

REGION 2 ARTS COUNCIL  
FISCAL YEAR 2014



Minnesota State Arts Board  
Final Report

Prepared by:  
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Executive Director, Region 2 Arts Council  
September 2014

## **REGION 2 ARTS COUNCIL FINAL REPORT**

### **Fiscal Year 2014**

#### **VISION**

Creating a thriving arts culture that enhances the quality of life in our communities.

#### **MISSION**

The Region 2 Arts Council strengthens the presence of the arts by supporting opportunities for arts creation, promotion, and education for the people of Beltrami, Clearwater, Hubbard, Lake of the Woods, and Mahnomen Counties.

#### **GRANTING PROGRAMS**

##### **Region 2 Arts Council Goals and Objectives**

In the second year of the biennium (FY14) the Region 2 Arts Council provided State funded and Arts and Cultural Heritage programs and services to meet the assessed needs in our region. The State and Arts and Cultural Heritage programming continues to have a significant impact in all five Region 2 counties, providing arts opportunities to constituents of all ages. We continue to have a good response to the type of programs and services we provide with the need for grant funds in Region 2 surpassing the funding we have available.

The needs of our region are reflected in the Goals and Objectives in our Biennial Plan and in all of our current programming. R2AC grant programs and services, developed at our Biennial Planning meeting, are based on these identified needs and provide our constituents with an array of programs that serve artists, arts organizations, non-profit organizations, schools and local governments.

The specific goals and objectives developed at the biennial planning meeting have positively impacted our region through R2AC's commitment to:

1. Provide grant programs for artists, arts organizations, nonprofits, schools and local governments.
2. Provide funds for arts marketing promotion and publicity through R2AC workshops and existing grant programs.
3. Increase support in the under served communities in our region through art exhibits, performances and workshops.
4. Act as an informational resource through the R2AC e-newsletter, web site, social media, Face book and email lists.
5. Provide arts experiences in our region's schools.
6. Improve our service to individual artists and arts organizations by continuing professional development training and "no-risk" workshops, and expanding arts-related resources.
7. Facilitate collaboration between artists and organizations.
8. Assess the needs of those we serve.
9. Provide responsible administration and accountability for Council activities.

## Monitoring and Evaluation of Grants

The grant review panel members consist of the Region 2 Arts Council board members, who represent each of our five counties, or their designated delegate (a former R2AC board member). Anishinaabe Arts Initiative Council members award Anishinaabe Arts Initiative grants and are grant panelists for the Arts and Cultural Heritage grant. Artist Mentor panelists evaluate 8-12 grade students for the Artist Mentor grant program and are appointed from the community based on their artistic qualifications. At least one Region 2 Arts Council board member sits on the Artist Mentor panel.

Recipients of the Arts Project grant and the Arts and Cultural Heritage grant are assigned a Region 2 Arts Council board member to evaluate their project. The evaluator reports back to the board and submits a written evaluation for the grant file.

All grant recipients are required to complete a Final Report that reports and evaluates the recipients grant project through a narrative and budget.

The Region 2 Arts Council tracks the funds granted in our five counties to compare the grant funding to the population of that county. Ideally, we would like each county to receive grant funding proportional to their percent of the overall region's population. Counties and communities that receive a smaller percentage of funds comparatively are termed "underserved." We continue to actively promote our programs in underserved communities, providing workshops and offering assistance with the grant application process.

## FY14 Region 2 Arts Council Grant Programs

The following grant programs address the goals and objectives specified in Region 2 Arts Council's Biennial Plan. Grants funds are available to regional artists, schools, local governments and non-profit organizations.

### Arts and Cultural Heritage Funded Grant Programs

- **Arts and Cultural Heritage Grants** are available to artists, arts organizations, nonprofit organizations, schools, cultural heritage groups and local governments. This grant supports arts activities in all three categories of Arts and Arts Access, Arts Education and Arts and Cultural Heritage to produce high quality arts activities, public art, and artist residencies in schools, life-long arts education and arts and cultural heritage projects.
- **Artist Mentor Grants** are available to students in grades 8-12 to provide mentors or training in the arts discipline of their choice. This grant expands the student's artistic creativity and skills, plus supports the employment of qualified artists in the region.
- **Community Arts Support Grants** are two-year general operating grants that provide a measure of funding stability to 501(c)3 arts organizations. This Arts & Cultural Heritage Fund program supplements the current State-funded Community Arts Support Grant.

### State General Allocation Funded Grant Programs

- **Community Arts Support Grants** are two-year grants that provide a measure of funding stability to 501(c)3 arts organizations.
- **Art Project Grants** provide support to non-profit organizations, schools and local governments to create or produce arts projects, events, performances and other artistic activities. Arts organizations may request funds for consulting services to improve existing services or develop new programs.

### McKnight Foundation Funded Grant Programs

- **Anishinaabe Arts Initiative Grants** support and promote traditional and contemporary Native American arts in the region through grants to individual artists. Individuals may request up to \$1,000 for expenses associated with a specific project, for materials or equipment or for an educational opportunity.
- **Individual Artist Grants** provide financial assistance to artists who show commitment to creative growth and career advancement. This program is designed for artists at various career levels. Individuals may request up to \$1,000 for expenses associated with a specific project, for materials or equipment or for an educational opportunity.
- **Career Development Fellowships** support established artists who demonstrate a commitment to their career. This 18-month fellowship provides the opportunity for career advancement experiences. Two \$6,000 awards are made annually.

