

2010-2011 AGM REPORTS



The Prince Edward Island Council of the Arts
Conseil des Arts de Île-du-Prince-Édouard

BOARD AND STAFF

Board:

Dr. Greg Doran - Chair
Andrew Sprague - Vice-Chair
Christine Trainor - Treasurer

Staff:

Darrin White - Executive Director
Heather Idt - Administrator
Annette Campbell - Programs Officer though to September 2011

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**The Prince Edward Island Council of the Arts
Agenda Tuesday, October 25, 2011
6:30 PM – 8:30 PM at the Guild, Charlottetown**

1. Welcome and Call to Order
2. Approval of the Agenda
3. Approval of Minutes from 2009/2010 AGM
4. Auditors review of Financial Statements
5. Request for Proposals for Auditor for 2011/2012

The PEICA has received services from Corkum & Associates for many years. As part of good business practice, the Board feels the Council could benefit from assessing the current market for auditing services as applied to the Council's needs and budget. Therefore, the Board seeks a mandate from the membership to carry out such an assessment and select auditing services based on the outcome.

MOTION: "The membership authorizes the Board of Directors to issue a Request for Proposals seeking quotes for auditing services for the fiscal year 2011/2012 and to select from the responses an Auditor based on proposed fees and services."

6. Report from Chairperson – Dr. Greg Doran
7. Report from Executive Director – Darrin White
8. Nominations Committee
9. Nominations from the floor
10. Close of Nominations and Election of Directors
11. New Business - Call for Input on Eligibility Policy
12. Adjournment

**Prince Edward Island Council of the Arts
Minutes of Annual General Meeting 2009-2010**

DATE: Tuesday, November 30, 2010
TIME: 6:30 p.m.
LOCATION: The Guild, Charlottetown

1. **Welcome:**
Dr. Greg Doran, Chair welcomed everyone to the Annual General Meeting.
2. **Call to Order: Quorum**
Dr. Greg Doran, Chair called the Annual General Meeting to order at 6:31 p.m.
3. **Approval of the Agenda:**
It was moved by Andrew Sprague and seconded by Christine Trainor the agenda be approved as distributed.
Motion: CARRIED
Discussion: None
4. **Reading and Approval of Minutes from the 2009 AGM**
It was moved by Paul Lopes and seconded by Andrew Sprague that the minutes from the 2009 AGM be approved as distributed.
Motion: CARRIED
Discussion: None
5. **Auditor's Report – Review of Financial Statement**
The Auditor, Kevin Crozier, of Corkum & Arsenault presented the 2009/2010 Financial Statements for the PEI Council of the Arts. A copy of the financial statements was circulated. He explained that the audit this year was more intensive due to the lack of administrative staff.

Darrin noted that there would be a change in the way grants are being recorded financially; utilizing accrual basis accounting, rather than cash basis, in order to reflect the full 100% owing upon approval as opposed to showing 75% and 25% respectively.

It was moved by Susanna Rutherford and seconded by Louise Lalonde that the Audited Financial Statements for 2009/2010 be approved as distributed.
Motion: CARRIED
Discussion: None
6. **Appointment of Auditor for 2010/2011 Fiscal Year**
It was moved by Andrew Sprague and seconded by Paul Lopes that Corkum & Arsenault be appointed the auditor for the 2010/2011 fiscal year.
Motion: CARRIED
Discussion: NONE

7. **Report from Chairperson – Dr. Greg Doran**

It was noted that a copy of the Chairperson's report had been circulated prior to the meeting.

It was moved by Paul Lopes and seconded by Dominique Cruchet that the report from the Chair be approved as distributed.

Motion: CARRIED

Discussion: None

8. **Report from the Executive Director – Darrin White**

It was noted that a copy of the Executive Director's report had been distributed prior to the meeting.

It was moved by Dominique Cruchet and seconded by Tom Dean that the report from the Executive Director be approved as distributed.

Motion: CARRIED

Discussion: None

9. **Nomination Committee Report**

Dr. Greg Doran presented the Nominating Report on behalf of the PEI Council of the Arts. The Nominating Committee has reported that the following

It was moved by Susanna Rutherford and seconded by Louise Lalonde that the report from the Nomination Committee be approved as distributed.

Motion: CARRIED

Discussion: None

10. **Nominations from the Floor**

Dr. Greg Doran called three times for any further nominations from the floor. There were no nominations.

11. **Close of Nominations and Election of Directors**

It was moved by Paul Lopes and seconded by Dominique Cruchet that the Nominating Committee's Report be accepted.

Motion: CARRIED

Discussion: None

12. **New Business – Transfer of ownership of The Guild from The Council to Ars Longa**

Dr. Doran discussed that the inability of Ars Longa to apply for federal funding in regards to much needed maintenance and improvements to The Guild building, are hindered due to ownership being in The Council's name. For this reason and others, an informational meeting to discuss the change in ownership will take place in February of 2011, followed by a special general meeting in April of 2011.

13. Adjournment

The Annual General Meeting was adjourned at 8:04 p.m.

The Prince Edward Island Council of the Arts
Financial Statements
For the Year Ended March 31, 2011





INDEPENDENT AUDITOR'S REPORT

To the Members of The Prince Edward Island Council of the Arts

We have audited the accompanying financial statements of The Prince Edward Island Council of the Arts, which comprise the statement of financial position at March 31, 2011, and the statement of income and changes in net assets and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles and for such internal controls as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Qualified Opinion

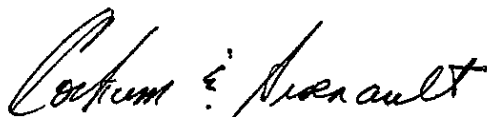
Equipment is recorded at original cost of \$104,642. We were unable to obtain sufficient appropriate audit evidence about which assets comprise this original cost, which would prove existence and ownership as at March 31, 2011, because detailed asset listings are not maintained and ARS LONGA Inc. (note 2(b)) has made modifications and additions to existing equipment. We are also unable to obtain sufficient appropriate audit evidence to determine if a possible impairment in value is necessary due to the above existence and ownership issues. Consequently, we were unable to determine whether any adjustments to these amounts were necessary.

