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Cover: Installation view, *Batia Suter: Parallel Encyclopedia Extended* (detail)  
Installation view, *Looking At Persepolis: The Camera in Iran, 1850–1930*







2018 DIRECTOR'S REPORT

After opening its doors to the public in November 2017, 2018 marked the first full year of operations for The Polygon Gallery in its stunning new home. It was a remarkable twelve months, underscored by the pleasure of welcoming old and new visitors into an architecturally significant and accessible facility designed by Patkau Architects, with purpose-built spaces that allow for ambitious growth in exhibition and outreach programs, cultivating many new audiences. With a new facility, The Polygon Gallery proudly embraces its expanded roles and responsibilities as a major new public cultural institution in British Columbia and Canada.

The year began with the continuation of the Gallery's inaugural exhibition *N. Vancouver* which profiled artworks made in, of, and about the North Shore of Burrard Inlet. Commissioned video works by Althea Thauberger with Nathalie Purschwitz and 2017 Lind Prize winner Vilhelm

Sundin joined a revolving exhibition of artworks that revealed how a discrete geographic area continues to nurture a rich artistic legacy.

In the summer of 2018, The Polygon opened its first major solo exhibition, *Susan Hiller: Altered States*, curated by Helga Pakasaar, showcasing a pioneering figure in contemporary art who is considered to be foundational for the insightful ways she brought an anthropological and cultural lens into the visual arts. Especially given her untimely passing in January 2019, we were very fortunate for the opportunity to host Hiller in Vancouver, and to work with an artist of uniquely penetrating intelligence and tireless creative spark.

In the fall of 2018, the Gallery mounted the third Philip B. Lind Emerging Artist Prize and exhibition, with UBC's Christopher Lacroix taking the top award of \$5,000. The Gallery looks forward to profiling a newly commissioned

work by Lacroix in the next year, and we extend our sincere thanks to the jury, comprised of Seattle's Henry Art Gallery associate curator Nina Bozicnik, Vancouver's Audain Gallery curator Amy Kazymierchyk, and Vancouver artist Ian Wallace.

In 2018, our efforts at supporting emerging artists helped The Polygon to forge relationships with new corporate and foundation partners. We are very grateful to RBC Foundation for its \$25,000 commitment to launch the Emerging Artist Mentorship Program, as well as to a joint contribution from The Cowan Foundation and The Guarantee Company of North America that provided \$25,000 to the Chester Fields youth photography program.

The year culminated with three parallel exhibitions including *One can make out the surface only by placing any dark-coloured object*



*on the ground* by London/Vancouver artist Hannah Rickards, and *Parallel Encyclopedia Extended* by Swiss artist Batia Suter, both curated by Helga Pakasaar. These exhibitions were mounted alongside *Looking At Persepolis: The Camera in Iran, 1850–1930*, an exhibition of rare historical photographs and albums, curated by Vancouver's Pantea Haghighi. This exhibition marked the first in a series generously supported by TD Bank Group titled *New Perspectives: revealing diverse perspectives, untold stories, and new voices in visual art*, that will bring to light more stories through images relevant to the Gallery's diverse audiences. Denna Homes and the Djavad Mowafaghian Foundation joined us with major commitments to the *Looking At Persepolis* presentation. Our presence extended outdoors with the Burrard Arts Foundation (BAF) commission of *Reckless*, a light and sound installation on the exterior of the building by Kevin Schmidt.

In 2018 there was significant growth in outreach programs including the launch of The Polygon Outside on the Gallery's app, regular Kids First Saturdays, and multilingual exhibition tours. In our new home we are now able to offer lively education programs targeted for broad demographics.

Over the course of 2018, The Polygon actively sought first-hand feedback from our first audiences on their experience of the new

gallery. Among the many complimentary responses was a loud and clear hunger for more art! Taking this message to heart, we initiated an exhibition program on the ground floor, beginning with a presentation of photographs by the Vancouver mid-century commercial photographer Dick Oulton. This marks a first step toward addressing our goal of bringing more exhibitions, more animation, and more experiences to diverse audiences in the years ahead. We are very grateful to provide widespread access to these experiences through admission-by-donation, made possible with BMO Financial Group's multi-year partnership.

What we see in our expanded visitorship is a clear passion to support the growth of a major cultural institution in North Vancouver. This is evidenced in the Gallery's new Membership program launched with The Polygon's opening, which achieved commitments from 769 Members by the end of 2018. With admission-by-donation, Membership is uniquely about personal values in support of the arts and all that the Gallery provides for the benefit of local communities. It is wonderful to have so many people come forward in our inaugural year to show their support.

We could not achieve such enormous growth without the commitment of an incredible staff, headed by Associate Director Jessica Bouchard,

Audain Chief Curator Helga Pakasaar, Head of Operations Paul Kuranko, and Financial Controller Molly O'Callaghan. I would like to thank each of them, as well as Diane Evans, Justin Ramsey, Andrea Jensen, Ahlia Moussa, Vanessa Sorenson, Faye Bednarczyk, Jennifer Wheeler, Asia Harvey, Rhonda Hall, Amy Romer, Pilar Wong-Navabi, Nellie Lamb, Nomi Stricker, Tereza Tacic, and Masha Pilipenko, along with our incredible front line, installation, and event staff for all the hard work in making our first year such a great success.