### FY14 Grant Summary of All Programs

The following is a summary of the Region 2 Arts Council FY14 granting activities. A listing of each grantee and the amount received is attached to this report. Overall, Region 2 Arts Council was able to award 69% of the grant amounts requested in the seven grant programs.

Funder	Grant Category	# Grant Applications	# Grants Awarded	Total \$ Requested	Total \$ Approved	Total \$ Awarded
State	Arts Project	23	14	43,206	42,759	25,796
State	Community Arts Support	2	2	\$10,000	\$10,000	\$10,000
State	<b>Subtotal</b>	<b>25</b>	<b>16</b>	<b>53,206</b>	<b>52,759</b>	<b>35,796</b>
ACH Legacy	Community Arts Support	14	9	\$52,000	\$52,000	\$40,000
ACH Legacy	Artist Mentor	13	8	11,584	9,003	7,003
ACH Legacy	Arts and Cultural Heritage	38	32	166,641	166,641	141,085
ACH Legacy	<b>Subtotal</b>	<b>65</b>	<b>49</b>	<b>230,225</b>	<b>227,644</b>	<b>188,088</b>
McKnight	Individual Artist	21	19	19,602	18,608	18,000
McKnight	Anishinaabe Arts Initiative	13	11	10,074	8,868	8,868
McKnight	Career Development Fellowship	11	2	66,000	66,000	\$12,000
McKnight	<b>Subtotal</b>	<b>45</b>	<b>32</b>	<b>95,676</b>	<b>93,476</b>	<b>38,868</b>
<b>TOTALS</b>		<b>135</b>	<b>97</b>	<b>379,107</b>	<b>373,879</b>	<b>262,752</b>

## DIRECT PROGRAMS

### **“No Risk” Workshops - State and Arts & Cultural Heritage Funded**

The "No Risk" Workshop Program is a State program supplemented with Arts and Cultural Heritage funds. Workshops are awarded on an on-going basis at no financial risk to the sponsoring group or artist. This program addresses the identified need of providing high-quality learning experiences to adult artists in the region.

This program is open to any group that wants to bring in an artist and to regional artists who wish to present a workshop themselves. Proposals consist of a narrative and budget and are reviewed by the R2AC Board. R2AC assists with the publicity and registration. In FY14 the “No-Risk” Workshop program provided 68 regional artists with opportunities to develop skills in the following workshops.

<b>Workshop</b>	<b>Presenter</b>	<b>Number of Participants</b>
<i>Hallingdal Rosemaling</i>	Shirley Evenstad	15
<i>Advanced Drawing</i>	Joan Wilson	8
<i>Web Photography for Artists</i>	Cal Rice	12
<i>OS Rosemaling</i>	Shirley Evanstad	13
<i>Rogaland Rosemaling</i>	Ardella Lindberg	13
<i>Landscape Watercolor and Collage Painting</i>	Mary Therese	7

### **Professional Development Program - Arts & Cultural Heritage & State Funded**

The Professional Development program provides training for artists, arts organizations and the general public. This program addresses the identified needs for business and online training for artists and organizations.

In FY14 the **Professional Development Training** program provided 170 people with opportunities to develop skills in the following workshops:

#### **“Arms Around the Armory” Collaborative Event in conjunction with PRLAAC**

**Aug. 5 (Park Rapids) 50 in attendance**

This collaboration between the Park Rapids Lakes Area Arts Council and Region 2 Arts Council was meant to bolster community support for the Armory restoration project for a future arts center.

#### **Copyright and Licensing for Artists with Brian Lukasavitz; Lukasavitz Law Group**

**Oct. 22 (Bemidji) 25 in attendance**

In this workshop, presenter Brian Lukasavitz presented information on patents, trademarks, and copyrights, including common-law vs. federal registration, rights, fair use, and public domain.

**Native Artists Professional Development Training with First Peoples Fund****Nov. 8 & 9: Beltrami County (Red Lake) 14 in attendance**

This two-day workshop gave Native artists the tools and support they need to manage entrepreneurial businesses in order to achieve economic success and grow as leaders in their tribal communities. The goal of the training was to enable Native artists to make a living from their art through sales locally, regionally and nationally, allowing them to sustain themselves, their families and their communities. The training experience was hands-on, specifically designed with Native artists in mind.

**Funding your Work with Springboard for the Arts/Anna Metcalf****November 12 Beltrami County (Bemidji) 14 in attendance**

This session's topic was generating income. The value of multiple income streams, research and application preparation techniques for grants, fellowships, scholarships, and residency programs available to individual artists were discussed. Finding and maintaining partners in the community as a strategy for expanding ones audience and appealing to potential funders were also covered.

**Art Making and Creative Partnerships = Community Wellbeing with Maria Genne, Founder of KAIROS ALIVE! And Carla Vogel, KAIROS ALIVE Program Coordinator****Dec. 2 from 6-8 p.m. and Dec. 3 from 8 a.m.-9:30 p.m. Beltrami County (Bemidji) 22 in attendance**

People working in health care, social services, education, environmental sustainability, and the arts, attended this interactive workshop with Kairos Alive Founder and Director Maria Genné and Program Coordinator Carla Vogel. Participants explored the impact of artistic engagement for older adults, generated ideas for community-based intergenerational art activity, expanded their understanding of the role of art in community wellbeing, and considered potential for partnerships to further this work.

