

SEP 20 2012

Ms. Sandra Barnes  
Clerk of the House of Assembly  
Main Floor, Confed. Bldg., East Block

Dear Ms. Barnes:

**RE: 2010-11 ANNUAL REPORT**

I wish to table the 2010-2011 Annual Report of the Newfoundland and Labrador Arts Council. The report is being tabled in accordance with the *Transparency and Accountability Act* including the **audited financial statements** which were not finalized for the original November 30, 2011, tabling in the House of Assembly. An electronic copy has also been provided as required.

Sincerely,

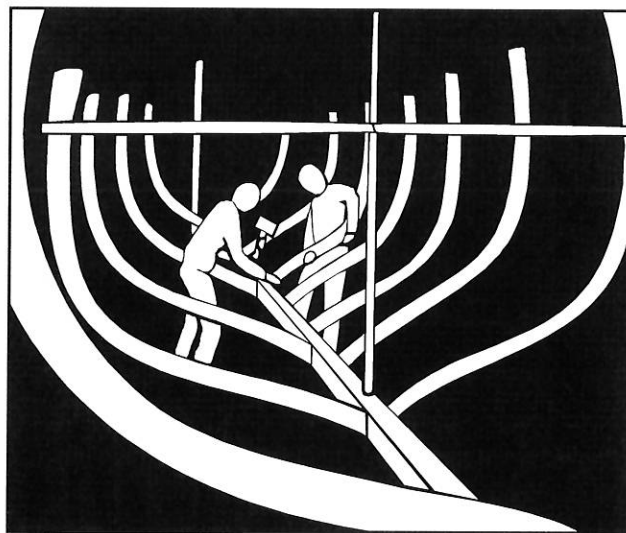


**DERRICK DALLEY, MHA**  
The Isles of Notre Dame  
Minister

Attachment

c: Ms. Kimberly Puddister, House of Assembly  
Mr. Andy Fowler, House of Assembly  
Ms. Wanda Mazerolle, Transparency and Accountability Office  
Ms. Andrea Hyde, House of Assembly

NEWFOUNDLAND AND  
LABRADOR ARTS COUNCIL  
2010-2011 ANNUAL REPORT



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# MESSAGE FROM THE CHAIR

The Newfoundland and Labrador Arts Council is a non-profit Crown agency created in 1980 by The Arts Council Act. The Council is governed by a volunteer board of 13 appointed by government, reflecting regional representation of the province. This includes 10 professional artists who provide sectoral representation of the arts community, one community representative (with an interest in the arts); one business representative (with an interest in the arts); and one representative of the Department of Tourism, Culture and Recreation (non-voting). Council receives an annual grant from the Province to support a variety of granting programs, program delivery, office administration and communications. It also seeks support from the public and private sector. It supports the following artistic disciplines: dance, film, multidiscipline, music, theatre, visual art, and writing.

The Newfoundland and Labrador Arts Council's mandate is to foster and promote the creation and enjoyment of the arts for the benefit of all Newfoundlanders and Labradorians. The grants awarded to artists, arts organizations and schools in 2010-11, our continued relationship with public and private partners, and our commitment to work closely with the private sector and arts funders at the municipal, provincial and federal levels, all show that the Arts Council is fulfilling its mandate and following the strategic direction from the Minister of Tourism, Culture and Recreation.

An increase in artistic activity has created both an opportunity and a challenge for the Board and Management of the Arts Council. Council is very encouraged by the growth in artistic activity in the community and looks forward to continued collaboration with government and also to potential private sector investment in our efforts to provide support and growth in the cultural sector.

The Newfoundland and Labrador Arts Council is accountable for the preparation and the actual results reported in this annual report.

Sincerely,

A handwritten signature in black ink, appearing to read 'Tom Gordon', with a long, sweeping flourish extending to the right.

Tom Gordon  
Chair, Newfoundland and Labrador Arts Council

# THE NEWFOUNDLAND AND LABRADOR ARTS COUNCIL

## **MANDATE**

The Newfoundland and Labrador Arts Council is a not-for-profit organization created in 1980 through provincial legislation called The Arts Council Act. The Act states that the purpose of the Newfoundland and Labrador Arts Council is to foster and promote the creation and production of works in the arts in the province, the study and enjoyment of these works and to encourage public awareness of the arts.

The objects of the Council are to foster and promote the creation and production of works in the arts, the study and enjoyment of these works, and in particular, the Council shall

- a. Foster and promote through grants and otherwise the arts of the province and the arts of groups indigenous to the province;
- b. Help through grants and otherwise in the development of provincial amateur and professional artists and arts organizations; and
- c. Advise the Minister with respect to the development of arts and arts policy in the province.

## **VISION**

The vision of the Newfoundland and Labrador Arts Council is of a province where Newfoundlanders and Labradorians are a creative, innovative and diverse people who fully participate in a healthy, vibrant arts and cultural community which is globally recognized for artistic excellence.

## **MISSION**

The mission statement identifies the priority focus area of the Newfoundland and Labrador Arts Council over the past four years. It represents the key longer-term results that the NLAC worked towards as we moved forward on the strategic directions of government. The NLAC supported the creation and enjoyment of the arts through its programs. The NLAC reviewed and assessed programs to determine the greatest possible value and impact and how better to deliver programs.

### **Mission Statement**

By 2011, the NLAC will have better supported the creation and enjoyment of the arts for the benefit of all Newfoundlanders and Labradorians.

Over the past four years the NLAC has improved support for artistic excellence through focused investments. Since 2007-08 Government has increased NLAC grant program funding from \$800,000 to \$1.65 million per year. New funding programs have been introduced and changes made to existing programs to better reflect changing needs. Partnerships have been developed with the private and public sector to better support

the creation and enjoyment of the arts for the benefit of all Newfoundlanders and Labradorians.

The measures and indicators which identify the achievement of the NLAC's mission are:

**Measures:** supported the creation and enjoyment of the arts

**Indicators:** **Increased support to professional artists and arts organizations**

- Over the past four years the NLAC has increased support to professional artists and arts organizations. Since 2007-08 Government has increased NLAC grant program funding from \$800,000 to \$1.65 million per year. New funding programs such as the Professional Festivals Program have been introduced and changes made to existing programs to better reflect changing needs.

**Increased support to amateur artists and community arts organizations**

- Over the past four years the NLAC has increased support to amateur artists and community arts organizations. In 2007-08 the Community Arts Program and the Labrador Cultural Travel Fund were introduced. Since then Government funding has provided for the NLAC to award \$600,000 in program grants to amateur artists and community arts organizations.

**Increased support to arts education through the ArtsSmarts, Visiting Artist Program and School Touring Program**

- Over the past four years the NLAC has increased support to arts education. Since 2007-08 Government funding increases have provided for the NLAC to increase grant funding from \$100,000 to \$310,000 per year. New funding programs such as the Visiting Artist Program and the School Touring Program were introduced and changes made to the ArtsSmarts program to better reflect changing needs.

**Conducted annual reviews and assessments of programs**

- Over the past four years the NLAC has conducted annual reviews and assessments of programs. Changes were made to the Professional Project Grant, Sustaining Program for Professional Arts Organizations, Professional Artists Travel Fund and ArtsSmarts Programs. New programs such as Professional Festivals, Community Arts, School Touring, Visiting Artists and Labrador Cultural Travel Fund were introduced. Changes to programs and introduction of new programs were made to reflect changing needs to better support the creation and enjoyment of the arts for the benefit of all Newfoundlanders and Labradorians.

