

Finance report

Financial Statements

2020 Budget

(submitted by Carol Tonkin, Treasurer)

Following a problematic financial situation in 2009, the Board committed to prudent financial management, including balanced budgets, careful decision making, and the establishment of a large surplus for risk management and for designated scholarship and endowment funds. For the last five years we have consistently shown small operating profits that often also cover amortization. While this has served us well, it has at times limited programming and human resource capacity.

In earned revenue we have worked to diversify revenue streams. In line with our mandate to serve artists and communities with limited resources, we are not projecting significant growth in these lines, but will work to increase. We face challenges in private sector revenue growth due to a small population and business base, but we see that we have some room to grow corporate and foundation support, and potentially individual and philanthropic donations. We have not worked consistently to gain support from tourists and seasonal residents, and believe that there are opportunities with these groups, who are excited by the quality of our programming. We are in the process of purchasing and developing a relational database to assist us with marketing, fundraising, and better management of relationships with artists, peer organizations, and communities.

In public funding we are applying for an increase in our Canada Council operating grant and see potential for projects at all three levels of government funding. We recently submitted an application for a large project to the CC digital strategy fund, and also have had good success with provincial project funding. Based on conversations with officers, we do not see operating funding increases at the provincial level until year four, when funding increases are anticipated. The Board has made a commitment to advocacy with the town and municipal councils, and we are projecting small, but consistent and growing project funding there.

Our expenditures are carefully tailored to our revenues, and we utilize many in-kind volunteer hours to support programming and operations. We started to show In Kind contributions beginning in 2019. Our artistic expense has varied with special projects, and we are projecting a sharp increase for 2020-23 in line with our digital strategy project. We are also increasing our commitment to professional development for the arts community and to outreach in line with goals around community engagement and the support of our professional artists, with a focus on establishing a paid Artist-in-residence program and Curatorial projects.

We own our facility and maintain it in part through volunteer labour. Over the next four years, as we clarify our brand, we will develop plans to modify the building to support greater visibility and improve function and accessibility. The building has a heritage designation and we will apply for funding to explore architectural options to give us more accessible space for workshops and lectures which are now held on the second floor.

We maintain a fairly large surplus, but a portion of this is segregated for scholarships and endowment; over the years our Board has committed to growing and investing the surplus as a hedge against the risks of facility ownership and maintenance.

In the next cycle we will invest more in marketing and fundraising in line with our goal of growing revenue streams, and have budgeted increases in both administrative and artistic salaries to reflect a commitment to growing staff by .5FTE. The Board has committed some of our surplus to support this growth.