**Native Artists Professional Development Training with First Peoples Fund****March 21&22, 2014: Mahnomen County (WETCC) 6 in attendance**

This two-day workshop gave Native artists the tools and support they need to manage entrepreneurial businesses in order to achieve economic success and grow as leaders in their tribal communities. The goal of the training was to enable Native artists to make a living from their art through sales locally, regionally and nationally, allowing them to sustain themselves, their families and their communities. The training experience was hands-on, specifically designed with Native artists in mind.

**"Data + Stories = Impact" Workshop; hosted by Minnesota CDP****May 21- Bemidji 7 in attendance**

In this hands-on workshop, arts organization participants learned how the Cultural Data Project or CDP's reporting features could help organizations combine their story and data to effectively communicate with stakeholders, highlight accomplishments for funders, and raise important issues with policymakers.

**Social Media Marketing with Springboard for the Arts****mid-June 2013: Hubbard County (Park Rapids) 7 in attendance**

This "crash course" in social media helped equip attendees with a better understanding of the what, how and why of online tools for marketing their work, staying abreast of their field and connecting to their clients and colleagues. This session introduced attendees to a variety of social media tools with a focus on Twitter and Facebook so artists could make informed decisions about what works best for their artistic practice.

**Picnic and Pie in Park Rapids****June 30, 2014; Hubbard County (Park Rapids) 25 in attendance**

Region 2 Arts Council staff hosted a casual arts gathering with picnic foods and delicious homemade pie in Heartland Park in Park Rapids. Public was welcome. It was a time to ignite future arts inspiration and talk about arts activity in our region.

**E-Newsletter:** *Northern Arts News* - Arts & Cultural Heritage Funded

The R2AC e-newsletter is an important connecting link to our regional arts community that helps fill a need for arts information in our region. Our newsletter informs subscribers of artistic events and opportunities happening in their local communities and in the surrounding region, and is a resource for artists, arts organizations and art appreciators. It includes a calendar of events, workshops, and opportunities for artists, R2AC grant deadlines and awards, and the noteworthy accomplishments of regional artists. Currently 452 people receive our monthly e-newsletter.

**ADMINISTRATION AND SERVICES**

The R2AC staff, Terri Widman, executive director, Holly Alcott, executive assistant, and Laura Dehler-Setzer, program coordinator provides the following services to the region:

- Technical assistance to individuals, organizations, schools and local government agencies applying for grants. Staff works with potential applicants individually by email, phone and in person, and annually conducts grant-writing workshops in each county of the region and the three Native American Reservations.
- Staff ensures the development, promotion and execution of professional development and artistic “no risk” workshops in the region.
- R2AC encourages and co-sponsors arts-related presentations and workshops from organizations outside the region.
- Staff maintains a list of artist mentors and assists with the selection of artists for student mentorships when requested.
- Staff provides outreach visits to underserved communities by visiting schools, organizations and individuals to create awareness of R2AC programs and services.
- R2AC maintains a website that includes grant deadlines and applications, information on R2AC programs and services, a calendar of arts events, links to regional artists and organizations, archives of the newsletter and resource information.
- Staff issues news releases to the regional media for upcoming R2AC grant deadlines, workshops and arts related opportunities.
- Informs regional artists, arts organizations, educators, and others of workshops and other events through traditional and social media, emails, website and Face book posts and the R2AC e-newsletter.
- Maintains a database of regional artists and arts organizations.
- Maintains a regional media mailing list to provide to grant recipients for promotion of their projects.
- Maintains a library of arts-related books and brochures.

## Region 2 Arts Council - Fiscal Year 2014

		<b>General</b>	<b>Arts and</b>	<b>Arts</b>	<b>Arts &amp;</b>	<b>The</b>		
		<b>Allocation</b>	<b>Arts Access</b>	<b>Education</b>	<b>Cultural</b>	<b>McKnight</b>	<b>Other</b>	
	<b>REVENUES:</b>	<b><u>2014 State</u></b>	<b><u>2014 State</u></b>	<b><u>2014 State</u></b>	<b><u>2014 State</u></b>	<b><u>Foundation</u></b>	<b><u>Funds</u></b>	<b><u>2014 Total</u></b>
1	State of Minnesota	83,029	238,442	41,727	17,879			381,077
2	The McKnight Foundation					60,000		60,000
3	Other Income / Carryovers	971	0	758	0	413	0	2,142
4	Interest		0	0	0	0	1,357	1,357
5	<b>TOTAL REVENUES</b>	<b>84,000</b>	<b>238,442</b>	<b>42,485</b>	<b>17,879</b>	<b>60,413</b>	<b>1,357</b>	<b>444,576</b>
	<b>EXPENSES:</b>	<b><u>State</u></b>	<b><u>State</u></b>	<b><u>State</u></b>	<b><u>State</u></b>	<b><u>McKnight</u></b>	<b><u>Other</u></b>	
<b>Programs and Services</b>								
6	<b>Grant Programs and Services</b>							
	Arts & Cultural Heritage Grants		115,522	16,902	8,661			141,085
	Artist Mentor Grants			7,003				7,003
	Community Arts Support Grants	10,000	33,600	4,000	2,400			50,000
	R2AC Arts Project Grants	25,796						25,796
	Artist Fellowship Grants					12,000		12,000
	Individual Artist Grants					18,000		18,000
	Anishinaabe Art Initiative Grants					8,868		8,868
7	Grant Program Services - Operations and Support	18,971	37,242	5,114	2,292	5,048	0	68,667
8	<b>Non-grant Programs and Services</b>							
	No Risk Workshops	2,239	0	1,886	0	944	0	5,069
	Professional Development	2,109	0	2,007	0	2,818	0	6,934
	Arts Promotion/ Website/ Techn. Assist/Newsletter	15,358	22,868	678	3,571	4,784	0	47,259
9	Non-grant Programs and Services - Operations and Support	2,175	17,583	3,784	329	704	415	24,990
10	Fundraising	0	0	0	0	1,385	0	1,385
11	<b>Administration</b>							
	Administration Personnel	3,586	6,735	957	412	3,304	0	14,994
	Office Overhead	2,176	2,208	329	152	1,468	0	6,333
12	<b>TOTAL EXPENSES</b>	<b>82,410</b>	<b>235,758</b>	<b>42,660</b>	<b>17,817</b>	<b>59,323</b>	<b>415</b>	<b>438,383</b>
	<b>CARRYOVER TO FISCAL YR 15</b>	<b>1590</b>	<b>2684</b>	<b>-175</b>	<b>62</b>	<b>1090</b>	<b>942</b>	<b>6193</b>



