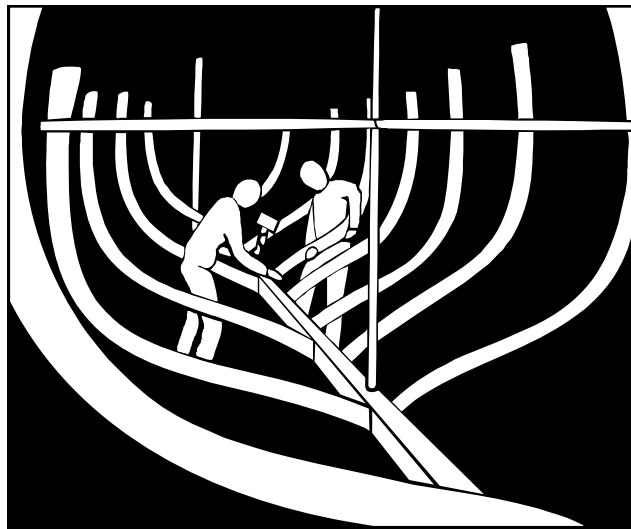


NEWFOUNDLAND AND
LABRADOR ARTS COUNCIL
2013-2014 ANNUAL REPORT



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MESSAGE FROM THE CHAIR

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 2013-14, our continued relationship with 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 of the Provincial Government to recognize and support artists and cultural professionals, further support cultural industries and arts organizations, private sector and not-for-profit partnerships and investment, support infrastructure for the cultural sector, support for aboriginal culture, expand cultural education and outreach and increase public engagement in the arts.

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 exploring 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 "Stan Hill", written in a cursive style.

Stan Hill
Chair, Newfoundland and Labrador Arts Council

THE NEWFOUNDLAND AND LABRADOR ARTS COUNCIL

The Newfoundland and Labrador Arts Council (NLAC) is a non-profit Crown Agency created in 1980 through provincial legislation called *The Arts Council Act*.

MANDATE

The Act states that the purpose of the NLAC 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 NLAC 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 NLAC is of a province where Newfoundlanders and Labradorians are a creative, innovative and diverse people who fully participate in a healthy, vibrant, and cultural community which is globally recognized for artistic excellence.

MISSION

The mission statement identifies the priority focus area of the NLAC over the next three years. It represents the key longer-term result that the NLAC will continue to work towards as we move forward on the strategic directions of government. The statement also identifies the measures and indicators that will assist both the NLAC and the public in monitoring and evaluating success.

The NLAC supports the creation and enjoyment of the arts through its programs. The NLAC will review and assess programs to determine the greatest possible value and impact and how better to deliver programs. These priorities support the focus areas of the strategic direction of Strengthen Cultural Sector Partnership and Support as articulated by the Minister of Tourism, Culture and Recreation.

Mission Statement

By 2017, the NLAC will have better supported the creation and enjoyment of the arts for the benefit of all Newfoundlanders and Labradorians.

The measures and indicators which will 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 three years the NLAC has increased support to professional artists and arts organizations. Since 2011-12 the NLAC has awarded \$3.9 million in grant funding through its professional artists and arts organizations grant programs. New funding programs such as the Atlantic Public Arts Funders Creative Residency 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 three years the NLAC has increased support to amateur artists and community arts organizations. The NLAC awarded \$525,000 in program grants to amateur artists and community arts organizations through the Community Arts Program and the Labrador Cultural Travel Fund.

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

Over the past three years the NLAC has increased support to arts education. The NLAC were able to award \$820,000 in grants through its ArtsSmarts, School Touring and Visiting Artists over the past three years. New criteria were introduced and changes made to the Arts in Education programs to better reflect changing needs.

Conducted annual reviews and assessments of programs

Over the past three years the NLAC has conducted annual reviews and assessments of all of its grant programs. Changes were made to the Professional Project Grant, Sustaining Program for Professional Arts Organizations, Professional Festivals, Labrador Cultural Travel Fund and ArtsSmarts Programs. New programs such as Atlantic Public Arts Funders Creative Residency Program 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 NLAC 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 TCR. 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 NLAC operates at arm's-length from the government.

ARTS COUNCIL MEMBERS

Stan Hill	Conne River, Chair	Visual Arts
Todd Hennessey	Corner Brook, Co-Vice Chair	Theatre
Christina Parker	St. John's, Co-Vice Chair	Business
Annemarie Christie	St. John's	Music
Jerry Doyle	Kippens	Theatre
Pierre LeBlanc	Corner Brook	Visual Arts
Lisa McDonald	St. John's	Community
Lisa Moore	St. John's	Writing
Richard Neville	Happy Valley-Goose Bay	Music
Derek Norman	St. John's	Film
Helen Peters	St. John's	Writing
Marie Steffen	St. John's	Dance
Eleanor Dawson	Director of Arts, TCR	

ARTS COUNCIL STAFF(ST. JOHN'S OFFICE)

Reginald Winsor	Executive Director
Ken Murphy	Program Manager
Katrina Rice	Program Officer
Joshua Jamieson	Communications Officer
Jennifer Cummings	Program Assistant
Amanda Hann	Office Assistant

ARTS COUNCIL STAFF(LABRADOR OUTREACH OFFICE)

Donna Roberts	Labrador Cultural Outreach Officer
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FINANCIAL INFORMATION

In 2013-14, the NLAC's total budget was approximately \$2.5 million. (Audited Financial Statements Appendix A)

LINES OF BUSINESS

GRANT PROGRAMS

The NLAC operates ten granting programs. This year the NLAC received 536 applications for funding. To ensure that its limited financial resources are used wisely and that decisions are made fairly and objectively, NLAC 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 NLAC to develop a qualified jury and to avoid potential conflicts of interest. The peer jury is a recommending committee only. The NLAC ratifies the jury recommendations.

NLAC 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 NLAC awarded \$575,000 to 16 professional arts organizations for the 2013-14 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 NLAC awarded \$125,000 to 15 professional festivals for the 2013-14 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 NLAC awarded \$556,474 in grants to 158 artists and arts organizations through the Project Grants Program for the 2013-14 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 NLAC awarded \$75,000 in grants to 19 community-based arts organizations and groups for the 2013-14 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 NLAC awarded \$27,500 in grants to 33 artists for the 2013-14 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 57 grants totalling \$151,401 for the 2013-14 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 Cultural Connections Strategy of the Newfoundland and

Labrador Department of Education and is managed by the NLAC. The NLAC awarded \$74,550 to 8 artists and arts organizations for the 2013-14 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 Newfoundland and Labrador Department of Education's Cultural Connections Strategy, and the NLAC. The NLAC awarded \$119,598 in grants to 28 schools in Newfoundland and Labrador for the 2013-14 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 Cultural Connections Strategy of the Newfoundland and Labrador Department of Education and the NLAC. The NLAC awarded \$13,061 in grants to 23 schools in Newfoundland and Labrador for the 2013-14 fiscal year.