The Polygon has been led by a dedicated and committed Board of Directors, who have helped to shepherd an organisation from a small "hidden jewel" operating in an out-of-the-way schoolhouse, and with a budget of less than \$1M a year, through an extraordinarily rapid period of growth. In 2018, The Polygon's budget eclipsed \$3M, with a core staff three times the size of Presentation House Gallery, and with over twenty part-time personnel. Through this journey we owe a great deal to the indefatigable work of Treasurer Doug Allan, and for the leadership of Board Chair Iain Mant, both of whom leave us this year. I extend my thanks to Doug and Iain for their commitment and energies, and my sincere appreciation to Iain for his guidance, generosity, and vision.

Reid Shier  
Executive Director



Opposite: Chester Fields Opening Reception  
Above: A Conversation with Susan Hiller  
and Helga Pakasaar



## 1 YEAR

41,868 VISITORS  
769 MEMBERS  
11,848 SOCIAL MEDIA FOLLOWERS  
91 VENUE RENTALS

## 10 EXHIBITIONS

N. VANCOUVER (PART 2)  
CHESTER FIELDS 2018  
SUSAN HILLER  
DICK OULTON STUDIOS LTD  
THE LIND PRIZE 2018  
LOOKING AT PERSEPOLIS  
HANNAH RICKARDS  
BATIA SUTER  
KEVIN SCHMIDT  
THE POLYGON OUTSIDE

## 65 OUTREACH PROGRAMS

8 ARTIST TALKS AND LECTURES  
4 PERFORMANCES  
6 PANEL DISCUSSIONS, WORKSHOPS,  
AND SALONS  
4 CURATOR'S TOURS  
4 OPENING RECEPTIONS  
32 PUBLIC TOURS  
7 EXHIBITION TOURS IN FRENCH  
AND FARSI

## 14 YOUTH PROGRAMS

3 TEEN PROGRAMS  
8 KIDS FIRST SATURDAYS  
2 WEEKS OF SPRING BREAK  
PROGRAMS  
1 GALLERY SCHOOL PROGRAM FOR  
139 ELEMENTARY STUDENTS  
1 CHESTER FIELDS TEEN  
PHOTOGRAPHY PROGRAM WITH  
TEN HIGH SCHOOLS

## 1 ANNIVERSARY PARTY!

# 2018 Gallery Program









NOVEMBER 18, 2017 - APRIL 29, 2018  
**N. VANCOUVER**

*N. Vancouver* was The Polygon Gallery’s inaugural exhibition, bringing together works by artists from across BC responding to the theme of the North Shore. The exhibition gave the Gallery’s first audiences opportunities to witness the imaginative possibilities of visual artworks in discourse with the immediate surroundings of its new home.

Bringing together existent and newly commissioned works, *N. Vancouver* featured numerous mediums including sculpture, weaving, and video installation while highlighting both historical and contemporary photography. Reflecting the shifting nature of The Polygon’s locale, the exhibition evolved over the course of its run, bringing in new works by the invited artists.

February 24, 2018 marked the premiere of new work by Althea Thauberger with Natalie

Purschwitz, as well as an original video by Vilhelm Sundin, winner of the inaugural Philip B. Lind Emerging Artist Prize. Brian Jungen’s *Upside Down Flagpole* was also installed at the front of the building.

*N. Vancouver* was generously supported by TD Bank Group as Presenting Sponsor, and the Audain Foundation as Supporting Sponsor, as well as through donations by Tyke Babalos, PARC Retirement Living, Brigitte and Henning Freybe, Carvel Creative, and Fasken Martineau. Government funding was provided by the Canada Council for the Arts’ New Chapter program, and the British Columbia Arts Council.

MAY 8 - JUNE 10, 2018  
**CHESTER FIELDS 2018: BRING TO LIGHT**

Hosted annually, Chester Fields is the Gallery’s teen photography program, engaging high school students from across the Lower Mainland. Inspired by The Polygon Gallery’s

inaugural exhibition *N. Vancouver*, the 2018 theme challenged emerging artists to uncover a fascinating transformation that had taken place in their communities, and to visually represent their discovery in a creative way.

A jury consisting of associate director of Artspeak Erik Hood, FotoFilmic co-founder and director Virginie Lamarche, and VIVA Award-winning artist Kelly Lycan met to review over 100 submissions. Twenty-eight finalists were chosen to be represented in the Chester Fields 2018 exhibition, *Bring to Light*.

*Chester Fields 2018* was generously supported by The Guarantee Company of North America and The Cowan Foundation.

Above: Installation view, *N. Vancouver*.  
Photo: Brad Kasselmann

Opposite: Installation view, Laura Gildner, *Tell Me What You Know I Want to Hear*, 2018, digital vinyl print

MAY 24 - SEPTEMBER 2, 2018  
**SUSAN HILLER: ALTERED STATES**

One of the most influential artists of her generation, Susan Hiller was an innovator for close to five decades. Comprising landmark video installations and photographs, *Altered States* focused on Hiller’s investigations into dream states, the inexplicable, and our collective unconscious.

Hiller’s research-intensive process involved assembling audio and visual artefacts from diverse cultural source material to map popular beliefs. The exhibition included *Psi Girls*, movie footage of adolescent girls performing telekinetic feats; *Resounding (Infrared)*, hypnotic visual and audio recordings of mysterious phenomena; and automatic writing. The works in *Altered States* reflected on how technology and language mediate our perceptions of the world.