## **GOVERNANCE**

The Arts Council comprises 10 practicing artists representing all disciplines and all regions of the province, one community representative, one business representative and one representative from the Department of Tourism, Culture and Recreation. Council members serve on a volunteer basis for a three-year term. There are seven full-time staff employed by the Arts Council. Although a Crown agency, the Arts Council operates at arm's-length from the government.

## **ARTS COUNCIL MEMBERS**

Carmelita McGrath	St. John's, Chair	Writing
Kim Wiseman	Gander, Co-Vice Chair	Music
Mary Walsh	St. John's, Co-Vice Chair	Theatre
Tom Gordon	St. John's	Music
Calla Lachance	St. John's	Dance
Randall Maggs	Corner Brook	Writing
Derek Norman	St. John's, Co-Vice Chair	Film
Barry Nichols	St. John's	Theatre
Lloyd Pretty	Stephenville	Visual Arts
Barbara Wood	Happy Valley-Goose Bay	Visual Arts
Eleanor Dawson	Director of Arts, Department of Tourism, Culture and Recreation	

## **ARTS COUNCIL STAFF (ST. JOHN'S OFFICE)**

Reg Winsor	Executive Director
Ken Murphy	Program Manager
Katrina Rice	Program Officer
Janet McDonald	Communications Officer
Jacqueline Hynes	Program Assistant
Jennifer Cummings	Administrative Assistant

## **ARTS COUNCIL STAFF (LABRADOR OUTREACH OFFICE)**

Donna Roberts	Labrador Cultural Outreach Officer
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## **CONTACT INFORMATION**

### **St. John's Office:**

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E-Mail: [nlacmail@nfld.net](mailto:nlacmail@nfld.net)  
Website: [www.nlac.nf.ca](http://www.nlac.nf.ca)

### **Labrador Office:**

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P.O. Box 2243, Station B  
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E-Mail: [droboters@nf.aibn.com](mailto:droboters@nf.aibn.com)

## FINANCIAL INFORMATION

In 2010-11, the Newfoundland and Labrador Arts Council's total budget was approximately 2.5 million. (Audited Statements Appendix A)

# LINES OF BUSINESS

## GRANT PROGRAMS

The NLAC operates nine granting programs. This year the Arts Council received 732 applications for funding. To ensure that its limited financial resources are used wisely and that decisions are made fairly and objectively, Council uses a **peer-assessment process** for reviewing artistic proposals. Applications are reviewed by a peer-assessment committee, whose members are experienced professionals with expertise in a given discipline. Effort is made to provide a balanced representation of discipline, gender, and region on the assessment committees. The actual make-up of a jury is determined after the closing date for applications. This enables the Arts Council to develop a qualified jury and to avoid potential conflicts of interest. The peer jury is a recommending committee only. The Arts Council Board ratifies the jury recommendations.

Arts Council assessment is normally based on the artistic merit of the work proposed. Several other criteria, such as originality, growth potential, permanence, access, ability and feasibility, are also used to assist peer assessment committees in making objective decisions. This is determined by a comparative review of all the other projects submitted. Other factors, such as the quality of the support material submitted, the impact of the project on the development of the artist and/or art form, and financial viability, are also considered.

The **Sustaining Program for Professional Arts Organizations** is available to professional arts organizations that further the arts of Newfoundland and Labrador. Grants support administration and project costs. This fund is maintained by the annual government allocation. The annual deadline is February 15, and grants are awarded on April 15. The Newfoundland and Labrador Arts Council awarded \$500,000 to 18 professional arts organizations for the 2010-11 fiscal year.

The **Professional Festivals Program** is available to professional festivals and not-for-profit organizations that operate festivals or series that run during a concentrated period of time. Applicants can apply for costs related to artist fees, technical costs, venue rental, administration costs, workshop sessions and travel expenses. This fund is maintained by the annual government allocation. The annual deadline is February 15, and grants are awarded on April 15. The Newfoundland and Labrador Arts Council awarded \$89,195 to 10 professional festivals for the 2010-11 fiscal year.



The **Professional Project Grants Program** is available to professional artists, groups and not-for-profit arts organizations. Grants support projects related to creation, production, operating and travel costs. This fund is maintained by the annual government allocation. There are two deadlines annually: March 15 and September 15. Grants are awarded on May 15 and November 15. The Newfoundland and Labrador Arts Council awarded \$526,455 in grants to 154 artists and arts organizations through the Project Grants Program for the 2010-11 fiscal year.

The **Community Arts Program** is available to community-based arts organizations and groups. The program funds projects related to arts workshops, presentations, productions, new creation, adjudicator fees and travel costs. This fund is maintained by the annual government allocation. The annual deadline is September 30, and grants up to a maximum of \$5,000 are awarded. The Newfoundland and Labrador Arts Council awarded \$75,000 in grants to 21 community-based arts organizations and groups for the 2010-11 fiscal year.

The **Professional Artists' Travel Fund** is available to professional artists taking part in unexpected activities that will enhance their careers. Such activities could include the presentation, development or celebration of the artist's work. This fund is maintained by the annual government allocation. The Newfoundland and Labrador Arts Council awarded \$31,020 in grants to 36 artists for the 2010-11 fiscal year.

The **Labrador Cultural Travel Fund** provides travel assistance to residents of Labrador to participate in arts and heritage activities on the island portion of the province and for Labrador organizations to bring in resource people from the island for seminars, workshops or similar events. This fund is maintained by the annual government allocation. The NLAC awarded 43 grants totalling \$86,876 for the 2010-11 fiscal year.

The **School Touring Program** is available to professional artists, groups, and not-for-profit arts organizations to support significant touring productions to schools throughout the province. The program covers touring costs only (i.e. travel, accommodation, per diems, artist and technician fees, tour administration, royalties, and limited rehearsal). This program is funded by the NL Government's Cultural Connections Strategy and is administered by the Newfoundland and Labrador Arts Council. The Newfoundland and Labrador Arts Council awarded \$110,000 to 10 artists and arts organizations for the 2010-11 fiscal year.

**ArtsSmarts** is available to schools or school boards in the provincial K-12 system. Projects must incorporate artistic disciplines served by the NLAC. The ArtsSmarts mission is to afford schools and their communities a chance to enhance artistic activities linked to educational outcomes. ArtsSmarts NL is supported by the NL Government's Cultural Connections Strategy, and the Newfoundland and Labrador Arts Council. The NLAC awarded \$144,500 in grants to 36 schools in Newfoundland and Labrador for the 2010-11 fiscal year.

The **Visiting Artist Program** is available to schools to bring artists, groups of artists, or arts organizations into the school to provide students with direct personal contact with practicing professional artists. The program covers artist fees, materials, and travel costs. This program is supported by the NL Government's Cultural Connections Strategy, the Newfoundland and Labrador Teacher's Association, and the Newfoundland and Labrador Arts Council. The NLAC awarded \$57,292 in grants to 99 schools in Newfoundland and Labrador for the 2010-11 fiscal year.

## AWARDS

The Newfoundland and Labrador Arts Council produces the **Arts Awards show** annually. The show is designed to honour the accomplishments of Newfoundland and Labrador artists. In 1983 the first awards were presented during a live telecast on the CBC regional network. Since then the NLAC has produced 25 successful ceremonies that have honoured many prominent artists. This production publicizes the outstanding achievements of artists who define who we are and what we're about. The Newfoundland and Labrador Arts Council presented its 25<sup>th</sup> annual Arts Awards Show and Gala evening at the Lawrence O'Brien Arts Centre in Happy Valley-Goose Bay, Labrador on May 1, 2010. This year's winners were:

Artist of the Year	Duo Concertante
Emerging Artist of the Year	Chad Pelley
Arts Achievement	Des Walsh
Patron of the Arts	Wallace Hammond
Arts in Education	Manfred Buchheit
Hall of Honour Inductees	The Flummies Helen Fogwill Porter

The **Winterset Award** was established in 2000 to honour the memory of Sandra Fraser Gwyn, award-winning social historian and ardent advocate and promoter of Newfoundland and Labrador culture. It was designed to encourage and promote excellence in all genres of writing. Published literary works, written either by a native-born Newfoundlander and Labradorian or a resident of the province, are eligible for consideration for the award. One prize of \$10,000 is awarded to the winner and two prizes of \$2,000 to the other two finalists. The award is sponsored by the Sandra Fraser Gwyn Foundation, BMO Financial Group and the Newfoundland and Labrador Arts Council.