The **Atlantic Public Arts Funders Creative Artist Residency Program** is an annual exchange program that provides artists with opportunities for creation and professional development residencies in participating provinces. In 2013 Newfoundland and Labrador artists applied for residency opportunities in Prince Edward Island and Prince Edward Island artists applied for residency opportunities in Newfoundland and Labrador. The NLAC awarded \$11,000 in grants to 2 artists in Newfoundland and Labrador for the 2013-14 fiscal year.

AWARDS

The NLAC 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 27 successful ceremonies that have honoured many prominent artists. This production publicizes the outstanding achievements of artists who define who the NLAC is and what the NLAC is. The NLAC presented its 28th annual Arts Awards Show and Gala evening at the DF Cook Recital Hall in St. John's on May 18, 2013. This year's winners were:

Artist of the Year	The Once
CBC Emerging Artist	Wanda Nolan
Arts Achievement	Scott Goudie
Patron of the Arts	John and Peggy Fisher
Arts in Education	Susan Quinn
Hall of Honour Inductees	Craft Council of NL, Patricia Gratten

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 \$2,500 to the other two finalists. The award is sponsored by BMO Bank of Montreal, the Sandra Fraser Gwyn Foundation and managed by the NLAC.

Three finalists for the 2013 BMO Winterset Award were chosen from among 25 submissions, and they were announced at a public reception on March 19, 2014. The three finalists were:

Paul Bowdring	<i>The Strangers' Gallery</i>
Carmelita McGrath	<i>Escape Velocity</i>
Lisa Moore	<i>Caught</i>

The winner was announced on March 20, 2014, at Government House by the Honourable Frank Fagan, Lieutenant-Governor of Newfoundland and Labrador, and Honourary Patron of the BMO Winterset Award. The winner of the award for 2013 was Paul Bowdring.

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 NLAC Project Grant Program in the writing category. This award is sponsored by the Lawrence and Laura Jackson Trust Fund and managed by the NLAC. The winner of the Lawrence Jackson Writers' Award for 2013 was Elizabeth de Mariaffi.

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 NLAC 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. It is managed by the NLAC. The winner of the Rhonda Payne Theatre Award for 2013 was Megan Coles.

FURTHER ROLES

The NLAC also provides information and resources to the arts community in the areas of technology, government arts policy and funding programs. The NLAC 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 NLAC acts as a liaison with other provincial arts councils, the Canada Council and other arts-funding bodies.

SHARED COMMITMENTS

The NLAC continued to work with TCR to foster and promote the creation and enjoyment of the arts for the benefit of all Newfoundlanders and Labradorians through designated grants and awards.

The NLAC continued to work with the Department of Education to further strengthen linkages between the educational and cultural communities through designated Arts in Education Programs. Through a partnership with the Department of Education the NLAC awarded \$194,148 in Arts in Education grants.

The NLAC also continued to partner with the private sector to strengthen connections between the business and cultural communities through designated award programs. A total of \$52,000 in funding was allocated to award programs through these sponsorships.

HIGHLIGHTS AND ACCOMPLISHMENTS

During the 2013-14 fiscal year the NLAC:

- Awarded \$1,748,584 in grants to 359 Newfoundland and Labrador artists, arts organizations and schools.
- Held the 28th annual arts awards show that highlighted the accomplishments of Newfoundland and Labrador artists and arts organizations in St. John's on May 18, 2013.
- Partnered with the Department of Education to further strengthen the Arts in Education Programs and award \$194,148 in Arts in Education grants.
- Partnered with BMO Financial Group and the Gywn Foundation to manage the BMO Winterset Awards and to award three cash prizes totalling \$15,000.
- Launched the Atlantic Public Arts Funders Creative Artist Residency Program providing Newfoundland and Labrador artists the opportunity for creation and professional development opportunities in Prince Edward Island.
- Developed a plan and started work on an Aboriginal Arts Symposium to take place in August 2014.
- Continued to partner with the private sector to secure increased sponsorship funding for the annual arts awards.

- Held the 4th annual Newfoundland and Labrador Culture Days Event in September 2013.
- Partnered with Business and the Arts NL to identify opportunities for Newfoundland and Labrador artists and arts organizations.
- Partnered with other funding bodies to hold joint funding information sessions in Newfoundland and Labrador.
- Partnered with the Cultural Human Resources Board of Canada to address training, career development and other human resources issues.
- Highlighted 24 feature projects on the NLAC website.
- Conducted an annual review and assessment of NLAC programs and peer assessment process.
- Launched a revised Sustaining Program for Professional Arts Organizations.
- Undertook a review of the Professional Project Grants Program and the Professional Festivals Program Sustaining Program with the goal of introducing a new program in 2014.
- Launched the second stage of NLAC's social media strategy.
- Continued to review and revise the NLAC's communication plan.

REPORT ON ACTIVITY PLAN

PROGRESS ON 2013-14 GOALS, MEASURES AND INDICATORS

Issue 1: Artistic Excellence, Creativity and Innovation

The primary function of the NLAC is to develop and administer granting programs for artists and arts organizations. The NLAC strives to develop its programs in response to the changing needs of artists and arts organizations in the province. Programs for individual artists should be flexible and accessible. Over the past 30 years, tremendous changes have occurred in the arts community with emerging arts forms, technology and new media. Artists working in new and emerging arts forms and media need access to programs and services that will support their art form. Arts organizations need access to training in marketing, finances, audience development, governance, and planning - resources required for improvement and growth and ensuring that they have the capacity to pursue their mandates and be viable and sustainable over the course of their existence. This issue is in line with the strategic direction to recognize and support artists

and cultural professionals, further support cultural industries and arts organizations, support infrastructure for the cultural sector and support for aboriginal culture.

Goal 1: By 2014, the NLAC will have improved support for artistic excellence, creativity and innovation.

Objective: By March 2014, the NLAC will have ensured granting structures effectively reflect artists and arts organizations practices in innovation, collaboration and experimentation.

Measure: Ensured granting structures effectively reflect artists and arts organizations practices in innovation, collaboration and experimentation.