Susan Hiller (1940–2019) studied film, photography, archaeology, and linguistics and then turned to art. After moving to London, England from the US in the 1960s, she produced an extensive body of work. She has been widely published, and edited the influential 1991 book *The Myth of Primitivism: Perspectives on Art*.

AUGUST 3 - NOVEMBER 4, 2018  
**DICK OULTON STUDIOS LTD: WEDDING—COLOR—PORTRAITS**

The Polygon Gallery augmented its exhibitions program in 2018, launching what would become a continuing series of exhibitions on the main floor. After *Bring To Light*, the first full-length show was *Dick Oulton Studios Ltd: Wedding—Color—Portraits*.

Richard Oulton (1918–2000) was a commercial photographer who worked in Vancouver from 1962 to 1994, operating under a variety of names—Dick Oulton Studio, Dick Oulton Photography, and Ricardo Photographic Services—advertising services for weddings, portraits, passports, photographic restoration, and commercial photography. Located on West Hastings Street, the studio was also his home. Presentation House Gallery acquired Oulton’s vast trove of images, largely unedited and containing few “final” shots.

The eclectic nature of the exhibition was demonstrative of the role of a professional mid-century photographer, one who worked to produce imagery for an emerging middle class. Taken together, Oulton’s photographs formed an oblique social and historical picture of Vancouver at a moment when the city was shifting from a working class logging town into one with metropolitan aspirations.

SEPTEMBER 21 - OCTOBER 7, 2018  
**THE LIND PRIZE 2018**

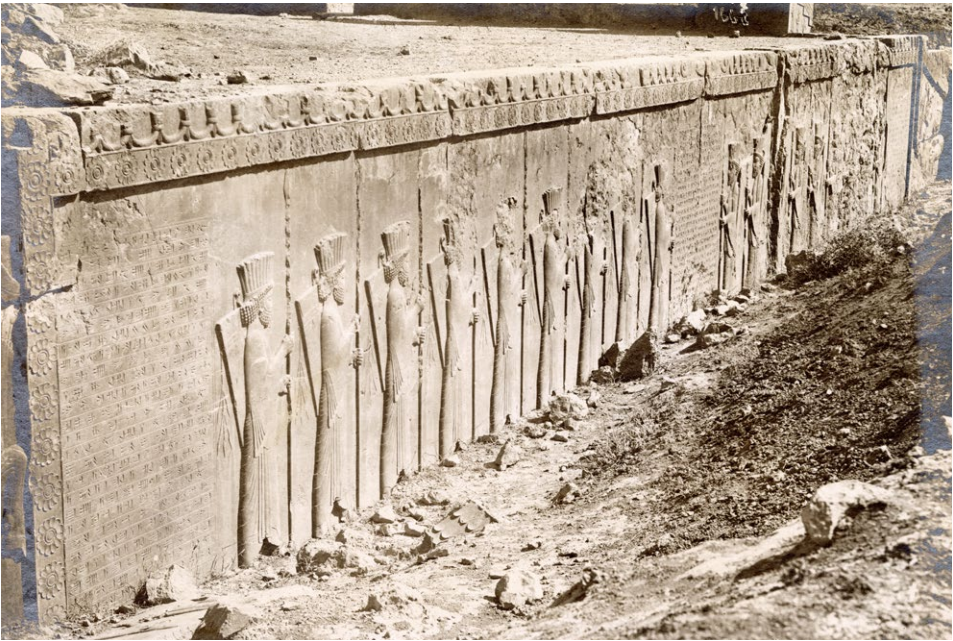
Established in 2016, the Philip B. Lind Emerging Artist Prize is awarded annually to an artist currently enrolled in a BFA or MFA program in British Columbia, working in mediums of film, photography, or video. In 2018, visual arts instructors from post-secondary institutions across the province nominated over 30 candidates.

A jury consisting of Henry Art Gallery associate curator Nina Bozicnik, Audain Gallery curator Amy Kazymierchyk, and Vancouver artist Ian Wallace chose nine finalists: Noah Friebe, Theo Terry, and Matthew Wong from Emily Carr University of Art + Design; Christopher Lacroix, Ramey Newell, and Lola Storey from the University of British Columbia; Laura Gildner from the University of Victoria; and Krystle Coughlin and Graeme Wahn from Simon Fraser University. The winner of the Lind Prize was Christopher Lacroix, announced at the opening reception, who received \$5,000 toward the commissioning of a new artwork to be exhibited at The Polygon Gallery in 2020.

The Philip B. Lind Emerging Artist Prize is made possible through a generous donation from Rogers Communications, in honour of Phil Lind’s commitment to the company and the communications industry over the course of 40 years. *The Lind Prize* exhibition is part of The Polygon Gallery’s Emerging Artist Mentorship Program, supported by RBC Foundation.







NOVEMBER 1, 2018 – JANUARY 13, 2019  
**LOOKING AT PERSEPOLIS: THE CAMERA IN IRAN, 1850 – 1930**

*Looking At Persepolis* considered the role of the camera in Iran, focusing on photographs of Persepolis through the latter 19th and early 20th centuries. The pictures had diverse sources and origins—from royal albums, archaeological treatises, and travelogues—but conveyed a common agenda of identifying a modernising nation with the splendour of its ancient past. In particular, the photographic documentation of the ongoing excavations at Takht-e Jamshid, known in the West as Persepolis, revealed the importance of the camera’s introduction into Iran, as a means of establishing a vision of national unity at a time of great social and technological change.