REGION 2 ARTS COUNCIL

BEMIDJI, MINNESOTA

FINANCIAL REPORT

June 30, 2014

REGION 2 ARTS COUNCIL

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# SWENSON, SAURER, GERBER, ANDERSON & Co., LTD.

## CERTIFIED PUBLIC ACCOUNTANTS

Arlan C. Swenson, CPA ♦ Dwayne V. Saurer, CPA ♦ Kelly L. Gerber, CPA ♦ Edwin A. Anderson, CPA

### Independent Auditor's Report

To the Board of Directors  
Region 2 Arts Council  
Bemidji, Minnesota

We have audited the accompanying statement of financial position of Region 2 Arts Council (a nonprofit corporation) as of June 30, 2014 and the related statements of activities, functional expenses and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from the Organization's June 30, 2013 financial statements and, in our report dated August 23, 2013, we expressed an unqualified opinion on those financial statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Region 2 Arts Council as of June 30, 2014, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

*Swenson, Saurer, Gerber, Anderson & Co., Ltd.*

September 3, 2014

REGION 2 ARTS COUNCIL  
STATEMENT OF FINANCIAL POSITION  
June 30, 2014  
(with comparative totals for 2013)

ASSETS

	<u>2014</u>	<u>2013</u>
CURRENT ASSETS		
Checking Account	\$ 13,650	\$ 22,005
Savings Accounts	37,816	33,405
Accounts Receivable	120,000	-
Prepaid Expenses	-	2,648
Total Current Assets	\$ <u>171,466</u>	\$ <u>58,058</u>
EQUIPMENT		
Equipment	\$ 35,610	\$ 35,112
Less Accumulated Depreciation	<u>(31,305)</u>	<u>(29,792)</u>
Net Equipment	\$ <u>4,305</u>	\$ <u>5,320</u>
Total Assets	\$ <u><u>175,771</u></u>	\$ <u><u>63,378</u></u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Payroll Taxes Payable	\$ 1,471	\$ 1,500
Grants Payable	<u>41,048</u>	<u>51,157</u>
Total Current Liabilities	\$ <u>42,519</u>	\$ <u>52,657</u>
COMMITMENTS	\$ <u>-</u>	\$ <u>-</u>
NET ASSETS		
Unrestricted	\$ 12,162	\$ 10,485
Temporarily Restricted	<u>121,090</u>	<u>236</u>
Total Net Assets	\$ <u>133,252</u>	\$ <u>10,721</u>
Total Liabilities and Net Assets	\$ <u><u>175,771</u></u>	\$ <u><u>63,378</u></u>

See Notes to Financial Statements.

REGION 2 ARTS COUNCIL  
STATEMENT OF ACTIVITIES  
For the Year Ended June 30, 2014  
(with comparative totals for 2013)

	<u>2014</u>			
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>	<u>2013</u>
REVENUE				
Minnesota State Arts Board Grant	\$ 83,029	\$ -	\$ 83,029	\$ 83,029
Minnesota State Legacy Fund Grant	298,049	-	298,049	\$263,232
McKnight Foundation Grant	-	180,000	180,000	-
Net Assets Released From Restrictions	59,146	(59,146)	-	-
Interest Income	982	-	982	803
Other Revenue	<u>2,516</u>	<u>-</u>	<u>2,516</u>	<u>1,276</u>
Total Revenue	<u>\$443,722</u>	<u>\$120,854</u>	<u>\$ 564,576</u>	<u>\$348,340</u>
EXPENSES				
Program Services	\$416,117	\$ -	\$ 416,117	\$385,497
General and Administrative	24,543	-	24,543	22,802
Fundraising	<u>1,385</u>	<u>-</u>	<u>1,385</u>	<u>1,316</u>
Total Expenses	<u>\$442,045</u>	<u>\$ -</u>	<u>\$ 442,045</u>	<u>\$409,615</u>
Change in Net Assets	\$ 1,677	\$120,854	\$ 122,531	\$ (61,275)
NET ASSETS - Beginning of Year	<u>10,485</u>	<u>236</u>	<u>10,721</u>	<u>71,996</u>
NET ASSETS - End of Year	<u>\$ 12,162</u>	<u>\$121,090</u>	<u>\$ 133,252</u>	<u>\$ 10,721</u>

See Notes to Financial Statements.