Indicator Reporting: Objective 2013

Planned for 2013-2014	Actual for 2013-2014
<p>Implemented a process of accepting grant applications digitally to provide the highest level of service to the arts community and to maximize public investment.</p>	<p>The NLAC implemented a digital grant application process for four of its grant funding programs during 2013-14 and will implement a digital submission process for all of its grant programs by 2015. This process enabled the applicant to complete and submit the application digitally and to receive the results of their request in a more timely manner. It also provided a courier/postage cost savings to the NLAC.</p>
<p>Provided targeted resources and opportunities to assist artists at all career stages to pursue innovation, collaboration and experimentation.</p>	<p>Council and staff continued meetings and connections with artists at all career stages throughout the province through in-person consultations and presentations. Feedback, such as artists informing NLAC staff how important professional and career development opportunities were to their lives and careers, helped the NLAC in determining resources and opportunities needed to assist individual artists. As a result eligibility requirements and program guidelines were continually refined and updated to reflect the developing arts community and new directions.</p> <p>NLAC staff partnered with the Canadian Public Arts Funders on a special Dance Mapping Project to identify particular needs of the dance sector. This provided NLAC with feedback on how best to provide targeted resources and opportunities to assist dance artists in their pursuit of artistic excellence, creativity, innovation. Collaboration and experimentation. As a result eligibility requirements and program guidelines were refined.</p>

Planned for 2013-2014	Actual for 2013-2014
	<p>The NLAC launched an Atlantic Public Arts Funders Creative Artist Residency Program to foster exchanges of artists with arts organizations among the four Atlantic provinces. This program provided an individual artist the opportunity to pursue a creation and professional development residency and to collaborate with other artists and arts organizations within Atlantic Canada.</p> <p>NLAC staff partnered with the Resource Centre for the Arts to hold workshops that provided individual artists with the opportunity to pursue artistic excellence and creativity (grant writing and meet the media workshops), and innovation (social media platforms workshop). The NLAC provided targeted financial and human resources to organize and to offer this service free to individual artists.</p>
<p>Continued consultations with Newfoundland and Labrador artists and arts organizations to ensure that the NLAC delivers programs and services in a manner that reflects current practices.</p>	<p>NLAC completed a review of the Professional Project Grant Program for individual artists. During consultations undertaken by the NLAC, individual artists advised us that NLAC grants contribute directly to artists incomes and provide recognition and validation of their professional practice. They also commented how important NLAC professional and career development opportunities were in their lives and careers. As a result, the NLAC implemented revised guidelines, application forms, reporting and peer assessment processes for the Professional Project Grant Program.</p> <p>NLAC completed a review of the Professional Festivals Program that included a one day meeting with all of the organizations.</p> <p>NLAC completed a review of individual artists and arts organizations that receive funding under the Professional Project Grant (PPGP). Following the review it was determined that the PPGP would be revised to provide funding to individual artists only. Arts organizations receiving funding through the PPGP will now apply to a new program called the Annual Operating Program for Arts Organizations.</p>

Discussion of Results: The NLAC increased support to artists during the 2013-14 fiscal year. Feedback from meetings, consultations and presentations with arts organizations led to the review and refinement of program requirements and guidelines to better

serve artists and arts organizations in Newfoundland and Labrador. Partnerships with the Canadian Public Arts Funders and the Atlantic Public Arts Funders have resulted in increased opportunities for artists and arts organizations in Newfoundland and Labrador. Therefore, the NLAC feels confident that it has fulfilled its objective for 2013-14.

Indicator Reporting 2011-2014

Goal 1: By 2014, the NLAC will have improved support for artistic excellence, creativity and innovation.

Measure: Improved support for artistic excellence, creativity and innovation.

Planned for 2011-2014	Actual for 2011-2014
<p>Increase support for individual artistic creation, research, production and professional development.</p>	<p>Over the past three years the NLAC has reviewed grant program structures to ensure that artists at all levels of professional practice are supported in artistic creation, research, production and professional development.</p> <p>Feedback from consultations with individual artists led to revised guidelines and criteria in the Professional Project Grant Program, Professional Festivals Program, Professional Artist Travel Fund, Labrador Cultural Travel Fund and the ArtsSmarts Program. A new program titled the Atlantic Public Arts Funders Creative Artist Residency Program was introduced and NLAC started working towards an Aboriginal Arts Symposium to be held in August 2014.</p> <p>Over the past three years the NLAC has increased the total amount allocated to support individual artistic creation, research, production and professional development by \$21,000 per year for a total increase of \$63,000.</p> <p>The NLAC allocated \$20,000 in 2013-14 to increase communication and new synergies among indigenous artists and arts practitioners across Atlantic Canada and to strengthen confidence and provide useful tools that support creative practices on a regional and national level.</p>

Planned for 2011-2014	Actual for 2011-2014
<p>Increased support to arts organizations.</p>	<p>Over the past three years the NLAC continued to deliver programs and services that were informed by a review of support to Newfoundland and Labrador arts organizations. NLAC undertook a review of the Sustaining Program for Professional Arts Organizations and the Professional Festivals Program that included a one day meeting with of the organizations. As a result program requirements and guidelines were refined to better serve the arts organizations in the Sustaining Program.</p> <p>NLAC partnered with other funding agencies and stakeholders to provide arts organizations with increased access to training in marketing, audience development, management, governance and planning.</p> <p>Over the past three years the NLAC has increased the total amount allocated to support arts organizations by \$75,000 per year for a total increase of \$225,000.</p>
<p>Ensured granting structures reflect artists and arts organizations practices in innovation, collaboration and experimentation.</p>	<p>Over the past three years the NLAC has continually met and consulted with artists and arts organizations to ensure that NLAC grant programs reflect current practices. The NLAC completed reviews of all grant programs, made changes and revisions to existing criteria and guidelines and introduced new programs. These changes and revisions ensured that applications reflecting current practices were eligible for NLAC funding and qualified peer assessment committees were formed to review the applications.</p> <p>The NLAC have partnered with other funding agencies to coordinate and maximize available resources, professional development and funding opportunities.</p> <p>The NLAC implemented a digital application process for four of its grant programs to provide the highest level of service to the arts community and to maximize public investment. This process enabled the applicant to complete and submit the application digitally and to receive the results of their request in a more timely manner.</p>

Issue 2: Leadership, Advocacy and Public Value

The public consultations confirmed the importance of the NLAC being a leader in the arts community, advocating on behalf of the community and promoting the value of arts. NLAC stakeholders expect the NLAC to encourage collaboration among organizations in the arts community, encourage partnerships beyond the arts community, provide leadership on issues facing artists, and raise the visibility of the arts in public policy development. They expect the NLAC to take a greater role in advocating for the arts and in building connections that advance NL artists and arts organizations. This issue is in line with the strategic direction to recognize and support artists and cultural professionals, further support cultural industries and arts organizations, private sector and not-for-profit partnerships and investment, support infrastructure for the cultural sector, support for aboriginal culture and increase public engagement in the arts.

Goal 2: By 2014, the NLAC will have been an effective leader and advocate in the arts community and promoted the value of the arts in peoples lives.

Objective: By March 31, 2014 the NLAC will have worked to ensure that public policy decision-makers consider the public value of the arts when making policy decisions.

Measure: Worked to ensure that public policy decision-makers consider the public value of the arts when making policy decisions.

