

Newfoundland and Labrador Arts Council

ArtsNL

Annual Report 2024-25

Message from the Chair

As Chair of the Newfoundland and Labrador Arts Council (ArtsNL), I am pleased to present the annual report for fiscal year 2024-25. The annual report is submitted in accordance with our obligation as a Category II entity under the **Transparency and Accountability Act**. As the Chair of ArtsNL, I accept accountability on behalf of the Council for the preparation of the report and the achievement of its objectives, and the results reported.

Sincerely,

David Brown

A handwritten signature in dark ink, appearing to read 'D. Brown', with a stylized flourish at the end.

Chairperson

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Entity Overview

Organizational Structure

ArtsNL is a non-profit Crown agency created in 1980 by the **Arts Council Act**. As a Crown agency, it operates at arm's-length from the Provincial Government. ArtsNL's purpose is to foster and promote the creation and production of works, the study and enjoyment of those works, and to encourage public awareness of the arts in the province. The primary function of ArtsNL is to develop and administer grant programs for emerging and established artists, professional arts organizations, community organizations, and schools.

Mandate

Section 5 of the **Arts Council Act** states the objects of the Council are to foster and promote the creation and production of works in the arts, the study and enjoyment of these works. In particular, the Council shall:

- Foster and promote, through grants and otherwise, the arts of the province and the arts of groups indigenous to the province.
- Help, through grants and otherwise, in the development of emerging and established artists and arts organizations in the province.
- Advise the Minister of Tourism, Culture, Arts and Recreation with respect to the development of arts and arts policy in the province.

Vision

The vision of ArtsNL 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.

Lines of Business

The primary function of ArtsNL is to develop and administer grant programs for emerging and established artists, professional arts organizations, community organizations, and schools. Currently, ArtsNL achieves this through eight funding programs:

1. The Professional Operating Program (replaced Sustaining Program for Professional Arts Organizations and the Annual Operating Program)
2. Professional Project Grants Program
3. Community Arts Program
4. Professional Artists' Travel Fund
5. School Touring Program
6. ArtsSmarts
7. Senior Artist Program
8. Creation Grants (Indigenous Arts Program)

ArtsNL also:

- initiates partnerships with the business community and other funding agencies
- administers the Newfoundland and Labrador Arts Awards, designed to honour the accomplishments of Newfoundland and Labrador artists
- manages the BMO Winterset Award, the Rhonda Payne Theatre Award, the Ross Leslie Award and the Gerry Porter Music Award
- facilitates the annual Equinor ArtsSmarts scholarship
- consults closely with its Indigenous Advisory Circle, which is instrumental in advising on the development of programs and building relationships with Indigenous artists

For additional information about any of ArtsNL's programs or events, please visit www.artsnl.ca. Additional information on ArtsNL's mandate, vision and lines of business are available in its [2023-26 Business Plan](#).

Staff and Budget

There are currently six full-time and one contractual staff employed by ArtsNL. In fiscal 2024-25, ArtsNL's base budget allocation from the Government of Newfoundland and Labrador was \$5.03 million plus an additional \$3.1 million for the Year of the Arts initiative, totaling \$8.04 million.

Board of Directors

Revised in December 2024, the **Arts Council Act** outlines requirements for the composition of the organization's oversight. ArtsNL is governed by a Council of no fewer than nine and no more than 11 members appointed by the Lieutenant-Governor in Council. No fewer than seven of the appointed members must be artists or arts administrators. Council members are appointed for a term which must not exceed three years and are eligible for reappointment. Council members cannot remain for more than two consecutive terms. As of March 31, 2025, the Council comprised of the following members:

Chairperson: David Brown (Arts Sector Representative)

Co-Vice Chairpersons: Ann Connors (Arts Sector Representative)
Ray Penton, Jr. (Arts Sector Representative)

Members: Michelle Keep (Arts Sector Representative)
Gina Power (Member Representative)

Non-Voting Member: Colleen Soulliere (Director of Arts and Heritage,
Department of Tourism, Culture, Arts and Recreation)