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of The Prince Edward Island Council of the Arts as at March 31, 2011, and its financial performance and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Emphasis of Matter

We draw attention to Note 1 in the financial statements which indicates that the The Prince Edward Island Council of the Arts' Operating Fund current liabilities exceeded its current assets as at March 31, 2011 by \$62,647, and that the receivable from the other funds is not available as liquid cash. These conditions indicate the existence of a material uncertainty that may cast significant doubt about The Prince Edward Island Council of the Arts' ability to meet liabilities as they come due and continue as a going concern.



Chartered Accountants

August 24, 2011

Charlottetown, Prince Edward Island



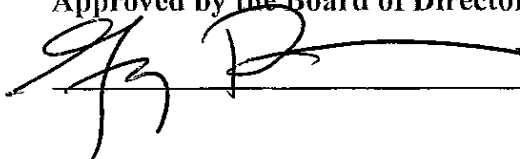
The Prince Edward Island Council of the Arts

Statement of Financial Position

As at March 31, 2011

	2011			2010	
	Operating Fund \$	Capital Fund \$	Restricted Fund \$	Total \$	Total \$
ASSETS					
Current Assets					
Cash	1,581	-	901	2,482	901
Accounts receivable	3,595	-	-	3,595	9,639
Staff advances and prepaid wages	5,485	-	-	5,485	14,727
Prepaid expenses	-	-	-	-	439
	<u>10,661</u>	<u>-</u>	<u>901</u>	<u>11,562</u>	<u>25,706</u>
Investments (note 4)	-	-	71,372	71,372	71,115
Due From (To) Other Funds	29,797	(37,997)	8,200	-	-
Property and Equipment (note 5)	-	693,543	-	693,543	693,543
	<u>40,458</u>	<u>655,546</u>	<u>80,473</u>	<u>776,477</u>	<u>790,364</u>
LIABILITIES					
Current Liabilities					
Bank advances	-	-	-	-	4,036
Demand installment loan (note 6)	-	45,125	-	45,125	49,625
Accounts payable and accrued liabilities	50,077	-	-	50,077	69,464
Funding payable to artists	23,231	-	-	23,231	22,430
	<u>73,308</u>	<u>45,125</u>	<u>-</u>	<u>118,433</u>	<u>145,555</u>
NET ASSETS					
Invested in Property and Equipment	-	610,421	-	610,421	610,421
Restricted (note 7)	-	-	80,473	80,473	70,681
Unrestricted	(32,850)	-	-	(32,850)	(36,293)
	<u>(32,850)</u>	<u>610,421</u>	<u>80,473</u>	<u>658,044</u>	<u>644,809</u>
	<u>40,458</u>	<u>655,546</u>	<u>80,473</u>	<u>776,477</u>	<u>790,364</u>

Approved by the Board of Directors

 Director

Director



The Prince Edward Island Council of the Arts

Statement of Income and Changes in Net Assets

For the Year Ended March 31, 2011

	2011		2010
	Operating Fund \$	Restricted Fund \$	Total \$
Revenue			
Contributions - Province of PEI -			
Operations and artist's funding allocations	258,800	-	258,800
Contributions for property taxes	11,670	-	11,670
Memberships	388	-	388
Fundraising, board development and other	40	-	40
Restricted Fund revenue (schedules 1 and 2)	-	10,992	10,992
	<u>270,898</u>	<u>10,992</u>	<u>281,890</u>
			<u>260,685</u>
Expenditures			
Funding to Artists and Organizations			
Professional arts program	72,224	-	72,224
Program support	25,444	-	25,444
Arts awards	141	-	141
Art education	-	-	-
Arts organizations	3,530	-	3,530
Arts services	7,519	-	7,519
Community arts	1,119	-	1,119
Membership	359	-	359
Outreach	2,100	-	2,100
	<u>112,436</u>	<u>-</u>	<u>112,436</u>
			<u>146,820</u>
Facilities			
Interest on property taxes	1,610	-	1,610
Property taxes	22,618	-	22,618
Contribution to ARS LONGA Inc. (note 2(b))	8,000	-	8,000
Repairs, maintenance and consulting	1,291	-	1,291
	<u>33,519</u>	<u>-</u>	<u>33,519</u>
			<u>32,265</u>
Restricted Fund Expenses (schedules 1 and 2)	<u>-</u>	<u>1,200</u>	<u>1,200</u>
			<u>10,900</u>
Administrative Expenses (schedule 3)	<u>121,500</u>	<u>-</u>	<u>121,500</u>
			<u>130,613</u>
Total Expenses	<u>267,455</u>	<u>1,200</u>	<u>268,655</u>
			<u>320,598</u>
Excess Revenue (Expenses) for the Year	3,443	9,792	<u>13,235</u>
			<u>(59,913)</u>
Net Assets (Deficiency) - Beginning of Year	<u>(36,293)</u>	<u>70,681</u>	
Net Assets (Deficiency) - End of Year	<u>(32,850)</u>	<u>80,473</u>	