Indicator Reporting: Objective 2014

Planned for 2013-14	Actual for 2013-14
<p>Consulted with Newfoundlanders and Labradorians to gain insights into what they value in the arts.</p>	<p>Spoke to people who work with new immigrants, to people in social services, education and health and to representatives of other government agencies and not-for profit sectors.</p> <p>Held meetings and made presentations with Municipalities NL with regards to the public value of the arts and in potentially introducing arts funding programs within their municipalities.</p>

Planned for 2013-14	Actual for 2013-14
	<p>Over the past year the NLAC have met with Communities, Municipalities and Provincial and Federal Governments to build stronger relationships and to gain insights into what they value in the arts and to leverage support for NL artists and arts organizations. For example, the NLAC is part of the City of St. Johns Arts Advisory Committee that approved a grant funding increase to artists and arts organizations in 2013-14.</p> <p>Built relationships with Aboriginal band councils, agencies, elders and community leaders to gain insights into what they value in the arts and to support viability and recognition of Aboriginal artists and organizations.</p> <p>Continued to build stronger relationships with the business community to gain insights into what they value in the arts and to leverage support for NL artists and arts organizations.</p>
<p>Made presentations to Government on the work of Council and the state of the arts in Newfoundland and Labrador.</p>	<p>NLAC members and staff met and made presentations to Government Ministers and senior staff about the work of the NLAC and the state of the arts in Newfoundland and Labrador.</p> <p>NLAC Executive continued to meet with the Minister of Tourism, Culture and Recreation on a regular basis to advise him on the work of Council and the state of the arts in Newfoundland and Labrador.</p> <p>NLAC members met with Members of the House of Assembly and Government Ministers to talk about the NLAC and the arts in Newfoundland and Labrador.</p> <p>NLAC's annual report outlined the work of Council noting some of the highlights and accomplishments over the past year and the opportunities and challenges ahead.</p> <p>NLAC staff submitted reports to the Department of Education about the NLAC's Arts in Education programs.</p>

Planned for 2013-14	Actual for 2013-14
Developed proposals for Provincial Arts Policy based on our consultations.	NLAC members and staff met and consulted with the arts community over the past year. The feedback that was provided through this process guided NLAC staff when they were involved in roundtable discussions about the Provincial cultural policy document - Creative Newfoundland and Labrador: The Blueprint for Development and Investment in Culture. This included an in-depth review of the objectives, outcomes and performance indicators of the plan and in identifying any gaps and proposing priorities in moving forward with this cultural policy document.

Discussion of Results: During 2013-14 the NLAC consulted with Newfoundlanders and Labradorians to gain insights into what they value in the arts. Feedback from the consultations has guided the NLAC in implementing new funding programs and in improving program guidelines and criteria. The consultations have also resulted in increased awareness about the NLAC, its programs and the arts in Newfoundland and Labrador. NLAC members and staff have been actively involved in building stronger collaborative partnerships with government, arts organizations, communities and other stakeholders through meetings, presentations and roundtable discussions. Therefore, the NLAC feels confident that it has fulfilled its objective for 2013-14.

Indicator Reporting 2011-2014

Goal 2: By 2014, the NLAC will have been an effective leader and advocate in the arts community and promoted the value of the arts in peoples lives.

Measure: Effective leader and advocate in the arts community and promoted the value of the arts in peoples lives.

Planned for 2011-2014	Actual for 2011-2014
<p>Promoted partnerships between the arts community and broader communities of interest.</p>	<p>Over the past three years the NLAC has identified opportunities to better focus and coordinate investments and programming through stronger collaborative partnerships with government, business, other arts organizations, communities and other stakeholders. As a result, partnerships now exist with the Canadian Public Arts Funders, the Atlantic Public Arts Funders, Cultural Human Resources Board, Federal and Provincial Government, Business and Arts NL, and several private sector businesses.</p> <p>Over the past three years the NLAC has provided outreach sessions and workshops that have identified potential partnerships between the arts community and broader communities of interest. As a result new partnerships have been created.</p>
<p>Implemented a public awareness campaign to enhance recognition and support for professional artists and the valuable contribution they make to the province's society and economy.</p>	<p>Over the past three years, the NLAC has worked towards raising public awareness of the arts and the valuable contribution that professional artists make to our province's society and economy by implementing a public awareness campaign. This campaign involved NLAC revising its communication strategy and adopting the use of social media platforms to gather, share and celebrate the success of artists regionally, nationally and internationally. As a result the public were made more aware of the success of our artists on the regional, national and international stage.</p> <p>NLAC also gathered stories and testimonials from a wide variety of artists and arts organizations to support directions and vision for the arts in Newfoundland and Labrador that was shared and available to the public via NLAC's enhanced web capabilities and the adoption of social media platforms.</p>

Planned for 2011-2014	Actual for 2011-2014
<p>Worked to ensure that public policy decision-makers consider the public value of the arts when making policy decisions.</p>	<p>Over the past three years the NLAC have worked to ensure that public policy decision-makers consider the public value of the arts when making policy decisions.</p> <p>Council members and staff have consulted with Newfoundlanders and Labradorians to gain insights into what they value in the arts. Meetings with individual artists, arts organizations, sector organizations, communities, municipalities, provincial and federal government agencies, Aboriginal band councils and the business community has guided Council in making presentations and proposals to Provincial Government Ministers and senior staff about the work of the NLAC and the state of the arts in Newfoundland and Labrador.</p>

Issue 3: Education, Awareness and Engagement

Newfoundlanders and Labradorians value the important role that the arts play in contributing to the quality of their lives and the vibrancy of their communities. The arts offer opportunities to deepen our appreciation of our diversity and heritage. People have opportunities, at all stages of their lives to learn about the arts. Children and adults who are exposed to arts education broaden their understanding of the world and strengthen their capacity for creativity and innovation. Artists in rural NL are strongly attached to their communities and their art is powerfully shaped by a strong connection to the land. At the same time rural artists and arts organizations face challenges of higher costs for materials and travel and have fewer opportunities for professional development. This issue is in line with the strategic direction to recognize and support artists and cultural professionals, further support cultural industries and arts organizations, private sector and not-for-profit partnerships and investment, support infrastructure for the cultural sector, support for aboriginal culture, expand cultural education and outreach and increase public engagement in the arts.

Goal 3: By 2014, the NLAC will have encouraged and supported opportunities for all Newfoundlanders and Labradorians to engage in and experience arts and cultural activities.

Objective: By March 31, 2014 the NLAC will have implemented a public awareness campaign about the enjoyment and benefits of participating and engaging in the arts.

Measure: Implemented a public awareness campaign about the enjoyment and benefits of participating and engaging in the arts.

