

Mount Pleasant Potters' Guild

Restated Financial Report for 2015 – 2016

Nov 24, 2017

This is a restatement of the 2015-2016 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, 2016

| | 2016 | 2015 |
|---|---------------------|---------------------|
| Current Assets | | |
| Cash | \$ 12,660.22 | \$ 15,139.67 |
| Externally Restricted Cash (Note 3) | - | - |
| Deposits held by service providers (Note 6) | 1,000.00 | 1,000.00 |
| Total Assets | \$ 13,660.22 | \$ 16,139.67 |
| Liabilities | | |
| Uncleared Cheques | \$ 30.19 | \$ 69.79 |
| Deferred Revenue (Note 4) | - | - |
| Deposits held by service providers (Note 6) | 1,000.00 | 1,000.00 |
| | \$ 1,030.19 | \$ 1,069.79 |
| Net Assets | | |
| Internally Restricted Funds | | |
| <i>Projects</i> | 1,576.62 | 6,399.00 |
| <i>Scholarships</i> | 1,742.30 | 1,742.30 |
| <i>Education</i> | 3,750.00 | 3,150.00 |
| <i>Operations Reserve</i> | 3,120.00 | 3,400.00 |
| <i>Self Insurance</i> | - | - |
| <i>Unrestricted</i> | 2,441.11 | 378.58 |
| | \$ 12,630.03 | \$ 15,069.88 |
| Total Liabilities and Net Assets | \$ 13,660.22 | \$ 16,139.67 |

Mount Pleasant Potters' Guild
Change in Net Assets
Year end Aug 31, 2016

| | 2016 | 2015 |
|--|--------------------|--------------------|
| Internally Restricted Project Fund | | |
| Balance, Beginning of Year | \$ 6,399.00 | \$ 6,399.00 |
| Contributions | - | - |
| Expense | (4,822.38) | - |
| Transfer from (to) Unrestricted Funds | - | - |
| Balance, End of Year | \$ 1,576.62 | \$ 6,399.00 |
| Internally Restricted Scholarship Fund | | |
| Balance, Beginning of Year | \$ 1,742.30 | \$ 2,142.30 |
| Contributions | - | - |
| Expense | - | (400.00) |
| Transfer from (to) Unrestricted Funds | - | - |
| Balance, End of Year | \$ 1,742.30 | \$ 1,742.30 |
| Internally Restricted Education Fund | | |
| Beginning Year Total | \$ 3,150.00 | \$ 2,300.00 |
| Contributions | 1,171.05 | 1,552.75 |
| Expense | (3,176.63) | (3,952.90) |
| Transfer from (to) Unrestricted Funds | 2,605.58 | 3,250.15 |
| Balance, End of Year | \$ 3,750.00 | \$ 3,150.00 |
| Operations Reserve | | |
| Beginning Year Total | \$ 3,400.00 | \$ 2,235.00 |
| Contributions | - | - |
| Expense | - | - |
| Transfer from (to) Unrestricted Funds | (280.00) | 1,165.00 |
| Balance, End of Year | \$ 3,120.00 | \$ 3,400.00 |
| Self Insurance | | |
| Beginning Year Total | \$ - | \$ - |
| Contributions | - | - |
| Expense | - | - |
| Transfer from (to) Unrestricted Funds | - | - |
| Balance, End of Year | \$ - | \$ - |
| Unrestricted Net Assets | | |
| Beginning Year Total | \$ 378.58 | \$ 63.56 |
| Contributions | 11,172.60 | 9,794.69 |
| Expense | (6,784.49) | (5,100.72) |
| Transfer from (to) Internally Restricted Funds | (2,325.58) | (4,378.95) |
| Balance, End of Year | \$ 2,441.11 | \$ 378.58 |

Mount Pleasant Potters' Guild
Statement of Operations
Year end Aug 31, 2016

| | 2016 | 2015 |
|--|----------------------|---------------------|
| Revenue | | |
| Fundraising (Note 2) | 11,170.92 | 9,785.15 |
| Education | 1,171.05 | 1,552.75 |
| Interest and Other | 1.68 | 9.54 |
| Recognition of Deferred Contributions (Note 4) | 5,400.00 | 3,288.52 |
| | <u>\$ 17,743.65</u> | <u>\$ 14,635.96</u> |
| Expenses | | |
| Fundraising | 6,147.32 | 4,336.22 |
| Education | 3,176.63 | 3,952.90 |
| Other | 637.17 | 764.50 |
| Scholarship | - | 400.00 |
| Externally Restricted Grant Projects (Note 3,4) | 10,222.38 | 3,252.32 |
| | <u>\$ 20,183.50</u> | <u>\$ 12,705.94</u> |
| Excess (Deficiency) of Revenues over Expenditures | <u>\$ (2,439.85)</u> | <u>\$ 1,930.02</u> |

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 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, 2016**

| | 2016 | 2015 |
|---|---------------------|---------------------|
| Gross fundraising revenue | | |
| Fall Fundraiser | \$ 39,397.80 | \$ 42,556.00 |
| Spring Fundraiser | 30,654.00 | 23,273.05 |
| Courtyard Fundraiser | - | - |
| | <u>\$ 70,051.80</u> | <u>\$ 65,829.05</u> |
| | | |
| Revenue passed through to participants | | |
| Fall Fundraiser | \$ 33,550.88 | \$ 36,249.10 |
| Spring Fundraiser | 25,330.00 | 19,794.80 |
| Courtyard Fundraiser | - | - |
| | <u>\$ 58,880.88</u> | <u>\$ 56,043.90</u> |
| | | |
| MPPG revenue from Fundraisers | <u>\$ 11,170.92</u> | <u>\$ 9,785.15</u> |

3. Restricted Funds

MPPG does not currently have any Externally Restricted funds.

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

4. Deferred Revenue

MPPG does not currently have any Differed Revenue.

**Mount Pleasant Potters' Guild
Deferred Revenue
Year end Aug 31, 2016**

| | 2016 | 2015 |
|---------------------------------------|-------------|-------------|
| Externally Restricted Funds | | |
| Balance, Beginning of Year | \$ - | \$ 3,288.52 |
| Grants (Note 3,5) | 5,400.00 | - |
| Project expense | (5,400.00) | (3,252.32) |
| Transfer from (to) Unrestricted Funds | - | (36.20) |
| Balance, End of Year | \$ - | \$ - |

5. Expenses

Mount Pleasant Potters' Guild
Expenses
Year end Aug 31, 2016

| | 2016 | 2015 |
|-------------------------------------|---------------------|---------------------|
| Expenses | | |
| Banking | \$ - | \$ - |
| Website | 83.95 | 83.95 |
| Office expense | 3.22 | 130.55 |
| Liability Insurance | 550.00 | 550.00 |
| Workshops | 2,826.63 | 3,341.22 |
| Muddy Little Secrets | 350.00 | 611.68 |
| Sale General | 223.88 | 382.77 |
| Fall Fundraiser - expense | 2,296.77 | 242.85 |
| Fall Fundraiser - POS fees | 728.76 | 899.72 |
| Spring Fundraiser - expense | 2,282.36 | 2,294.85 |
| Spring Fundraiser - POS fees | 615.55 | 516.03 |
| Courtyard Fundraiser - expense | | - |
| Courtyard - POS fees | | - |
| Grant Project | 10,222.38 | 3,252.32 |
| Scholarship | - | 400.00 |
| Next fiscal year Fundraiser expense | | \$ - |
| Total | \$ 20,183.50 | \$ 12,705.94 |

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, 2016

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