

# 2009-2010 ANNUAL REPORT



NB Foundation  
for the Arts

Fondation  
des arts du N.-B.

*The New Brunswick Foundation for the Arts raises, establishes and manages funds  
that will foster, promote and sustain the long-term growth of  
New Brunswick's cultural and artistic life.*

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**Denise Violette**  
General Manager  
506-460-6600



## Profile of the Foundation

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The New Brunswick Foundation for the Arts (NBFA) is registered with the Canada Revenue Agency as a public charitable foundation, as a trustee and administrator of public and private funds. Its main mission is to promote the long-term sustainability of culture and the arts.

To fulfill its mission, the Foundation offers:

- The Arts and Heritage Stabilization program: *A partnership between the Government of Canada, the Province of New Brunswick and the private sector;*
- Foundation Prizes and Awards;
- The Nel Oudemans Memorial Scholarship and Trust Fund;
- The Charlotte Glencross Scholarship for Professional Development in the Arts;
- An Arts Endowment Fund program;
- Development and implementation of a policy for donations and endowment funds;
- Development and implementation of a policy on investments;
- Investment management; and,
- Administrative services.

Located in Fredericton, New Brunswick, the NBFA manages assets of \$770,240 as of March 31, 2010.

## Mission of the Foundation

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*The mission of the NBFA is:*

*To raise, to establish and to manage funds that will be used to foster, promote, and sustain the long-term growth of New Brunswick's cultural and artistic life.*

**Its primary objectives are:**

- To ensure the management and the success of all aspects of the Stabilization program:
  - By overseeing participating organizations; and,
  - By supporting and evaluating the performance of participating organizations
- To establish and manage an Endowment Fund for the arts:
  - By increasing public awareness about the work of the Foundation;
  - By conducting fundraising campaigns; and,
  - By positioning the Foundation as a leader in the management of endowment funds for the arts
- To assist arts, cultural and heritage organizations in building their capacity and stability:
  - By undertaking information and training sessions and other services;
  - By offering strategic planning and technical assistance; and,
  - By collaborating with other organizations with similar goals.



## The Vision of the Foundation

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*The NBFA's vision is that:*

*New Brunswick's cultural and arts communities are rich, vital, well-protected and well-funded.*

- The NBFA is recognized by donors, organizations and partners for its vision and its accomplishments;
- It offers to its clients a variety of support mechanisms and financial incentives;
- Stakeholders recognize its strong governance and its long-term strategic vision;
- The NBFA is led by a team of well-qualified and influential managers; and,
- It has strong relationships and communicates regularly with its major stakeholders.

## Values of the Foundation

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*The NBFA prides itself on these values:*

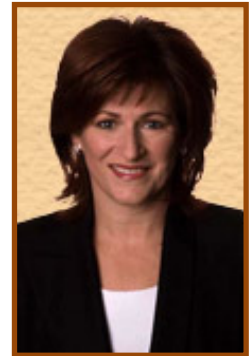
- **Respect for donors**  
The NBFA communicates with its donors regularly and offers clear information about management, financial planning and activities.
- **Accountability, diligence and integrity**  
The NBFA acts prudently and manages wisely. It acts in strict conformity with generally accepted accounting and auditing principles and regulations. It refrains from any action that could be harmful. At all times, it acts in good faith and it is transparent in all its operations.
- **Careful and strategic decision-making**  
The NBFA cultivates sound, thoughtful and strategic decision-making and works to achieve its objectives through a participatory process involving the sharing of the directors' expertise.



## Message from the Chair

### *Coming of Age*

Patronage of the arts in the past was arguably akin to charity, but today, the notion of patronage of the arts must more closely resemble that of a partnership, an enduring partnership between patrons and artists. We invest in the arts when we consume art, thereby creating partnerships in support of the arts: a purchase for personal enjoyment of the artistic creation in exchange for the financial contribution to its creator. Establishing partnerships in the arts in this way is how we finance the artistic world today and in the future.



The culmination of successful events in the past year has demonstrated that the Foundation for the Arts' leadership role in the creation of partnerships to support artistic and cultural organizations in New Brunswick is working. After many years, 2010 will see qualifying artistic and cultural organizations across this province that benefited from funding under *the Arts and Heritage Stabilization Program* successfully complete the arduous but also rewarding contractual obligations to remain financial stable and plan for a long and sustainable future. Proof of their success: these same organizations now invest in their own future by establishing their very own endowments. Thanks to the *Arts and Cultural Endowment Incentives Program for New Brunswick*, a pilot project spearheaded by our Foundation, which matches private donations with both provincial and federal contributions, arts and cultural groups are saving their hard earned money for the future.

Awards, prizes and scholarships were also illustrative of partnerships in honor of the arts, where French and English donors and recipients came together to praise the invaluable contributions of dedicated volunteers who toil everyday to preserve arts and culture in their communities. The coveted Municipality of the Arts of the Year 2009 was deservedly awarded to the City of Fredericton, a Cultural Capital of Canada. That prize brought its own welcomed new partnership: a matching contribution by the City for a total of \$20,000 toward the commissioning of an important public art. All New Brunswickers are proud of their beautiful Capital City.

The Foundation's Art Bond Project is a stellar example of another community partnership in support of the arts. The Art Bond model encourages everyday people to become partners with the arts by making a small donation, an 'investment' solely dedicated to the arts. These 'partners' receive an immediate return on their fully tax deductible \$250 and begin to recognize the benefits of an enduring relationship to enrich their communities and their lives.

The Art Bond Project aims to convince 5,000 people out of the 750,000 living in New Brunswick to buy an Art Bond, which once purchased will total \$1,250,000. With this amount, the NBFA-FANB will invest \$1M in an endowment, allowing the Foundation to offer future programs on the interest funds generated. The remaining \$250,000 will be awarded fairly and equitably in 10 regions of New Brunswick chosen to display a similar mix of rural and urban regions, population density, and size, in support of arts and culture proposed initiatives.