Indicator Reporting: Objective 2014

Planned for 2013-2014	Actual for 2013-2014
<p>Prepared a public awareness campaign that focused on the enjoyment and benefits of participating and engaging in the arts.</p>	<p>In 2013-14 the NLAC prepared a public awareness campaign that focused on the enjoyment and benefits of participating and engaging in the arts in the Newfoundland and Labrador. The components of this campaign included: identifying and supporting opportunities for Newfoundlanders and Labradorians to engage in and experience arts and cultural activities; developing new artist/community organization partnerships and professional development opportunities through its Community Arts and Professional Festivals Programs; developing a plan for an Aboriginal Arts Symposium that would address the unique challenges facing Newfoundland and Labrador Aboriginal artists; developing new artist/school partnerships, professional development opportunities, and participation in provincial educational and cultural organizations through its ArtsSmarts and School Touring Programs; providing mentorship opportunities to rural artists wanting to participate in Arts in Education programs and holding the 29th annual arts awards show in Clarenville.</p>
<p>Continued partnership with the national Culture Days office to build greater awareness of the wide diversity of public participation in the arts.</p>	<p>The NLAC continued to support the provincial Culture Days celebrations in September 2013 as part of the major Canada-wide national initiative to build greater awareness of the wide diversity of public participation in the arts. The NLAC Communications Officer was part of the provincial Culture Days committee and provided outreach support.</p>
<p>Revised communications strategy that focused on targeted opportunities that promote public engagement and reached out to new and underserved communities.</p>	<p>The NLAC revised its communications plan to focus on targeted opportunities that promoted public engagement and reached out to new and underserved communities.</p> <p>The NLAC used social media platforms to engage artists and the public in arts and cultural issues, successes, and new opportunities.</p>

Planned for 2013-2014	Actual for 2013-2014
<p>Developed better relations with the public and private sectors through a partnership with Business and the Arts.</p>	<p>The NLAC partnered with Business and the Arts NL to identify potential partnerships between the arts and business communities and to identify professional development opportunities.</p> <p>The NLAC attended the official launch of Business and Arts NL. The launch provided the NLAC with the opportunity to meet key members of the Business and the Arts organization and the opportunity to explore potential partnerships.</p> <p>The partnership with Business and the Arts was instrumental in the NLAC working on a funding partnership with one of the Business and the Arts members.</p>

Discussion of Results: During 2013-14 the NLAC continued to encourage and support opportunities for all Newfoundlanders and Labradorians to engage in and experience arts and cultural activities. The NLAC was instrumental in developing and supporting partnerships between the arts community, community organizations and the education community. Partnerships with the business community and national outreach offices along with revised outreach plans raised public awareness about the enjoyment and benefits of participating and engaging in the arts. Therefore, the NLAC feels confident that it has fulfilled its objective.

Indicator Reporting 2011-2014

Goal 3: By 2014, the NLAC will have encouraged and supported opportunities for all Newfoundlanders and Labradorians to engage in and experience arts and cultural activities.

Measure: Encouraged and supported opportunities for all Newfoundlanders and Labradorians to engage in and experience arts and cultural activities.

Planned for 2011-2014	Actual for 2011-2014
<p>Developed effective partnerships among key cultural and educational stakeholders.</p>	<p>Over the past three years the NLAC has continued to liaise and build partnerships with a wide variety of federal, provincial and municipal cultural and educational stakeholders.</p> <p>Partnerships that better focus and coordinate investments and programming now exist with the Department of Education, Memorial University of Newfoundland, Federal and Provincial Arts Advisory Committee, City of St John's Arts Advisory Committee, Business and Arts NL, Canada Council, Cultural Human Resources Board, the Canadian Public Arts Funders and the Atlantic Public Arts Funders.</p> <p>Funding partnerships now exist with Department of Education, Memorial University of Newfoundland, BMO Bank of Montreal, Cox and Palmer, Fortis Properties and CBC St. John's.</p> <p>These partnerships lead to increased awareness about the goals of objectives of each organization and provide the ability to leverage support for Newfoundland and Labrador artists and arts organizations.</p>
<p>Fostered and encouraged professional interaction among artists, arts organizations, teachers, students and communities.</p>	<p>The NLAC offered professional development sessions to assist artists in meeting special and unique opportunities and challenges in educational settings. As a result, more artists are now involved in Arts in Education programs.</p> <p>The NLAC partnered with the Cultural Connections Strategy to provide teachers with targeted arts professional development opportunities. As a result, teachers have applied to work with an artist through one of the NLAC's Arts in Education programs.</p> <p>The NLAC provided mentorship opportunities for emerging and rural artists wanting to participate in Arts in Education programs. As a result, more new artists are now involved in the Arts in Education programs.</p> <p>The NLAC continued to advocate for artists in the schools through participation in organizations such as the Canadian Network for Arts and Learning, Cultural Human Resources Council, The Canadian Public Arts Funders and the Cultural Connections Advisory Board.</p>

<p>Implemented a public awareness campaign about the enjoyment and benefits of participating and engaging in the arts.</p>	<p>In 2013-14 the NLAC prepared a public awareness campaign that focused on the enjoyment and benefits of participating and engaging in the arts in the Newfoundland and Labrador. The components of this campaign included: continuing to identify and support opportunities for all Newfoundlanders and Labradorians to engage in and experience arts and cultural activities; creating partnerships between the arts community, community organizations and schools so that more people can participate and engage in the arts; meeting with Aboriginal band councils and elders to identify unique challenges facing Newfoundland and Labrador Aboriginal artists and to encourage participating and engaging in the arts; and partnering with the business community and national outreach offices about the enjoyment and benefits of participating in the arts.</p>
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OPPORTUNITIES AND CHALLENGES AHEAD

The past year has brought both opportunities and challenges for the NLAC and for the arts community of Newfoundland and Labrador. On the positive side, the NLAC continued to work towards the goals and objectives outlined in its 2011-14 Activity Plan. This year improvements were made to existing programs and the peer assessment process that better served artists and arts organizations. The \$2.1 million allocation announced in the 2013-14 provincial budget was allocated to grant programs, program delivery, communication and administration. Funds were also secured through the Cultural Connection Strategy for the Arts and Education programs that the NLAC administers. New partnerships were developed and existing partnerships continued during the past fiscal year. The newly appointed Council members ensured a more effective and efficient operation and encouraged broader community representation.

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 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 NLAC continues to be the ability to meet the requests for funding from the province's artists and arts organizations. This year \$1,748,584 in grants was awarded to artists, arts organizations and schools. This amount represents an average project grant of \$3,522 to 53 per cent of eligible applicants. The NLAC will continue to work with the Department of TCR to address the growing need and level of activity in the cultural sector.

Outreach to the community has meant increased awareness of the NLAC and its granting and award programs. This has created a "good problem" and the NLAC 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.

The importance of artists being paid adequately for their work, income averaging, pension and insurance plans are also issues for future consideration. In tandem with this, is the 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.

As well as artists, arts organizations and institutions 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.

In the coming year, the NLAC will focus on identifying opportunities to better focus and coordinate investments and programming through stronger creative partnerships, collaborations and connections with government, business, arts organizations, communities and stakeholders.