Three finalists for the 2010 BMO Winterset Award were chosen from among 37 submissions, and they were announced at a public reception on March 23, 2011. The three finalists were:

Samuel Thomas Martin	<i>This Ramshackle Tabernacle</i>
Craig Francis Power	<i>Blood Relatives</i>
Russell Wangersky	<i>The Glass Harmonica</i>

The winner was announced on March 24, 2011, at Government House by the Honourable John Crosbie, Lieutenant-Governor of Newfoundland and Labrador, and Honourary Patron of the Winterset Award. The winner of the award for 2010 was Russell Wangersky for *The Glass Harmonica*.

**The Lawrence Jackson Writers' Award** was established to commemorate the memory of Lawrence Jackson, writer and former Arts Council member. It was designed to encourage and promote original creative thought in all genres of writing. There is one \$500 award annually that is open to all applicants to the Arts Council Project Grant Program in the writing category. This award is sponsored by the Lawrence and Laura Jackson Trust Fund and administered by the Newfoundland and Labrador Arts Council. The winner of the Lawrence Jackson Writers' Award for 2010 was **Sara Tilley**. The award was presented during the regular monthly meeting of the Hunter Library Book Club at the AC Hunter Library on May 4, 2011.

**The Rhonda Payne Theatre Award** was established to annually commemorate the memory of Rhonda Payne. It is designed to assist women theatre artists in this province who are struggling to achieve their goals as actors or writers. There is one \$500 award annually that is open to all applicants to the Arts Council Project Grant Program in the theatre category. This award is sponsored by Rhonda's father, Rod Payne, royalties from performances of Rhonda's works, and the Rhonda Payne Memorial Fund. The award is administered by the Newfoundland and Labrador Arts Council. The winner of the Rhonda Payne Theatre Award for 2010 was **Wendi Smallwood**. The award was presented during the Women's Work Festival at the Eastern Edge Gallery on March 8, 2011.

### **DIGITAL RESOURCE CENTRE**

As part of the Newfoundland and Labrador Arts Council's commitment to develop and advance the cultural industries within the province, the Arts Council provides a digital resource centre for the use of artists. The centre is located at the Newfoundland and Labrador Arts Council's St. John's office. The digital resource centre provides:

- e-mail access to artists
- a resource computer
- high-speed internet access
- a broad selection of software
- a staff person to offer assistance

### **CULTURAL ASSISTANCE PLAN FOR EMERGENCIES**

This fund was established to assist a practicing cultural worker who may be experiencing financial need arising from an emergency. The Newfoundland and Labrador Arts Council is responsible for administering this fund.

### **FURTHER ROLES**

The Newfoundland and Labrador Arts Council also provides information and resources to the arts community in the areas of technology, government arts policy and funding programs. The Arts Council also acts as an advisory organization for the provincial government and in an advisory role in the promotion of cultural industries within the province. The Arts Council acts as a liaison with other provincial arts councils, the Canada Council and other arts-funding bodies.

## **HIGHLIGHTS AND ACCOMPLISHMENTS**

During the 2010-2011 fiscal year the Newfoundland and Labrador Arts Council:

- awarded \$1,620,338 in grants to NL artists, arts organizations and schools
- awarded \$86,876 in grants to Labrador artists, arts organizations and schools through the Labrador Cultural Travel Fund
- partnered with the Department of Education and the Department of Tourism, Culture and Recreation through Cultural Connections to further strengthen the Arts in Education Programs and awarded \$311,792 in Arts in Education grants
- embarked on a public consultation process. With the assistance of an external consultant, we analyzed 241 surveys, held 13 community forums attended by 168 participants and carried out in-depth interviews with 53 people
- held the 25<sup>th</sup> annual arts awards show in Happy Valley-Goose Bay
- held the inaugural Newfoundland and Labrador Culture Days Event in September 2010
- hosted the Canadian Public Arts Funders annual general meeting in November 2010
- partnered with BMO Financial to increase the cash value of the Winterset awards
- partnered with other funding bodies to hold joint funding information sessions
- highlighted 24 feature projects on the Newfoundland and Labrador Arts Council website
- conducted an annual review and assessment of NLAC programs and peer assessment process
- participated in the creation of a Business and Arts Steering Committee
- created a Newfoundland and Labrador Culture Days Task Force

All of the highlights and accomplishments outlined in this section support Government's strategic direction that the Province's vibrant artistic community is recognized for its cultural and economic contributions, and offers stable working conditions to professionals through public and private sector support. In addition, bullets two and three support Government's strategic direction that Newfoundland and Labrador's distinctive tangible and intangible cultural heritage is preserved, protected and strengthened.

## **REPORT ON ACTIVITY PLAN**

### **PROGRESS ON 2010 - 2011 GOALS, MEASURES AND INDICATORS**

#### **Issue 1: Artistic Excellence**

The primary function of the Newfoundland and Labrador Arts Council is to develop and administer granting programs for artists and arts organizations. Over the last 25 years, tremendous changes have occurred in the arts community with emerging art forms, technology and new media. Many artists are expressing interest in export opportunities. Emerging artists require mentorship and access to financial support. For artists and arts organizations alike, the needs are great, calling for increased funding and focused investments coordinated with a diverse partnership base. This goal and the achievement of its 2010-11 objectives address the strategic direction of government for support and recognition of professional artists and their endeavours, as well as developing sustainable creative enterprises and cultural industries.

**Goal 1:** By 2011, the NLAC will have improved support for artistic excellence through focused investments

**Objective:** By March 2011, the NLAC will have maximized available resources and placed additional focus on professional development.