Drawn primarily from the private collection of Azita Bina and Elmar W. Seibel, *Looking At Persepolis* was guest curated by independent curator and gallerist Pantea Haghighi. Haghighi recently curated *Modernism in Iran: 1958–1978* at Griffin Art Projects, North Vancouver and *where / between*, a touring exhibition of contemporary art by Iranian artists.

This presentation is part of The Polygon Gallery’s new exhibition series *New Perspectives: revealing diverse perspectives, untold stories, and new voices in visual art*. *Looking at Persepolis* was generously supported by Denna Homes as Presenting Sponsor of the exhibition, TD Bank Group as Presenting Sponsor of the *New Perspectives* series, and the Djavad Mowafaghian Foundation as Education Partner.

NOVEMBER 1, 2018 – JANUARY 13, 2019  
**BATIA SUTER: PARALLEL ENCYCLOPEDIA EXTENDED**

Batia Suter’s images are drawn from a vast collection of over 1,000 publications including art and history books, atlases, scientific journals, and magazines that the artist has gathered over decades. Extracting reproductions from these diverse source materials, Suter repurposes the pictures into books and for exhibitions. Stripped of their past contexts as factual information, the photographs develop surprising new associations as part of their new, eclectic constellations. Once enlarged, the digitally-manipulated images are printed at low resolution to emphasize visual systems through the surface textures of analogue reproduction. Primarily employing images of the natural world, *Parallel Encyclopedia Extended* was an iteration of Suter’s major bookwork *Parallel Encyclopedia #2* (2016), also displayed in the gallery. In this exhibition, the artist unravelled notions of any kind of encyclopedic order of things. The meanings of photographic images were destabilized, their perpetual state of flux suggesting the excess and chaos of today’s digital proliferation of images.



NOVEMBER 1, 2018 – JANUARY 13, 2019  
**HANNAH RICKARDS: ONE CAN MAKE OUT THE SURFACE ONLY BY PLACING ANY DARK-COLOURED OBJECT ON THE GROUND**

Hannah Rickards’ installation was an immersive experience featuring an intricate six-channel soundtrack and freestanding video screen, drawing viewers into the work. In the video, the title of which alludes to navigating the whiteout conditions of a blizzard without visible horizon lines, two performers interact with photographic materials on a large soundstage. The barely-discernable images on the scattered papers are drawn from early scientific photographs depicting celestial phenomena and geological surfaces. Rickards’ forty-minute, non-narrative video does not settle on a fixed perspective.

Accompanying the projection was a screen print mapping the movements made by the camera rig as the video is shot, as well as a display case showing various artefacts and documents that refer to intangible natural phenomena such as wind erosion and weather conditions. Rickards works with the languages of film, drawing, and performance to map conditions of uncertainty. She explores the non-linear fluidity between site, gesture, and staging in order to tease out the mysteries of the unseen.

Left: Antoin Sevruguin, *Takht-e Jamshid (Persepolis)*, c. 1880 (detail), albumen print, collection of Azita Bina and Elmar W. Seibel

Right: Hannah Rickards, *One can make out the surface only by placing any dark-colored object on the ground* (still), 2017, video installation

Opposite: *Lowry’s Cabin*, 3D Render Composite: Jonny Ostrem

NOVEMBER 17, 2018 – MAY 21, 2019  
**KEVIN SCHMIDT: RECKLESS**

Originally conceived during the exhibition *N. Vancouver*, *Reckless* was a public artwork by BC artist Kevin Schmidt. Over 20,000 blinking, multi-coloured LED lights wrapped the exterior façade of The Polygon Gallery. The lights were timed to a soundtrack arranged and recorded by Schmidt, based on the 1984 album of the same name by Canadian singer-songwriter and former North Vancouver resident Bryan Adams. Schmidt’s soundtrack could be heard on the building’s outdoor speakers, or by tuning in to 87.8 on FM radio. This site-specific installation continued Schmidt’s series of works that draw from the aesthetics of DIY creativity in response to particular architecture, such as *EDM House* (2014), where he covered a rural farm homestead with Christmas lights and synced them to his self-composed electronic dance music.

*Reckless* is the second in a 10-year commissioning program of new public artworks installed at The Polygon Gallery in collaboration with the Burrard Arts Foundation.

JUNE 6, 2018 – ONGOING  
**THE POLYGON OUTSIDE**

The Polygon Outside is a new digital program that extends the reach of art experiences beyond the physical gallery through commissioned projects featured on a downloadable app. The projects animate sites along the North Shore’s waterfront and Spirit Trail locations, using photographs, videos, texts, and audio material. The project launched in 2018 with four experiences, including:

Generously supported by the Port of Vancouver as Presenting Sponsor.