REGION 2 ARTS COUNCIL  
STATEMENT OF FUNCTIONAL EXPENSES  
For the Year Ended June 30, 2014  
(with comparative Totals for 2013)

	2014				2013
EXPENSES	Program Services	General and Administrative	Fundraising	Total	
Salaries and Wages	\$ 99,047	\$ 13,662	\$ 1,138	\$113,847	\$109,325
Payroll Taxes	7,856	1,084	90	9,030	8,893
Employee Benefits	13,627	1,879	157	15,663	13,397
Newsletter	336	-	-	336	886
Grants and Awards	262,752	-	-	262,752	238,100
Travel, Meals and Lodging	6,414	958	-	7,372	4,404
Telephone	2,007	300	-	2,307	2,119
Postage	655	98	-	753	527
Occupancy	853	128	-	981	898
Office and Supplies	1,203	180	-	1,383	1,422
Rent	5,220	780	-	6,000	6,000
Internet and Computer	575	86	-	661	688
Printing	938	140	-	1,078	972
Dues and Subscriptions	1,162	174	-	1,336	975
Program Services	1,785	-	-	1,785	2,363
Insurance	1,504	225	-	1,729	1,716
Professional Services	-	4,185	-	4,185	4,125
Workshops	8,509	-	-	8,509	10,649
Depreciation	1,316	197	-	1,513	1,008
Miscellaneous	358	467	-	825	1,148
	<u>\$416,117</u>	<u>\$ 24,543</u>	<u>\$ 1,385</u>	<u>\$442,045</u>	<u>\$409,615</u>

See Notes to Financial Statements.



REGION 2 ARTS COUNCIL  
STATEMENT OF CASH FLOWS  
For the Year Ended June 30, 2014  
(with comparative totals for 2013)

	<u>2014</u>	<u>2013</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$122,531	\$(61,275)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	1,513	1,008
(Increase) Decrease in Operating Assets		
Accounts Receivable	(120,000)	54,000
Prepaid Expenses	2,648	(2,648)
Increase (Decrease) in Operating Liabilities		
Payroll Taxes Payable	(29)	(978)
Grants Payable	<u>(10,109)</u>	<u>18,927</u>
Net Cash Provided (Used) by Operating Activities	\$ <u>(3,446)</u>	\$ <u>9,034</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Equipment	\$ <u>(498)</u>	\$ <u>(2,620)</u>
Net Cash Provided (Used) by Investing Activities	\$ <u>(498)</u>	\$ <u>(2,620)</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	\$ (3,944)	\$ 6,414
CASH AND CASH EQUIVALENTS, Beginning of Year	<u>55,410</u>	<u>48,996</u>
CASH AND CASH EQUIVALENTS, End of Year	<u>\$ 51,466</u>	<u>\$ 55,410</u>

See Notes to Financial Statements.

REGION 2 ARTS COUNCIL  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2014

NOTE 1. Nature of Operations and Significant Accounting Policies

Nature of Operations:

Region 2 Arts Council is a non-profit corporation organized under the laws of the State of Minnesota. It is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and is not a private foundation within the meaning of Section 509(a) of the Code. The Corporation was formed to provide funding for artistic endeavors through a re-granting process.

Funding of the Corporation's activities is from three major sources: the Minnesota State Legislature appropriation, the Minnesota Arts and Cultural Heritage Fund, and the McKnight Foundation. Continuing support from the State Legislature and the McKnight Foundation is on a year-by-year basis.

Support and Revenue:

Grants and other contributions of cash and other assets are reported as temporarily restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Contributions of noncash assets are recorded at their fair value in the period received. Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair value in the period received.

Estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of management's estimates.

Cash and Cash Equivalents:

The Corporation considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.



REGION 2 ARTS COUNCIL  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2014

NOTE 1. Nature of Operations and Significant Accounting Policies  
(continued)

Equipment:

Office equipment is reported at cost if the asset was purchased, or at fair market value at the date of receipt if the asset was donated. Depreciation totaling \$1,513 for the year ended June 30, 2014 was computed using the straight-line method over the estimated useful lives of the assets.

NOTE 2. Grants Payable

Region 2 Arts Council awards grants to qualifying organizations and individuals based on an evaluation process carried on by the governing board. In most cases, a portion of the amount awarded is withheld until the project being funded is completed. At June 30, 2014 a total of \$41,048 has been awarded but not yet remitted to grantees. This amount will be paid during the next fiscal year.

NOTE 3. Net Assets

The net assets as of June 30, 2014 consisted of the following components:

June 30, 2014

Unrestricted:

General Program

\$ 12,162

Temporarily Restricted:

McKnight Grant

\$ 121,090

NOTE 4. Functional Allocation of Expense

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefitted. Costs which have been allocated include salaries, payroll taxes, telephone, occupancy costs, travel, supplies and postage.