**Measure:** Maximized available resources and placed additional focus on professional development.

**Indicator Reporting: Objective 2011**

Planned for 2010-2011	Actual for 2010-2011
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<p>Continued partnership with the Department of Education's Cultural Connections Strategy and with the Newfoundland and Labrador Teacher's Association to fund Arts in Education programs.</p>	<p>In partnership with the NL Government's Cultural Connections Strategy, the NLAC operates the ArtsSmarts program. Artsmarts is operated and administered through the NLAC. Council provides staff, administrative support, program delivery and an artist mentorship program. Direct funding for the projects comes from the Department of Education and the schools or school districts.</p> <p>The NLAC awarded \$145,500 in ArtsSmarts grants to 36 schools in Newfoundland and Labrador for the 2010-11 school year.</p> <p>The School Touring Program is operated by the NLAC and funded by NL Government's Cultural Connection Strategy. It provides students with direct access to high quality artistic experiences by funding professional artists and arts organizations to tour productions to schools and conduct hands-on, creative workshops with students.</p> <p>The NLAC awarded \$110,000 in School Touring Program grants to 10 artists and arts organizations for the 2010-11 school year.</p> <p>The Visiting Artist Program is available to schools to bring artists, groups of artists, or arts organizations into the school to provide students with direct personal contact with practicing professional artists. This program is supported by the NL Government's Cultural Connections Strategy, the Newfoundland and Labrador Teacher's Association, and the Newfoundland and Labrador Arts Council.</p> <p>The NLAC awarded \$57,292 in grants to 99 schools in Newfoundland and Labrador for the 2010-11 fiscal year.</p>
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<p>Partnered with the Cultural Connections Advisory Board to hold arts and art in education professional development workshops for artists and teachers in six locations in Newfoundland and Labrador.</p>	<p>During 2010-11 partnered with the Cultural Connections Advisory Board to hold arts and art education professional development workshops for artists and teachers in six locations in Newfoundland and Labrador. Workshops were held in Cow Head, Lewisporte, North West River, Trinity, St. John's and Cape St. George.</p>
<p>Partnered with the Cultural Connections Advisory Board to develop a plan to promote all of the components of the Cultural Connections Strategy.</p>	<p>During 2010-11 partnered with the Cultural Connections advisory to develop a communications/marketing plan to promote all components of the Cultural Connections strategy. This plan will serve to communicate to the arts and educational communities the key goals of the Cultural Connections strategy. The plan identifies timelines and personnel responsibilities. It outlines how best to disseminate Cultural Connections information to artists and schools and encourages artists and teachers to take advantage of the opportunities that exist.</p>
<p>Partnered with the Cultural Connections Advisory Board to ensure Cultural Connections initiatives are inclusive and comprehensive.</p>	<p>During 2010-11 partnered with the Cultural Connections Advisory Board to produce a draft Cultural Connections Communications Plan. The purpose of this plan was to ensure Cultural Connections initiatives were inclusive and comprehensive. A key message of the plan identified the need for the strategy to be accessible to all K-12 educators and professional artists and arts organizations throughout the province. The plan outlined actions such as the creation and dissemination of brochures, interactive websites that make information more readily accessible, easier application forms that can be completed on-line, regular communications with stakeholders and the use of media to promote awareness of the Cultural Connections strategy.</p>



Discussion of Results: The NLAC maximized available resources and placed additional focus on professional development during the 2010-11 fiscal year. Through the partnership with the Cultural Connections Advisory Board we provided professional development opportunities for artists and teachers, increased awareness of Cultural Connections initiatives, increased the presence of cultural content in the school curriculum and fostered links between the arts and school communities. Therefore, the NLAC feels confident that it has fulfilled its objective for 2010-11.

**Indicator Reporting 2008-2011**

Planned for 2008-2011	Actual for 2008- 2011
<p>Intensified efforts to increase the NLAC’s core funding to meet the needs of artists and arts organizations.</p>	<p>Over the past three years the NLAC has improved support for artistic excellence through focused investments. Since 2008 Government funding to the NLAC has increased program grants from \$1.2 million to \$1.65 million per year.</p> <p>Extensive consultations with artists, arts organizations, community representatives and others provided feedback to develop the goals outlined in our activity plans.</p> <p>Most importantly, the NLAC enjoys the tremendous talent and energy of arts champions within government. Regular communications with senior staff through meetings and art advisory groups provided the opportunity to discuss and identify issues, weaknesses and funding gaps.</p> <p>Quarterly meetings with the Minister of Tourism, Culture and Recreation provided the NLAC Executive an opportunity to advise the Minister with respect to the development of arts and arts policy in the province.</p>
<p>Reviewed and revised current funding programs to ensure a more comprehensive approach to meeting the needs of the arts community.</p>	<p>New funding programs have been introduced and changes made to existing programs to better reflect changing needs.</p>

<p>Placed additional focus on professional development, both through collaboration with other organizations and through direct delivery.</p>	<p>Through the partnership with the Cultural Connections Advisory Board we provided professional development opportunities for artists and teachers, increased awareness of Cultural Connections initiatives, increased the presence of cultural content in the school curriculum and fostered links between the arts and school communities.</p> <p>Through the partnership with the Cultural Connections an annual Arts Work conference has been held since 2008. This provided professional learning sessions for artists, teachers, and tradition bearers.</p> <p>The NLAC's Community Arts Program, introduced in 2008, provided the opportunity for community/amateur artists to work with professional artists.</p>
<p>Revised guidelines to maintain the principle and strengthen the process of peer assessment.</p>	<p>Program and Peer Assessment Guidelines have been reviewed and revised over the past three years to strengthen the process.</p>
<p>Worked with other agencies to coordinate and maximize available resources.</p>	<p>Partnerships have been developed with the private and public sector to better support the creation and enjoyment of the arts for the benefit of all Newfoundlanders and Labradorians. Examples include partnerships with:</p> <ul style="list-style-type: none"> <li>- the NL Government's Cultural Connections Strategy to increase Arts in Education Program funding;</li> <li>- BMO Financial Group to increase the value of the Winterset award prize and the honourariums presented to the professional writing jury members;</li> <li>- the Department of Tourism, Culture and Recreation to assist in the creation of a Business and the Arts Steering Committee.</li> </ul>

**Issue 2: Effective Leader and Advocate**

Currently within the province’s arts community, an increased research capacity is required to better monitor the growth and development of the arts. Enhancement of resources for information and communications would further Council’s ability to advocate effectively for increased arts investment and a more responsive arts policy. Our stakeholders expect us to encourage collaboration among arts organizations, provide leadership on issues facing artists, and raise the visibility of the arts in public policy development. This goal and the achievement of its 2010-11 objectives address the strategic direction of government for support and recognition of professional artists and their endeavours.

**Goal 2:** By 2011, the NLAC will have been an effective leader and advocate in fostering and promoting the arts in Newfoundland and Labrador.

**Objective:** By March 2011, the NLAC will have developed research capacity so that the NLAC is a credible and authoritative voice for arts policy development.

**Measure:** Developed research capacity so that the NLAC is a credible and authoritative voice for arts policy development.

**Indicator Reporting: Objective 2011**

Planned for 2010-2011	Actual for 2010-2011
Created a Newfoundland and Labrador Task Force to launch Culture Days, an event that brings creators and the public closer together.	During 2010-11 the NLAC in partnership with the Association of Cultural Industries created a Newfoundland and Labrador Culture Days Task Force.
Held the inaugural Newfoundland and Labrador Culture Days event, a free event designed to invite the public to celebrate and explore arts and culture in Newfoundland and Labrador.	From September 28-30, 2010 the inaugural Newfoundland and Labrador Culture Days event was held. This event was free to the public and 98 events registered for Culture Days.
Hosted a meeting on “Building Support for the Arts” in November 2010 to identify potential collaborations among Canadian Public Arts Funders.	From November 16 -18, 2010 the NLAC hosted the Canadian Public Arts Funders AGM in St. John’s. The theme for this meeting was “Building Support for the Arts”. Over 40 Executive Directors, Senior staff and Chairpersons attended the AGM. The meeting provided CPAF members with the opportunity to discuss major environmental factors affecting the arts.

<p>Partnered with the public and private sector to establish an Arts and Private Sector Committee to research potential private sector investment.</p>	<p>During 2010-11 the NLAC in partnership with the Department of Tourism, Culture and Recreation established a Business and Arts Working Committee to research potential private sector investment.</p>
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Discussion of Results: During 2010-11, the NLAC developed research capacity so that the NLAC is a credible and authoritative voice for arts policy development. This capacity is demonstrated as follows:

The creation of NL Culture Days Task Force brought together a volunteer group of individuals from a variety of backgrounds including arts, cultural programming, tourism, heritage, municipal cultural planning and public engagement - some skills not readily available within the NLAC. The goal of this task force was to develop awareness of the national Culture Days initiative in NL - a collaborative pan-Canadian volunteer movement to raise awareness, accessibility, participation and engagement of all Canadians in the arts and cultural life of their communities.