Physical Location

53 Bond St., Suite 100

P.O. Box 98

St. John's, NL A1C 5H5

Telephone: (709) 726-2212, Toll Free: 1-877-726-2212 (NL only)

Website: www.artsnl.ca

Highlights and Partnerships

Highlights

In 2024-25, ArtsNL was a key partner in the Government of Newfoundland and Labrador's Year of the Arts initiative, celebrating the province's unique and colourful arts community. The purpose of Year of the Arts was to leave a lasting impact on both artists and communities and to feature public events, festivals, music, and public art exhibitions. As the province's primary public arts funder, investing in the creation and presentation of art, an additional \$3.1 million was provided as part of Budget 2024-25. This was largely utilized to:

- Increase the existing funding envelope of the spring 2024 and fall 2024 Professional Projects Grant Program (PPGP).
- Pilot a second iteration of the Senior Artist Grant Program.
- Continue the Arts Creation Grants Program—the province's first Indigenous arts program of its kind.
- Fund all eligible applications to the Year of the Arts Projects Grant for Professional Arts organizations.

ArtsNL maintains an ongoing dialogue with its Indigenous Advisory Circle (IAC), comprised of representatives from Indigenous groups within the province. The IAC advises ArtsNL on how to best remove funding barriers for Indigenous artists and how to build successful relationships with artists in the Indigenous communities governed by Nunatukavut Community Council, Nunatsiavut Government, Innu Nation, Miawpukek

First Nation, Qalipu First Nation, as well as Indigenous artists from other Nations residing in rural and urban Newfoundland and Labrador. The Advisory Circle has been an invaluable resource to ArtsNL's Indigenous Outreach Officer and provides ongoing advice on the development of the Creation (Indigenous Arts) Grant program.

In 2024-25, ArtsNL engaged in a partnership with Municipalities Newfoundland and Labrador on their Tomorrow's Towns initiative, which aims to empower communities to become more sustainable by supporting projects that make a tangible, lasting impact on its residents. The program connects municipalities with experienced partners who can provide advice and guidance in planning and implementing projects effectively. ArtsNL will provide expert advice under the Arts and Heritage stream to help keep arts and culture front and center in municipal planning and ensures that creative projects remain a driving force in community growth.

Partnerships

Year of the Arts

Throughout 2024, the Government of Newfoundland and Labrador celebrated the Year of the Arts initiative and provided \$3.1 million in additional funding to ArtsNL to further support existing programs and continue piloting new ones.

- **Professional Project Grant Program**

ArtsNL topped up the 2024 spring and fall sessions of PPGP with an additional \$1 million for a total funding envelope of \$2.7 million. This led to a higher applicant success rate and the direct creation of more art. There was a total of 475 applications received over both sessions and 241 funded. Of those, 58 were new artists and 183 were established artists.

- **Senior Arts Program**

Another \$400,000 funding envelope was established to offer a second iteration of the Senior Artist Grant to another 10 artists over the age of sixty, who have contributed greatly to the provincial artistic landscape for at least 25 years. A highly competitive program, the Senior Artist Grant provides \$40,000 over two fiscal years (\$20,000 per year) to these prolific artists so they can continue their creative endeavors uninterrupted. The overwhelming response to this pilot program illustrates the need to provide this specialized support to Newfoundland and Labrador's senior artists.

- **Year of the Arts Projects Grant for Professional Arts Organizations**

This one-off program was created to support a range of activities to benefit an organization's growth, sustainability, resilience, preservation, creation, or new direction. Organizations undertook projects they were previously unable to do because of funding restraints. There were 49 applicants and a total funding envelope of \$1.35 million.

- **Indigenous Arts Creation Grants**

This pilot program is exclusively for Indigenous artists, artistic groups, and culture carriers within Newfoundland and Labrador for the creation, development, exhibition, and transfer of knowledge related to an art form or artistic practice. Grants are

available to Indigenous artists at any stage of their artistic career, working in all disciplines. There are two funding streams available:

- **Creation Micro-grant** (up to \$1,500) for small-scale projects, general materials, and related expenses.
- **Creation Grant** (up to a maximum of \$15,000) for projects running less than one year.