WELCH STREET & MATHIAS ROAD, WEST VANCOUVER

**T’UYT’TANAT-CEASE WYSS: CULTURAL CROSSINGS**

A site-specific, digital research project

2645 DOLLARTON HIGHWAY, NORTH VANCOUVER

**BRUCE STEWART: DOLLARTON PLEASURE FAIRE, 1972**

Photographs from the infamous Maplewood Mudflats

125 VICTORY SHIP WAY, NORTH VANCOUVER

**FAITH MOOSANG: BITTER AIR**

A site specific, 1940s radio drama

4141 DOLLARTON HIGHWAY, NORTH VANCOUVER

**LOWRY’S CABIN**

A site specific, 360° virtual recreation of author Malcolm Lowry’s cabin







The Polygon Gallery's strong exhibitions program was activated by an extensive series of talks, tours, and workshops, engaging the public with acclaimed artwork on a deeper level. The Gallery partnered with peer organisations, working with Capture Photography Festival to present a talk by renowned art historian Kaja Silverman; with Contemporary Art Gallery and Ballet BC on a one-night performance based on the work of artists John Wood and Paul Harrison; and with FotoFilmic to bring award-winning photographers Alex Webb and Rebecca Norris Webb for a special presentation and book-signing.

The Polygon Gallery's curators enhanced public education through ongoing tours and talks. These included conversations with guest artists, as well as in-depth tours of the exhibitions. The Gallery was also pleased to continue to offer tours in French, as well as to inaugurate a Farsi-language tour program that will be offered monthly.

Visitors also accessed opportunities to see artists at work and to exercise their own creativity through demonstrations and special performances, artist-led creative writing workshops, a participatory reading salon, and ongoing hands-on arts programming for families. Gallery School, The Polygon's innovative program that encourages self-directed learning and inquiry, saw unprecedented participation, engaging six classes from four Lower Mainland schools.

## Outreach





ARTIST TALKS

Alex Webb and Rebecca Norris Webb:  
Together and Apart  
Presented in partnership with FotoFilmic  
May 19

A Conversation with Susan Hiller and  
Helga Pakasaar  
May 23

*The Lind Prize 2018:* The Crit  
September 21

Artist Talk with Batia Suter at the SFU School of  
Contemporary Art  
November 1

A Conversation with Batia Suter and  
Helga Pakasaar  
November 2

Artist Talk with Hannah Rickards  
November 21

CURATOR TOURS

*N. Vancouver* with Reid Shier  
January 6

*Susan Hiller: Altered States* with Helga  
Pakasaar  
July 12

*Looking At Persepolis: The Camera in Iran,  
1850–1930* with Pantea Haghighi and Elmar  
Seibel  
November 3

*Looking At Persepolis: The Camera in Iran,  
1850–1930* with Pantea Haghighi  
December 15

FILM SCREENING

George Orr: *The Bridge*  
October 23

GALA

Paper: First Anniversary  
November 17

LANGUAGE TOURS

French Tours | Visites en Français

*Susan Hiller: Altered States*  
August 18

*The Lind Prize 2018*  
August 25

*Looking At Persepolis: The Camera in Iran,  
1850–1930*  
August 18, 25  
September 23  
December 2, 9

Farsi Tours | تور به زبان فارسی

*Looking At Persepolis: The Camera in Iran,  
1850–1930*  
December 1  
December 8

LECTURES

Kaja Silverman: The Three-Personed Picture,  
in partnership with Contemporary Art Gallery  
April 29

Friday Night Talks: Hamza Walker  
*Susan Hiller: Altered States*  
August 3

OPENING RECEPTIONS

*N. Vancouver*  
February 24

*Susan Hiller: Altered States*  
May 23

*The Lind Prize 2018*  
September 20

*Batia Suter: Parallel Encyclopedia Extended*  
*Hannah Rickards: One can make out the  
surface only by placing any dark-coloured object  
on the ground*  
*Looking At Persepolis: The Camera in Iran,  
1850–1930*  
November 1

PANEL DISCUSSIONS,  
WORKSHOPS, AND SALONS

Panel Discussion: Excavating *N. Vancouver*  
with Gabrielle L'Hirondelle Hill, Cameron Kerr,  
Holly Ward, Tracey Williams, and Cease Wyss  
February 4

Cedar Weaving Demonstration with  
Melvin Williams  
*N. Vancouver*  
March 10

Panel Discussion: Interweaving *N. Vancouver*  
with Chief Janice George, Lisa Lewis, Shelley  
Thomas, and Melvin Williams  
March 11

Panel Discussion: Dislocating *N. Vancouver*  
with Tim Lee and Clint Burnham  
April 15

Friday Night Writes: Automatic drawing  
workshops led by Tiziana La Melia and  
Rachelle Sawatsky  
*Susan Hiller: Altered States*  
July 13, 29

Reading Salon  
Productive Doubt: No Reading After The  
Internet, organised by Amy Kazymierchyk and  
cheyanne turions  
*Susan Hiller: Altered States*  
August 24

PERFORMANCES

Black Box with Sven Marquardt and Marcel  
Dettman, organised by Thomas Anselmi  
*N. Vancouver*  
January 12

Improvisation Workshop and Performance with  
Robert Lippok, organised by Thomas Anselmi  
*N. Vancouver*  
January 27



John Wood and Paul Harrison: Very Clear  
Instructions, organised in partnership with  
Contemporary Art Gallery and Ballet BC  
*N. Vancouver*  
April 20

Friday Night Music with BC Hydra, Mourning  
Coup and The Rita, organised by Brady  
Cranfield and Amy Kazymierchyk  
*Susan Hiller: Altered States*  
July 27

PUBLICATIONS

*Janice Kerbel: Live*

*Chester Fields 2018: Bring to Light*

The Polygon Gallery participated in Printed  
Matter's New York Art Book Fair (NYABF),  
presented from September 20 to 23, 2018, at  
MoMA PS1 in New York, NY.