The Business and Arts Working Committee brought together representatives from both the arts and business sector to encourage greater dialogue and cooperation between public and private sector participants in arts funding. Key findings from the initiative included the reason why businesses decide to invest in an arts project and the benefits that they derive from the partnership and investment. This information will assist artists and arts organizations in developing funding proposals.

The NLAC is a member of the Canadian Public Arts Funders. CPAF aims to foster and support the arts in Canada through cooperation and collaboration of the federal, provincial and territorial art councils and equivalent arts funders by increasing networking and partnership opportunities, sharing information and best practices, and commissioning research. Over the past year CPAF has commissioned reports on Equity within the Arts Sector and Digital Transitions and the Impact of New Technologies on the and Arts.

Therefore, the NLAC feels confident that it has fulfilled its objective.

## Indicator Reporting 2008-2011

Planned for 2008-2011	Actual for 2008- 2011
<p>Promoted the role of the Newfoundland and Labrador Arts Council and created opportunities for artists to network and access information.</p>	<p>The NLAC has:</p> <ul style="list-style-type: none"> <li>• implemented key priority strategies of a communications and advocacy plan</li> <li>• increased accessibility to NLAC forms and increased information about NLAC programs</li> <li>• increased activities and information sessions for artists and arts organizations.</li> <li>• partnered with other arts councils and organizations to raise awareness and to build support for the arts.</li> </ul>
<p>Implemented an advocacy plan to promote the vital role of the arts in our society.</p>	<p>During 2009-10, created and implemented an advocacy plan that identified key priority strategies to raise awareness of the vital role of arts in society.</p>
<p>Developed research capacity so that the Newfoundland and Labrador Arts Council is a credible and authoritative voice for arts policy development.</p>	<p>Key Endeavours implemented to develop research capacity included:</p> <ul style="list-style-type: none"> <li>• The creation of the NL Culture Days Task Force brought together individuals from the arts, cultural programming, tourism, heritage, municipal cultural planning and public engagement which increased skills not readily available within the NLAC.</li> <li>• The Business and Arts Working Committee brought together representatives from both the arts and business sector to encourage greater dialogue and cooperation between public and private sector participants in arts funding.</li> <li>• As a member of the Canadian Public Arts Funders (CPAF), capacity of the NLAC was enhanced to foster and support the arts through cooperation and collaboration of the federal, provincial and territorial art councils and equivalent arts funders by increasing networking and partnership opportunities, sharing information and best practices, and commissioning research.</li> </ul>

### Issue 3: Public Awareness

Artists and other stakeholders believe that Council must play a stronger role in increasing public and community awareness of and participation in the arts. This reflects the important role the arts play in building vibrant communities and enhancing quality of life. The arts offer opportunities to deepen our appreciation of our diversity and heritages. Children and adults who are exposed to arts education broaden their understanding of the world and strengthen their capacity for creativity and innovation. This goal and the achievement of its 2010-11 objectives address the strategic direction of government for support and recognition of professional artists and their endeavours, as well as preserving, protecting and strengthening Newfoundland and Labrador's distinctive tangible cultural heritage.

Goal 3: By 2011, the NLAC will have supported public awareness and participation, community involvement, and education in the arts.

Objective: By March 31, 2011 the NLAC will have taken a lead role in promoting the arts to build audiences and broad-based participation, and to reflect cultural and artistic diversity.

Measure: Taken a lead role in promoting the arts to build audiences and broad-based participation, and to reflect cultural and artistic diversity.

#### Indicator Reporting: Objective 2011

Planned for 2010-2011	Actual for 2010-2011
Held the 25 <sup>th</sup> annual arts awards show and gala in Happy Valley-Goose Bay, Labrador;	The NLAC held the 25 <sup>th</sup> annual Arts Awards Show and gala evening at the Lawrence O'Brien Arts Centre in Happy Valley-Goose Bay on May 1, 2010. This was the first time that the awards show was held in Labrador. A majority of the production team hired for the show were from Labrador.
Held the inaugural Newfoundland and Labrador Culture Days event;	The NLAC held the inaugural Newfoundland and Labrador Culture Days event from September 28-30, 2010.
Produced a 30 year anniversary DVD highlighting the accomplishments of Newfoundland and Labrador artists and arts organizations;	The NLAC did not produce a 30 year anniversary DVD during the 2010-11 fiscal year. Instead the NLAC focused on increasing website content and communications to highlight the accomplishments of Newfoundland and Labrador artists and arts organizations.

Hosted the Canadian Public Arts Funders annual general meeting in St. John's.	The NLAC hosted the Canadian Public Arts Funders annual general meeting in St. John's from November 16-18, 2010.
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Discussion of Results: The NLAC did not produce a 30 year anniversary DVD during 2010-11. Instead, a decision was made for the NLAC to focus on increasing website content and communications to highlight the accomplishments of Newfoundland and Labrador artists and arts organizations. It was deemed that this approach would raise more awareness than the proposed DVD. The NLAC took a lead role in promoting the arts to build audiences and broad-based participation, and to reflect cultural and artistic diversity. Holding the NLAC Arts Awards in Labrador for the first time, the inaugural Culture Days event and hosting the Canadian Public Arts Funders annual general meeting are all examples of this. Therefore, the NLAC feels confident that it has fulfilled its objective.

**Indicator Reporting 2008-2011**

Planned for 2008-2011	Actual for 2008- 2011
Strengthened linkages among amateur artists and groups, community groups and professional artists to strength artistic practice and participation throughout the province.	Strengthened linkages with the introduction of a Community Arts program in 2008. To date this program has provided \$300,000 in funding to community based not-for-profit organizations to assist in funding projects related to arts workshops or presentations. For example, the Central Newfoundland Visual Arts Society, a group of amateur artists, availed of the fund to bring professional artist Gerry Squires to Grand Falls-Windsor to conduct a workshop in charcoal portraiture - a benefit to the professional artist, the local artists and the community.  Events such as Culture Days and the annual Arts Awards also served to raise public awareness and participation in the arts.

<p>Strengthened and broadened the role of the professional artist in formal education and lifelong learning.</p>	<p>The continuation of the Arts in Education programs and the expansion of the Artist mentorship program have strengthened and broadened the role of the professional artists in formal education and lifelong learning.</p> <p>These programs supported artists who brought their artistic practice into schools. Artists worked with teachers and students on arts integration projects, presented workshops to students, or offer performances or presentations of completed work to schools. School administration, classroom teachers, students and artists had a clear voice in the project planning and implementation. Parents, school children and teachers felt enormous pride in the creativity and product that is produced and the relationship built with the professional artist. Professional artists sharing talents in the classroom was a rewarding experience for everyone involved.</p>
<p>Took a lead role in promoting the arts to build audiences and broad-based participation, and to reflect cultural and artistic diversity.</p>	<p>During 2010-11 the NLAC took a lead role in promoting the arts to build audiences and broad-based participation, and to reflect cultural and artistic diversity. Holding the NLAC Arts Awards in Labrador for the first time, the inaugural Culture Days event and hosting the Canadian Public Arts Funders annual general meeting are all examples of this.</p>

**Issue 4: Stewardship and Accountability**

Public funds have been entrusted to the Newfoundland and Labrador Arts Council to support grant programs and operations. As steward for these funds, Council intends to strive for the highest standards of transparency and accountability. The intent of this strategic goal is to ensure that effective, efficient and responsive governance and operational processes are in place and are visible. This goal and the achievement of its 2009-10 objectives address the strategic direction of government for support and recognition of professional artists and their endeavours, as well as developing sustainable creative enterprises and cultural industries.