The Prince Edward Island Council of the Arts

Statement of Cash Flows

For the Year Ended March 31, 2011

	2011			2010	
	Operating Fund \$	Capital Fund \$	Restricted Fund \$	Total \$	Total \$
Cash Flows from Operating Activities					
Excess revenue (expenses) for the year	3,443	-	9,792	13,235	(59,913)
Net change in non-cash working capital items					
- Decrease in accounts receivable	6,044	-	-	6,044	9,020
- Decrease (increase) in staff advances and prepaid wages	9,242	-	-	9,242	(13,979)
- Decrease in prepaid expenses	439	-	-	439	1,727
- Increase (decrease) in accounts payable and accrued liabilities	(19,385)	-	-	(19,385)	30,306
- Increase in funding payable to artists	<u>801</u>	<u>-</u>	<u>-</u>	<u>801</u>	<u>934</u>
	<u>584</u>	<u>-</u>	<u>9,792</u>	<u>10,376</u>	<u>(31,905)</u>
Cash Flows from Investing Activities					
Proceeds on disposal of investments	-	-	-	-	10,022
Purchase of investments	<u>-</u>	<u>-</u>	<u>(259)</u>	<u>(259)</u>	<u>(159)</u>
	<u>-</u>	<u>-</u>	<u>(259)</u>	<u>(259)</u>	<u>9,863</u>
Cash Flows from Financing Activities					
Decrease in demand installment loan	-	(4,500)	-	(4,500)	(4,500)
Change in amount due from (to) other funds	<u>5,033</u>	<u>4,500</u>	<u>(9,533)</u>	<u>-</u>	<u>-</u>
	<u>5,033</u>	<u>-</u>	<u>(9,533)</u>	<u>(4,500)</u>	<u>(4,500)</u>
Increase (Decrease) in Cash	5,617	-	-	5,617	(26,542)
Cash (Bank Advances) - Beginning of Year	<u>(4,036)</u>	<u>-</u>	<u>901</u>	<u>(3,135)</u>	<u>23,407</u>
Cash (Bank Advances) - End of Year	<u><u>1,581</u></u>	<u><u>-</u></u>	<u><u>901</u></u>	<u><u>2,482</u></u>	<u><u>(3,135)</u></u>
Cash (Bank Advances) consists of:					
Cash				2,482	901
Bank Advances				<u>-</u>	<u>(4,036)</u>
				<u><u>2,482</u></u>	<u><u>(3,135)</u></u>



The Prince Edward Island Council of the Arts

Notes to Financial Statements

For the Year Ended March 31, 2011

1. Going Concern

These financial statements have been prepared on the basis of accounting principles applicable to a "going concern", which assumes that The Prince Edward Island Council of the Arts (the Council) will continue in operation for the foreseeable future and will be able to discharge its liabilities in the normal course of operations.

In the Operating Fund, the Council has a net asset deficiency of \$32,850 and current liabilities totalling \$73,308 as at March 31, 2011. Its cash resources to pay these debts at that time comprised current assets from the Operating Fund of \$10,661. The amount due from other funds of \$29,797 is not currently available in cash. Continuation of operations is dependent upon the organization obtaining sufficient additional revenues and adequate financing resources to satisfy liabilities as they come due.

These financial statements do not reflect adjustments that would be necessary if the going concern basis were not appropriate. Management believes that current plans for operating budget modifications will mitigate the adverse cash flow situation over the next three years.

2. Purpose and Operations

(a) The Prince Edward Island Council of the Arts

The mandate of the Council is to promote the enjoyment of, participation in and accessibility to the Arts for all people throughout the Province of Prince Edward Island. The Council was incorporated on March 2, 1978 as a corporation without share capital. The Council is a registered charity under the provisions of the Income Tax Act, and accordingly is not taxable under section 149(1)(f) of the Income Tax Act.

(b) ARS LONGA Inc.

The Guild building and its contents are leased to ARS LONGA Inc. for the annual sum of \$5.00 pursuant to a Memorandum of Understanding made April 19, 2004 between the Council, the Province of Prince Edward Island and the City of Charlottetown.

During the fiscal year ended March 31, 2011, an amount of \$8,400 (2010 - \$8,400) including GST was paid to ARS LONGA Inc. as a contribution towards operating costs and providing subsidized space for artists of Prince Edward Island.



The Prince Edward Island Council of the Arts

Notes to Financial Statements

For the Year Ended March 31, 2011

3. Summary of Significant Accounting Policies

(a) Fund accounting

The Prince Edward Island Council of the Arts follows the restricted fund method of accounting for contributions. Restricted contributions authorized to fund general operations are recognized as revenue of the Operating Fund in the year in which the related activity or expense is incurred. All other restricted contributions are recognized as revenue of the appropriate restricted fund. Unrestricted contributions are recognized as revenue of the Operating Fund in the year received or receivable if the amount can be reasonably estimated and collection is reasonably assured.

The Operating Fund accounts for the Council's program delivery and administrative activities. This fund reports unrestricted income and expenditures. The Capital Fund reports the assets and liabilities of the Council related to land, building and equipment.

The Council's Restricted Fund includes five separate funds with activities as reported on Schedule 1 and summarized on Schedule 2 and with net assets as reported in note 7.

- (i) Literary Awards Fund, including the L.M. Montgomery Children's Literary Award Fund - This fund was established to provide annual literary awards. Effective 2010, the responsibility for these awards was transferred to the Prince Edward Island Writers' Guild. A portion of the Fund is maintained by the heirs of L.M. Montgomery to provide funds for the Children's Literary Awards program of the Council. The donors establish the amounts of interest and principal that are available each year for use by the Council. The externally restricted balance of this fund, as reported in note 7, represents the L.M. Montgomery Children's Literary Award Fund portion of this fund.
- (ii) Father Adrien Arsenault Senior Arts Awards Fund - This fund was established to provide for awards to senior artists. The use of principal or interest is determined by the Council's Board of Directors. Interest is accumulated in this fund until used for awards and related costs.
- (iii) Endowment Fund - This fund was established by the Board of Directors to provide for awards and special projects as determined by the Board. Interest and contributions to this fund are recognized as revenue when received and accumulate in this fund until used in activities authorized by the Board. During the fiscal year ended March 31, 2005, the Board authorized use of this fund to pay the liability for Goods and Services Tax as assumed by the Council from Arts Guild Inc.