The Art Bond Project is a truly provincial initiative, aimed at rewarding all New Brunswickers who chose to live here and who chose to support the arts. Our model is a dream of a more vibrant and more prosperous New Brunswick where everyone enjoys participating in the beautification of their communities – where everyone is a partner in the financing and long term support and stability of the arts and culture in the place they call home.

All of these measures reveal an eventful year for the NBFA-FANB, but also they point to an encouraging future, complete with lasting partnerships in support of the arts and culture in this province. The Foundation's leadership, we believe, continues to inspire all New Brunswickers to build better communities and create a lasting beautiful future for their children; now, that's priceless.



## Highlights as of March 31, 2010

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The NBFA had a surplus of \$126,187 for the year. Total revenues amounted to \$473,044 and total expenditures were \$346,857. For the same period, \$170,295 were spent on not-for-profit arts organizations in the Stabilization program. *The Arts & Heritage Stabilization Program: A partnership between The Government of Canada, the Province of New Brunswick and the private sector* provides support to organizations experiencing financial difficulties or technical issues so they can resolve their problems and improve their financial situation and organizational structure.

Entering in the last year of the Arts & Heritage Stabilization Program, the NBFA slowly began steering its focus towards the establishment of a major endowment fund for the arts and culture and began repositioning by building awareness of itself.

In November 2009, the NBFA held a first annual event at the Beaverbrook Art Gallery in Fredericton. Staged as an award reception, prizes were awarded to the City of Fredericton for Municipality of the Arts of the Year, to Festival Frye for Arts Organization of the Year, to Tim Yerxa for cultural management, and to a trio of entrepreneurs from Edmundston comprised of Parise Côté, Lori-Ann Cyr and Sylvain St-Onge for arts partnership. At the same time, two scholarships were awarded: Heather Urdang received the Nel Oudemans Scholarship while Whitefeather received the Charlotte Glencross Scholarship.

November also saw the culmination of four months of hard work spent towards the implementation of the *Arts and Cultural Endowment Incentives Program for New Brunswick* and the conceptualization of the *Art Bond Project*. Among the organizations that were encouraged to participate, the incentives program created a tremendous opportunity for Gallery Connexion, Frye Festival, NB Film Co-op and New Brunswick Summer Music Festival to establish an endowment fund while helping NBFA establish itself as the caretaker of endowments funds for the arts and culture in New Brunswick. The Art Bond Project, on the other hand, created an incredible tool to invest in the arts and culture. While a letter to a selected group of 500 people in mid-November gave a quiet beginning to the project to raise \$5 M over the period of the next five years to create a renewing fund that supports the arts and culture in New Brunswick, it percolated into a series of public actions and media coverage in the following months.

NBFA experienced in December the loss of a very dedicated Director, Ralph Kirkbride. Fortunately, Etta Drost, a very good friend of his, and very able accountant, has agreed to complete his mandate at the Board. Under her guidance, the NBFA has seamlessly implemented an endowment fund policy, conducted investment transactions, and continued monitoring financial matters.

The NBFA maintained a continual flow of communications in the media. With the help of consultants, NBFA made its way on the social media networks and stayed in touch with a large number of people through its monthly email campaign.

Last but not least, the NBFA has again been able to rely on very dedicated volunteers and special gifted people to carry the workload throughout the year.



## Programs

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### ARTS AND HERITAGE STABILIZATION PROGRAM

Thanks to the generous contribution of the federal and provincial governments, the Samuel and Saidye Bronfman Foundation and the valuable donations of the private sector, the NBFA launched the *Arts and Heritage Stabilization Program: A partnership between the Government of Canada, the Province of New Brunswick and the private sector* on February 9, 2006. The program does not attempt to replace local fundraising initiatives, but rather to help arts and heritage organizations in the province eliminate their problems with accumulated deficits, negative balances and low capital reserves. The program also provides funds for technical support to assist the organizations in developing their individual management skills and requirements.

In all, 10 organizations qualified to the program beginning April 2006. With the assistance of Guy Lévesque, a consultant paid for by the NBFA, the following organizations qualified for one or more of the components of the Stabilization program and took part in a strategic planning exercise and an organizational assessment: the Atlantic Ballet Theatre of Canada, the Frye Festival, Fredericton Arts and Learning, Gallery Connexion, the Beaverbrook Art Gallery, the New Brunswick Summer Music Festival, Symphony New Brunswick, Theatre New Brunswick, the Théâtre populaire d'Acadie and the York Sunbury Museum.

Entering the final year of the program, arts organizations that have maintained eligibility in the program are preparing to submit their final evaluation data and a three-year exit action plan.

### ARTS AND CULTURAL ENDOWMENT INCENTIVES PROGRAM

Through a unique partnership between the NB Department of Wellness, Culture and Sport and the NB Foundation for the Arts, the *Arts and Cultural Endowment Incentives Program for New Brunswick* builds on the Canadian Heritage Endowment Incentive Program to maximize the benefits to New Brunswick participating arts and cultural organizations. The program aims at strengthening the organizational effectiveness of arts organizations and building their capacity. It invites active involvement from the private sector in the cultural affairs of the community by providing matching funds of up to two dollars for every dollar raised from private donors by participating organizations, to create endowment funds or to increase existing endowments. The New Brunswick Foundation for the Arts (NBFA) manages these endowments and the participating organizations are the ultimate beneficiaries of the income generated from the NBFA's investment.

#### Objectives

- To foster a climate, which encourages private donors to contribute to endowment funds for not-for-profit professional arts and cultural organizations in order that they may have access to stable funding in the future
- To support the long-term stability of these organizations and to give them greater capacity to realize their artistic expression
- To increase the amount of matching funds currently available through the Canadian Heritage Endowment Incentive Program
- To provide arts organizations a vehicle to establish their endowment funds and to minimize the administrative fees for the management of these funds.