Other Partnerships

BMO Financial and Sandra Fraser Gwynn Foundation

Fiscal year 2024-25 represented year five of BMO Financial Group's current five-year \$100,000 sponsorship of the BMO Winterset Awards. The Award, offered through the Sandra Fraser Gwynn Foundation, is a partnership between BMO Financial Group, ArtsNL, and the Sandra Fraser Gwynn Foundation. The sponsorship maintains the annual award of \$12,500 to the winner and \$3,000 to each of the two finalists. This is the most prominent literary award in Atlantic Canada. During the reporting period, the BMO Winterset award celebrated its 25th anniversary, and the award's benefactor offered a second prize award of \$12,500 specifically for a non-fiction award. The additional award paid tribute to both Sandra and Richard Gwyn, also now deceased, who were both non-fiction writers.

Equinor and the Department of Education

In 2024-25, Equinor renewed its partnership with ArtsNL for an eleventh year in support of the ArtsSmarts Scholarship. The \$2,500 scholarship was established as part of Equinor's ongoing commitment to arts and culture development in the province.

Administered by ArtsNL, the scholarship is awarded annually to a Newfoundland and Labrador student pursuing post-secondary education in the arts. Applications for the scholarship are accepted from any Newfoundland and Labrador high school student commencing first-year, full-time art studies. In partnership with the Department of Education, which provides \$200,000, Equinor also contributes \$17,500 to the Arts in

Education initiative for ArtsNL to administer the School Touring and ArtsSmarts programs.

Report on Performance

Issue # 1: Responding to the changing priorities of the arts community

ArtsNL has spent more than four decades fostering and promoting the creation and enjoyment of the arts for the benefit of all Newfoundlanders and Labradorians. The last number of years have been some of the most difficult years to navigate, amid and in the wake of the global pandemic. The arts community is undergoing a transformation and ArtsNL remains integral to the long-term growth and sustainability of the arts community. Over the next three years, ArtsNL will undertake work that effectively responds to the shifting priorities of the arts community. As the Newfoundland and Labrador arts community continues to transform, ArtsNL must ensure its programs and policies can effectively support the continued growth and sustainability of the provincial arts ecosystem.

2024-25 Objective

By March 31, 2025, ArtsNL will have initiated changes to programs and guidelines in response to stakeholder needs.

Indicator 1: Completed program review of ArtsNL's operational program.

In 2024-25, with the support of an external arts consultant, two additional focus groups were undertaken with program stakeholders and, along with previously collected consultative data, program improvements were recommended. Arts administrators requested that a new operational program's eligibility criteria focus on ensuring professional arts organizations:

- Define the organization's community, and demonstrate the quality, significance, and impact of their artistic work on their community;

- Maintain effective board governance, complete with strategic plans as well as workplace and human resource policies and practices;
- Demonstrate healthy financial practices, including diverse sources of revenue, accounting software, generating financial statements in the form of an engagement review, audited review, or notice-to-reader, produced by an accountant from outside the organization, or internally generated statements, with written approval from two board members;
- Define leadership positions such as Executive Director, General Manager, or Artistic Director, who are paid a living wage using standard employment contracts;
- Compensate artist and performance fees at nationally accepted standards; and
- Measure an organization's success using an assessment process that considers more than just artistic merit or quantity of work undertaken. Instead, they want an opportunity to clearly define their artistic mandate, explain what community they serve and demonstrate their overall relevance and impact to that community through their activities. To understand the program's effectiveness and acknowledge when and if changes need to be made, ArtsNL has developed a series of questions, such as mid-term surveys, for the organizations to complete in written form or through one-on-one conversations with ArtsNL staff at annual checkpoints.

Indicator 2: Established a new operating program for professional arts organizations.

