

Mount Pleasant Potters' Guild

Restated Financial Report for 2014 – 2015

Nov 24, 2017

This is a restatement of the 2014-2015 financial reports for Mount Pleasant Potters' Guild (MPPG). The restatement was required to correct revenue recognition for MPPG fundraising sales and for deferred revenue for externally restricted grants.

Effective August 2017, MPPG adopted the Canadian Standards for Not-For-Profits which required retroactive application of the standards. To correctly reflect the changes in MPPG revenue, we have restated financial reports for all years back to 2013 when we were first formed.

At our fundraising sales, MPPG acts solely as an agent for participating artists. Artwork being sold remains the property of the participating artists who deliver and display the pottery before the event and remove all unsold pottery at the end of the day – ownership never transfers to MPPG. All participating artists are charged a commission from which MPPG pays all event expenses. Only the commission charged is MPPG revenue. Previously submitted financial reports incorrectly reported the gross event revenue including the artist portion as MPPG income.

The restatement does not change MPPG's overall financial position. Changes have occurred in the way assets and liabilities are reported.

Mount Pleasant Potters' Guild
Statement of Financial Position
Year end Aug 31, 2015

	2015	2014
Current Assets		
Cash	\$ 15,139.67	\$ 13,139.86
Externally Restricted Cash (Note 3)	-	3,288.52
Deposits held by service providers (Note 6)	1,000.00	1,000.00
Total Assets	\$ 16,139.67	\$ 17,428.38
 Liabilities		
Uncleared Cheques	\$ 69.79	\$ -
Deferred Revenue (Note 4)	-	3,288.52
Deposits held by service providers (Note 6)	1,000.00	1,000.00
	\$ 1,069.79	\$ 4,288.52
 Net Assets		
Internally Restricted Funds		
<i>Projects</i>	6,399.00	6,399.00
<i>Scholarships</i>	1,742.30	2,142.30
<i>Education</i>	3,150.00	2,300.00
<i>Operations Reserve</i>	3,400.00	2,235.00
<i>Self Insurance</i>	-	-
<i>Unrestricted</i>	378.58	63.56
	\$ 15,069.88	\$ 13,139.86
Total Liabilities and Net Assets	\$ 16,139.67	\$ 17,428.38

Mount Pleasant Potters' Guild
Change in Net Assets
Year end Aug 31, 2015

	2015	2014
Internally Restricted Project Fund		
Balance, Beginning of Year	\$ 6,399.00	\$ 6,399.00
Contributions	-	-
Expense	-	-
Transfer from (to) Unrestricted Funds	-	-
Balance, End of Year	\$ 6,399.00	\$ 6,399.00
Internally Restricted Scholarship Fund		
Balance, Beginning of Year	\$ 2,142.30	\$ 3,592.30
Contributions	-	-
Expense	(400.00)	(1,450.00)
Transfer from (to) Unrestricted Funds	-	-
Balance, End of Year	\$ 1,742.30	\$ 2,142.30
Internally Restricted Education Fund		
Beginning Year Total	\$ 2,300.00	\$ 2,500.00
Contributions	1,552.75	750.20
Expense	(3,952.90)	(2,441.84)
Transfer from (to) Unrestricted Funds	3,250.15	1,491.64
Balance, End of Year	\$ 3,150.00	\$ 2,300.00
Operations Reserve		
Beginning Year Total	\$ 2,235.00	\$ 2,800.00
Contributions	-	-
Expense	-	-
Transfer from (to) Unrestricted Funds	1,165.00	(565.00)
Balance, End of Year	\$ 3,400.00	\$ 2,235.00
Self Insurance		
Beginning Year Total	\$ -	\$ -
Contributions	-	-
Expense	-	-
Transfer from (to) Unrestricted Funds	-	-
Balance, End of Year	\$ -	\$ -
Unrestricted Net Assets		
Beginning Year Total	\$ 63.56	\$ 1,662.21
Contributions	9,794.69	9,826.58
Expense	(5,100.72)	(10,498.59)
Transfer from (to) Internally Restricted Funds	(4,378.95)	(926.64)
Balance, End of Year	\$ 378.58	\$ 63.56

Mount Pleasant Potters' Guild
Statement of Operations
Year end Aug 31, 2015

	2015	2014
Revenue		
Fundraising (Note 2)	9,785.15	9,807.79
Education	1,552.75	750.20
Interest and Other	9.54	18.79
Recognition of Deferred Contributions (Note 4)	3,288.52	18,563.95
	\$ 14,635.96	\$ 29,140.73
Expenses		
Fundraising	4,336.22	9,641.71
Education	3,952.90	2,441.84
Other	764.50	856.88
Scholarship	400.00	1,450.00
Externally Restricted Grant Projects (Note 3,4)	3,252.32	18,563.95
	\$ 12,705.94	\$ 32,954.38
Excess (Deficiency) of Revenues over Expenditures	\$ 1,930.02	\$ (3,813.65)

Notes to the Financial Statements

Purpose of the Organization

Mount Pleasant Potters' Guild (MPPG) is a Not-For-Profit organization registered under the Societies Act of the Province of Alberta. Mount Pleasant Potters' Guild's mission is to provide unique ceramic educational opportunities and support the North Mount Pleasant Arts Centre in maintaining a premier facility for ceramic artists of all levels to learn and create together in a supportive environment.