The Prince Edward Island Council of the Arts

Notes to Financial Statements

For the Year Ended March 31, 2011

3. Summary of Significant Accounting Policies (continued)

(a) Fund accounting (continued)

- (iv) Art Expo - This fund was established by the Board of Directors to support visual art education, which benefits students by stimulating creativity, problem-solving, independent thinking and self-expression. In November 2005, the Board resolved to discontinue administrative support in this event and it is now inactive. The balance of the fund will be used for purposes of a similar nature.
- (v) Erica Rutherford Scholarship Fund - This fund was established by the Board of Directors in memory of the late Erica Rutherford to provide scholarships to deserving artists. Contributions to this fund are recognized as revenue when received and accumulated in this fund to provide a scholarship at a future date.

The balances owing between funds are without interest or specific terms of repayment.

(b) Property and equipment

Purchased property and equipment are recorded in the Capital Fund at cost, with the exception of computer software, which is expensed at the time of purchase. The original contributed property and equipment were recorded in the Capital Fund at fair value at the date of contribution, except for land, which was recorded at nominal value. As shown in note 5, the cost of the building was reduced to estimated net realizable value in 2004.

No depreciation is recorded on property and equipment.

(c) Investments

Investments are recorded at the lower of cost and market value.

(d) Revenue recognition

Revenue is recognized as follows:

- Contributions for operations and property taxes are recognized as revenue in the fiscal year to which they relate.
- Membership revenue is recognized at the time of collection.
- Investment income is recognized as revenue when earned.
- Board development and restricted fund event revenue are recognized at the time the events are held.
- Fundraising and miscellaneous revenue amounts, including donations, are recorded at time of receipt; pledges of donations are not recorded.



The Prince Edward Island Council of the Arts

Notes to Financial Statements

For the Year Ended March 31, 2011

3. Summary of Significant Accounting Policies (continued)

(e) Donated materials and services

Volunteers contribute their services to assist the organization in carrying out its activities. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements. The organization also does not record the value of donated materials.

(f) Management estimates

The presentation of financial instruments in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect various reported amounts and disclosures. By their nature, these estimates are subject to measurement uncertainty.

(g) Fair value of financial instruments

The financial instruments of the Council include cash, accounts receivable, staff advances and prepaid wages, investments, demand installment loan, accounts payable and accrued liabilities and funding payable to artists.

Fair value represents the amount at which a financial instrument could be exchanged in an arm's length transaction between willing parties under no compulsion to act and is best evidenced by a quoted market price, if one exists. The determination of estimated fair values is based on market conditions at a specific point in time and may not be reflective of future fair values. The Council has evaluated the fair value of its financial instruments based on the current interest rate environment, market values and the actual prices of financial instruments with similar terms. The carrying value of financial instruments, with the exception of the demand installment loan, is considered to approximate fair value as these assets and liabilities are short-term in nature. The non-interest bearing demand installment loan aggregates \$45,125, and has an estimated fair market value of \$42,100 based on market interest rates. It is management's opinion that the Council is not exposed to significant interest, currency or credit risks arising from these financial instruments.

Liquidity risk is the risk that the Council is not able to meet a demand for cash or fund its obligations as they come due. As disclosed in note 1, the Council has a significant working capital deficiency as at March 31, 2011. As a result, the Council's liquidity risk is rated as high.



The Prince Edward Island Council of the Arts

Notes to Financial Statements

For the Year Ended March 31, 2011

4. Investments

	2011 \$	2010 \$
Marketable securities - at cost	<u>71,372</u>	<u>71,115</u>
Marketable securities - quoted market value	<u>71,372</u>	<u>71,115</u>

5. Property and Equipment

	2011 \$	2010 \$
Land	1	1
Building	1,082,293	1,082,293
Equipment	<u>104,642</u>	<u>104,642</u>
	1,186,936	1,186,936
Writedown of building to estimated net realizable value in 2004	<u>(493,393)</u>	<u>(493,393)</u>
	<u>693,543</u>	<u>693,543</u>

6. Demand Installment Loan

Effective April 1, 2004, the Council (Capital Fund) agreed to assume responsibility for payments on the demand installment loan owing to the Royal Bank of Canada by Arts Guild Inc. This loan is without interest and is repayable in monthly principal installments of \$375 until April 2012 followed by on payment of \$250 in May 2012, at which time the remaining balance of \$40,000 will be forgiven. Security for the loan, excluding collateral pledged by the Guild, which has now been dissolved, comprises:

- general assignment of book debts; and
- commitment not to incur additional borrowings for expansion or renovations without written approval from the bank.



The Prince Edward Island Council of the Arts

Notes to Financial Statements

For the Year Ended March 31, 2011

7. Restricted Net Assets

Changes in restricted net assets for the year are presented in schedule 1, with a summary on schedule 2. At year-end, restricted net assets comprise the following:

	2011	2010
	\$	\$
Internally restricted -		
Literary Awards Fund	(3,385)	(3,085)
Father Adrien Arsenault Senior Arts Awards Fund	52,128	51,876
Endowment Fund	703	700
Erica Rutherford Scholarship	10,733	-
Art Expo	<u>2,601</u>	<u>2,601</u>
	62,780	52,092
Externally restricted -		
Literary Awards Fund - L.M. Montgomery Children's Literary Awards Fund	<u>17,693</u>	<u>18,589</u>
	<u>80,473</u>	<u>70,681</u>

8. Government Contributions and Economic Dependence

During the year, total provincial, municipal and federal grants received for various purposes, including operations, projects and wage subsidies amounted to \$270,470 (2010 - \$260,330).

