

NOVA SCOTIA DESIGNER CRAFT COUNCIL

Financial Statements

(Unaudited)

Year Ended March 31, 2024

Contents

	Page
Independent Review Engagement Report	1
Statement of Financial Position	2
Statement of Changes in Net Assets	3
Statement of Operations	4
Statement of Expenses	5
Statement of Cash Flows	6
Notes to the Financial Statements	7 - 9

INDEPENDENT REVIEW ENGAGEMENT REPORT

To the Chairperson and Members of the NOVA SCOTIA DESIGNER CRAFT COUNCIL

I have reviewed the accompanying financial statements of NOVA SCOTIA DESIGNER CRAFT COUNCIL, that comprise the statement of financial position as at March 31, 2024 and the statements of operations, expenses, net 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 generally accepted accounting standards for not-for-profit organizations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Practitioner's Responsibility

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

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

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

Conclusion

Based on my review, nothing has come to my attention that causes me to believe that the financial statements do not present fairly, in all material respects, the financial position of Nova Scotia Designer Crafts Council as at March 31, 2024 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting standards for not-for-profit enterprises.

Mitchell L. Miller Inc.
Chartered Professional Accountant, CA

July 24, 2024

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

NOVA SCOTIA DESIGNER CRAFT COUNCIL

Statement of Financial Position

(Unaudited)

March 31, 2024

2024

2023

ASSETS

Current

Cash and cash equivalents	\$	352,962	\$	448,960
Accounts receivable		75,783		52,352
Prepaid expenses		1,596		2,132
		430,341		503,444

Cash subject to restrictions (note 5)		11,328		11,328
Capital assets (note 3)		32,570		164
	\$	474,239	\$	514,936

LIABILITIES AND SURPLUS

Current liabilities

Accounts payable and accrued liabilities	\$	51,180	\$	34,167
HST payable (receivable)		(10,950)		3,439
Deferred revenue		251,471		308,096
Heather Lawson Emergency relief fund (note 5)		11,328		11,328
		303,029		357,030

SURPLUS

Unrestricted net surplus		87,847		106,971
Operating reserve		50,000		50,000
Invested in capital assets		32,571		143
Appropriation for Jackie Mackay Library (note 8)		792		792
		171,210		157,906
	\$	474,239	\$	514,936

See accompanying notes to the financial statements

Approved by:

Director: _____



Adam McNamara

Director: _____

Angela Franklin

NOVA SCOTIA DESIGNER CRAFT COUNCIL

Statement of Changes in Net Assets

(Unaudited)

For the Year Ended March 31, 2024

	Invested in Capital Assets	Jackie Mackay Library	Operating Reserve	Unrestricted Net Assets	Total
Net assets, beginning of year	\$ 143	\$ 792	\$ 50,000	\$ 106,971	\$ 157,906
Purchase of assets	\$ 40,713			\$ (40,713)	-
Excess (deficiency) of revenues over expenses	-	-	-	13,304	13,304
Amortization of capital assets	(8,285)	-	-	8,285	-
Transfer to operating reserve	-	-	-	-	-
Net assets, end of year	\$ 32,571	\$ 792	\$ 50,000	\$ 87,847	\$ 171,210

See accompanying notes to the financial statements

NOVA SCOTIA DESIGNER CRAFT COUNCIL

Statement of Operations

(Unaudited)

For the Year Ended March 31, 2024

	Administration & Operations	Nova Scotia Centre for Crafts & Design	Retail Markets & Support	Total 2024	Total 2023
Revenue					
Province of NS	\$ 141,000	\$ 220,000	\$ -	\$ 361,000	\$ 279,000
Lottery commission	6,250	-	-	6,250	6,250
Project grants	130,666	52,274	-	182,940	45,576
Infrastructure improvements	12,485	-	-	12,485	-
Municipal grant	14,000	-	-	14,000	12,000
Donations	-	1,227	100	1,327	2,262
Admissions and registration	-	-	17,897	17,897	19,751
Membership fees	11,952	-	-	11,952	13,763
Rentals and booth fees	-	-	48,884	48,884	44,219
Management fee	30,000	-	-	30,000	30,000
Workshops	-	110,222	-	110,222	117,239
Rentals and sales	438	3,762	6,091	10,291	4,304
Retail support & sponsorships	-	1,000	42,178	43,178	769
Other revenue	1,197	-	-	1,197	6,510
HST recovery (expense)	(8,925)	-	-	(8,925)	4,433
	339,063	388,485	115,150	842,698	586,076
Expenses - per summary	320,154	372,162	137,078	829,394	578,040
Excess (deficiency) of revenues over expenses	\$ 18,909	\$ 16,323	\$ (21,928)	\$ 13,304	\$ 8,036