In summer 2024, the newly designed Professional Operating Program for arts organizations was presented to the community. Four online question and answer sessions were offered to arts administrators to review the new program criteria and peer assessment expectations with staff and the external arts consultant. The program officially launched in late fall 2024 and received 35 eligible applications by the February 2025 deadline.

Indicator 3: Piloted the Arts Creation Grant Program.

After consultations with the community, the Indigenous Outreach Officer and the Indigenous Advisory Circle, the Creation Grants Program was established and implemented in June 2024. This is a funding program exclusively for Indigenous artists, artistic groups, and culture carriers within Newfoundland and Labrador. The program's focus is the creation, development, exhibition, and transfer of knowledge related to an Indigenous art form or artistic practice. Two grant streams are available: (1) the Creation Micro-grant for small-scale projects, general materials and related expenses, and (2) the Creation Grant for more comprehensive projects. There were 26 creation grants, and 2 micro-grants awarded across the province for a total investment of \$354,000 for Indigenous arts.

Indicator 4: Consulted with the Government of Newfoundland and Labrador to modernize the Arts Council Act.

During the reporting period, the Department of Tourism, Culture, Arts and Recreation (TCAR) undertook a review of the **Arts Council Act**. ArtsNL contributed to this process by providing input into the survey questions and attending the targeted focus group sessions to assist with questions. ArtsNL provided information to the jurisdictional scan and consulted with TCAR to modernize language and develop new criteria consistent with other Canadian arts councils.

The amendments to the **Arts Council Act**, proclaimed in December 2024, include:

- a more inclusive and modernized definition of artist
- new criteria for board composition
- conflict of interest protocols and regulations which allow eligible sitting board members to apply for project funding through ArtsNL's programs.

2025-26 Objective

By March 31, 2026, ArtsNL will be an agency that better meets the needs of the changing arts community through programs and policies.

Indicator 1: Upgrade existing operating programs with streamlined multi-year Professional Operating Program for professional arts organizations.

Indicator 2: Engage Indigenous Advisory Circle to refine the Creation Grants Pilot Program.

Indicator 3: Harmonize the language throughout ArtsNL's website, programs, and policies to reflect the Arts Council Act legislative changes.

Opportunities and Challenges

Opportunities

The message from arts organizations throughout 2024-25 was consistent: we are stronger together. As a result, ArtsNL seized the opportunity to build sectoral engagement into the new Professional Operation Program. The Sectoral Engagement Initiative formalizes collaboration between ArtsNL and professional arts organizations to foster mutual support and develop strategies to enhance the arts sector. Within this initiative, ArtsNL has developed the Arts Advisory Table with a primary objective to foster consistent dialogue with government partners, and other stakeholders, aimed at increasing resources and promoting long-term, strategic investment in the arts. Arts administrators and ArtsNL leadership will form this advisory table to develop strategies for a thriving arts ecosystem in Newfoundland and Labrador.

Rapid changes in technology, shifting audience behaviors, and evolving societal expectations provide opportunities for the arts community in the form of digital transformation and hybrid programming. Shifting geopolitical and economic dynamics provide an opportunity to leverage Newfoundland and Labrador's unique geography and culture to attract interest in place-based art with opportunities for artists to work with site-specific entities and seasonal festivals across the province.

As the province continues to receive new Canadians, an opportunity exists for the arts to broaden its representation of artists who identify as Indigenous, persons of colour, immigrant, 2SLGBTQQIA+, and artists with disabilities, and to present work that reflects these broader voices and lived experiences.

The public demand for wellness solutions has grown post-pandemic and there is an opportunity to position the arts as a tool for mental health, social connection and community resilience through partnerships with healthcare to fund projects that explore art as therapy, social prescription, and intergenerational storytelling.

Challenges

The reliance on funding remains a significant challenge for the arts sector. Rising operational costs and inflation reduce the real value of grants and project-based funding while impacting long-term sustainability. The arts sector continues to experience precarity and burnout that leads to artists and administrators leaving the space due to unstable incomes. The high cost of living continues to impact individual working artists in covering the rising costs of materials, studio spaces, and touring. Moreover, costs associated with purchasing and shipping materials remain high, particularly for remote parts of the province. These costs require some artists to defer their art in pursuit of other professions or leave the space all together, which is renewing calls to improve the working conditions and income security for artists.