The Council receives over 90% of its total funding from the Province of Prince Edward Island. Should this funding discontinue, it would have a material adverse affect on the Council's results of operations and financial condition.

9. Capital Management

The Council considers its capital to be the balance of its Net Assets. The primary objective of the Council is to invest its capital in a manner that will allow it to continue as a going concern and comply with its stated objectives. Capital is invested under the direction of the Board of Directors with the objective of providing a reasonable rate of return, minimizing risk and ensuring adequate liquid investments are on hand for current cash flow requirements. The Council's ability to continue as a going concern has been disclosed in note 1 and the Council is subject to liquidity risk as disclosed in note 3 (g). The Council is subject to externally imposed requirements for the L.M. Montgomery Children's Literacy Award Fund as explained in note 3 (a)(i).



The Prince Edward Island Council of the Arts

Notes to Financial Statements

For the Year Ended March 31, 2011

10. Commitments

The minimum annual lease payments under long-term equipment leases, included in expenses as "equipment leasing", expiring in December 2013, are as follows:

Fiscal year ending March 31,		\$
2012		5,829
2013		5,171
2014		2,510



The Prince Edward Island Council of the Arts
 Schedule of Restricted Fund Revenue and Expenses
 For the Year Ended March 31, 2011

	2011 \$	2010 \$
<u>Literary Awards Fund</u>		
Revenue		
Investment income	<u>4</u>	<u>9</u>
Expenses		
Bad debt	300	-
Prizes	700	700
Fees and honorariums	<u>200</u>	<u>200</u>
	<u>1,200</u>	<u>900</u>
Excess Expenses for the Year	<u>(1,196)</u>	<u>(891)</u>

	2011 \$	2010 \$
<u>Father Adrien Arsenault Senior Arts Awards Fund</u>		
Revenue		
Investment income	252	148
Expenses		
Awards and gala	<u>-</u>	<u>10,000</u>
Excess Revenue (Expenses) for the Year	<u>252</u>	<u>(9,852)</u>

	2011 \$	2010 \$
<u>Endowment Fund</u>		
Revenue		
Investment income	<u>3</u>	<u>2</u>

	2011 \$	2010 \$
<u>Erica Rutherford Scholarship Fund</u>		
Revenue		
Donations	<u>10,733</u>	<u>-</u>



The Prince Edward Island Council of the Arts

Summary of Restricted Fund Net Assets

For the Year Ended March 31, 2011

Summary of Restricted Fund Net Assets

	2011					2010	
	Literary Awards \$	Senior Arts Awards \$	Endowment Fund \$	Erica Rutherford Scholarship \$	Art Expo \$	Total \$	Total
Revenue	4	252	3	10,733	-	10,992	159
Expenses	<u>1,200</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,200</u>	<u>10,900</u>
Excess Revenue (Expenses)	(1,196)	252	3	10,733	-	9,792	(10,741)
Net Assets - Beginning of Year	<u>15,504</u>	<u>51,876</u>	<u>700</u>	<u>-</u>	<u>2,601</u>	<u>70,681</u>	<u>81,422</u>
Net Assets - End of Year	<u>14,308</u>	<u>52,128</u>	<u>703</u>	<u>10,733</u>	<u>2,601</u>	<u>80,473</u>	<u>70,681</u>



The Prince Edward Island Council of the Arts
Schedule of Administrative Expenses
For the Year Ended March 31, 2011

	2011	2010
	\$	\$
Audit fees	8,568	11,097
Board and staff development	40	8,061
Computer software and related costs	4,713	6,289
Equipment leasing	4,443	6,279
Goods and Services Tax	1,021	-
Insurance	3,028	3,028
Interest and bank charges	2,295	2,182
Meetings	700	282
Office supplies, postage and printing	6,206	4,662
Telephone	3,907	4,550
Travel	3,846	7,008
Wages and employce benefits	<u>82,733</u>	<u>77,175</u>
	<u>121,500</u>	<u>130,613</u>



The Prince Edward Island Council of the Arts

CHAIR'S REPORT

October 25, 2011

As always, it was a busy year for the Council. However, unlike some previous years, we have much to be pleased about this year. Despite some ongoing financial issues, such as being undefended, the Council is running well.

The last time I wrote my report, we had just gone through a Cabinet shuffle of the Provincial Government. In the end, the merger of the Tourism and Culture Department has been problematic. Specifically, there was an imbalance in attention given to the two departments. In the end, Culture was seriously neglected. However, I believe that the problem is not systemic. I think that it is logistical; therefore, I believe that it will not be as big a hindrance in the future. As I write this report, it has been announced that Robert Henderson has been appointed as the new Minister of Culture and Tourism. On behalf of the Council, I look forward to working with Minister Henderson to raise the profile of the Arts on PEI.

As always, the Council continued to promote and support Island artists. Through our grant programs, we were able to fund many exciting and interesting projects, submitted by a variety of Island artists. In addition, we partnered with the City of Summerside to launch the PACE program, which is an artist residency program. Again, we had a wonderful Newcomers Art Show, highlighting some amazing work by a variety of artists. As well, we have been, and continue to be, involved in the City of Charlottetown's Cultural Capitals activities. The Council has provided a vital link between the City and the Island's artistic community. It continues to be a beneficial relationship. Finally, and with much credit to Darrin, the Council's web presence has been greatly enhanced. While I prefer to be a luddite, Darrin has ensured that the Council is wired into future, and we are seeing lots of "hits" and "likes" on social media.

