

**VISUAL ARTS NOVA SCOTIA**

**Financial Statements**

*(Unaudited)*

**Year Ended March 31, 2023**

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, 2023 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, 2023 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

annual meeting date

**PO Box 44075  
Bedford, NS B4A 3X5**

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

(Unaudited)

March 31, 2023

2023

2022

**ASSETS**

Current

Cash and bank	\$ 133,051	\$ 62,676
Accounts receivable	6,395	44,294
Prepaid expenses	2,248	1,045

**141,694**      108,015

Cash subject to restrictions (note 4) **57,773**      60,115

**\$ 199,467**      \$ 168,130

**LIABILITIES AND SURPLUS**

Current liabilities

Accounts payable and accrued liabilities	\$ 13,857	\$ 16,633
Deferred revenue (note 5)	68,939	31,674

**82,796**      48,307

Artist emergency fund (note 6) **10,133**      11,533

**92,929**      59,840

**SURPLUS**

Capital reserve fund (note 7)	45,000	45,000
Capital equipment purchase fund (note 7)	2,640	3,582
Unrestricted surplus	58,898	59,708

**106,538**      108,290

**\$ 199,467**      \$ 168,130

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, 2023

2023

2022

	2023	2022
<b>Revenue</b>		
Provincial grants		
Provincial Operating	\$ 20,000	20,000
Ministry NSCCH Operating	82,000	82,000
Ministry NS Gov Project Grant	-	36,400
Ministry NS Gov Lottery Commission	6,250	6,250
Ministry NS Dept of Education	42,666	45,494
Federal grants		
Canada Council Operating	35,000	42,000
Employment Grants YCW/Career Link)	-	5,678
Municipal grants		
HRM Operating	11,000	11,000
Corporate donations	96	5,000
Foundation grants & donations	5,000	5,000
Membership dues & fees	18,104	17,561
Donations & fundraising	2,270	1,205
Sales - subs, ads & copyright	18,527	15,818
Fees earned	7,282	8,203
Interest income	1,557	722
	<b>249,752</b>	<b>302,331</b>
<b>Expenses</b>		
Administration	71,845	74,202
Artistic	175,975	211,887
Facility	-	5,050
Marketing	2,742	3,979
	<b>250,562</b>	<b>295,118</b>
Excess of revenues over expenses (expenses over revenues)	\$ (810)	\$ 7,213
Unrestricted surplus, beginning of year	\$ 59,708	\$ 52,495
Excess of revenues over expenses (expenses over revenues)	(810)	7,213
Unrestricted surplus, end of year	\$ 58,898	\$ 59,708

See accompanying notes to the financial statements

**VISUAL ARTS NOVA SCOTIA****Statement of Cash Flows***(Unaudited)***For the Year Ended March 31, 2023****2023****2022**

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Cash flow from operating activities		
Cash received from customers and members	\$ 324,916	\$ 270,010
Cash paid to suppliers and employees	(256,883)	(296,355)
	<b>68,033</b>	<b>(26,345)</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 (decrease) in cash	<b>68,033</b>	<b>(26,345)</b>
Cash and cash equivalents		
Beginning of year	<b>122,791</b>	149,136
End of year	<b>\$ 190,824</b>	<b>\$ 122,791</b>

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Cash and cash equivalents are comprised of:

Cash and bank	<b>133,051</b>	62,676
Cash subject to restrictions	<b>57,773</b>	60,115
	<b>\$ 190,824</b>	<b>\$ 122,791</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, 2023****2023****2022****Administrative**

Salaries & benefits	\$	52,756	\$	55,688
Professional development		-		1,667
Office and facilities		9,583		9,983
Professional fees		9,506		6,864
	\$	71,845	\$	74,202

**Artistic**

Artistic & professional fees - News	\$	33,943	\$	32,719
Artistic & professional fees - PAINTS		12,276		23,240
Artistic & professional fees - Special projects		1,470		3,974
Artistic salaries & benefits		67,560		82,051
Catalogues & publications		19,771		17,438
Member communications		10,191		2,703
Memberships & registrations		1,402		14,166
Other artistic expenses		5,493		1,652
Professional development - mentorships		15,602		16,950
Professional development - special projects		4,279		7,589
Professional development - workshops & panel		3,492		5,905
Programming open grants		496		3,500
	\$	175,975	\$	211,887

**Facility**

Rent	\$	-	\$	5,050
	\$	-	\$	5,050

**Marketing**

Professional fees	\$	2,649	\$	3,578
Production fees		-		128
Advertising		93		273
	\$	2,742	\$	3,979

See accompanying notes to the financial statements

# **VISUAL ARTS NOVA SCOTIA**

## **Notes to Financial Statements**

*(Unaudited)*

**For the Year Ended March 31, 2023**

**2023**

**2022**

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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 \$942 (2022 - \$620) 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, 2023

2023

2022

#### 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 & magazine fees	\$	13,016	\$	11,730
Portia White award		4,000		5,000
Paints program		-		12,666
Province of NS		2,278		2,278
Province of NS - Culture innovation		49,645		-
	\$	68,939	\$	31,674

#### 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	\$	11,533	\$	10,701
Contributions and donations		600		1,332
Assistance granted		(2,000)		(500)
Balance, end of year	\$	10,133	\$	11,533

#### 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 (2022 - \$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. The Board established a Capital Equipment Purchase Fund with an initial funding allocation of \$7,500, during the year \$942 (2022 - \$0) 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.