

**Southampton Arts Centre**

**Financial Statements**

**(Unaudited)**

**December 31, 2021**

***DRAFT - for discussion purposes only***

**Southampton Arts Centre**  
**Statement of Financial Position**  
**As at December 31**  
**(Unaudited)**

**D R A F T**

	<b>2021</b>	<b>2020</b>
		<b>(Note 7)</b>
<b>Assets</b>		
<b>Current</b>		
Cash	\$ 95,006	\$ 106,226
Amounts receivable	-	929
Inventory	-	16,974
	<b>95,006</b>	<b>124,129</b>
<b>Capital assets (Note 3)</b>	<b>3,318</b>	<b>4,739</b>
	<b>\$ 98,324</b>	<b>\$ 128,868</b>
<b>Liabilities</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	\$ 13,660	\$ 1,033
HST payable	3,779	2,808
Payroll source deductions payable	8,024	2,287
Gift cards	13,037	3,232
	<b>38,500</b>	<b>9,360</b>
<b>CEBA loan payable (Note 5)</b>	<b>40,000</b>	<b>40,000</b>
	<b>78,500</b>	<b>49,360</b>
<b>Net Assets</b>		
Unrestricted Net Assets	<b>19,824</b>	<b>79,508</b>
	<b>\$ 98,324</b>	<b>\$ 128,868</b>

**Commitments**

Approved on behalf of the Board

\_\_\_\_\_  
 President

\_\_\_\_\_  
 Treasurer

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

**Southampton Arts Centre**  
**Statement of Changes in Net Assets**  
**Year Ended December 31**  
**(Unaudited)**

**D R A F T**

---

	<b>2021</b>	<b>2020</b>
		<b>(Note 7)</b>
<b>Balance, beginning of year</b>	<b>\$ 79,508</b>	<b>\$ 60,752</b>
Net (excess of expenditures over revenue) revenue over expenditures for the year	(59,684)	18,756
<b>Balance, end of year</b>	<b>\$ 19,824</b>	<b>\$ 79,508</b>

---

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

**Southampton Arts Centre**  
**Statement of Revenue and Expenditures**  
**Year Ended December 31**  
**(Unaudited)**

**D R A F T**

	<b>2021</b>	<b>2020</b> <b>(Note 7)</b>
<b>Revenues</b>		
Donations	\$ 2,772	\$ 14,768
Rental	20,914	27,232
Courses and gallery	221,346	142,758
Other income	13,355	19,349
Government assistance	60,470	68,484
	<b>318,857</b>	<b>272,591</b>
<b>Expenditures</b>		
Payroll	129,220	117,503
Courses and gallery costs	172,147	100,482
Office and administrative	18,189	6,498
Advertising	10,677	8,226
Rental	7,031	5,145
Insurance	6,592	6,162
Legal and professional fees	6,305	2,565
Utilities	5,564	5,435
Repairs and maintenance	1,395	1,819
Write offs	20,000	-
Amortization	1,421	-
	<b>378,541</b>	<b>253,835</b>
<b>Net (excess of expenditures over revenue) revenue over expenditures for the year</b>	<b>\$ (59,684)</b>	<b>\$ 18,756</b>

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

**Southampton Arts Centre**  
**Statement of Cash Flow**  
**Year Ended December 31**  
**(Unaudited)**

**D R A F T**

	<b>2021</b>	<b>2020</b>
		<b>(Note 7)</b>
<b>Cash flows from (used in):</b>		
<b>Operating activities</b>		
(Loss) income for the year	\$ (59,684)	\$ 18,756
Amortization - licence agreement	1,421	-
Changes in non-cash working capital items:		
Accounts receivable	929	(930)
Inventory	16,974	(2,014)
Accounts payable and accrued liabilities	12,627	(13,581)
HST payable	971	1,564
Payroll source deductions payable	5,737	(478)
Deferred revenue	9,805	(693)
	<b>(11,220)</b>	<b>2,624</b>
<b>Financing activity</b>		
Advances from ceba loan	-	40,000
	-	<b>40,000</b>
<b>Increase (decrease) in balance for the year</b>	<b>(11,220)</b>	<b>42,624</b>
<b>Balance, beginning of year</b>	<b>106,226</b>	<b>63,602</b>
<b>Balance, end of year</b>	<b>\$ 95,006</b>	<b>\$ 106,226</b>