**NEWFOUNDLAND AND LABRADOR
ARTS COUNCIL**

FINANCIAL STATEMENTS

MARCH 31, 2014

Management's Report

Management's Responsibility for the Newfoundland and Labrador Arts Council Financial Statements

The financial statements have been prepared by management in accordance with Canadian public sector accounting standards and the integrity and objectivity of these statements are management's responsibility. Management is also responsible for all of the notes to the financial statements, and for ensuring that this information is consistent, where appropriate, with the information contained in the financial statements.

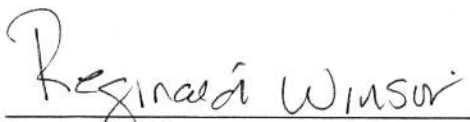
Management is also responsible for implementing and maintaining a system of internal controls to provide reasonable assurance that transactions are properly authorized, assets are safeguarded and liabilities are recognized.

Furthermore, management is responsible for making sure transactions comply with relevant policies and authorities and are properly recorded to produce reliable financial information.

The Board of Directors is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control and exercises these responsibilities through the Board. The Board reviews external audited financial statements yearly.

The Auditor General conducts an independent audit of the annual financial statements of the Council, in accordance with Canadian generally accepted auditing standards, in order to express an opinion thereon. The Auditor General has full and free access to financial management of the Newfoundland and Labrador Arts Council.

On behalf of the Newfoundland and Labrador Arts Council.



Reginald Winsor
Executive Director

June 24, 2014



INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
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 statement of financial position as at March 31, 2014, the statements of operations, change in net financial assets, and 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 public sector accounting standards, 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 judgment of the auditor, 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.

Independent Auditor's Report (cont.)

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

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 March 31, 2014, and its financial performance and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

A handwritten signature in black ink, appearing to read 'Terry Paddon', with a long horizontal line extending to the right.

TERRY PADDON, CA
Auditor General

June 24, 2014
St. John's, Newfoundland and Labrador

**NEWFOUNDLAND AND LABRADOR ARTS COUNCIL
STATEMENT OF FINANCIAL POSITION**

As at March 31

2014

2013

FINANCIAL ASSETS

Cash (Note 10)	\$ 166,898	\$ 251,138
Accounts receivable (Note 3)	55,857	34,440
Portfolio investments (Notes 4 and 10)	25,278	122,835
	248,033	408,413

LIABILITIES

Accounts payable and accrued liabilities (Note 5)	60,472	94,059
Deferred revenue (Note 6)	26,379	107,229
Obligation under capital lease (Note 7)	5,465	7,287
Employee future benefits (Note 8)	75,789	72,594
	168,105	281,169

Net financial assets	79,928	127,244
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NON-FINANCIAL ASSETS

Tangible capital assets (Note 9)	5,465	7,287
Prepaid expenses	10,381	2,923
Arts Fund (Notes 4 and 10)	50,352	50,352
	66,198	60,562

Accumulated surplus	\$ 146,126	\$ 187,806
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The accompanying notes are an integral part of these financial statements.

Signed on behalf of the Council:


Chairperson


Member

NEWFOUNDLAND AND LABRADOR ARTS COUNCIL
STATEMENT OF OPERATIONS
For the Year Ended March 31

	2014 Budget	2014 Actual	2013 Actual
	(Note 16)		
REVENUES			
Province of Newfoundland and Labrador Grants	\$ 2,418,328	\$ 2,406,949	\$ 2,433,475
Projects (Note 11)	52,000	52,000	36,000
Income earned on portfolio investments	-	2,213	2,520
	2,470,328	2,461,162	2,471,995
EXPENSES (Note 12)			
Grants and awards			
Community Arts	75,000	75,000	73,000
Labrador Initiative	162,780	151,401	69,507
Professional Artists Travel Fund grants	30,000	27,500	30,665
Professional Festivals	125,000	125,000	125,000
Professional Project Grants Program	575,000	556,474	557,618
Sustaining Program for Professional Arts Organizations	575,000	575,000	575,000
	1,542,780	1,510,375	1,430,790
Projects (Note 13)	339,948	333,602	430,103
Operating expenses (Note 14)	633,219	658,865	597,909
	2,515,947	2,502,842	2,458,802
Annual surplus (deficit)	(45,619)	(41,680)	13,193
Accumulated surplus, beginning of year	187,806	187,806	174,613
Accumulated surplus, end of year	\$ 142,187	\$ 146,126	\$ 187,806

*The accompanying notes are an
integral part of these financial statements.*

NEWFOUNDLAND AND LABRADOR ARTS COUNCIL
STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
For the Year Ended March 31

	2014 Budget	2014 Actual	2013 Actual
(Note 16)			
<u>Annual surplus (deficit)</u>	\$ -	\$ (41,680)	\$ 13,193
Tangible capital assets			
Acquisition of tangible capital asset	-	-	(9,109)
Amortization of tangible capital asset	-	1,822	2,429
	-	1,822	(6,680)
Prepaid Expenses			
Acquisition of prepaid expense	-	(10,381)	(2,923)
Use of prepaid expense	-	2,923	2,327
	-	(7,458)	(596)
Increase (decrease) in net financial assets	-	(47,316)	5,917
Net financial assets, beginning of year	-	127,244	121,327
Net financial assets, end of year	\$ -	\$ 79,928	\$ 127,244

*The accompanying notes are an
integral part of these financial statements.*

NEWFOUNDLAND AND LABRADOR ARTS COUNCIL

STATEMENT OF CASH FLOWS

For the Year Ended March 31

2014

2013

Operating transactions

Annual surplus (deficit)	\$ (41,680)	\$ 13,193
Adjustment for non-cash items		
Amortization of tangible capital assets	1,822	2,429

(39,858) 15,622

Change in non-cash operating items

Accounts receivable	(21,417)	(491)
Accounts payable and accrued liabilities	(33,587)	(39,962)
Deferred revenue	(80,850)	(12,375)
Employee future benefits	3,195	8,651
Prepaid expenses	(7,458)	(596)

Cash applied to operating transactions (179,975) (29,151)

Capital transactions

Acquisition of tangible capital asset - (9,109)

Cash applied to capital transactions - (9,109)

Financing transactions

Acquisition of capital lease	-	9,109
Repayment of obligation under capital lease	(1,822)	(2,429)

Cash provided from (applied to) financing transactions (1,822) 6,680

Investing transactions

Purchase of portfolio investments	(75,630)	(173,187)
Redemption of portfolio investments	173,187	170,717

Cash provided from (applied to) investing transactions 97,557 (2,470)

Decrease in cash (84,240) (34,050)

Cash, beginning of year 251,138 285,188

Cash, end of year \$ 166,898 \$ 251,138

The accompanying notes are an integral part of these financial statements.

1. Nature of operations

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.

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.

2. Summary of significant accounting policies

(a) Basis of accounting

The Council is classified as an Other Government Organization as defined by Canadian Public Sector Accounting Standards (CPSAS). These financial statements are prepared by management in accordance with CPSAS for provincial reporting entities established by the Canadian Public Sector Accounting Board (PSAB). The Council does not prepare a statement of remeasurement gains and losses as the Council does not enter into relevant transactions or circumstances that are being addressed by the statement. Outlined below are the significant accounting policies followed.