Goal 4: By 2011, the NLAC will have ensured a high standard of stewardship, accountability and transparency in all Newfoundland and Labrador Arts Council operations.



Objective: By March 31, 2011 the NLAC will have implemented the Board approved recommendations from the public consultations.

Measure: Implemented the Board approved recommendations from the public consultations.

**Indicator Reporting: Objective 2011**

Planned for 2010-2011	Actual for 2010 -2011
Implemented a governance and operational strategy based on public consultation feedback.	During 2010-11 the NLAC implemented a governance and operational strategy based on public consultation feedback.
Developed a 2011-2014 activity plan based on public consultation feedback.	In March 2011 the 2011-2014 Activity plan was developed based on public consultation feedback.
Implemented core funding program and peer assessment process changes based on public consultation feedback.	During 2010-11 the NLAC implemented core funding program and peer assessment process changes based on public consultation feedback.
Implemented an advocacy and communications strategy based on public consultation feedback.	During 2010-11 the NLAC implemented an advocacy and communications strategy based on public consultation feedback.

Discussion of Results: The NLAC conducted an extensive consultation with artists, representatives of artist organizations, community representatives and others in 2010-11. This consultation process provided a rich body of information and feedback for Council in the development of a new three year activity plan and in implementing governance, operational and communications plans. Therefore, the NLAC feels confident that it has fulfilled its objective.

## Indicator Reporting 2008-2011

Planned for 2008-2011	Actual for 2008- 2011
<p>Conducted an annual review and assessment of NLAC programs to ensure human and financial resources provide the greatest possible value and impact.</p>	<p>Annual reviews were completed for all programs and operations which have strengthened the processes in place to ensure program effectiveness and to ensure that we are meeting the needs of the community.</p>
<p>Ensured program information and processes are open, accessible and easily understood.</p>	<p>Annual reviews of programs and operations have strengthened the processes in place to ensure program information and processes are open, accessible and easily understood.</p>
<p>Consulted with key stakeholders as a basis for determining governance and operational strategy.</p>	<p>The NLAC conducted an extensive consultation with artists, representatives of artist organizations, community representatives and others in 2010-11. This consultation process provided a rich body of information and feedback for Council in the development of a new three year activity plan and in implementing governance, operational and communications plans.</p>
<p>Ensured an effective and efficient governance model is in place to support program delivery.</p>	<p>Conducting public consultations and meeting with key stakeholders on a regular basis provided valuable feedback that was used to ensure that an effective and efficient governance model is in place to support program delivery.</p> <p>The Arts Council Act was amended to ensure more effective and efficient operations and to encourage broader community representation on Council.</p>

# OPPORTUNITIES AND CHALLENGES AHEAD

The past year has brought both positive developments and challenges for the Arts Council and for the arts community of Newfoundland and Labrador. On the positive side, the Arts Council continued to work towards the goals and objectives outlined in our Strategic Framework for the Arts. This year improvements were made to existing programs and the peer assessment process that better served our artists and arts organizations in Newfoundland and Labrador. Funds were secured through the NL Government's Cultural Connection Strategy for the Arts and Education programs that the NLAC administers.

The NLAC conducted an extensive consultation with artists, representatives of artist organizations, community representatives and others in 2010-11. With the assistance of an external consultant, we analyzed 241 surveys, held 13 community forums attended by 168 participants and carried out in-depth interviews with 53 people. This consultation process provided a rich body of information and feedback for Council in the development of a new three year activity plan and in implementing governance, operational and communications plans.

The NLAC fosters and promotes the creation and enjoyment of the arts for the benefit of all Newfoundlanders and Labradorians. Through its grants to arts organizations, NLAC contributes to the stability of cultural infrastructures by assisting with day-to-day operations, program implementation, the ability to leverage other funding, and helps organizations become more business-like, professional and accountable.

NLAC funding also contributes to the creation of new work, which has the potential to lead to increased job growth and earned incomes for professional artists. Travel grants provide professional development opportunities and increased capacity for market access and exposure of work, while various artists in the schools program deliver valuable exposure to art for youth.

Together, these various avenues of support contribute to the growth of cultural activity within the sector. The sector has responded positively to increased government support over the last several years, with the result that artistic activity in all disciplines is flourishing. With this growth comes the challenge of meeting increased success and subsequent need for support to the cultural sector. To that end, NLAC welcomes the 2011-12 budget increase and the opportunity to continue to work closely with government to grow and foster artistic activity and professionalism and realize the goals and objectives of the Cultural Plan – Creative Newfoundland and Labrador.

The principal challenge for the Arts Council continues to be the ability to meet the requests for funding from the province's artists and arts organizations. This year we were able to award \$1,620,338 in grants to artists, arts organizations and schools. This amount was sufficient to fund 45 percent of eligible applicants and the average project grant is

\$3,200. The NLAC will continue to work with the Department of Tourism, Culture and Recreation to address the growing need and level of activity in the cultural sector.

Outreach to the community has meant increased activity and applications. This has created a “good problem” and we will continue to work with government to address council’s capacity to provide support to artists and for the benefit of everyone in the province. It’s well known that societies that value the arts tend to be innovative, creative, and prosperous.

Continued discussion on potential adoption of a Newfoundland and Labrador Artists’ Code will support and value the work of our artists in all disciplines. A challenge continues to be the high number of artists looking for work in fields related to the arts. Within Canada, and our province, a minority of artists are capable of making a living exclusively from their art. They are frustrated by the current economic situation that has resulted in fewer sales and which has placed greater stress on their ability to make a living solely through the arts.

The importance of artists being paid adequately for their work, income averaging, pension and insurance plans are issues for future consideration. In tandem with this, we need to foster greater public awareness of the value of the arts and of artists in our province. There is both opportunity and challenge to increase dialogue between the Business and the Arts to encourage partnerships and investment for the benefit of both.

Available and affordable space for creation, readings, rehearsals, workshops and presentations continues to be a challenge for the arts community. The number of venues and venue availability makes it difficult for both emerging and established artists to develop and present their work. For the arts to continue to remain vital, infrastructure needs, particularly with regard to space, need to be explored.

As well as artists, arts organizations and institutions desperately need funding support to be able to nurture emerging and established artists. The resources available to arts organizations, both human and infrastructure, is making it increasingly difficult to help artists in the development of their careers or to support new creative initiatives.

Audience development continues to be an issue for the performing arts. Although Newfoundland and Labrador has rich cultural traditions which are well-supported and attended by local audiences, it is difficult for artists to develop local audiences for avant-garde, challenging, provocative, or non-traditional work. Artists need to be consulted and supported on this issue. Support needs to be continued to allow them to bring their work to national and international audiences.

Mentorship and networking are issues faced by artists living in rural and isolated communities. Mentorship opportunities are a way of overcoming the obstacles of isolation and the lack of institutional capacity. Networking enables them to seek out opportunities for presentation and collaboration. There needs to be recognition of and support for

professional development at each stage in an artist's career -- from mentorship opportunities for new artists to opportunities for mid-career and senior artists to renew, extend and share their work.

In the coming year, the NLAC will focus on developing an approach to positive advocacy on a provincial and national level and continue to build awareness and support for the value of the arts in society. We will continue to work with artists, arts organizations, community groups and government to address these issues.

**NEWFOUNDLAND AND LABRADOR  
ARTS COUNCIL**

**FINANCIAL STATEMENTS**

**31 MARCH 2011**



OFFICE OF THE AUDITOR GENERAL  
St. John's, Newfoundland and Labrador

## AUDITOR'S REPORT

To the Members  
Newfoundland and Labrador Arts Council  
St. John's, Newfoundland and Labrador

### **Report on the Financial Statements**

I have audited the accompanying financial statements of the Newfoundland and Labrador Arts Council which comprise the balance sheet as at 31 March 2011, the statement of revenues, expenses and deficit and the statement of cash flows 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 principles, 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.