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

**1. Purpose of the organization**

The Southampton Arts Society ("Society") is a registered charitable organization and is a Canada Not-for-Profit Corporation. Its purpose and objective is to develop, maintain & direct the Southampton Art School and Southampton Art Gallery, providing and cultivating artistic cultural expression through accessible quality art classes and art gallery experiences.

**2. Summary of significant accounting policies**

The financial statements were prepared in accordance with Canadian accounting standards for not for profit organizations (ASNFPPO) and include the following significant accounting policies:

**(a) Revenue recognition**

The Society follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenditures are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Restricted investment income is recognized as revenue when earned.

**(b) Contributed services**

The Society operates by volunteer and donated services which are contributed to the Society in carrying out its operating activities. These services are not recognized in these financial statements due to the difficulty in determining their value.

**(c) Financial instruments**

The Society initially measures its financial assets and financial liabilities at fair value. Transaction costs related to financial assets that will be subsequently measured at fair value are recognized in the statement of operations in the year in which they are incurred. The Society subsequently measures all its financial assets and financial liabilities at amortized cost. Financial instruments measured at amortized cost include cash, amounts receivable, inventory, accounts payable and accrued liabilities and deferred contributions.

**Southampton Arts Centre**  
**Notes to Financial statements**  
**December 31, 2021**  
**(Unaudited)**

**D R A F T**

**(d) Capital assets**

Equipment is recorded at cost and amortization is based on the estimated useful life of equipment and is calculated using the following annual rates and methods:

<b>Asset</b>	<b>Rate</b>	<b>Method</b>
Computer equipment	30 %	Declining balance

Equipment is tested for recoverability whenever events or changes in circumstances indicate that carrying value may not be recoverable. An impairment loss is recognized when the carrying value of the equipment exceeds the sum of the undiscounted cash flows resulting from its use and eventual disposition. The impairment loss is measured as the amount by which the carrying amount exceeds its fair value.

**3. Capital assets**

			<b>2021</b>	<b>2020</b>
				<b>(Note 7)</b>
	<b>Cost</b>	<b>Accumulated Amortization</b>	<b>Net Book Value</b>	<b>Net Book Value</b>
Computers & equipment	\$ 143,420	\$ 140,102	\$ 3,318	\$ 4,739

**4. Consignment art**

The Gallery exhibits art on consignment. The Art can be purchased by the public. At year end there was approximately \$140,000 of consigned exhibits.

**5. Loan payable**

	<b>2021</b>	<b>2020</b>
		<b>(Note 7)</b>
Canada Emergency Business Account (CEBA) loan payable, interest free, unsecured due December 2023	\$ 40,000	\$ 40,000

**6. Financial instruments and risk management**

The Society is exposed to the following risks related to its financial assets and liabilities.

**(a) Liquidity risk**

Liquidity risk is the risk of being unable to honour its financial commitments by the deadlines set out under the terms of such commitments. The Society is exposed to this risk mainly through its accounts payable. The board of directors manages the Society's cash resources based on anticipated cash flows.

**7. Comparative balances**

Certain of the comparative balances have been reclassified to conform to the presentation adopted for the current year, the prior was not reviewed.