While shifting geopolitical and economic dynamics have led to artists looking for new markets and export opportunities throughout Canada and Europe, the cost of such ventures further exacerbates long-term sustainability for many artists. These challenges are compounded as inflation has negated the overall impact of ArtsNL's 2018-2021 incremental budget increase from \$2 million to \$5 million. The province's vast geography creates logistical and financial barriers, making touring, outreach, and collaboration expensive, with rural and remote communities having less access to opportunities. While digital advancements can assist, not all artists and arts organizations have the skills or infrastructure to adapt to the digital demands. Technology can be costly and require significant training and/or ongoing technical support, and some artistic disciplines are harder to translate into online.

While the arts sector continues to make advancements, systemic barriers still limit participation from marginalized communities, leading to a lack of diversity in funded projects and leadership roles, and missed creative potential from underrepresented

voices. Accessibility remains a significant barrier to artists with mobility issues due to outdated facility infrastructure, though these challenges are being considered via ArtsNL's [Accessibility Plan](#).

Financial Information

**NEWFOUNDLAND AND LABRADOR
ARTS COUNCIL**

FINANCIAL STATEMENTS

MARCH 31, 2025

Management's Report

Management's Responsibility for the Newfoundland and Labrador Arts Council's 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.

Management is also responsible for ensuring that transactions comply with relevant policies and authorities and are properly recorded to produce timely and 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 internal financial information on a periodic basis and external audited financial statements yearly.

The Office of 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 Office of 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.



Melanie Martin
Executive Director



OFFICE OF THE AUDITOR GENERAL
NEWFOUNDLAND AND LABRADOR

INDEPENDENT AUDITOR'S REPORT

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

Opinion

I have audited the financial statements of Newfoundland and Labrador Arts Council (the Council), which comprise the statement of financial position as at March 31, 2025, and the statement of operations, statement of change in net financial assets, and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Council as at March 31, 2025, and the results of its operations, changes in its net financial assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Council in accordance with the ethical requirements that are relevant to my audit of the financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and my auditor's report thereon. The annual report is expected to be made available to me after the date of this auditor's report.

My opinion on the financial statements does not cover the other information and I will not express any form of assurance conclusion thereon.

Independent Auditor's Report (cont.)

In connection with my audit of the financial statements, my responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated. When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing the Council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Council's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Council's internal control.

Independent Auditor's Report (cont.)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Council's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Council to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.



SANDRA RUSSELL, CPA
Deputy Auditor General

September 12, 2025
St. John's, Newfoundland and Labrador

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

As at March 31	2025	2024
FINANCIAL ASSETS		
Cash and cash equivalents	\$ 446,508	\$ 1,757,271
Accounts receivable (Note 3)	81,295	162,397
Portfolio investments (Note 4)	2,165,388	551,041
Restricted cash (Note 19)	14,159	75,000
	2,707,350	2,545,709
LIABILITIES		
Accounts payable and accrued liabilities (Note 5)	436,687	313,738
Deferred revenue (Note 6)	98,136	1,309,176
Cash held in trust (Note 19)	14,159	75,000
	548,982	1,697,914
Net financial assets	2,158,368	847,795
NON-FINANCIAL ASSETS		
Tangible capital assets (Note 8)	25,704	28,448
Prepaid expenses	6,916	59,313
Arts Fund (Note 9)	57,238	53,673
	89,858	141,434
Accumulated surplus	\$ 2,248,226	\$ 989,229
Contractual obligations (Note 20)		