The Gallery Connexion, Frye Festival, the NB Summer Music Festival and the NB Film Co-op have all been accepted in the program as of December 1<sup>st</sup> 2009 and share a pooled endowment fund of \$111,164.

## FOUNDATION PRIZES AND SCHOLARSHIPS

It has been a long time tradition for the NBFA to recognize individuals, organizations and municipalities that have made a significant contribution to arts and culture in New Brunswick. Some prizes have developed over time and others have been added as sponsorships were found. The TD Canada Trust, our long time sponsor of Arts Organization of the Year Award, was joined in the last year by two new sponsors the Caisses Populaires Acadiennes and the J.D. Irving, Ltd. For the recipients, these juried prizes and scholarships have been both a real support and an encouragement to pursue efforts further.

In 2009 the NBFA awarded the Municipality of the Arts of the Year to City of Fredericton (\$10,000), the TD Canada Trust Arts Organization of the Year Award to Frye Festival (\$3,000), the Caisses Populaires Acadiennes Arts and Cultural Management Award to Tim Yerxa for the Playhouse (\$5,000), the J.D. Irving, Ltd Arts Partnership Award to a trio of entrepreneurs from Edmundston comprised of Parise Côté, Lori-Ann Cyr and Sylvain St-Onge (\$5,000) for the Centre des arts de la petite église. Two scholarships were also awarded: the Nel Oudemans Scholarship for Advanced Studies in Fine Craft was awarded to Heather Urdang (\$1,000) and the Charlotte Glencross Scholarship for Professional Development in the Arts was awarded to Whitefeather (\$1,000).



***Award and Scholarship recipients:***

***First row: Tim Yerxa (Fredericton Playhouse); Parise Côté, Lori-Ann Cyr and Sylvain St-Onge (Centre des arts de la petite église - Edmundston); Whitefeather, and Heather Urdang;***

***Second row: Dawn Arnold and Suzanne Cyr (Frye Festival) and Premier Shawn Graham;***

***Third row: Michael O'Brien, Mayor Brad Woodside, Chair NBFA Anne E. Bertrand, Jordan Graham, Angela Watson, Eric Megarity, and Stephen Chase (City of Fredericton)***



## Financial Statements

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### AUDITORS' REPORT

To the Directors of the  
**New Brunswick Foundation for the Arts**

We have audited the statement of financial position of **New Brunswick Foundation for the Arts** as at March 31, 2010 and the statements of operations and changes in fund balances and cash flows for the year then ended. These financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Except as explained in the following paragraph, we conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In common with many charitable organizations, the Foundation derives contributions from the general public, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Foundation and we were not able to determine whether any adjustments might be necessary to contribution revenues, excess of revenue over expenses, assets and fund balances.

In our opinion, except for the effect of adjustments, if any, which we might have determined to be necessary had we been able to satisfy ourselves concerning the completeness of contributions referred to in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of the Foundation as at March 31, 2010 and the results of its operations and changes in fund balances and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Fredericton (New Brunswick)  
June 10, 2010

Grant Thornton LLP  
Chartered Accountants



## New Brunswick Foundation for the Arts Statement of Financial Position March 31,

	Stabilization Fund	General Fund	Endowment Fund	2010 Total	2009 Total
<b>Assets</b>					
Current					
Cash and cash equivalents	\$ 41,795	\$ 18,543	\$ 50,905	\$ 111,243	\$ 130,654
Short term investments (Note 3)	387,692	45,363	100,000	533,055	619,230
Receivables	6,387	10,000	29,403	45,790	6,089
Prepays	<u>-</u>	<u>3,973</u>	<u>-</u>	<u>3,973</u>	<u>-</u>
	435,874	77,879	180,308	694,061	755,973
Due from General Fund	49,131	-	-	49,131	24,149
Long term investments (Note 3)	<u>-</u>	<u>27,048</u>	<u>-</u>	<u>27,048</u>	<u>25,893</u>
	<u>\$ 485,005</u>	<u>\$ 104,927</u>	<u>\$ 180,308</u>	<u>\$ 770,240</u>	<u>\$ 806,015</u>
<b>Liabilities</b>					
Current					
Payables and accruals	\$ 13,781	\$ 25,291	\$ -	\$ 39,072	\$ 12,970
Deferred contributions (Note 7)	<u>63,810</u>	<u>-</u>	<u>59,000</u>	<u>122,810</u>	<u>296,918</u>
	77,591	25,291	59,000	161,882	309,888
Deferred contributions (Note 7)	-	-	-	-	38,938
Due to Stabilization Fund	<u>-</u>	<u>49,131</u>	<u>-</u>	<u>49,131</u>	<u>24,149</u>
	77,591	74,422	59,000	211,013	372,975
<b>Fund Balances</b>					
Unrestricted	-	1,814	-	1,814	40,619
Externally restricted	<u>407,414</u>	<u>28,691</u>	<u>121,308</u>	<u>557,413</u>	<u>392,421</u>
	<u>\$ 485,005</u>	<u>\$ 104,927</u>	<u>\$ 180,308</u>	<u>\$ 770,240</u>	<u>\$ 806,015</u>

Commitments and Contingencies (Note 4 and 9)

Secretary-Treasurer \_\_\_\_\_

Chair \_\_\_\_\_

See accompanying notes to the financial statements.