(b) Cash

Cash includes cash in bank.

(c) Financial instruments

The Council's financial instruments recognized on the statement of financial position consist of cash, accounts receivable, portfolio investments, accounts payable and accrued liabilities, and obligation under capital lease. The Council generally recognizes a financial instrument when it enters into a contract which creates a financial asset or financial liability. Financial assets and financial liabilities are initially measured at cost, which is the fair value at the time of acquisition.

The Council subsequently measures all of its financial assets and financial liabilities at cost or amortized cost. Financial assets measured at cost include cash, accounts receivable and portfolio investments. Financial liabilities measured at cost include accounts payable and accrued liabilities. Financial liabilities measured at amortized cost include obligation under capital lease.

The carrying value of cash, accounts receivable, portfolio investments, accounts payable and accrued liabilities, and obligation under capital lease approximate fair value due to their nature and/or the short term maturity associated with these instruments.

Interest attributable to the financial instruments is reported in the statement of operations.

2. Summary of significant accounting policies (cont.)

(d) Employee future benefits

- i. Severance pay for entitled employees is calculated based on years of service and current salary levels. Entitlement to severance pay vests with employees after nine years of continuous service, and accordingly a liability has been recorded for these employees. No liability or provision has been recorded for employees with less than nine years of continuous service as the amount would be insignificant. 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.
- ii. The employees of the Council are subject to the *Public Service Pensions Act, 1991*. Employee contributions are matched by the Council and remitted to the Province of Newfoundland and Labrador Pooled Pension Fund from which pensions will be paid to employees when they retire.

The contributions of the Council to the plan are recorded as an expense for the year.

(e) Tangible capital assets

All tangible capital assets are recorded at cost at the time of acquisition, which includes amounts that are directly related to the acquisition of the assets.

Obligation under capital lease is recorded at the present value of the minimum lease payments excluding executor costs (e.g. insurance, maintenance costs, etc.). The discount rate used to determine the present value of the lease payments is the interest rate implicit in the lease.

The cost, less residual value, of the tangible capital assets is amortized on a straight-line basis over their estimated useful lives as shown:

Assets under capital lease	5 years
Office equipment	5 years

Tangible capital assets are written down when conditions indicate that they no longer contribute to the Council's ability to provide services, or when the value of future economic benefits associated with the tangible capital assets are less than their net book value. The net write-downs are accounted for as expenses in the statement of operations.

Minor tangible capital asset purchases are charged to operations in the year of acquisition.

(f) Prepaid expenses

Prepaid expenses are charged to the expense over the periods expected to benefit from it.

2. Summary of significant accounting policies (cont.)

(g) Revenues

Revenues are recognized in the period in which the transactions or events occurred that gave rise to the revenues. All revenues are recorded on an accrual basis, except when the accruals cannot be determined with a reasonable degree of certainty or when their estimation is impracticable.

The Council recognizes government transfers as revenues when the transfer is authorized and any eligibility criteria are met, except when and to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled. Government transfers consist of funding from the Province of Newfoundland and Labrador.

Income from portfolio investments is recorded as earned.

(h) Expenses

Expenses are reported on an accrual basis. The cost of all goods consumed and services received during the year is recorded as an expense in that year.

Transfers, which include grants and awards, are recorded as expenses when eligibility criteria are met and the transfer is authorized.

(i) Measurement uncertainty

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reporting amounts of assets and liabilities, and disclosure of contingent assets and liabilities, at the date of the financial statements and the reported amounts of the revenues and expenses during the period. Items requiring the use of significant estimates include the useful life of tangible capital assets and estimated employee future benefits.

Estimates are based on the best information available at the time of preparation of the financial statements and are reviewed annually to reflect new information as it becomes available. Measurement uncertainty exists in these financial statements. Actual results could differ from these estimates.

3. Accounts receivable

	<u>2014</u>	<u>2013</u>
Trade accounts receivable	\$ 33,000	\$ 8,188
Harmonized sales tax receivable	22,857	26,252
	<u>\$ 55,857</u>	<u>\$ 34,440</u>

There is no allowance for doubtful accounts since all amounts are considered collectible.

NEWFOUNDLAND AND LABRADOR ARTS COUNCIL
NOTES TO FINANCIAL STATEMENTS
March 31, 2014

4. Portfolio investments

	<u>2014</u>	<u>2013</u>
Portfolio investments, held as designated assets	\$ 25,278	\$ 122,835
Portfolio investments, held in the Arts Fund (Note 10)	50,352	50,352
	<u>\$ 75,630</u>	<u>\$ 173,187</u>

5. Accounts payable and accrued liabilities

	<u>2014</u>	<u>2013</u>
Trade accounts payable	\$ 45,567	\$ 80,001
Accrued employee benefits	14,905	14,058
	<u>\$ 60,472</u>	<u>\$ 94,059</u>

6. Deferred revenue

Deferred revenue as at March 31, 2014, consists of contributions received from the Province to be used for the Labrador Initiative and the Aboriginal Symposium. 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.

The purpose of the Aboriginal Symposium is to address the unique challenges facing Atlantic Canadian Aboriginal Artists in terms of the creation of work, the promotion of these works, equitable access to public funding programs, as well as the acceptance of these works in the larger context of the regional and national art world.

	<u>2014</u>	<u>2013</u>
Labrador Initiative	\$ 11,379	\$ 95,781
Visiting Artist Program	-	11,448
Aboriginal Symposium	15,000	-
	<u>\$ 26,379</u>	<u>\$ 107,229</u>

NEWFOUNDLAND AND LABRADOR ARTS COUNCIL
NOTES TO FINANCIAL STATEMENTS
March 31, 2014

7. Obligation under capital lease

The Council has acquired equipment for office operations through capital leases.

	<u>2014</u>	<u>2013</u>
<u>Obligation under capital lease</u>	<u>\$ 5,465</u>	<u>\$ 7,287</u>

Future minimum lease payments under capital lease are:

2015	\$ 2,924
2016	2,924
2017	<u>2,924</u>
	8,772
Less: interest portion of payments	<u>3,307</u>
	<u>\$ 5,465</u>

8. Employee future benefits

(a) Severance pay

Employee future benefits consist of the liability for severance pay of \$75,789 (2013 - \$72,594).

(b) The Council and its employees contribute to the Public Service Pension Plan in accordance with the *Public Service Pensions Act, 1991*. The Government of Newfoundland and Labrador administers the Public Service Pension Plan, including payment of pension benefits to employees to whom the *Act* applies. The Public Service Pension Plan is a multi-employer, defined benefit plan.