See accompanying notes to the financial statements

NOVA SCOTIA DESIGNER CRAFT COUNCIL

Statement of Expenses

(Unaudited)

For the Year Ended March 31, 2024

	Administration & Operations	Nova Scotia Centre for Crafts & Design	Retail Markets & Support	Total 2024	Total 2023
Expenses					
Accounting and legal	15,079	15,079	-	30,158	29,193
Advertising	665	50	14,872	15,587	12,515
Amortization	8,307	-	-	8,307	55
Association expense	1,124	1,124	-	2,247	1,981
Committee expenses	597	-	-	597	121
Honoraria	-	800	21,360	22,160	5,156
Insurance	4,010	4,010	-	8,020	7,112
Interest, bank and merchant fees	1,442	4,635	2,800	8,877	10,386
Instructors and technicians	-	65,556	2,445	68,001	54,937
Locations	951	2,663	13,101	16,715	13,740
Exhibition expenses	-	34,189	-	34,189	30,883
Jury fees	1,390	2,359	-	3,749	-
Office, printing and stationery	7,178	7,178	3,257	17,612	16,532
Miscellaneous	702	-	-	702	(300)
Management fee	-	30,000	-	30,000	30,000
Postage	592	-	-	592	355
Projects expense	139,326	-	-	139,326	11,392
Project - infrastructure improvements	9,516	-	-	9,516	-
Retail shop expenses	-	8,578	8,908	17,486	2,451
Retail shop artist commissions	-	-	2,600	2,600	1,700
Salaries, wages and benefits	118,385	157,369	62,923	338,677	287,019
Staff expenses	3,874	3,874	2,812	10,560	10,882
Strategic review	-	-	-	-	9,314
Storage and studio maintenance	3,175	30,118	-	33,293	37,423
Telephone	3,572	3,572	-	7,143	4,218
Photography	-	740	2,000	2,740	-
Web & software fees	270	270	-	540	975
	320,154	372,162	137,078	829,394	578,040

See accompanying notes to the financial statements

NOVA SCOTIA DESIGNER CRAFT COUNCIL

Statement of Cash Flows

(Unaudited)

For the Year Ended March 31, 2024

2024

2023

Cash flows from operating activities		
Cash received from customers and funders	\$ 762,642	\$ 769,632
Cash paid to suppliers and employees	(858,640)	(568,842)
	(95,998)	200,790
Cash flows from investing activities		
Purchase of capital assets	(40,713)	-
Cash flows from financing activities		
Net increase (decrease) in cash	(136,711)	200,790
Cash and cash equivalents		
Beginning of year	460,288	259,498
End of year	\$ 323,577	\$ 460,288

See accompanying notes to the financial statements

NOVA SCOTIA DESIGNER CRAFT COUNCIL

Notes to Financial Statements

(Unaudited)

For the Year Ended March 31, 2024

2024

2023

1. Description of business

The Nova Scotia Designer Crafts Council (the "NSDCC") is a non-profit based organization with the mandate to encourage and promote the craft movement in Nova Scotia and the public awareness of craft products and activities.

To achieve these objectives, the NSDCC conducts a variety of programs including two annual retail craft markets, print and digital publications, a standards jury, exhibitions, workshops, and export development projects. Additionally, the NSDCC manages the Nova Scotia Centre for Craft and Design on behalf of the Province of Nova Scotia. The Centre is comprised of the Mary E. Black Gallery, five craft studios, a resource library for craftspeople and an online retail gallery for fine craft.

2. Summary of significant accounting policies

Basis of accounting

These financial statements have been prepared in accordance with the Canadian accounting standards for not-for-profit organizations in Part III of the Chartered Professional Accountants Handbook.

Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, bank balances, paypal account, and term deposits of a short term nature. Cash subject to restrictions is comprised of the Heather Lawson emergency relief fund (Note 5).

Capital assets

Capital assets are stated at cost less accumulated amortization, and are being depreciated over their estimated useful lives, at the following rates. In the year of acquisition, depreciation is recorded at one half the indicated rate. Contributed assets are recorded at fair market value as the date of contribution.

	<u>Rate</u>	<u>Method</u>
Office furniture	20%	declining balance
Computer equipment	45%	declining balance

The Organization regularly reviews its capital assets to eliminate obsolete items.

Revenue recognition

NSDCC follows the deferral method of accounting for contributions. Designated grants and contributions are recognized as revenue in the year in which the related expenses are incurred. Donations, memberships, and craft market registry fees are recorded when received. All other revenues are recorded on the accrual basis.

Allocated expenses

NSDCC allocates certain administrative expenses, such as office, accounting, premises, communication and other expenses, to the Centre for Crafts and Design, Designer Craft Shop, Christmas and Pop-Up Markets on a systematic basis based on usage of resources.

NOVA SCOTIA DESIGNER CRAFT COUNCIL

Notes to Financial Statements

(Unaudited)

For the Year Ended March 31, 2024

2024

2023

Permanent craft collection

The craft collection is not capitalized in the financial statements. Purchases of collection items are expensed in the period in which they are acquired. Contributions of collection items are reported as revenue and expenses at their fair market value. When fair market value cannot be reasonably determined, the contribution is recognized at nominal value

Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities at the date of the financial statements, and the reported amount of revenues and expenses during the period. Actual results could differ from those reported.

3. Capital assets

	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Office furniture and equipment	\$ 40,713	\$ 8,143	\$ 32,570	\$ 164
	<u>\$ 40,713</u>	<u>\$ 8,143</u>	<u>\$ 32,570</u>	<u>\$ 164</u>

4. Permanent craft collection

The permanent craft collection consists of approximately 244 Nova Scotian handcrafted objects that are held for educational and exhibition purposes. During the year no permanent craft collection items were acquired or disposed of. The collection is valued for insurance purposes at \$313,000.

5. Heather Lawson Emergency relief fund

The Emergency relief fund was created in 2018 for the purpose of providing emergency relief to craft persons in need. The fund is comprised of specific donations, and upon obtaining a \$10,000 funding level, a committee will be appointed to oversee applications for assistance.

Balance , beginning of year	\$ 11,328	\$ 11,243
Donations and funds received	-	85
Balance, end of year	<u>\$ 11,328</u>	<u>\$ 11,328</u>

6. Economic dependence

NSDCC is economically dependent upon the Province of Nova Scotia through the Department of Communities, Culture and Heritage. The Department provides the NSDCC with operating grants which accounted for approximately 41.2% (2023 - 31.9%) of its revenue.

NSDCC received an additional \$70,000 in supplemental funding from the Province of Nova Scotia in the current year. This funding was a one time supplement and the Province is currently evaluating funding levels.

NOVA SCOTIA DESIGNER CRAFT COUNCIL

Notes to Financial Statements

(Unaudited)

For the Year Ended March 31, 2024

2024

2023

7. Nova Scotia Centre for Craft and Design - occupancy costs

These financial statements do not reflect the occupancy costs of the space rental for the Nova Scotia Centre for Craft and Design. The Centre occupies approximately 6,000 square feet of space in provincially owned and rented buildings located in Halifax.

8. Jackie MacKay Library

The NSDCC has established the Jackie MacKay Library collection consisting of donated books and cash donations to purchase books. The Board of NSDCC has mandated that the cash donations be shown as segregated from the general surplus of the NSDCC to reflect the internally restricted nature of these funds.

9. Operating Reserve

The Board of NSDCC has established an operating reserve with an initial allocation of \$50,000. The purpose of the reserve is to provide funding in the event the organization is not sufficiently funded in future years and allocation of the reserve is subject to Board approval.

10. Related party transactions

The Cultural Federations of Nova Scotia ("CFNS") provides premises to NSDCC on a rent free basis, subject to a charge for any operating deficit of the CFNS. In addition, NSDCC purchases certain shared services from the CFNS on a cost recovery basis.