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**New Brunswick Foundation for the Arts  
Statement of Operations and Changes in Fund Balances  
Year ended March 31,**

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	Stabilization Fund	General Fund	Endowment Fund	<b>2010 Total</b>	2009 Total
<b>Revenues</b>					
Contributions	\$ 267,046	\$ 31,668	\$ 121,308	<b>\$ 420,022</b>	\$ 213,522
Investment income	12,763	2,451	-	<b>15,214</b>	26,758
Fundraising/other	<u>37,808</u>	<u>-</u>	<u>-</u>	<b><u>37,808</u></b>	<u>54,759</u>
	317,617	34,119	121,308	<b>473,044</b>	295,039
<b>Expenditures</b>	<u>276,026</u>	<u>70,831</u>	<u>-</u>	<b><u>346,857</u></b>	<u>266,528</u>
Excess of revenues over expenditures	41,591	(36,712)	121,308	<b>126,187</b>	28,511
Fund balance, beginning of year	<u>365,823</u>	<u>67,217</u>	<u>-</u>	<b><u>433,040</u></b>	<u>404,529</u>
Fund balance, end of year	<u>\$ 407,414</u>	<u>\$ 30,505</u>	<u>\$ 121,308</u>	<b><u>\$ 559,227</u></b>	<u>\$ 433,040</u>

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See accompanying notes to the financial statements.



**New Brunswick Foundation for the Arts  
Stabilization Fund  
Statement of Operations and Changes in Fund Balance  
Year Ended March 31,**

	2010	2009
<b>Revenue</b>		
Contributions and donations		
Government of Canada, Minister of Canadian Heritage(Note 7)	\$ 109,334	\$ 79,966
Province of New Brunswick, Wellness, Culture and Sport (Note 7)	109,334	79,966
Samuel and Saidye Bronfman Foundation (Note 7)	48,378	35,383
Fundraising	<u>37,808</u>	<u>54,759</u>
	<b>304,854</b>	250,074
Investment income	<u>12,763</u>	<u>23,851</u>
	<u><b>317,617</b></u>	<u><b>273,925</b></u>
<b>Expenditures</b>		
Advertising	475	319
Bank service charges	246	309
Cleaning	372	612
Equipment rental	236	5,407
Grant – working capital	84,662	87,916
– technical assistance	86,427	55,754
Insurance	500	500
Internet	-	143
Miscellaneous	5,918	3,143
Office supplies	204	570
Payroll and benefits	56,516	58,018
Postage and delivery	668	239
Professional fees	17,007	23,028
Rent	13,403	11,738
Telephone	1,869	2,500
Translation	1,989	1,276
Travel and meetings	300	1,740
Board and executive meetings	5,234	7,900
	<u>276,026</u>	<u>261,112</u>
Excess of revenue over expenditures(expenditures over revenue)	<u><b>\$ 41,591</b></u>	<u><b>\$ 12,813</b></u>
Fund balance, beginning of year	\$ 365,823	\$ 353,010
Excess of revenue over expenditures	41,591	12,813
Fund balance, end of year	<u><b>\$ 407,414</b></u>	<u><b>\$ 365,823</b></u>

See accompanying notes to the financial statements.



**New Brunswick Foundation for the Arts  
General Fund  
Statement of Operations and Changes in Fund Balance  
Year Ended March 31,**

	<b>2010</b>	<b>2009</b>
<b>Revenue</b>		
Donation – prizes	\$ 23,000	\$ 3,000
Donations – general	435	3,764
Contribution – Province of New Brunswick, Wellness, Culture and Sports	5,000	-
General Fund investment income	2,226	2,456
Scholarship donations from public	3,233	11,443
Scholarship interest	225	451
	<u>34,119</u>	<u>21,114</u>
<b>Expenditures</b>		
Catering	840	302
Scholarships	1,000	500
Prizes	36,232	4,306
Room rental	694	308
Website development	11,631	-
Fundraising	12,363	-
Professional fees	490	-
Recognition reception	7,581	-
	<u>70,831</u>	<u>5,416</u>
Excess of revenue over expenditures	<u>\$ (36,712)</u>	<u>\$ 15,698</u>
<b>Fund balance, beginning of year</b>	<b>\$ 67,217</b>	<b>\$ 51,519</b>
Excess of revenues over expenditures	<u>(36,712)</u>	<u>15,698</u>
<b>Fund balance, end of year</b>	<b><u>\$ 30,505</u></b>	<b><u>\$ 67,217</u></b>

See accompanying notes to the financial statements.



**New Brunswick Foundation for the Arts  
Endowment Fund  
Statement of Operations and Changes in Fund Balance  
Year Ended March 31,**

	New Brunswick Foundation for the Arts	Arts and Cultural Endowment Incentives Program Note (8)	<b>2010 Total</b>	2009 Total
<b>Contributions</b>				
Organizations	\$ -	\$ 41,048	\$ <b>41,048</b>	\$ -
Province of New Brunswick, Wellness, Culture and Sports	-	41,000	<b>41,000</b>	-
Government of Canada, Department of Canadian Heritage	-	29,116	<b>29,116</b>	-
Donations – Art Bond	<u>10,144</u>	<u>-</u>	<u><b>10,144</b></u>	<u>-</u>
	<u>10,144</u>	<u>111,164</u>	<u><b>121,308</b></u>	<u>-</u>
<b>Expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenue over expenditures	<u>\$ 10,144</u>	<u>\$ 111,164</u>	<u>\$ <b>121,308</b></u>	<u>\$ -</u>
<b>Fund balance, beginning of year</b>	\$ -	\$ -	\$ -	\$ -
Excess of revenues over expenditures	<u>\$ 10,144</u>	<u>\$ 111,164</u>	<u><b>121,308</b></u>	<u>-</u>
<b>Fund balance, end of year</b>	<u>\$ 10,144</u>	<u>\$ 111,164</u>	<u>\$ <b>121,308</b></u>	<u>\$ -</u>

See accompanying notes to the financial statements.