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

	2025 Budget Unaudited (Note 15)	2025 Actual	2024 Actual
REVENUES			
Province of Newfoundland and Labrador			
Grants	\$ 5,049,400	\$ 5,312,302	\$ 5,214,191
Projects (Note 10)	259,000	62,546	51,007
Interest revenue	15,000	196,761	121,815
Donations revenue (Note 6)	-	16,372	-
Other revenue	-	7,718	22,700
Year of the Arts (Note 18)	-	4,248,067	784,633
	5,323,400	9,843,766	6,194,346
EXPENSES (Note 11)			
Grants			
Annual Operating	350,000	399,998	344,390
Community Arts	100,000	100,914	112,753
Professional Artists Travel Fund grants	150,000	193,803	156,306
Professional Project Grants Program	1,700,000	1,700,201	1,752,331
Sustaining Program for Professional Arts Organizations	1,750,000	1,750,010	1,970,010
Year of the Arts	-	3,085,901	720,000
	4,050,000	7,230,827	5,055,790
Year of the Arts expenses	-	103,752	64,633
Projects (Note 12)	505,500	470,883	322,434
Operating expenses (Note 13)	752,401	779,307	705,594
	5,307,901	8,584,769	6,148,451
Annual surplus	15,499	1,258,997	45,895
Accumulated surplus, beginning of year	989,229	989,229	943,334
Accumulated surplus, end of year	\$ 1,004,728	\$ 2,248,226	\$ 989,229

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

	2025 Budget Unaudited (Note 15)	2025 Actual	2024 Actual
Annual surplus	\$ 15,499	\$ 1,258,997	\$ 45,895
Tangible capital assets			
Acquisition of tangible capital assets	(10,800)	(6,425)	(14,046)
Amortization of tangible capital assets	10,000	9,169	7,768
	(800)	2,744	(6,278)
Prepaid expenses			
Acquisition of prepaid expenses	-	(6,916)	(59,313)
Use of prepaid expense	-	59,313	5,065
	-	52,397	(54,248)
Arts Fund	-	(3,565)	-
Increase (decrease) in net financial assets	14,699	1,310,573	(14,631)
Net financial assets, beginning of year	847,795	847,795	862,426
Net financial assets, end of year	\$ 862,494	\$ 2,158,368	\$ 847,795

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

NEWFOUNDLAND AND LABRADOR ARTS COUNCIL
NOTES TO FINANCIAL STATEMENTS
March 31, 2025

9. 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, 2025, \$3,565 (2024 - \$1,515) was earned through investment of the Fund and is included with interest revenue.

	<u>2025</u>	<u>2024</u>
Restricted funds		
Province of Newfoundland and Labrador	\$ 40,000	\$ 40,000
Gifts and bequests as per Section 12 (2) of the Arts Council Act	13,673	13,673
Accumulated interest	3,565	-
	<u>\$ 57,238</u>	<u>\$ 53,673</u>
At March 31, 2025, the Guaranteed Investment Certificate included restricted funds in the amount of \$57,238 (2024 - \$53,673).		
Interest earned	3,565	1,515
Interest allocated for operations	-	(1,515)
	<u>\$ 3,565</u>	<u>\$ -</u>

NEWFOUNDLAND AND LABRADOR ARTS COUNCIL
NOTES TO FINANCIAL STATEMENTS
March 31, 2025

10. Revenues - Projects

	2025 <u>Budget</u> Unaudited (Note 15)	2025 <u>Actual</u>	2024 <u>Actual</u>
Winterset Awards	\$ 36,000	\$ 40,426	\$ 28,007
Arts in Education	220,000	20,000	20,000
Arts Awards	-	120	-
Ross Leslie Award	500	500	500
Rhonda Payne Award	500	500	500
Gerry Porter Award	2,000	1,000	2,000
	\$ 259,000	\$ 62,546	\$ 51,007

11. Expenses by object

	2025 <u>Budget</u> Unaudited (Note 15)	2025 <u>Actual</u>	2024 <u>Actual</u>
Grants and awards	\$ 4,368,000	\$ 7,706,384	\$ 5,362,905
Salaries and employee benefits	578,000	601,609	560,728
Purchased services	186,001	165,679	125,913
Travel	90,000	6,418	17,958
Professional services	55,900	81,154	59,835
Amortization	10,000	9,169	7,768
Telephone	20,000	14,356	13,344
	\$ 5,307,901	\$ 8,584,769	\$ 6,148,451