YOUTH

Spring Break  
March 20–23, March 27–30

Chester Fields: Teen tour of *N. Vancouver* and  
artist talk with Andrew Dadson  
April 6

Friday Night Teens  
*Susan Hiller: Altered States*  
August 10

*The Lind Prize* Teen Choice Awards  
October 4

Gallery School (Spring 2018):  
Queensbury Elementary, March 5–9  
Charles Dickens Annex, April 16–20  
Westview Elementary, April 23–27

Gallery School (Fall 2018):  
Cove Cliff Elementary, November 19–23  
Charles Dickens Annex, November 26–30  
Queensbury Elementary, December 3–7

Gallery School was generously supported  
by Beech Foundation and the North Shore  
Community Foundation.

Kids First Saturdays  
May 5, June 2, July 7, August 4, September 1,  
October 6, November 3, December 1

Kids First Saturdays was generously supported  
by the Mathisen Family Private Foundation and  
The Hamber Foundation.

WEEKLY EXHIBITION TOURS

Thirty-two public exhibition tours were  
offered in 2018.

Generously sponsored by PARC Retirement  
Living.

Opposite: A Conversation with Susan Hiller and  
Helga Pakasaar  
Above: Gallery School, Spring 2018



2018 Donors



CAPITAL CAMPAIGN DONORS

The following people and organisations made significant investments in the construction and endowment of The Polygon Gallery.

LEAD SUPPORT

Audain Foundation  
Polygon Homes Ltd.

GOVERNMENT SUPPORT

Government of Canada  
Province of British Columbia  
City of North Vancouver

\$1,000,000 +

Dennis & Phyllis Washington Foundation  
Anonymous

\$750,000 +

Chan Family Foundation  
TD Bank Group

\$500,000 +

BMO Financial Group  
The Christopher Foundation  
Denna Homes

\$250,000 +

Paula Palyga and David Demers  
PARC Retirement Living  
Yosef Wosk, OBC

\$100,000 +

Tyke Babalos  
Jane Irwin and Ross Hill  
Phil Lind  
Iain Mant  
Stuart and Della McLaughlin  
The Munford Family  
Quay Property Management  
Rogers Communications  
Staburn Group  
Wesgroup Properties

\$50,000 +

Rojeanne and Jim Allworth  
Y. P. Heung Foundation  
Killy Foundation  
David Sprague and Elaine Williamson  
Terrence and Lisa Turner

THE FOUNDATION

\$25,000 +

Bellringer Family Foundation  
Creocon Group Holdings Ltd.  
Rick Erickson and Donna Partridge  
Gordon Harris  
Dr. Paul Marks  
Nadir and Shabin Mohamed  
Elisa Nuyten and David Dime  
Michael Prout and Leonardo Lara  
Qualex-Landmark  
George Seslija  
Cheryl Stevens  
Fei Wong

\$10,000 +

Claudia Beck and Andrew Gruft  
Shawn and Jessica Bouchard  
Fred Herzog  
Bill Morneau & Nancy McCain Foundation  
Jay Smith and Laura Rapp

2018 ANNUAL ARTISTIC PROGRAM SUPPORTERS

Annual Donors help to bring creative ideas to life, supporting The Polygon as a vibrant hub of artistic activity. The Gallery is tremendously grateful for the generosity of this group of community partners and art philanthropists.

GOVERNMENT

Canada Council for the Arts  
Government of Canada  
British Columbia Arts Council  
Province of British Columbia  
The City of North Vancouver and the District of  
North Vancouver through The North Vancouver  
Recreation & Culture Commission

COMMUNITY LEADERS

BMO Financial Group\*  
TD Bank Group\*

MAJOR PARTNERS

Audain Foundation\*  
The Christopher Foundation\*  
Denna Homes  
Polygon Homes Ltd.\*  
Port of Vancouver\*  
Quay Property Management\*

INDIVIDUAL SUPPORT

Exhibition Circle \$10,000 +

Brigitte and Henning Freybe  
Nancy Harrison and Paul Buitenhuis  
Phil Lind  
Paula Palyga and David Demers\*  
Bruno Wall

Publication Circle \$5,000 +

Gordon Harris  
Eric Savics  
John and Helen O’Brian\*  
Tyke Babalos\*

Artist Circle \$1,000 +

David Aisenstat\*  
Byron Aceman and Caron Bernstein\*  
Grant Arnold  
Helen Babalos  
Claudia Beck and Andrew Gruft\*  
Shawn and Jessica Bouchard\*  
James and Mary Clare Bovard  
Peter Cruikshank\*  
Pauline and Bernie Hadley-Beauregard\*  
Dorothy Jantzen\*  
Blair and Carol Horn  
Todd and Meredith Kennedy  
Marla Kiess  
Carol Lee  
Allan McMordie  
Mary and Rod McNeil