1. Significant Accounting Policies

(a) Fund Accounting

MPPG has established one Externally Restricted Fund and four Internally Restricted funds.

MPPG has established one Externally Restricted Fund and five Internally Restricted funds.

Externally Restricted

- Grants – Used to manage grant funds provided by external organizations that have designated spending restrictions.

Internally Restricted

- Projects – Funds raised by members for approved special projects such as matching funds for grants.
- Scholarships – Funds raised by members to provide scholarships to approved recipients. The primary use is to fund two children to attend Summer Art Camp at North Mount Pleasant Arts Centre.
- Education – Funds reserved to deliver the next fiscal year of evening presentations and weekend workshops where internationally recognized ceramic artists and local potters share their knowledge and expertise with members, ACAD students and the general public.
- Operations Reserve – Funds required for the next fiscal year costs for fundraisers and operations exclusive of Education. This ensures we can cover all costs even in the unlikely event that our Fundraisers must be cancelled or fail due to unforeseen circumstances.
- Self Insurance – Fundraiser equipment (shelving, signage, tablecloths, etc) are currently stored at a rented third party site. This fund identifies and reserves the funds required to replace the equipment in the event of a catastrophic loss.

(b) Fundraising

Most of MPPG's revenue comes from pottery sales held twice per year for members to show and sell their art. Pottery displayed and sold at the fundraiser is owned by the potters and revenue generated from the sale of those pots belongs to the participant.

MPPG manages and runs each event acting as an agent for and charges a commission to all participants. After expenses are paid, the remainder of the charged commission is used to fund operational costs and education events. The events are run by volunteers and participants.

(c) Revenue Recognition

MPPG follows the deferral method of accounting for contributions. Externally Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received. Fundraising event revenue is recognized when received.

2. Fundraising Revenue Reconciliation

For our fundraising sales, MPPG acts as an agent for participating potters. All pottery is sold through a common cashier structure provided by MPPG. MPPG retains only the agreed to commission; all other revenue is passed through to the participating potters.

**Mount Pleasant Potters' Guild
Fundraising Revenue Reconciliation
Year End Aug 31, 2015**

	2015	2014
Gross fundraising revenue		
Fall Fundraiser	\$ 42,556.00	\$ 35,101.42
Spring Fundraiser	23,273.05	29,562.20
Courtyard Fundraiser		-
	<u>\$ 65,829.05</u>	<u>\$ 64,663.62</u>
Revenue passed through to participants		
Fall Fundraiser	\$ 36,249.10	\$ 29,725.38
Spring Fundraiser	19,794.80	25,130.45
Courtyard Fundraiser		-
	<u>\$ 56,043.90</u>	<u>\$ 54,855.83</u>
MPPG revenue from Fundraisers	<u>\$ 9,785.15</u>	<u>\$ 9,807.79</u>

3. Restricted Funds

The Externally Restricted Grant fund is comprised of a grant received from the Alberta Culture and Tourism Community Initiatives Program and can be used only for the replacement of the wood and salt kilns at North Mount Pleasant Arts Centre.

The Internally Restricted Funds were formed by members. Members can redirect these funds to other purposes as necessary.

4. Deferred Revenue

The Externally Restricted Fund is used to manage Grants from external organizations. In 2013 Alberta Culture and Tourism Community Initiatives Program awarded Mount Pleasant Potters' Guild a funds matching project grant of \$27,967 to replace two atmospheric kilns at the North Mount Pleasant Arts Centre.

**Mount Pleasant Potters' Guild
Deferred Revenue
Year end Aug 31, 2015**

	2015	2014
Externally Restricted Funds		
Balance, Beginning of Year	\$ 3,288.52	\$ 21,852.47
Grants (Note 3,5)	-	-
Project expense	(3,252.32)	(18,563.95)
Transfer from (to) Unrestricted Funds	(36.20)	-
Balance, End of Year	\$ -	\$ 3,288.52

5. Expenses

Mount Pleasant Potters' Guild
Expenses
Year end Aug 31, 2015

	2015	2014
Expenses		
Banking	\$ -	\$ -
Website	83.95	83.95
Office expense	130.55	272.93
Liability Insurance	550.00	500.00
Workshops	3,341.22	1,841.84
Muddy Little Secrets	611.68	600.00
Sale General	382.77	1,630.66
Fall Fundraiser - expense	242.85	2,255.61
Fall Fundraiser - POS fees	899.72	550.86
Spring Fundraiser - expense	2,294.85	2,215.81
Spring Fundraiser - POS fees	516.03	751.85
Courtyard Fundraiser - expense	-	171.22
Courtyard - POS fees	-	2,177.28
Grant Project	3,252.32	18,563.95
Scholarship	400.00	1,450.00
Next fiscal year Fundraiser expense		\$ 2,065.70
Total	\$ 12,705.94	\$ 35,131.66

6. MPPG assets held by third parties

MPPG has paid a damage deposit of \$1000 to Triwood Community Centre associated with rental of the hall for our two fundraising sales. This deposit is held by Triwood and rolled over from sale to sale.

Mount Pleasant Potters' Guild
Assets held by third party providers
Year end Aug 31, 2015

	2015	2014
Triwood Damage Deposit (Note 6)	\$ 1,000.00	\$ 1,000.00
		\$ -
Balance, End of Year	\$ 1,000.00	\$ 1,000.00