**New Brunswick Foundation for the Arts  
Stabilization Fund  
Statement of Cash Flows**

<b>Year Ended March 31,</b>	<b>2010</b>	<b>2009</b>
Increase (decrease) in cash and cash equivalents		
<b>Operating</b>		
Excess of revenues over expenditures	\$ 41,591	\$ 12,813
Opening adjustment to investment holdings	-	-
Unrealized (gain) loss	<u>(3,357)</u>	<u>3,366</u>
	<b>38,234</b>	<b>16,179</b>
Changes in		
Receivables	(298)	805
Payables and accruals	1,104	(5,443)
Deferred contributions	(267,048)	(195,315)
Due from General Fund	<u>(24,982)</u>	<u>7,956</u>
	<u>(252,990)</u>	<u>(175,818)</u>
<b>Investing</b>		
Net decrease in investments	<u>175,573</u>	<u>229,118</u>
Net (decrease) increase in cash and cash equivalents	(77,417)	53,300
Cash and cash equivalents, beginning of year	<u>119,212</u>	<u>65,912</u>
Cash and cash equivalents, end of year	<u>\$ 41,795</u>	<u>\$ 119,212</u>

See accompanying notes to the financial statements.

**New Brunswick Foundation for the Arts  
General Fund  
Statement of Cash Flows**

Year Ended March 31,

2010

2009

Increase in cash and cash equivalents

**Operating**Excess of (expenditures over revenue)  
revenues over expenditures

\$ (36,712)

\$ 15,698

## Changes in

Receivables

(10,000)

-

Payables and accruals

25,000

291

Due to Stabilization Fund

24,982

(7,956)

Deferred revenue

(5,000)

5,000

Prepays

(3,973)-(5,703)13,033**Investing**

Net decrease (increase) in investments

12,804(3,290)

Net increase (decrease) in cash and cash equivalents

7,101

9,743

Cash and cash equivalents, beginning of year

11,4421,699

Cash and cash equivalents, end of year

\$ 18,543\$ 11,442

See accompanying notes to the financial statements



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## **New Brunswick Foundation for the Arts**

### **Notes to the Financial Statements**

#### **March 31, 2010**

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#### **1. Nature of operations**

New Brunswick Foundation for the Arts is a public charitable foundation created to encourage and promote the artistic and cultural life of New Brunswick. It is exempt from federal and provincial corporate taxes under paragraph 149(1) (l) of the Income Tax Act.

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#### **2. Summary of significant accounting policies**

##### **Fund Accounting**

The Foundation has adopted Fund accounting to classify and report certain aspects of its operations. The specific funds established by the Foundation are as follows:

##### **Stabilization Fund**

This fund was established in 2004 to capture contributions funded by the Federal and Provincial Government as well as the Samuel and Saidye Bronfman Foundation. The primary purpose of this fund is to make contributions to qualifying arts organizations. Further details are in Note 7.

##### **Endowment Fund**

###### **Arts and Cultural Endowment Incentives Program**

This fund was established in the current fiscal year to capture contributions from organizations, as well as the Federal and Provincial Governments under the Arts and Cultural Endowment Incentives Program for New Brunswick. The primary purpose of this fund is to generate contributions and investment income to assist contributing arts organizations. Further details are provided in Note 8.

###### **New Brunswick Foundation for the Arts**

This fund was established in the current fiscal year to capture contributions resulting from the Foundation's Art Bond fundraising initiative. The primary purpose of this fund is to generate contributions and investment income to sustain the Foundation's ongoing initiatives.

All balances due among funds have no set terms of repayment. As the funds are effectively advanced through internal channels they are non-interest bearing.

##### **Revenue and expenditures**

Revenue and expenditures are recorded using the accrual basis of accounting. Administration expenditures are not subject to reallocation procedures to projects and activities.

It is the Foundation's policy to recognize pledges into income upon receipt.



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## **New Brunswick Foundation for the Arts**

### **Notes to the Financial Statements**

#### **March 31, 2010**

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## **2. Summary of significant accounting policies (Continued)**

### **Capital assets**

Capital assets are recorded at cost less capital contributions, if any. In fiscal 2010 the Foundation purchased office equipment in the amount of \$3,621 which has been expensed in the Stabilization Fund where funding has been provided (2009 - \$870).

### **Use of estimates**

Under Canadian Generally Accepted Accounting Principles management is required to make estimates and assumptions to prepare financial statements. These estimates are based on management's best knowledge of current events and actions that the Foundation may undertake in the future. These estimates and assumptions may affect the amount of assets and liabilities presented as at the reporting date and the reported amount of revenue and expenses during the fiscal period. Significant estimates for the Foundation included in these statements pertain to revenue recognition of deferred contributions. Actual results may be different from the estimates and assumptions used.

### **Cash and equivalents**

Included in cash and cash equivalents is cash on hand and balances with banks.

### **Financial instruments**

The Foundation has designated all financial assets as either held for trading or loans and receivables. Financial instruments classified as held for trading are measured at fair value with changes in fair value recognized in net income. Holdings not traded in an active market are carried at cost.

The Foundation's receivables, payables and accruals, are carried at amortized cost which approximates fair market value due to their short term maturity.

### **Investments**

Investments are classified as held for trading. They are reported at fair value using quoted market prices with changes in fair value recognized as unrealized gains or losses in the net income. Transactions costs related to the purchase of investments are charged immediately to net income.

### **Future accounting standards**

The Accounting Standards Board has issued an exposure draft proposing accounting standards for not for profit organizations. The Accounting Standards Board expects the financial standards to be issued in late 2010.

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## New Brunswick Foundation for the Arts

### Notes to Financial Statements

#### March 31, 2010

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### 3. Investments

The Foundation has investments under management by investment advisors. Detail on the investment portfolio holdings are noted below.

		<u>2010</u>		<u>2009</u>
Cash	\$	-	\$	1,867
GICs		<b>100,000</b>		337,580
Fixed income		<b>72,411</b>		68,889
Other short term instruments		<b><u>387,692</u></b>		<u>236,787</u>
		<b><u><u>560,103</u></u></b>		<u><u>645,123</u></u>

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### 4. Commitments

a) Beginning November 1, 2009 the Foundation leased office facilities to October, 2014 at a minimum annual rent of \$13,761 excluding HST.

b) Beginning during the January 2007 fiscal year, the Foundation, the Foundation has awarded grants to various arts organizations in the province that have qualified for funding through the Stabilization program. The future payments based on contracts signed as of year end are expected to be:

2011      \$ 40,882

These future payments are subject to change if the above noted organizations fail to continue to meet the criteria for funding as set out by the Board of Directors and included in the grant agreements.