As usual, unfortunately, the Council had its share of member-related problems during the year. The largest in this last year was a public complaint about the Council's process for vetting grant requests. While the situation called the Council's integrity into question unfairly, it also offered us an opportunity to be more responsive to the Membership. As a result of the situation, Council Members now have greater, and easier, access to clear information about the process and procedures involved in our grant programs than ever before. Following in that vein, the Council also enjoyed a tremendous public discussion about the future of the Guild. While I still believe that the Council's ownership of the facility is a mistake, the Membership overwhelmingly felt differently, and I am responsible to the Membership. Moreover, the Membership not only provided vocal opposition to the idea but also concrete and viable solutions. In the end, the Board's decision on this important issue was directly guided by the expressed interests of the Membership. This process worked as I hoped that it would, for it highlighted the fact that the Board is not a closed shop: it works transparently and for the Membership. Therefore, The Council and Ars Longa are in the process of finalizing a lease agreement, which addresses many of the concerns voiced at the public meeting. In the end, I was really pleased with the constructive contributions by the Membership. I believe that this process showed what the artistic community can accomplish if we work together for the betterment of everyone.

As seen through the discussions around the Guild, the Council continues to benefit greatly from its staff. Last year, at the time of my report, Heather Idt had just joined the staff. A year later, I am left to wonder how we operated without her. Coming into a new arena, she has exceeded our expectations and proven herself to be a valuable asset. In addition, Annette Campbell, whose term with the Council ended recently, was a great addition to the Council offices. She brought a wealth of expertise, gained from years with the Canada Council, to the position of Program Officer. While the Council has had to eliminate the position to meet its budgetary obligations and maintain the support levels for its programs, it is not reflection on Annette. Given the lack of an increase to the Council's funding, we could no longer maintain the position. On a personal note, I am sad to see Annette go, and I want to wish her well in her future endeavours. Finally, the Council continues to benefit from the efforts of Darrin White. He continues to manage the Council's affairs efficiently, and I greatly appreciate the work he has put in this year, which has often been above and beyond his job description.

During the AGM, the Membership will vote on a motion to put a tender for a new auditor for the Council. This call was suggested to the Board by the current auditor as a "best practice." Should the Council chose the services of a new auditing firm, I want to thank Blair and Kevin, for Corkum and Associates, for all their hard work over the years.

I would be remiss if I did not acknowledge and thank my fellow Board members for all of their hard work. Some of them will be leaving the Board at the end of the AGM. I want to thank them for their dedication and hard work. I will be making more personal expressions of thanks in the near future, but I wanted to acknowledge them here. For those who are staying on, I look forward to working with you as we continue to promote the Council's efforts to make the arts an essential part of the fabric of Prince Edward Island.

In conclusion, I have enjoyed my latest term as Chair. While much has been accomplished, I believe that there is much more to do. In addition to the end of my term as Chair, my current term on the Board is also coming to an end. I have, however, decided to let my name stand for a final term on the Board. If the Membership wishes me to continue on the Board, I am happy to do it. In the end, it has been a good year for the Council. As the Council moves forward, and with the addition of new Board members, I believe that it will continue to provide a strong voice for all Island artists.

Respectfully submitted,

Dr. Greg Doran
Chair

The Prince Edward Island Council of the Arts
EXECUTIVE DIRECTOR'S REPORT
October 25, 2011

The 2010-2011 fiscal year has been a full one indeed. Hard on the heels of a troubling financial position, and needing to respond in a practical manner, the Council was also presented with some incredible opportunities that could not be turned down.

During the latter part of that year, we worked to finalize our partnership with the City of Summerside on the PACE Artist in Residency program. This program, which hosts artists in a small home on the city's west side, will provide annual opportunities for Island artists and will form the base for our future exchange program with other Canadian arts councils, funds permitting. At this writing, one artist, Troy Little, has already been through the residency, and Nancy Cole is currently in the house, working on her silk-based textile projects.

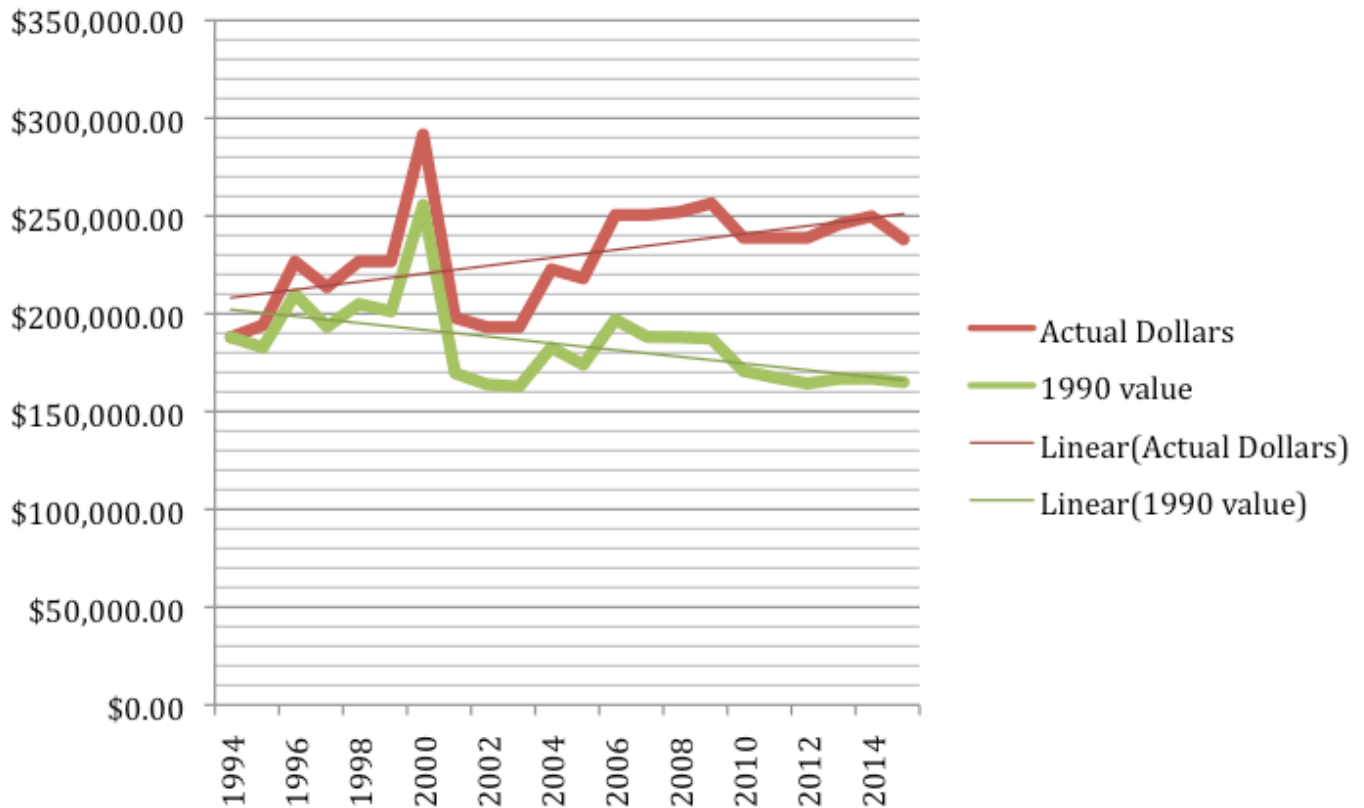
We also began work with the City of Charlottetown, as part of the Cultural Capitals designation, on the Art in the City project that was designed to see six pieces of public art installed throughout the city in public and privately owned locations. As administrators of the program, working with, and thanks to, Ann Carrière at the City, we jointly saw the program expanded to nine projects.