NEWFOUNDLAND AND LABRADOR ARTS COUNCIL
NOTES TO FINANCIAL STATEMENTS
March 31, 2025

12. Expenses – Projects

	2025 <u>Budget</u> Unaudited (Note 15)	2025 <u>Actual</u>	2024 <u>Actual</u>
Arts Awards	\$ 50,000	\$ 49,691	\$ 45,453
Arts Smarts	135,000	161,802	123,691
Ross Leslie Award	500	500	500
Rhonda Payne Award	500	500	500
School Touring Program	75,000	156,372	75,000
Winterset Award	35,000	39,985	28,007
Arts NL Website	7,500	720	600
Home is Where the Art is	50,000	50,632	40,291
Indigenous Outreach	100,000	-	3,184
Strategic Initiatives	-	7,799	3,208
Indigenous Officer Travel	50,000	1,882	-
Gerry Porter Award	2,000	1,000	2,000
	\$ 505,500	\$ 470,883	\$ 322,434

13. Operating expenses

	2025 <u>Budget</u> Unaudited (Note 15)	2025 <u>Actual</u>	2024 <u>Actual</u>
Amortization	\$ 10,000	\$ 9,169	\$ 7,768
Legal fees	-	27,791	7,415
Miscellaneous	33,001	53,797	35,297
Office and postage	10,500	13,687	13,348
Project evaluating fees	48,400	42,267	47,520
Salaries and employee benefits	578,000	601,609	560,728
Telephone	20,000	14,356	13,344
Travel and Council meetings	45,000	5,535	15,274
Professional Fees	7,500	11,096	4,900
	\$ 752,401	\$ 779,307	\$ 705,594

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14. 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 and cash equivalents, portfolio investments and accounts receivable. The Council's maximum exposure to credit risk is the carrying amounts of these financial instruments. 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 and the Province of Newfoundland and Labrador. 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. 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 its portfolio investments because these investments have fixed rates and fixed values at maturity.

15. Budgeted figures

Budgeted figures, which have been prepared primarily on a cash basis, are provided for comparison purposes and have been derived from the estimates approved by the Council. Budgeted figures included in the financial statements are not audited.

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16. Related party transactions

- (a) The Council receives grant funding from the Province of Newfoundland and Labrador. During the year, the Council received grants totaling \$8,160,700 (2024 - \$5,233,000), which included \$3,007,700 in funding for Year of the Arts (2024 - \$0). See Note 18 for further details.

The Council recognized \$8,320,002 (2024 - \$5,214,191) in revenue from the Province of Newfoundland and Labrador, including deferred revenue recognized in the fiscal year in which it is spent.

- (b) During the year, the Council received grants totaling \$0 (2024 - \$2,025,000) from Celebrate NL Inc., a Crown Corporation of the Province of Newfoundland and Labrador.

17. 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 9.

18. Year of the Arts

The Province of Newfoundland and Labrador designated 2024 as "Year of the Arts" to celebrate artistic works and contributions in Newfoundland and Labrador. Newfoundland and Labrador Arts Council was identified as a service delivery partner by the Government of Newfoundland and Labrador in this initiative. In 2025, \$3,007,700 of funding was provided to the Council from the Province of Newfoundland and Labrador to undertake new programming and to top-up existing programs. As of March 31, 2025, revenues totalling \$4,248,067 (2024 - \$784,633) related to Year of the Arts have been recognized.

19. Restricted cash

In March 2025, the Council received \$14,159 from Government of Newfoundland and Labrador and held this cash in trust. No commission was taken by the Council, and funds were disbursed in full to the intended recipient in April 2025.

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20. Contractual obligations

As at March 31, 2025, the Council entered into a lease with the following payment schedule:

2026	\$ 40,562
2027	40,562
2028	40,562
2029	<u>27,042</u>
	<u>\$ 148,728</u>