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### 5. Financial instruments

The Foundation's financial instruments consist of cash and cash equivalents, investments and receivables or payables. Unless otherwise noted, it is management's opinion that the Foundation is not exposed to significant interest, currency or credit risk arising from these financial instruments. The fair value of these financial instruments approximates their carrying values, unless otherwise noted.

To assist in managing risk, management has implemented an investment policy which has been approved by the key contributors in connection with funding arrangements.

The Foundation has elected to use the exemption provided by the CICA permitting not for profit organizations not to apply sections 3862 and 3863 or the CICA Handbook. The Foundation did not enter into any derivative financial arrangements for hedging or speculative purposes.

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**New Brunswick Foundation for the Arts  
Notes to the Financial Statements  
March 31, 2010**

**6. Other matters**

The Foundation derives a significant portion of its revenue under funding agreements with the Government of Canada and the Province of New Brunswick.

**7. Deferred contributions**

Federal and provincial government Stabilization Fund contributions received are being recognized as revenue in relation to the timing of the planned expenditures regarding the specific initiatives funded. This project is expected to be ongoing over an eight year period ending in 2011. As at March 31, 2010 the federal government had advanced all of its project commitment of \$565,000 and the provincial government has advanced all of its \$565,000 project commitment. In addition the Samuel and Saidye Bronfman Foundation had advanced all of a total commitment of \$250,000 to the project. For accounting purposes, the total Stabilization Fund federal and provincial government contribution revenue of \$1,130,000 and the Bronfman Foundation contribution of \$250,000 will be recognized over an eight year period as follows:

	<b>Federal Gov.</b>	<b>Provincial Gov.</b>	<b>Private</b>	<b>Total</b>
2004	\$ 34,981	\$ 34,981	\$ 4,643	\$ 74,605
2005	48,549	48,549	21,229	118,327
2006	108,621	108,621	59,150	276,392
2007	56,652	56,652	25,067	138,371
2008	100,772	100,772	44,590	246,134
2009	79,966	79,966	35,383	195,315
2010	109,334	109,334	48,378	267,046
2011	<u>26,125</u>	<u>26,125</u>	<u>11,560</u>	<u>63,810</u>
	<u>\$ 565,000</u>	<u>\$ 565,000</u>	<u>\$ 250,000</u>	<u>\$ 1,380,000</u>

In relation to this matter a deferred contribution balance has been recorded as follows:

Contribution received prior years	
Province of New Brunswick, Wellness, Culture and Sport	\$ 565,000
Government of Canada, Minister of Canadian Heritage	565,000
Samuel and Saidye Bronfman Family Foundation	250,000
Contribution revenue recognized in prior year as above	(1,049,144)
Contributions revenue recognized in current year as above	<u>(267,046)</u>
	63,810
Portion to be brought into revenue for 2009-10	<u>63,810</u>
Long term portion	<u>\$ -</u>



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**New Brunswick Foundation for the Arts**  
**Notes to Financial Statements**  
**March 31, 2010**

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**8. Arts and Cultural Endowment Incentives Program**

	Opening Balance	Contributions	Ending Balance
Festival Frye	\$ -	\$ 67,754	\$ 67,754
Gallery Connexion	\$ -	\$ 8,130	\$ 8,130
Musical Ventures	\$ -	\$ 13,551	\$ 13,551
NB Film Co-op	\$ -	\$ 21,729	\$ 21,729
	<u>\$ -</u>	<u>\$ 111,164</u>	<u>\$ 111,164</u>

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**9. Contingencies**

Should the Foundation default on the terms and conditions of the government contributions the Foundation may be required to repay all of the contributions or any part of the contributions not otherwise spent or committed, as noted in paragraph 12.2 of the Canadian Heritage grant agreement.

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**10. General Fund – Scholarships**

The Foundation holds scholarship trust fund in the General Fund. These include:

Nel Oudemans Scholarship - assets in the General Fund that are restricted for this trust fund include a GIC investment through TD Canada Trust for \$14,860 (2009 - \$15,308). During the year, there were donations received in the amount of \$327 and interest on the investment for the fund was \$225 (2009 - \$451). A scholarship in the amount of \$1,000 was awarded to Heather Urdang in the 2010 fiscal year.

Charlotte Glencross Scholarship – assets in the General Fund consisting of cash or short term investments that are restricted for this trust fund total \$13,906 (2009 - \$11,000). During the year there were donations received of \$2,906 (2009 - \$11,000).

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**11. Capital management**

Management considers capital to be the fund balances. The Foundation's objective when managing capital is to maintain financial strength to sustain long term delivery of its core services.



## Board of Directors

### **Anne E. Bertrand, Q.C.**

#### *Chair of the Board and Chair of the Management Committee*

Chair Anne Bertrand, has been a lawyer in private practice for over 20 years, currently practising under Le Cabinet BERTRAND *Law*. She has acquired extensive experience as counsel appearing before all levels of court including the Supreme Court of Canada, and has sat as an adjudicator (arbitrator) and mediator to resolve workplace conflicts in both the public and private sectors. Mme Bertrand also served on many professional boards, including the provincial Labour and Employment Board, the New Brunswick Review Board, and the federal Public Service Staff Relations Board. Mme Bertrand is a past President of the York Sunbury Law Society, continuing member of Law Society committees and she continues to teach law students every year for the provincial Bar Admission Course. Anne Bertrand acquired extensive business experience since 1992 when becoming General Manager of operations for ARC Geobac Croup Inc.