NOTE 5. Lease Commitment

On February 24, 2011, the Corporation entered into a monthly lease for office space. The lease calls for monthly payments of \$500 due on the tenth day of each month.

REGION 2 ARTS COUNCIL  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2014

NOTE 6. Credit Risk

Financial instruments which potentially subject the Corporation to concentration of credit risk consist principally of temporary cash investments. Region 2 Arts Council has placed its temporary cash investment in a high quality money market fund. The fund is not FDIC insured, but is comprised mainly of government-backed high grade commercial paper.

NOTE 7. Prior Year Financial Information

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Corporation's financial statements for the year ended June 30, 2013, from which the summarized information was derived.

NOTE 8. Evaluation of Subsequent Events

The Organization has evaluated subsequent events through September 3, 2014, the date which the financial statements were available to be issued.











## FY14 Summary of Grant Activity Region 2 Arts Council

Name of Applicant	State \$ requested	State \$ approved	State \$ Awarded	McK \$ Requested	McK \$ Approved	McK \$ Awarded	ACHF Requested	ACHF Approved	ACHF Awarded
FEL-2014-02 <b>Belleveau</b> Funds will assist Cate Belleveau to attend Dell' Arte International Workshops and the National Ensemble Theater conference to create a local ensemble theater group to perform in this style.				\$6,000	\$6,000	\$6,000			
# Audience/Part:	# Artists:	Youth served:	Total Served:						
FEL-2014-03 <b>McCroy</b>				\$6,000	\$6,000	\$0			
# Audience/Part:	# Artists:	Youth served:	Total Served:						
FEL-2014-04 <b>Borgen</b>				\$6,000	\$6,000	\$0			
# Audience/Part:	# Artists:	Youth served:	Total Served:						
FEL-2014-05 <b>Edevold</b>				\$6,000	\$6,000	\$0			
# Audience/Part:	# Artists:	Youth served:	Total Served:						







## FY14 Summary of Grant Activity Region 2 Arts Council

Name of Applicant	State \$ requested	State \$ approved	State \$ Awarded	McK \$ Requested	McK \$ Approved	McK \$ Awarded	ACHF Requested	ACHF Approved	ACHF Awarded
FEL-2014-10 <b>Morgan</b>				\$6,000	\$6,000	\$0			

# Audience/Part:	# Artists:	Youth served:	Total Served:			
FEL-2014-11				\$6,000	\$6,000	\$0
<b>Maanum</b>						

# Audience/Part:	# Artists:	Youth served:	Total Served:
APG-2014(A)-01		\$1,820	\$1,820
<b>Headwaters School of Music &amp; the Arts</b> Funds will assist the Headwaters School of Music and the Arts to establish a bimonthly gathering of North American style flute players to rehearse and present their music to our community.			

# Audience/Part:	# Artists:	Youth served:	Total Served:
APG-2014(A)-02		\$2,500	\$2,500
<b>Bemidji Community Theater</b> Funds will assist Bemidji Community Theater to continue its internship program in the area of technical theater.			

# Audience/Part:	# Artists:	Youth served:	Total Served:
1	1	1	1
2	2	2	2
3	3	3	3
4	4	4	4
5	5	5	5
6	6	6	6
7	7	7	7
8	8	8	8
9	9	9	9
10	10	10	10
11	11	11	11
12	12	12	12
13	13	13	13
14	14	14	14
15	15	15	15
16	16	16	16
17	17	17	17
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19	19	19	19
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21	21	21	21
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26	26	26	26
27	27	27	27
28	28	28	28
29	29	29	29
30	30	30	30
31	31	31	31
32	32	32	32
33	33	33	33
34	34	34	34
35	35	35	35
36	36	36	36
37	37	37	37
38	38	38	38
39	39	39	39
40	40	40	40
41	41	41	41
42	42	42	42
43	43	43	43
44	44	44	44
45	45	45	45
46	46	46	46
47	47	47	47
48	48	48	48
49	49	49	49
50	50	50	50
51	51	51	51
52	52	52	52
53	53	53	53
54	54	54	54
55	55	55	55
56	56	56	56
57	57	57	57
58	58	58	58
59	59	59	59
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62	62	62	62
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67	67	67	67
68	68	68	68
69	69	69	69
70	70	70	70
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72	72	72	72
73	73	73	73
74	74	74	74
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87	87	87	87
88	88	88	88
89	89	89	89
90	90	90	90
91	91	91	91
92	92	92	92
93	93	93	93
94	94	94	94
95	95	95	95
96	96	96	96
97	97	97	97
98	98	98	98
99	99	99	99
100	100	100	100

