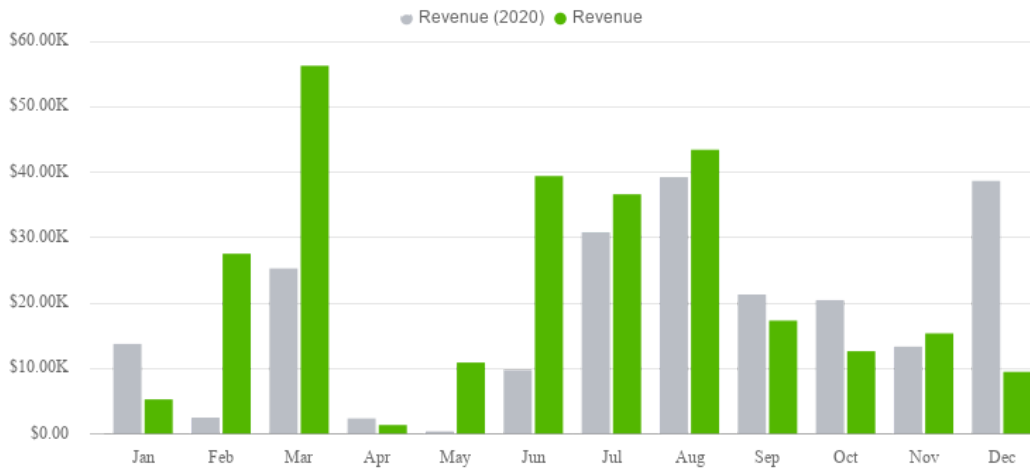
# Southampton Arts

## REVENUE LAST YEAR

Last year

# \$275,670.63

Total revenue



Time period	Revenue (2020)	Revenue
Jan	\$13,759.65	\$5,287.20
Feb	\$2,501.74	\$27,539.98
Mar	\$25,289.44	\$56,257.72
Apr	\$2,377.89	\$1,369.96
May	\$404.29	\$10,913.20
Jun	\$9,760.94	\$39,409.36
Jul	\$30,829.80	\$36,626.12
Aug	\$39,242.88	\$43,429.08
Sep	\$21,309.28	\$17,325.02
Oct	\$20,459.58	\$12,649.00
Nov	\$13,347.45	\$15,369.06
Dec	\$38,666.84	\$9,494.93

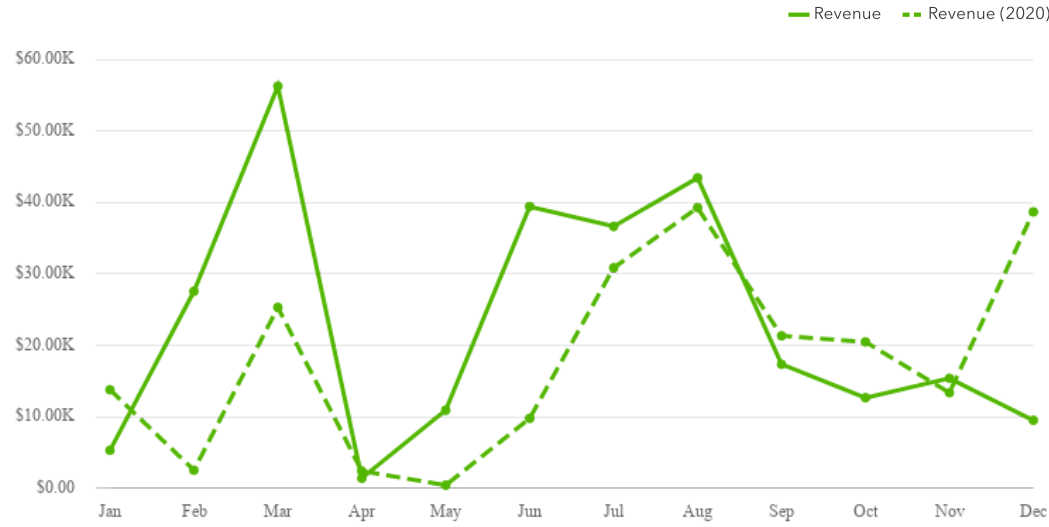
# Southampton Arts

REVENUE YE 2021

Last year

**\$275,670.63**

Total revenue



Time period	Revenue	Revenue (2020)
Jan	\$5,287.20	\$13,759.65
Feb	\$27,539.98	\$2,501.74
Mar	\$56,257.72	\$25,289.44
Apr	\$1,369.96	\$2,377.89
May	\$10,913.20	\$404.29
Jun	\$39,409.36	\$9,760.94
Jul	\$36,626.12	\$30,829.80
Aug	\$43,429.08	\$39,242.88
Sep	\$17,325.02	\$21,309.28
Oct	\$12,649.00	\$20,459.58
Nov	\$15,369.06	\$13,347.45
Dec	\$9,494.93	\$38,666.84