Jill McRae

Coleen and Howard Nemtin  
Molly and Michael O’Callaghan  
Julia and Gilles Ouellette  
Daniel and Trudy Pekarsky\*  
Kevin Shoemaker  
Cheryl Stevens\*  
Paul Vassallo\*  
Zohreh and Joachim Waibel  
Anonymous

Contributors \$500 +

Jeff Henschel\*  
Andrea Jensen and Dave Hamilton  
Christine Laptuta and Stefan Bukojemsky  
Reid Shier and Zoe Lasham

CORPORATE AND FOUNDATION SUPPORT

\$20,000+

Carvel Creative  
The Cowan Foundation  
RBC Foundation\*  
Vancouver Foundation

\$10,000+

Djavad Mowafaghian Foundation  
Munford Family Foundation  
PARC Retirement Living

\$5,000+

The Guarantee Company of North America  
The McLean Foundation  
North Shore Community Foundation

\$1,000+

Ballard Fine Art\*  
Beech Foundation  
The Hamber Foundation  
Hemlock Printers\*  
Mathisen Family Private Foundation  
Poplar Grove Winery  
TELUS Communications\*

Corporate Members

Assante Vancouver Centre  
BC Liberal NV Riding Association  
COWI North America  
Darwin Properties  
Divine Motion Films  
East India Carpets  
Hatfield Consultants  
Integral Group  
Kit, Coop and Associates Limited  
Opus Art Supplies  
Ron Rule Consultants  
Saje Natural Wellness

\* Consecutive contributions of 3+ years

PAPER: FIRST ANNIVERSARY

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Hamidreza Jadid, Catriona Jeffries, Gigaemi  
Kukwits, Tiziana La Melia, Macaulay & Co Fine  
Art, Scott McFarland, Monte Clark Gallery,  
Republic Gallery, Kevin Schmidt, Gordon  
Smith, Vilhelm Sundin, Batia Suter, Ron  
Terada, Theo Terry, Towards, Unit 17, Tristan  
Unrau, Wil Aballe Art Projects, Melvin Williams,  
Paul Wong, Chris Wright



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Prima Huang  
Elsa Hung  
Dordaneh Khadem  
Iris Kudo  
Jason Kuo  
Olivia Moore  
Jenna Ramji  
Eric Schultz  
Alyssa Shull







Installation view, *Reckless* by Kevin Schmidt.  
Photo: Robert Stefanowicz





# TREASURER’S REPORT 2018

I am pleased to present the annual financial report as Treasurer of the British Columbia Photography and Media Arts Society, which operates as The Polygon Gallery (“The Polygon”). The following financial statements, which include an unqualified audit opinion, provide stakeholders with a summary of The Polygon’s financial position as at December 31, 2018 and for the fiscal year then ended.

The following brief synopsis of The Polygon’s financial results for 2018 should be read in conjunction with the audited financial statements.

**STATEMENT OF FINANCIAL POSITION**

The fiscal year ending December 31, 2018 was an extraordinary beginning for The Polygon, its first full year in its new facility. The Polygon ended the year with a strong unrestricted cash balance of \$313,767, in addition to \$440,787 in restricted cash earmarked for the continued commercial unit buildout and specific programming expenses. Accounts receivable was \$80,247 at year end, primarily from donations and the venue rentals program, all of which were received shortly after year end. These short-term assets were offset by trade accounts payable and accrued liabilities of \$166,775.

The Polygon was grateful to receive \$962,609 in anticipated pledge payments to the capital campaign during the year. Cash gifts to the capital campaign are reflected in the deferred capital contributions liability of \$14,660,666. This balance is being recognised as revenue over the life of the building to offset the amortization expense of the new building.

As in 2017, promised gifts to the capital campaign are—under generally accepted accounting principles—not reflected in the financial statements. To bridge the timing difference between receipt of these pledged donations and construction completion,

the Gallery has drawn on a financing facility, provided by TD Bank Group. The balance of this loan at year end was \$2,279,150, down from \$3,590,000 at the end of 2017, which reflects principal repayments of \$1,310,850 during 2018. The balance is to be repaid upon receipt of future pledges over the remaining life of the loan (which sits at just under three years). As of the date of this report, the balance stands at \$2,123,247.

**STATEMENT OF OPERATIONS**

The Polygon ended its first full fiscal year in its new facility with an operating deficit of \$171,057, on revenues of \$3,193,645. The Polygon’s revenue has grown immensely in its first full year of operations, and significantly exceeded management’s expectations. However, the cost of operating the new building also exceeded initial estimates. Looking forward, budgeting for the 2019 fiscal year was, for the first time, able to be based on the previous year’s actual results, whereas previously management relied on estimates without the benefit of operational experience. The Polygon is committed to working toward the objective of operational sustainability. Importantly, requests for increases to government funding at all three levels—to better reflect the community impact and benefit of the Gallery in its new form — are underway but have not yet been confirmed.

Following the successful completion of its capital campaign, The Polygon is now focused on securing increased grant funding and multi-year donations and sponsorships, in addition to growing its Endowment Fund. Additionally, revenues from The Polygon’s gift shop, bookstore, and venue rentals program continue to increase, as The Polygon establishes its place in the local community. We look forward to opening the Nemesis café in 2019, which will not only introduce lease revenue, but will also draw new visitors to The Polygon.