Slowly, almost painfully so, the Council is beginning to have at its disposal a sophisticated slate of tools and programs that resemble those of our peers across the nation. For too long, and in some regards, Island artists have been at a disadvantage, for we simply are unable to offer the level of support that artists can receive in other jurisdictions. However, it is not for lack of trying, and these recent partnerships are all in service of that goal. It is equally exciting that both of these projects continue to foster a huge relationship with the public, which can only help to install in Islanders and visitors alike the important role that artists and the arts play in Island life.

Financially, we were able to balance programming needs with financial ones, and we ended the year in the black, with substantial headway made against our liabilities. The Council has a multi-year budget plan in place that will continue to demonstrate this balance and see the Council remain on solid financial ground, with an eye to the future. However, it must be said that it becomes increasingly difficult to find that balance, when we are pressured by inflation on one side and by the needs of the arts community to find support from the Council in a rough economic climate on the other.

You can see how, in the chart on the following page, inflation has eaten away at our available funds. Indeed, the Council has less money to work with now than at any point since 2003.

Prince Edward Island Council of the Arts: Base Allocation Spending Power 1990 to Present



In this chart, we compare our actual budget to what it would be in 1990 equivalent dollars, and we have provided a trend line for both actual dollars and 1990 dollars. What these trend lines show is that, while our budget over time has steadily increased, the pace of these increases has not kept pace even with inflation, let alone seen committed additional investment. I must admit that it has been painful to see the investment of millions of dollars into artists and entertainers from abroad, while we have been faced with the above figures to support our artists here at home.

However, with each new Government, and each new Minister, the opportunity exists for us, collectively, to shine a light on this matter, and, hopefully, see some positive gains. The Council has, for years, had a wish-list of programs, and I continue to be optimistic that they will, someday, be funded.

For the current year (2011-2012), we have continued to walk that balance between programmatic needs and budget ones, and we are similarly on track for a positive financial statement at the end of this year, while maintaining a high degree of activity and community involvement.

To close, I would like to thank the Board of Directors for continuing to provide valuable insight and direction, and Heather Ildt, our Administrator, for steadfast support in the office for the work that we do.

I would like to take a moment to recognize the contribution made by Annette Campbell during her time here at the Council.

Lastly, I would like to thank the membership, who proved the naysayers wrong, and demonstrated that artists can engage in proper, constructive dialogue, towards a common goal, as was demonstrated in the matter of the Guild and the ultimate decision to develop a lease.

We have clearly set the stage for advancing the Council's goals, and we will remain optimistic that our partners will be as willing to engage us in conversations and, collectively, make plans for the future.

Respectfully submitted,

Darrin White
Executive Director

Nominating Committee Report

The Board of Directors is currently seeking to fill several positions. Dr. Greg Doran, who has reached the end of his second term has agreed to re-offer, as has our Treasurer, Christine Trainor.

Board Director Levi Cannon Whitebear has reached the end of his term and has not confirmed interest in re-offering.

The Board of Directors puts forward the following additional candidates for election to the Board:

Dr. Greg Doran - re-offer
Christine Trainor - re-offer

Joe Millar

My name is Joseph Millar and I am a sound artist living and working in Prince Edward Island. Born in Belfast Ireland and raised in Odense Denmark finally settling in Drayton Valley Alberta Canada in 1982. I obtained my BFA in Sculpture at the Alberta College of Art and Design in 1997. I have also worked extensively in the commercial arts and have numerous printed works and company identities under my belt. I currently own and operate Colour Blind Clothing with two locations, one in Edmonton Alberta and one in Charlottetown PEI. My career as a sound artist has lead me to build my own recording studio and I have over the year built great working relations with many recording artists. I continue to this day to record as a audio artist trying to bridge the gap between music and art...www.myspace.com/fern lodge

Suzanne Thomas

Suzanne Thomas is Associate Professor in the Faculty of Education at the University of Prince Edward Island. She teaches graduate and undergraduate courses in integrated arts, arts-based qualitative research methods, and arts-informed inquiry. She works closely with local PEI artists and has a history of inviting interdisciplinary artists into her courses as guest speakers and workshop facilitators. She is author of the book: *Of Earth and Flesh and Bones and Breath: Landscapes of Embodiment and Moments of Re-enactment* (Backalong Books, 2004) and has published inter-media texts in areas of arts-based and arts-informed inquiry. She has exhibited multi-media works at Gallery 1313, I-Land Gallery, and the CBC Broadcast Centre in Toronto. Suzanne has served as an active member of the PEI ArtSmarts Adjudication Committee (2005-2011) and continues to develop innovative Arts teaching Practica working together with artists through the PEI ArtSmarts and Arts Discovery Days Programs.