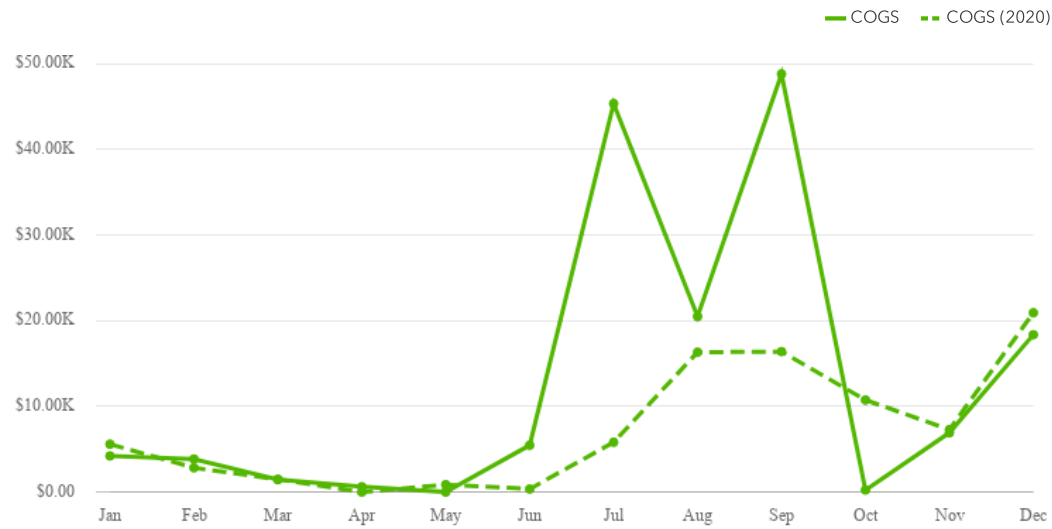
# Southampton Arts

COGS YE 2021

Last year

**\$155,695.42**

Total COGS



Time period	COGS	COGS (2020)
Jan	\$4,217.74	\$5,583.45
Feb	\$3,855.00	\$2,835.05
Mar	\$1,449.02	\$1,483.38
Apr	\$620.33	\$0.00
May	\$0.00	\$858.65
Jun	\$5,465.14	\$355.00
Jul	\$45,315.53	\$5,814.06
Aug	\$20,479.44	\$16,319.57
Sep	\$48,770.98	\$16,383.80
Oct	\$243.21	\$10,744.96
Nov	\$6,924.87	\$7,279.78
Dec	\$18,354.16	\$20,916.88