## FY14 Summary of Grant Activity Region 2 Arts Council

Name of Applicant	State \$ requested	State \$ approved	State \$ Awarded	McK \$ Requested	McK \$ Approved	McK \$ Awarded	ACHF Requested	ACHF Approved	ACHF Awarded
CAS-2014-04 <b>Mask &amp; Rose Women's Theater Collective</b> Funds will assist Mask & Rose Theater to hire a bookkeeper to align their financials with the Cultural Data Project for financial planning and assessment and to underwrite the rental cost for storage space for costumes.							\$4,000	\$4,000	\$0
# Audience/Part:	# Artists:	Youth served:	Total Served:						
CAS-2014-05 <b>Bemidji Sculpture Walk</b> Funds will assist the Bemidji Sculpture Walk to pay a stipend to hire someone to coordinate mailings, seek out new artists, send invoices to supporting businesses, coordinate the artist reception, send awards and honorariums to artists, coordinate the printing of the guide and other related tasks that have been done by volunteer board members for the last 15 years.							\$3,000	\$3,000	\$3,000
# Audience/Part:	# Artists:	Youth served:	Total Served:						
CAS-2014-06 <b>Northern Artist Association</b> Funds will assist the Northern Artist Association with general operating expenses such as rent, phone, and internet service for Gallery North, as well as enhanced art programs for the public.				\$4,000	\$4,000	\$4,000			
# Audience/Part:	# Artists:	Youth served:	Total Served:						
CAS-2014-07 <b>Pequana Playhouse</b> Funds will assist Pequana Playhouse to be consistently available to the public by having a permanent location and telephone number for public access.							\$3,000	\$3,000	\$3,000
# Audience/Part:	# Artists:	Youth served:	Total Served:						





## FY14 Summary of Grant Activity Region 2 Arts Council

Name of Applicant	State \$ requested	State \$ approved	State \$ Awarded	McK \$ Requested	McK \$ Approved	McK \$ Awarded	ACHF Requested	ACHF Approved	ACHF Awarded
CAS-2014-08 <b>Lake of the Woods Art Guild</b> Funds will assist the Lake of the Woods Art Guild to rent studio space and a post office box.							\$3,000	\$3,000	\$3,000
# Audience/Part:	# Artists:	Youth served:	Total Served:						
CAS-2014-09 <b>Bemidji Community Theater</b> Funds will assist Bemidji Community Theater to become an anchor tenant of Paul Bunyan Playhouse during the off season.	\$6,000	\$6,000	\$6,000						
# Audience/Part:	# Artists:	Youth served:	Total Served:						
CAS-2014-10 <b>Headwaters School of Music &amp; the Arts</b> Funds will assist Headwaters School of Music & the Arts to engage in an organizational assessment with staff, board, constituents and stake holders to produce a two-year strategic plan for the Headwaters School of Music & the Arts and aid the transition to a new executive director.							\$6,000	\$6,000	\$6,000
# Audience/Part:	# Artists:	Youth served:	Total Served:						
CAS-2014-11 <b>Bemidji Chorale</b> Funds will assist Bemidji Chorale to provide high quality choral experience for both members and our audience.							\$3,000	\$3,000	\$3,000
# Audience/Part:	# Artists:	Youth served:	Total Served:						



# FY14 Summary of Grant Activity Region 2 Arts Council

Name of Applicant	State \$ requested	State \$ approved	State \$ Awarded	McK \$ Requested	McK \$ Approved	McK \$ Awarded	ACHF Requested	ACHF Approved	ACHF Awarded
CAS-2014-12 <b>Watermark Art Center</b> Funds will assist the Watermark Art Center to hire an executive assistant to assist the executive director with the day-to-day operations of the art center.							\$6,000	\$6,000	\$6,000
# Audience/Part:	# Artists:	Youth served:	Total Served:						
CAS-2014-13 <b>Bemidji Symphony Orchestra</b> Funds will assist Bemidji Symphony Orchestra to remain fiscally stable during a time of ongoing transition as we devise a sound and sustainable means to develop our administrative component while concurrently advancing our artistic component.							\$6,000	\$6,000	\$6,000
# Audience/Part:	# Artists:	Youth served:	Total Served:						
CAS-2014-14 <b>Nemeth Art Center</b> Funds will assist the Nemeth Art Center to pay a part time director year round, which will continue to help improve the quality of programming, arts education, and outreach done by the art center.							\$4,000	\$4,000	\$4,000
# Audience/Part:	# Artists:	Youth served:	Total Served:						
AAI-2014(B)-01 <b>McGregor</b> Funds will assist Shirley McGregor to purchase a computer and software to do graphic design projects.					\$1,000	\$1,000	\$1,000		
# Audience/Part: 0	# Artists: 1	Youth served: 0	Total Served: 1						









## FY14 Summary of Grant Activity Region 2 Arts Council

Name of Applicant	State \$ requested	State \$ approved	State \$ Awarded	McK \$ Requested	McK \$ Approved	McK \$ Awarded	ACHF Requested	ACHF Approved	ACHF Awarded
APG-2014(B)-04 <b>Headwaters School of Music &amp; the Arts</b> Funds will assist Headwaters School of Music & the Arts to host a week-long drumset camp for percussion students.	\$2,486	\$2,486	\$2,486						
# Audience/Part:	# Artists:	Youth served:	Total Served:						
APG-2014(B)-05 <b>Headwaters School of Music &amp; the Arts</b> Funds will assist Headwaters School of Music & the Arts to provide a series of summer concerts featuring area musicians at Lake Bemidji State Park.	\$2,500	\$2,500	\$0						
# Audience/Part:	# Artists:	Youth served:	Total Served:						
APG-2014(B)-06 <b>Headwaters School of Music &amp; the Arts</b> Funds will assist Headwaters School of Music & the Arts to host a week-long fiddle camp for string students.	\$2,500	\$2,500	\$0						
# Audience/Part:	# Artists:	Youth served:	Total Served:						
APG-2014(B)-07 <b>Bemidji Symphony Orchestra</b> Funds will assist Bemidji Symphony Orchestra to bring piano virtuoso Andreas Klein to Bemidji to perform in concert with the symphony and to do a master class.	\$2,500	\$2,500	\$2,500						
# Audience/Part:	# Artists:	Youth served:	Total Served:						