#### *Auditor's Responsibility*

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

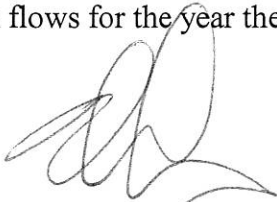
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

## **Auditor's Report (cont.)**

### *Opinion*

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Newfoundland and Labrador Arts Council as at 31 March 2011, and its financial performance and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.



**WAYNE R. LOVEYS, CMA**  
**Auditor General (A)**

18 April 2012  
St. John's, Newfoundland and Labrador



# NEWFOUNDLAND AND LABRADOR ARTS COUNCIL

## BALANCE SHEET

31 March

2011

2010

### ASSETS

#### Current

Cash	\$ 207,456	\$ 76,402
Short term investments, at cost	105,958	155,900
Accounts receivable (Note 2)	29,219	40,610
Prepaid expenses	2,485	2,612

345,118 275,524

Trust Account asset - CAPE Fund (Note 3) 790 790

Capital assets (Note 4) 4,264 7,921

Arts Fund assets (Note 5) 168,416 166,135

\$ 518,588 \$ 450,370

### LIABILITIES AND EQUITY

#### Current

Accounts payable and accrued liabilities	\$ 190,171	\$ 123,660
Deferred revenue (Note 6)	110,530	97,405
Obligation under capital lease (Note 7)	3,657	3,657

304,358 224,722

Obligation under capital lease (Note 7) 607 4,264

Accrued severance pay 49,567 46,077

Trust Account liability - CAPE Fund (Note 3) 790 790

355,322 275,853

#### Equity

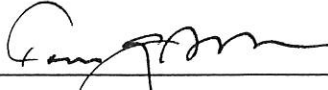
Surplus (Deficit) from operations	(5,150)	8,382
Arts Fund (Note 5)	168,416	166,135

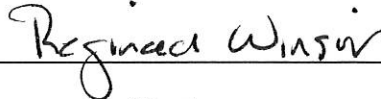
163,266 174,517

\$ 518,588 \$ 450,370

See accompanying notes

Signed on behalf of the Council:

  
Chairperson

  
Member

**NEWFOUNDLAND AND LABRADOR ARTS COUNCIL**

**STATEMENT OF REVENUES, EXPENSES AND DEFICIT**

**For the Year Ended 31 March**

**2011**

**2010**

	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>
<b>REVENUES</b>			
Province of Newfoundland and Labrador grants	\$ 2,026,676	\$ 2,137,205	\$ 2,070,555
Projects (Note 8)	336,000	339,000	351,500
Interest	807	2,000	1,469
	<u>2,363,483</u>	<u>2,478,205</u>	<u>2,423,524</u>
<b>EXPENSES</b>			
Grants awarded			
Community Arts	75,000	75,000	75,000
Labrador Initiative	86,876	197,405	133,392
Professional Artists Travel Fund grants	31,020	30,000	31,060
Professional Festivals	89,195	125,000	83,000
Professional Project Grants Program	526,455	500,000	552,760
Sustaining Program for Professional Arts Organizations	500,000	500,000	500,000
	<u>1,308,546</u>	<u>1,427,405</u>	<u>1,375,212</u>
Projects (Note 9)	421,037	389,000	425,574
Operating expenses (Note 10)	647,432	670,182	629,849
	<u>2,377,015</u>	<u>2,486,587</u>	<u>2,430,635</u>
<b>Excess of expenses over revenues</b>	<b>(13,532)</b>	<b>(8,382)</b>	<b>(7,111)</b>
<b>Surplus from operations, beginning of year</b>	<b>8,382</b>	<b>8,382</b>	<b>15,493</b>
<b>Surplus (Deficit) from operations, end of year</b>	<b>\$ (5,150)</b>	<b>\$ -</b>	<b>\$ 8,382</b>

*See accompanying notes*

**NEWFOUNDLAND AND LABRADOR ARTS COUNCIL****STATEMENT OF CASH FLOWS**

For the Year Ended 31 March

2011

2010

**Cash flows from operating activities**

Excess of expenses over revenues	\$ (13,532)	\$ (7,111)
Add non-cash items:		
Amortization expense	3,657	3,657
	(9,875)	(3,454)
Net change in non-cash working capital items	91,154	(93,316)
	81,279	(96,770)
Increase in accrued severance pay	3,490	5,483
	84,769	(91,287)

**Cash flows from investing activities**

Decrease in Trust Account asset - CAPE Fund	-	4,977
Increase in Arts Fund	(2,281)	(3,262)
	(2,281)	1,715

**Cash flows from financing activities**

Interest earned on Arts Fund	2,281	3,262
Repayment of obligation under capital lease	(3,657)	(3,657)
Decrease in Trust Account liability - CAPE Fund	-	(4,977)
	(1,376)	(5,372)

Net increase (decrease) in cash and cash equivalents 81,112 (94,944)

Cash and cash equivalents, beginning of year 232,302 327,246

Cash and cash equivalents, end of year \$ 313,414 \$ 232,302

**Cash and cash equivalents include:**

Cash	\$ 207,456	\$ 76,402
Short term investments	105,958	155,900
	\$ 313,414	\$ 232,302

*See accompanying notes*

# NEWFOUNDLAND AND LABRADOR ARTS COUNCIL

## NOTES TO FINANCIAL STATEMENTS

31 March 2011

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### Authority

The Newfoundland and Labrador Arts Council (the Council) operates under the authority of the *Arts Council Act* of the Province of Newfoundland and Labrador. The Council has the responsibility of fostering and promoting the study and enjoyment of and the production of works in the arts. The Council consists of twelve members appointed by the Lieutenant-Governor in Council.

### 1. Summary of significant accounting policies

These financial statements have been prepared by the Council's management in accordance with Canadian generally accepted accounting principles. The budget disclosed in these financial statements is presented on a cash basis. Outlined below are the significant accounting policies followed.

(a) Capital assets

Capital assets, consisting of furniture, fixtures and equipment costing \$32,968 (2010 - \$93,357), have been fully amortized. Minor capital asset purchases are charged to operations in the year of acquisition.

(b) Investments

Investments are recorded at cost, which because of their short-term nature approximates market value. Investment income is recorded as earned.

(c) Deferred revenue

Deferred revenue represents funds received which relate to future operating periods. The revenue will be reported in the applicable future period when the related expenses have been incurred.

(d) Severance pay

Severance pay is calculated based on years of service and current salary levels. Entitlement to severance pay vests with employees after nine years of continuous service. Accordingly no provision has been made for employees with less than nine years of continuous service. The amount is payable when the employee ceases employment with the Council unless the employee transfers to another entity in the public service, in which case the liability is transferred with the employee to the other entity.

# NEWFOUNDLAND AND LABRADOR ARTS COUNCIL

## NOTES TO FINANCIAL STATEMENTS

31 March 2011

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### 1. Significant accounting policies (cont.)

#### (e) Future Accounting Standards

In December 2010, the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants amended the introduction to Public Sector Accounting Standards effective for fiscal years beginning on or after 1 January 2011. As a result of this amendment, the Council will now be required to prepare its financial statements in accordance with Public Sector Accounting Standards. The Office of the Comptroller General of the Province has assessed the Council as being an Other Government Organization and has recommended that the Council implement Public Sector Accounting Standards. The Council is planning for the transition to the Public Sector Accounting Standards on a retrospective basis for the year ending 31 March 2012.