During the last 20 years, Madame Bertrand served the public as a dedicated volunteer for not-for-profit and charitable organizations, among those, she served as National Vice-President of the Mounted Police Foundation, as President of the Conseil économique du Nouveau-Brunswick, and Director of the first Board of Directors of the Greater Fredericton Economic Development Corporation. Anne Bertrand became Chair of the New Brunswick Foundation for the Arts in 2006. Her most prized accomplishment is being the mother of two children, Misha and Alexander.

### **Aline Saintonge**

#### *1<sup>st</sup> Vice-Chair and Chair of the Programs Committee*

1<sup>st</sup> Vice-Chair Aline Saintonge is the President of S&L Transactions Ltd., a management consulting firm. During her career in the New Brunswick public service, Ms. Saintonge held management positions in several departments, namely Agriculture and Rural Development, Health, Family and Community Services, Municipalities, Housing and culture. She also held the position of Deputy Head for the Culture and Sport Secretariat. Aline Saintonge obtained a Bachelor in Education from the Université de Montréal and a Masters in Public Administration from the Université de Moncton. She also holds a Piano Teaching Diploma from Notre-Dame d'Acadie College. She is a Past

Vice-President of the Agence de mise en marché d'oeuvres d'art inc. and a Past President of the Fredericton Chapter of the Institute of Public Administration of Canada. Originally from Drummond, New Brunswick, she now resides in Fredericton.

### **Cluny Macpherson**

#### *2<sup>nd</sup> Vice-Chair and Chair of the Fundraising Committee*

2<sup>nd</sup> Vice-Chair Cluny Macpherson was the President and Chief Executive Officer of the Atlantic Lottery Corporation from 1978 to 2000. Through the years he has held the position of Vice-President of the World Lottery Association, was President of the Interprovincial Lottery Corporation and Past-President of the North American Association of State and Provincial Lotteries. In the community, Mr. Macpherson has served as Chair of the National Corporation Divisions Encore! Campaign for the Capitol Theatre, as President and Director of the Board of Directors of Capitol Theatre, as a Director of Theatre New Brunswick, of the YMCA and as the Founding Director of Junior Achievement.

### **Ralph Kirkbride/ Etta Drost**

#### *Secretary-Treasurer and Chair of the Finance Committee*

Secretary-Treasurer Ralph Kirkbride, who passed away on December 14, was succeeded in January 2010 by Etta Drost. Etta is a graduate of Mount Allison University. She received her designation of Chartered Accountant while articling with the Office of the Auditor General in New Brunswick. As a "value-for-money" auditor, she focused on economy, efficiency, and effectiveness measures within the public service sector. Now retired, her career of 25 years in the public service sector has been focused in the financial and audit sectors.



### **Ellen Barry**

#### *Ex-officio and provincial government representative*

Ex-officio Director Ellen Barry was appointed to the position of Deputy Minister, Tourism and Parks, in December 2007 and Deputy Minister, Wellness, Culture and Sport in September 2008. Previous to that she was employed with the Department of Natural Resources as an Assistant Deputy Minister for Minerals, Policy and Planning. Ms. Barry is a graduate of the University of New Brunswick and a career civil servant having worked in the Departments of Finance and Health prior to working at the Department of Natural Resources.

She has also worked on a volunteer basis in the country of Mali, West Africa during the past four years. As a member of the Institute of Public Administration of Canada (IPAC), Ellen has had the opportunity to lead a team of health professionals and work in this country developing governance structures in the health sector.

### **Raymond Daigle**

#### *Director*

Director Raymond Daigle obtained a Bachelor of Arts and a Bachelor of Education from the Université de Moncton and a Licence ès Lettres and a Masters in History from Laval. He began his career as a teacher at the Cité des Jeunes in Edmundston, then served in an impressive series of positions, as Social Sciences Consultant with the Department of Education, Special Advisor for the Francophonie and Director of Cultural Relations and Cooperation for the Intergovernmental Affairs sector and Director of Programs for the Department of Education. In 1988, he became the Assistant Deputy Ministry, first of the Department of Higher Education and Training and then of the Department of Education. In 1997 he was named Deputy Minister of Education, and he continued to hold this position until he retired in October 2002.

Since his retirement, Mr. Daigle has carried out several research studies and published numerous reports on education at the national and international levels. Mr. Daigle resides in Fredericton.

### **Lily Durepos**

#### *Director*

Director Lily Durepos resides in Grand Falls (NB), where she is part owner of Alliance Assurance Inc., which operates a \$30 million brokerage business with

60 employees, and Keal Technology, which develops software for the financial service industry providing employment to 65 employees. She is President of Alliance Assurance and co-owner of Keal Technology.

### **Alfred Ellis**

#### *Director*

Director Alfred Ellis lives in Janieville, where he is enjoying retirement from a career devoted to architecture. A long-time associate in Soucy/Ellis architectural firm, Edmundston (NB), he has been the artist and mastermind behind numerous schools and public building designs in New Brunswick.

### **Michele Horncastle**

#### *Director*

Director Michele Horncastle resides in Saint John, where she is General Manager of the Telegraph Journal. In earlier years, she has been the Advertising Director to the Telegraph Journal and Administration Manager as well as Advertising Director to the Daily Gleaner.

### **Nadia Khoury**

#### *Director*

Director Nadia Khoury was born in Lebanon. She immigrated to Fredericton in 1977, where for 21 years, she and her artist husband Michael operated three very successful women's clothing stores and a children's wear shop in Fredericton. During this period she raised a beautiful family of four children, which to this date, she feels is her greatest pride and accomplishment

Today she is the dealer and director of the Michael Khoury Gallery in Fredericton.

### **Michel Rivard**

#### *Director*

Director Michel Rivard resides in Penniac. Now retired, his career of 28 years in the public service sector has been focused on communications, marketing, supervision, project management and leadership. He is involved with Meals on Wheel since 2007 and President of the Université de Moncton Alumni Association since 2009.