This will leave one remaining vacant seat to be filled by nomination from the floor at the AGM or by the Board following the AGM.

Respectfully submitted,

Louise Lalonde, Director

Appendix - Program Grants 2010

Major Program Grants 2010-2011

Discipline	Category	Artist	Purpose	Amount Awarded
Visual Arts	Emerging	Mauricio Aristizabal	To use seascapes to gain insight into my questions about light, atmosphere, temperature, colour and movement. I want to capture all those elements in five paintings.	\$1,775.00
Music	Emerging	Jacques Arsenault	To participate in Opera NUOVA's six-week opera performance intensive program and its accompanying vocal arts festival.	\$900.00
Theatre	Senior	Diane Barnes	Key development on a full-scale musical inspired by a true Island story from 1907 - the visit of actress and songstress Sadie Calhoun from the southern US to the Charlottetown Opera House.	\$4,500.00
Visual Arts	Senior	Gerald Beaulieu	To create a new body of sculptural works exploring the conflict between domestic and wild environments.	\$4,500.00
Writing and	Emerging	Susan Buchanan	To participate in the writing mentoring program of the PEI Writer's Guild.	\$400.00
Music	Groups	The Express - Liam Corcoran	To record six new original songs and combine these with three already recorded tracks to make on master recording.	\$2,700.00
Music	Senior	Chastity - Chastity Fizzard-Haselsteiner	To begin touring outside PEI in order to increase my profile and to promote my new CD.	\$1,080.00
Visual Arts	Emerging	Fox Henderson	To create a photo collection of over 100 demons through the use of special effects prosthetic makeup.	\$2,700.00
Film Media	Senior	John Hopkins	To edit the sound tracks, secure or compose a music score, and do a professional mix and colour grade on	\$2,080.00

			Timepiece, a documentary featuring Hilda Woolnough.	
Writing and	Senior	Deirdre Kessler	To write a children's novel about a 10 year old boy and a stray dog that illustrates ideas of companionship and discovery as well as responsibilities.	\$4,500.00
Craft	Emerging	Sara Lippman	To attend a two-week summer workshop in Fiber Dying and Weaving at the Haystack Mountain School of Crafts in Deer Isle, Maine.	\$900.00
Visual Arts	Senior	Troy Little	Troy's graphic novel "Angora Napkin" has been nominated for an Eisner Award. This grant would be used to attend the San Diego Comic Con in July 2010 where the awards will be presented.	\$1,080.00
Music	Emerging	Gordie MacKeeman	To spark a revival of interest in down-east fiddle music among younger musicians and fans in PEI through the creation of a CD featuring classic down-east fiddle music.	\$2,700.00
Music	Emerging	Racoon Bandit - Fraser D. McCallum	To develop 12 new compositions and prepare a master recording entitled Racoon Bandit - Rosy Frames.	\$2,700.00
Music	Senior	Andrew Melzer	To write new songs and compose music about PEI between the period 1910 - late 1930's.	\$4,500.00
Music	Emerging	Kelley Mooney	Completion of a full-length recording which will expose my singing/songwriting to the public, buyers and fellow musicians and further develop my career.	\$2,700.00
Theatre	Groups	Beyond The Bridge Theatre Collective - Melissa Mullen	To produce "The Attic, The Pearls, and Three Fine Girls" at the Guild in May 2011.	\$4,500.00
Music	Groups	The Danks - Alec O'Hanley	To record a full-length album of original music	\$2,700.00
Film Media	Senior	Brian Pollard	A documentary on the history of black Prince Edward Islanders based on the drama entitled "The Old Stock."	\$4,482.00
Film Media	Senior	Jason Rogerson	A 10-minute short comedy film, Lucky 7 follows the excitement after an office lotto pool wins the jackpot. But when the celebration turns ugly, the co-workers learn the consequences of treating a fellow human being like a number.	\$4,500.00

Interdisciplinary	Senior	Julia Sauve	To create a black light performance based on Lynne Cherry's book "The Great Kapok Tree."	\$4,500.00
Writing and	Emerging	Laurel Smyth	A year of honouring my inner writer by completing a collection of short stories with the intention of seeking publication and increasing my public profile as a writer and poet.	\$2,700.00
Craft	Emerging	Alisha-Marie Stephen	To take a millinery master class at Chateau Dumas, France's hat making capital.	\$900.00
Visual Arts	Senior	Strauss Studios - Micheal Strauss	To create a body of work based on body image and past and present advertising imagery	\$4,500.00
Interdisciplinary	Groups	This Town is Small Inc. - Becka Viau	This workshop will investigate strategies to connect and leverage the creative and cultural resources of communities in generating quality of place and supporting local economic development.	\$900.00
Interdisciplinary	Groups	Native Gumbo - Ron Zakar	Mi'kmaq Legends is a multimedia theatrical experience that combines artistic disciplines: music, poetry, dance, visual arts and theatre.	\$4,500.00
Grand Total (all grants)				\$73,897.00

Mission:

*To make the Arts integral to
the lives of all Islanders*

The Prince Edward Island Council of the Arts
115 Richmond Street
Charlottetown, PE C1A 1H7

(902) 368-4410

Toll free: 1-888-PEI-ARTISTS (734-2784)

Web site: <http://www.peica.ca/>

Facebook: <http://www.facebook.com/peiartscouncil>

Twitter: <http://twitter.com/peiartscouncil>