### 2. Accounts receivable

	<u>2011</u>	<u>2010</u>
Trade Receivable	\$ 2,500	\$ -
Harmonized Sales Tax	26,719	30,610
Province of Newfoundland and Labrador	-	10,000
	<u>\$ 29,219</u>	<u>\$ 40,610</u>

### 3. Trust Account - CAPE Fund

The Trust Account of \$790 (2010 - \$790) represents amounts received by the Council from the Alliance of Canadian Cinema, Television and Radio Artists (ACTRA) for the Cultural Assistance Plan for Emergencies (CAPE) Fund which provides funds to local artists in the event of an emergency. The Council administers the trust account on behalf of ACTRA, disbursing funds to local artists who meet the established criteria for emergency assistance.

### 4. Capital assets

#### (a) Asset under capital lease

During 2007-08, the Council obtained a photocopier under a five year capital lease. The asset is amortized on a straight-line basis over the life of the lease.

	<u>2011</u>	<u>2010</u>
Asset under capital lease	\$ 18,282	\$ 18,282
Less: accumulated amortization	<u>14,018</u>	<u>10,361</u>
	<u>\$ 4,264</u>	<u>\$ 7,921</u>

**NEWFOUNDLAND AND LABRADOR ARTS COUNCIL**  
**NOTES TO FINANCIAL STATEMENTS**  
**31 March 2011**

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**4. Capital assets (cont.)**

(b) Other capital assets

During the year, the Council reviewed its listing of capital assets which have been fully amortized and removed capital assets which had been disposed of in either the current year or previous years. As a result, the cost of capital assets which have been fully amortized has been reduced to \$32,968 from \$93,357, a reduction of \$60,389. There was no gain or loss on the disposal of the capital assets as they were fully amortized and there were no proceeds from the disposal.

**5. Arts Fund**

The Arts Fund was created pursuant to Section 9 of the *Arts Council Act*. The principal of the Fund is to be kept intact and only the interest earned on the invested principal may be disbursed, at the discretion of the Council, to foster and promote the study, enjoyment and production of works in the arts. This Fund is comprised of monies received from the Consolidated Revenue Fund of the Province of Newfoundland and Labrador and from gifts and bequests received without terms. Interest earned on the Fund is held in trust in the Fund until it is withdrawn. For the year ended 31 March 2011 interest of \$2,281 (2010 - \$3,262) was earned through investment of the Fund.

The Fund is comprised of monies received from:

	<u>2011</u>	<u>2010</u>
Province of Newfoundland and Labrador	\$ 40,000	\$ 40,000
<u>Gifts and bequests as per Section 12(2) of the <i>Arts Council Act</i></u>	<u>10,352</u>	<u>10,352</u>
	<u>50,352</u>	<u>50,352</u>
Interest, beginning of year	115,783	112,521
<u>Interest earned</u>	<u>2,281</u>	<u>3,262</u>
<u>Interest, end of year</u>	<u>118,064</u>	<u>115,783</u>
<u>Fund balance</u>	<u>\$ 168,416</u>	<u>\$ 166,135</u>

At 31 March 2011, the Fund consisted of investments of \$168,416. At 31 March 2010, the Fund consisted of investments of \$166,135.

**NEWFOUNDLAND AND LABRADOR ARTS COUNCIL**

**NOTES TO FINANCIAL STATEMENTS**

31 March 2011

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**6. Deferred revenue**

Deferred revenue as at 31 March 2011 consists of contributions received from the Province to be used for the Labrador Initiative. The purpose of the Labrador Initiative is to provide travel assistance grants to residents of Labrador to participate in arts and heritage activities on the Island portion of the Province. Another purpose of the Initiative is to provide travel assistance grants to arts and heritage organizations based in Labrador to enable them to have resource personnel from the Island portion of the Province travel to Labrador to attend seminars, workshops or similar events.

	<u>2011</u>	<u>2010</u>
Labrador Initiative	\$ 110,530	\$ 97,405
	<u>\$ 110,530</u>	<u>\$ 97,405</u>

**7. Obligation under capital lease**

	<u>2011</u>	<u>2010</u>
Obligation under capital lease	\$ 4,264	\$ 7,921
Less: current portion	<u>3,657</u>	<u>3,657</u>
	<u>\$ 607</u>	<u>\$ 4,264</u>

Future minimum lease payments under capital lease are:

2012	\$ 4,140
2013	<u>690</u>
	4,830
Less: interest portion of payments	<u>566</u>
	<u>\$ 4,264</u>

**NEWFOUNDLAND AND LABRADOR ARTS COUNCIL**

**NOTES TO FINANCIAL STATEMENTS**

**31 March 2011**

**8. Revenues - Projects**

	2011		2010
	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>
Arts Smarts	\$ 150,000	\$ 150,000	\$ 150,000
School Touring Program	110,000	110,000	110,000
Visiting Artists' Program	50,000	50,000	70,000
Winterset Award	23,000	23,000	13,000
Arts awards	2,500	5,000	7,500
Rhonda Payne Award	500	500	500
Larry Jackson Award	-	500	500
	<u>\$ 336,000</u>	<u>\$ 339,000</u>	<u>\$ 351,500</u>

**9. Expenses - Projects**

	2011		2010
	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>
Arts awards	\$ 81,011	\$ 55,000	\$ 62,202
Arts Smarts	150,090	150,000	161,824
Larry Jackson Award	-	500	500
Rhonda Payne Award	500	500	500
School Touring Program	111,106	110,000	116,288
Visiting Artists' Program	57,292	50,000	70,414
Winterset Award	21,038	23,000	13,346
Youth Ventures Award	-	-	500
	<u>\$ 421,037</u>	<u>\$ 389,000</u>	<u>\$ 425,574</u>



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### 10. Operating expenses

	2011		2010
	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>
Advertising	\$ 1,098	\$ 1,000	\$ 4,928
Amortization expense	3,657	3,657	3,657
Labrador Initiative	87,413	100,000	110,033
Miscellaneous	13,456	20,783	8,857
Office and postage	13,049	13,142	9,453
Professional services	3,300	2,600	2,600
Project evaluating fees	16,512	17,000	15,739
Salaries and employee benefits	400,656	400,000	421,904
Strategic Plan	53,085	55,000	-
Telephone	5,951	6,000	5,360
Travel and Council meetings	45,611	47,000	36,766
Website	3,644	4,000	10,552
	<hr/>	<hr/>	<hr/>
	\$ 647,432	\$ 670,182	\$ 629,849

### 11. Related party transaction

The Council leases office space from the Province of Newfoundland and Labrador at an annual rate of \$1.

### 12. Pensions

Council staff are subject to the *Public Service Pensions Act*. Employee contributions are matched by the Council and then remitted to the Province of Newfoundland and Labrador Pooled Pension Fund from which pensions will be paid to employees when they retire. The Council's share of pension contributions for 2011 was \$23,655 (2010 - \$22,697).

### 13. Economic dependence

As a result of the Council's reliance on Provincial funding, the Council's ability to continue viable operations is dependent upon the decisions of the Province.

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### 14. Financial instruments

The Council's financial instruments recognized on the balance sheet consist of cash, short-term investments, accounts receivable, accounts payable and accrued liabilities, and obligation under capital lease. The carrying values of these instruments approximate current fair value due to their nature and the short-term maturity associated with them.

There is no credit risk associated with the Council's accounts receivable because the accounts are primarily due from the Federal government. Therefore, no allowance has been provided against these receivables.

### 15. Income taxes

The Council is a Crown entity of the Province of Newfoundland and Labrador and as such is not subject to Provincial or Federal income taxes.