## **Nicole Schuchard**

### *Director and Chair of the Prizes and Awards Committee*

Director Nicole Schuchard is an industry leader, talented entrepreneur and CEO of a fabulous cuisine & event design firm rooted firmly in Atlantic Canada. Nicole Schuchard leads her Three Olives/Pomegranate Productions/Mulberry & Calvados teams on cross country and international adventures, from high profile shows to conferences, corporate and gala events, trade shows and always with a focus on the highest quality award winning service.

Among her many academic awards and accomplishments, Nicole boasts a first-in-class standing from the prestigious Le Cordon Bleu Paris cooking school. Nicole is a Corporate Chef, food advisor and business and culinary consultant; she designs professional kitchens and has worked with the Food Network and writes for numerous publications.

Nicole grew up just outside of Atlanta, Georgia and is an alumna of Carleton University, Dalhousie University and Mount Saint Vincent University.

## **Indu Varma**

### *Director and Chair of the Communication and Planning Committee*

Director Indu Varma completed a Bachelor of Arts degree at Rajasthan University in India, a Bachelors of Education degree at Mount Allison University, a Masters of Education at Dalhousie University and a school administration certificate. Ms. Varma has worked in the teaching profession for thirty-seven years, with the last two years as President of New Brunswick Teachers' Association (NBTA).

She initiated and conducted a number of telecommunication projects with her students, in order

to build their skills and knowledge in the areas of technology, the environment, and living conditions of people around the world. She has received many awards for excellence and innovation in education. Among them are the Governor General's Award for Excellence in Teaching Canadian History, the Prime Minister's Award for Teaching Excellence in Science, Technology, and Math, the national Marshall McLuhan Award for Excellence in Education and a Roy C. Hill (Hilroy) Fellowship Award for Innovation in Education. She was also recognized by the Canadian Embassy in Costa Rica for her work in raising \$10,000 US to help rebuild Los Caroles School after an earthquake. Reflected in these awards are her pioneering efforts, her passion, commitment and dedication to seeking and providing the best possible learning opportunities for the children. Ms. Varma has given numerous talks, workshops, and courses at the regional, national and international levels. She has published curriculum guides and has presented papers at national and international conferences to promote the use of new media in schools and offered practical help to teachers for incorporating technology in their teaching.

Ms. Varma has been the President of the NBTA (2005-2007). Throughout her successful teaching career she focused on improving the learning conditions of children and working conditions of the teachers of New Brunswick. As president, her motto, "Our children are worth it!", her vision, passion, and commitment inspired her colleagues and influenced the decision makers. Some of the visible gains that reflect her work include the grant of a personal notebook computer to each New Brunswick teacher, class size reductions of a minimum of four students per class over a four year period and the establishment of Innovative Learning Fund for New Brunswick public education system. Through her gentle and persuasive efforts she has contributed to raising the profile of public education in New Brunswick.



## MEMBERSHIP AND ACTIVITIES OF THE BOARD OF DIRECTORS

The Foundation's work is governed by a volunteer Board of Directors with as many as 14 members hailing from different sectors and different regions of New Brunswick.

In 2009-2010, the Board of Directors welcomed two new members, while directors Michelle Hooton and Lynn Irving took on new commitments. It was with great sadness, on December 14, that NBFA learned of the passing of Ralph Kirkbride. Etta Drost was recruited in December 2009 to serve as Secretary-Treasurer of the Board, while Nicole Schuchard and Nadia Khoury were recruited respectively in August 2009 and January 2010 as Directors. The three new members brought to the Board wide experience in these areas of expertise: accounting, business administration, marketing and the arts.

Elected to the Executive in June 2009 were the Chair, Anne E. Bertrand, the Vice-Chair, Indu Varma, and the Secretary-Treasurer, Ralph Kirkbride. The position of Second Vice-Chair stayed vacant during the year.

The Board of Directors met four times in the course of the year; one of the meetings was held by conference call and three were face-to-face meetings in Fredericton for cost effectiveness reasons.

The Committees of the Board met quite frequently, particularly the Fundraising Committee which held meetings almost every second week until February 10, 2010. The Board received reports from the Committees on a quarterly basis, and has made plans to assess their progress as per key performance indicators. Committees for 2009-2010 were: Communications and Planning, Finances, Fundraising, Management, Prizes and Awards, and Programs.

Pledges continued to come in throughout the year, as donors to the major fundraising campaign of 2005 had promised. The Board implemented the *Arts and Cultural Endowment Incentives Program*, sought new sources of funding, and planned the *Art Bond Project*.

The *Art Bond Project* is a new fund raising initiative to create a \$5M endowment for arts and culture in New Brunswick. It proposes to sell 5,000 Art Bonds of \$250 each in the first year of the project, thus accumulating \$1,250,000. The NBFA intends to disburse \$250,000 towards programs in ten regions of the province equally, while investing one million of the total funds raised in an endowment fund to continue benefiting future generations. This bold and innovative approach to endowment fundraising has as its aim three goals:

- it encourages people who might feel a small contribution can never really make much of a difference to stand shoulder to shoulder with other citizens to actively and equally participate in the raising of 1.25 million dollars;
- it can encourage donations from those who feel endowment funds mean long waiting periods and accrued-interests-only spending policies to donate knowing that a sizeable portion of their donation will be spent in the very same year; and,
- for active donors who might only contribute to local or very regional artistic endeavours (i.e. not province-wide initiatives), the Art Bond's equal distribution of funds allows them to directly and immediately see their contribution dollars at work within their communities, as well as the rest of the province.

Registered not-for-profit organizations in New Brunswick involved in the arts and culture who would qualify for the funding include: galleries, theatres, fine arts schools, festivals, choirs, music festivals, arts councils, performing arts groups, arts centres, tour companies, and other interested parties such as municipalities.

The NBFA intends to continue the *Art Bond Project* for the next 4 years with the ambitious goal of selling 5,000 Art Bonds per year, thereby raising a total of 5 million dollars over five years.