The plan provides a pension upon retirement based on the member's age at retirement, length of service and the average of their best five years of earnings. The maximum contribution rate for eligible employees was 8.6% (2013 - 8.6%). The Council's contributions equal the employee contributions to the plan. The Council is not required to make contributions in respect of any actuarial deficiencies of the plan. Total pension expense for the Council for the year ended March 31, 2014, was \$29,011 (2013 - \$23,318).

NEWFOUNDLAND AND LABRADOR ARTS COUNCIL
 NOTES TO FINANCIAL STATEMENTS
 March 31, 2014

9. Tangible capital assets

	<u>Assets under capital lease</u>	<u>Office equipment</u>	<u>Total</u>
Cost			
<u>Balance, March 31, 2013</u>	<u>\$ 9,109</u>	<u>\$ 27,153</u>	<u>\$ 36,262</u>
<u>Balance, March 31, 2014</u>	<u>9,109</u>	<u>27,153</u>	<u>36,262</u>
Accumulated amortization			
<u>Balance, March 31, 2013</u>	<u>1,822</u>	<u>27,153</u>	<u>28,975</u>
<u>Amortization expense</u>	<u>1,822</u>	<u>-</u>	<u>1,822</u>
<u>Balance, March 31, 2014</u>	<u>3,644</u>	<u>27,153</u>	<u>30,797</u>
<u>Net book value, March 31, 2014</u>	<u>\$ 5,465</u>	<u>\$ -</u>	<u>\$ 5,465</u>
<u>Net book value, March 31, 2013</u>	<u>\$ 7,287</u>	<u>\$ -</u>	<u>\$ 7,287</u>

10. 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 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. The principal portion of the Fund is included in non-financial assets as these funds are restricted and are not available for use for operations or capital purchases. 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. The accumulated interest earned on the restricted funds is held as a designated asset until it is withdrawn. For the year ended March 31, 2014, \$2,213 (2013 - \$2,470) was earned through investment of the Fund and is included with income earned from portfolio investments.

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10. Arts Fund (cont.)

	<u>2014</u>	<u>2013</u>
Restricted funds		
Province of Newfoundland and Labrador	\$ 40,000	\$ 40,000
Gifts and bequests as per Section 12 (2) of the <i>Arts Council Act</i>	<u>10,352</u>	<u>10,352</u>
	<u>\$ 50,352</u>	<u>\$ 50,352</u>

At March 31, 2014, the restricted funds consisted of portfolio investments of \$50,352 (2013 - \$50,352).

Accumulated interest on restricted funds

Accumulated interest, beginning of year	\$ 122,835	\$ 120,365
Interest earned	2,213	2,470
<u>Interest allocated for operations</u>	<u>(31,000)</u>	<u>-</u>
	<u>\$ 94,048</u>	<u>\$ 122,835</u>

The accumulated interest on restricted assets is held as designated assets as follows:

Cash	\$ 68,770	\$ -
<u>Portfolio investments</u>	<u>25,278</u>	<u>122,835</u>
	<u>\$ 94,048</u>	<u>\$ 122,835</u>

11. Revenues - Projects

	<u>2014</u>	<u>2013</u>
Winterset Award	\$ 30,000	\$ 25,000
Culture Days	-	10,000
Arts awards	21,000	-
Rhonda Payne Award	500	500
<u>Larry Jackson Award</u>	<u>500</u>	<u>500</u>
	<u>\$ 52,000</u>	<u>\$ 36,000</u>

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12. Expenses by object

	<u>2014</u>	<u>2013</u>
Grants and awards	\$ 1,748,584	\$ 1,804,257
Salaries and employee benefits	499,820	461,558
Purchased services	141,075	89,701
Travel	78,745	70,313
Professional services	26,686	24,961
Telephone	6,110	5,583
Amortization	1,822	2,429
	<u>\$ 2,502,842</u>	<u>\$ 2,458,802</u>

As of March 31, 2014, the Council's actual expenses did not exceed its legislated expense limit.

13. Expenses - Projects

	<u>2014</u>	<u>2013</u>
APAF - Creative Residency	\$ 11,000	\$ -
APAF - Aboriginal Symposium	20,000	-
Arts awards	68,252	69,045
Arts smarts	119,598	155,211
Culture Days	-	10,199
Larry Jackson Award	500	500
Rhonda Payne Award	500	500
School Touring Program	74,550	111,669
Visiting Artists' Program	13,061	56,869
Winterset Award	26,141	26,110
	<u>\$ 333,602</u>	<u>\$ 430,103</u>

14. Operating expenses

	<u>2014</u>	<u>2013</u>
Amortization	\$ 1,822	\$ 2,429
Labrador Initiative	100,526	86,875
Miscellaneous	22,580	16,303
Office and postage	13,191	11,993
Professional services	6,300	10,600
Project evaluating fees	20,386	14,361
Salaries and employee benefits	421,766	390,812
Telephone	6,110	5,583
Travel and Council meetings	66,184	58,953
	<u>\$ 658,865</u>	<u>\$ 597,909</u>

15. Financial risk management

The Council recognizes the importance of managing significant risks and this includes oversight designed to reduce the risks identified to an appropriate threshold. The risks that the Council is exposed to through its financial instruments are credit risk, liquidity risk and market risk. There was no significant change in the Council's exposure to these risks or its processes for managing these risks from the prior year.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Council's main exposure to credit risk relates to cash, accounts receivable and portfolio investments. The Council is not exposed to significant credit risk with its cash or portfolio investments because these financial instruments are held with a Chartered Bank. The Council is not exposed to significant credit risk related to its accounts receivable as these amounts are primarily due from the Government of Canada. Accordingly, there is no allowance for doubtful accounts.

Liquidity risk

Liquidity risk is the risk that the Council will be unable to meet its financial liabilities. The Council's exposure to liquidity risk relates mainly to its accounts payable and accrued liabilities and its obligation under capital lease as described in Note 7. The Council manages liquidity risk by monitoring its cash flows and ensuring that it has sufficient resources available to meet its financial liabilities.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency (foreign exchange) risk, interest rate risk and other price risk. The Council is not exposed to significant foreign exchange or other price risk. The Council is not exposed to significant interest rate risk related to portfolio investments because these investments have fixed interest rates and fixed values at maturity. In addition, the Council is not exposed to significant interest rate risk on the obligation under capital lease as the interest rate is fixed to maturity.

16. Budgeted figures

Budgeted figures, which have been prepared on a cash basis, are provided for comparison purposes and have been derived from the estimates approved by the Council.

17. Related party transactions

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

18. Non-financial assets

The recognition and measurement of non-financial assets, other than the restricted assets of the Arts Fund, is based on their service potential. These assets will not provide resources to discharge liabilities of the Council. For these non-financial assets, the future economic benefit consists of their capacity to render service to further the Council's objectives. The restricted assets of the Arts Fund are not available to provide resources to discharge the liabilities of the Council as outlined in Note 10.

19. Comparative figures

Certain comparative figures have been reclassified to conform to the current year's presentation.