## FY14 Summary of Grant Activity Region 2 Arts Council

Name of Applicant	State \$ requested	State \$ approved	State \$ Awarded	McK \$ Requested	McK \$ Approved	McK \$ Awarded	ACHF Requested	ACHF Approved	ACHF Awarded
APG-2014(B)-08 <b>Bemidji First City of the Arts Studio Cruise</b> Funds will assist Bemidji First City of the Arts Studio Cruise to promote its open studio event to the public.	\$2,500	\$2,500	\$2,500						
# Audience/Part:	# Artists:	Youth served:	Total Served:						
APG-2014(B)-09 <b>Park Rapids Downtown Business Association</b> Funds will assist Park Rapids Downtown Business Association to sponsor an art fair in conjunction with the Bite of Park Rapids event.	\$1,127	\$1,127	\$0						
# Audience/Part:	# Artists:	Youth served:	Total Served:						
APG-2014(B)-10 <b>Lake of the Woods Art Guild</b> Funds will assist Lake of the Woods Art Guild to host an Acrylic Painting Workshop with instructor, local Minnesota artist, Don Houseman.	\$1,215	\$1,215	\$1,215						
# Audience/Part:	# Artists:	Youth served:	Total Served:						
APG-2014(B)-11 <b>Mask &amp; Rose Women's Theater Collective</b> Funds will assist Mask & Rose Theater Collective to host the annual "Oxcars" Awards, a celebration honoring theatrical artistic excellence for regional theater organizations.	\$2,500	\$2,500	\$0						
# Audience/Part:	# Artists:	Youth served:	Total Served:						



## FY14 Summary of Grant Activity Region 2 Arts Council

Name of Applicant	State \$ requested	State \$ approved	State \$ Awarded	McK \$ Requested	McK \$ Approved	McK \$ Awarded	ACHF Requested	ACHF Approved	ACHF Awarded
APG-2014(B)-12 <b>Bemidji Area Schools Community Education</b> Funds will assist the Summer Kids Program to hire local artist Susan Kedzie to provide 54 hours of explorative drawing and art instruction this summer to approximately 50 children grades 3-5.	\$1,210	\$1,210	\$1,210						
# Audience/Part:	# Artists:	Youth served:	Total Served:						
APG-2014(B)-13 <b>Bemidji State University American Indian Alumni Chapter</b> Funds will assist Bemidji State University American Indian Alumni Chapter to purchase 15 embroidered stoles, created by a local artist, to be gifted to graduating American Indian Students.	\$862	\$862	\$0						
# Audience/Part:	# Artists:	Youth served:	Total Served:						
APG-2014(B)-14 <b>Pequana Playhouse</b> Funds will assist Pequana Playhouse to hold a day of theater workshops including dance, costuming, tech, and dialogue.	\$2,500	\$2,500	\$1,004						
# Audience/Part:	# Artists:	Youth served:	Total Served:						
APG-2014(B)-15 <b>Watermark Art Center</b> Funds will assist Watermark Art Center to bring photographer and atmospheric scientist Gregory Thompson to the region to share his work and present a series of art/science lectures.	\$2,500	\$2,043	\$0						
# Audience/Part:	# Artists:	Youth served:	Total Served:						





## FY14 Summary of Grant Activity Region 2 Arts Council

Name of Applicant				State \$ requested	State \$ approved	State \$ Awarded	McK \$ Requested	McK \$ Approved	McK \$ Awarded	ACHF Requested	ACHF Approved	ACHF Awarded
AM-2014-01 Kerr										\$1,000	\$1,000	\$0
# Audience/Part: 0				# Artists: 1	Youth served: 1	Total Served: 2						
AM-2014-02 Kerr										\$1,000	\$1,000	\$0
# Audience/Part: 0				# Artists: 1	Youth served: 1	Total Served: 2						
AM-2014-12 Graves										\$1,000	\$1,000	\$1,000
Funds will assist Nikita Graves in studying drawing with Nicholas Jackson.												
# Audience/Part: 0				# Artists: 1	Youth served: 1	Total Served: 2						
AM-2014-09 Wadena										\$1,000	\$0	\$0
# Audience/Part: 0				# Artists: 1	Youth served: 1	Total Served: 2						







## FY14 Summary of Grant Activity Region 2 Arts Council

Name of Applicant	State \$ requested	State \$ approved	State \$ Awarded	McK \$ Requested	McK \$ Approved	McK \$ Awarded	ACHF Requested	ACHF Approved	ACHF Awarded
AM-2014-13 <b>Dickey</b>							\$1,000	\$0	\$0

# Audience/Part: 0      # Artists: 1      Youth served: 1      **Total Served: 2**

**Total est. children served 30,557**

<b>Totals:</b>	<b>\$53,206</b>	<b>\$52,759</b>	<b>\$35,796</b>	<b>\$95,676</b>	<b>\$92,868</b>	<b>\$38,476</b>	<b>\$230,225</b>	<b>\$227,644</b>	<b>\$188,088</b>
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**Grand Total Served** 104,731