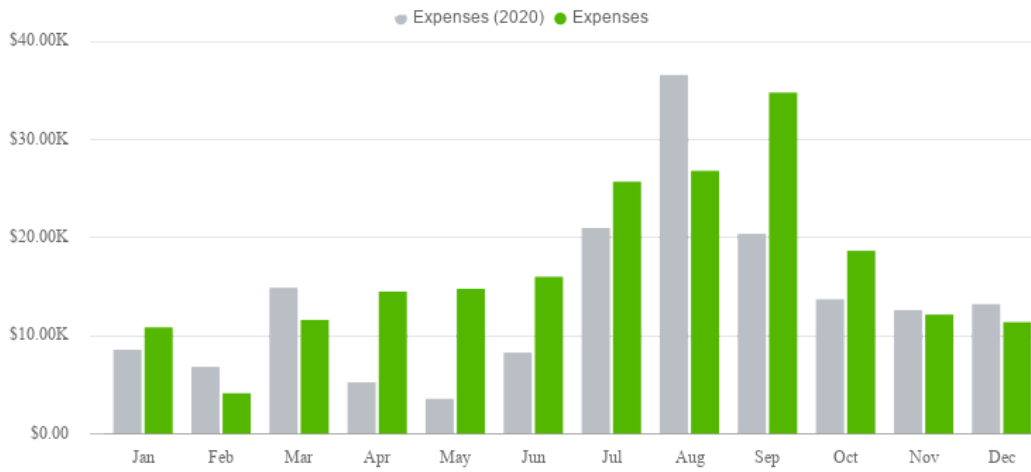
# Southampton Arts

EXPENSES 2021

Last year

**\$201,410.53**

Total expenses



Time period	Expenses (2020)	Expenses
Jan	\$8,574.88	\$10,859.46
Feb	\$6,833.97	\$4,150.95
Mar	\$14,896.39	\$11,615.94
Apr	\$5,258.92	\$14,504.73
May	\$3,581.68	\$14,784.78
Jun	\$8,284.12	\$16,012.47
Jul	\$20,978.49	\$25,693.23
Aug	\$36,570.18	\$26,806.48
Sep	\$20,381.85	\$34,771.56
Oct	\$13,719.30	\$18,658.16
Nov	\$12,616.73	\$12,163.96
Dec	\$13,230.52	\$11,388.81

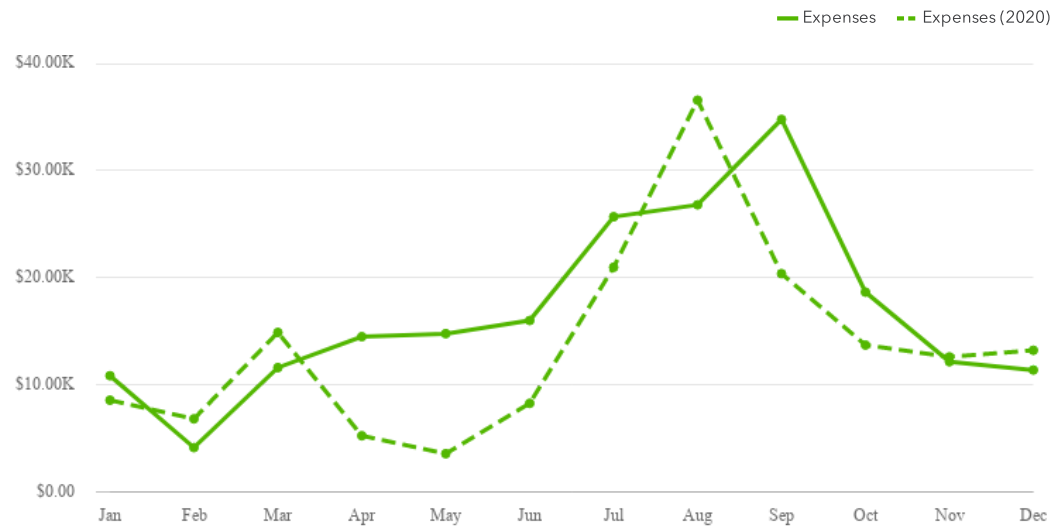
# Southampton Arts

EXPENSES YE 2021

Last year

**\$201,410.53**

Total expenses



Time period	Expenses	Expenses (2020)
Jan	\$10,859.46	\$8,574.88
Feb	\$4,150.95	\$6,833.97
Mar	\$11,615.94	\$14,896.39
Apr	\$14,504.73	\$5,258.92
May	\$14,784.78	\$3,581.68
Jun	\$16,012.47	\$8,284.12
Jul	\$25,693.23	\$20,978.49
Aug	\$26,806.48	\$36,570.18
Sep	\$34,771.56	\$20,381.85
Oct	\$18,658.16	\$13,719.30
Nov	\$12,163.96	\$12,616.73
Dec	\$11,388.81	\$13,230.52