		4,550

100,673 96,445

Cash subject to restrictions (note 4) **59,283** 53,921

\$ 159,956 \$ 150,366

LIABILITIES AND SURPLUS

Current liabilities

Accounts payable and accrued liabilities	\$	16,826	\$	2,524
Deferred revenue (note 5)		31,353		83,229

48,179 85,753

Artist emergency fund (note 6) **10,701** 6,756

58,880 92,509

SURPLUS

Capital reserve fund (note 7)		45,000		43,583
Capital equipment purchase fund (note 7)		3,582		3,582
Unrestricted surplus		52,494		10,692

101,076 57,857

\$ 159,956 \$ 150,366

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, 2021

2021

2020

Revenue			
Department of Communities, Culture & Heritage	\$	84,782	\$ 90,220
Grants - municipal		9,000	9,000
Grants - federal		99,645	-
Advertising		7,444	19,098
NS lottery		6,250	6,250
Memberships & donations		15,133	12,500
Subscriptions		6,342	7,338
Copyright fees		422	474
Programming, education & special projects		53,047	28,648
Paints grants and fees		64,472	54,634
Interest income		721	1,139
		347,258	229,301
Expenses			
Leadership		48,994	51,893
Support services		118,544	68,020
Programs		136,501	111,266
		304,039	231,179
Excess of revenues over expenses	\$	43,219	\$ (1,878)
Unrestricted surplus, beginning of year	\$	10,692	\$ 7,235
Excess of revenues over expenses		43,219	(1,878)
Capital reserve fund - purchases		(1,417)	1,417
Capital equipment purchase fund - equipment purchased		-	3,918
Unrestricted surplus, end of year	\$	52,494	\$ 10,692

See accompanying notes to the financial statements

VISUAL ARTS NOVA SCOTIA**Statement of Cash Flows***(Unaudited)***For the Year Ended March 31, 2021****2021****2020**

Cash flow from operating activities

Cash received from customers and members

\$ 297,110 \$ 260,332

Cash paid to suppliers and employees

(285,187) (234,959)

11,923 25,373

Cash flows from investing activities

Cash flows from financing activities

Net increase in cash

11,923 25,373

Cash and cash equivalents

Beginning of year

137,213 111,840

End of year

\$ 149,136 \$ 137,213

Cash and cash equivalents are comprised of:

Cash and bank

89,853 83,292

Cash subject to restrictions

59,283 53,921

\$ 149,136 \$ 137,213

See accompanying notes to the financial statements

VISUAL ARTS NOVA SCOTIA**Schedule of Expenses***(Unaudited)***For the Year Ended March 31, 2021****2021****2020****Leadership**

Salaries	\$	45,000	\$	45,000
Benefits		3,958		6,641
Travel		36		252
	\$	48,994	\$	51,893

Support services

Benefits	\$	5,088	\$	2,037
Bookkeeping		3,883		4,010
Computer and equipment		4,180		7,359
Fundraising and promotion		311		589
Insurance		1,533		1,420
Interest and bank charges		950		759
Non recoverable HST		2,215		2,545
Photocopying		64		427
Postage and delivery		598		706
Professional fees		1,850		1,750
Salaries		76,959		40,360
Staff and board development		19,004		2,664
Stationery and office		423		1,750
Telephone, fax and internet		1,486		1,644
	\$	118,544	\$	68,020

Program expenditures

Mentorship program	\$	16,401	\$	8,036
Special projects		17,201		5,835
Media library		637		770
Meetings and workshops		13,451		12,177
Memberships		875		530
Magazine		45,144		39,284
Paints program		42,792		44,634
	\$	136,501	\$	111,266

See accompanying notes to the financial statements

VISUAL ARTS NOVA SCOTIA

Notes to Financial Statements

(Unaudited)

For the Year Ended March 31, 2021

2021

2020

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 \$0 (2020 - \$7,359) 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, 2021

2021

2020

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	\$	6,690	\$	5,554
Magazine subscriptions		3,385		3,964
Portia White award		6,000		7,000
Paints program		13,000		16,031
Province of NS		2,278		5,060
Canada Council project funding		-		41,245
Arts NS projects		-		4,375
	\$	31,353	\$	83,229

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	\$	6,756	\$	6,935
Contributions and donations		5,945		321
Assistance granted		(2,000)		(500)
Balance, end of year	\$	10,701	\$	6,756

7. Capital reserve fund

The Board of Directors has established a capital reserve fund and has increased the fund in the current year by \$1,417 (2020 - \$0). 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 \$0 (2020- \$1,417) 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 \$0 (2020 - \$3,918) was spent on computer equipment and furniture.

8. Economic dependence

VANS is dependent on grant funds received from the Nova Scotia Department of Communities, Culture and Heritage, Canada Council for the Arts, and Arts Nova Scotia 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.

10. Restatement of deferred revenues

Due to a misinterpretation of a funding agreement, with an amount not being eligible for deferral, the deferred revenues have been decreased and grant revenue increased by \$11,700. Excess of revenues over expenses and unrestricted surplus have been increased by \$11,700.