My thanks to the dedication of the Board of Directors’ Finance Committee, which has been instrumental in overseeing the financial interests of the Gallery, and the entire Board of Directors for their inquisitive involvement with its financial operations. This will be my last report as Treasurer of The Polygon, and so I wish to thank Reid Shier and his incredible team, as well as Iain Mant and the Board of Directors, for the opportunity to be part of the North Shore’s most exciting project in recent history. The Polygon is a legacy that we can all be proud of for generations to come. I wish all the best to Kathleen Butt, The Polygon’s incoming Treasurer.

Doug Allan, CPA, CA  
Treasurer



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## **FINANCIAL STATEMENTS**

### **THE BRITISH COLUMBIA PHOTOGRAPHY AND MEDIA ARTS SOCIETY** (dba The Polygon Gallery)

**December 31, 2018**

Limited Liability Partnership



**Tompkins Wozny**  
Chartered Professional Accountants



INDEPENDENT AUDITOR'S REPORT

To the Members of  
The British Columbia Photography and Media Arts Society (dba The Polygon Gallery)

Opinion

We have audited the financial statements of The British Columbia Photography and Media Arts Society (the Society), which comprise the statement of financial position as at December 31, 2018, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Society as at December 31, 2018, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Society in accordance with the ethical requirements that are relevant to our audits of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Society’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Society or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Society’s financial reporting process.

Auditor’s Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Society’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

INDEPENDENT AUDITOR'S REPORT

- Conclude on the appropriateness of management’s use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Society’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Society to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

As required by the British Columbia Societies Act, we report that the accounting principles used in these financial statements have been applied on a basis consistent with that of the preceding year.

Tompkins Wozny LLP

Vancouver, Canada  
February 25, 2019

Chartered Professional Accountants



STATEMENT OF FINANCIAL POSITION


As at December 31

	2018	2017
	\$	\$
<b>ASSETS</b>		
<b>Current</b>		
Cash and cash equivalents <i>[note 3]</i>	754,554	1,143,092
Accounts receivable <i>[note 4]</i>	80,247	588,876
Prepaid expenses	102,431	39,592
Inventory	107,394	99,820
	1,044,626	1,871,380
Security deposits <i>[note 5]</i>	100,000	215,000
Capital assets <i>[note 5]</i>	15,835,633	16,079,352
	16,980,259	18,165,732
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities <i>[note 6]</i>	166,775	433,997
Deferred revenue <i>[note 7]</i>	162,157	94,832
Construction loan <i>[note 9]</i>	2,279,150	3,590,000
	2,608,082	4,118,829
Deferred contributions - capital assets <i>[note 8]</i>	14,660,666	14,164,335
<b>Total liabilities</b>	17,268,748	18,283,164
<b>NET ASSETS (Deficit)</b>	(288,489)	(117,432)
	16,980,259	18,165,732

See accompanying notes to the financial statements

Approved by:

  
Director

  
Director

STATEMENT OF CHANGES IN NET ASSETS

Year ended December 31

	New Building Fund \$	Invested in Capital Assets \$	Unrestricted (deficit) \$	Total \$
<b>2018</b>	<i>[note 10]</i>			
<b>NET ASSETS, BEGINNING OF YEAR</b>	—	6,595	(124,027)	(117,432)
Excess of expenses over revenues	—	—	(171,057)	(171,057)
Amortization of deferred contributions	—	358,337	(358,337)	—
Amortization of capital assets	—	(404,067)	404,067	—
Capital assets additions	—	164,252	(164,252)	—
Capital assets purchased with deferred contributions	—	(37,500)	37,500	—
Deferred contributions used to repay construction loan	—	(817,168)	817,168	—
Loan repayment	—	817,168	(817,168)	—
Disposal of capital assets	—	(3,904)	3,904	—
<b>NET ASSETS, END OF YEAR</b>	—	83,713	(372,202)	(288,489)
<b>2017</b>				
<b>NET ASSETS, BEGINNING OF YEAR</b>	89,170	23,464	111,966	224,600
Excess of revenues over expenses	—	—	(342,032)	(342,032)
Amortization of deferred contributions	—	103,122	(103,122)	—
Amortization of capital assets	—	(116,858)	116,858	—
Additions (deductions)	—	16,171,709	(16,171,709)	—
Capital assets purchased with construction loan	—	(1,908,422)	1,908,422	—
Capital assets purchased with deferred contributions	—	(14,262,671)	14,262,671	—
Disposal of capital assets	—	(3,749)	3,749	—
Transfer to operations	(89,170)	—	89,170	—
<b>NET ASSETS, END OF YEAR</b>	—	6,595	(124,027)	(117,432)

See accompanying notes to the financial statements



STATEMENT OF OPERATIONS

Year ended December 31

	2018	2017
	\$	\$
<b>REVENUE</b>		
Earned revenues	994,384	132,497
Government grants <i>[note 12]</i>	798,914	893,968
Donations and sponsorship	616,596	399,245
Amortization of deferred contributions <i>[note 8]</i>	466,278	103,122
Fundraising events	272,900	384,965
Bank interest and endowment income <i>[note 11]</i>	27,897	11,915
Other income	16,676	2,769
	3,193,645	1,928,481
<b>EXPENSES</b>		
Wages, employee benefits and subcontracts	1,427,295	713,972
Amortization of capital assets	404,067	116,858
Building maintenance <i>[note 16]</i>	340,030	164,663
Gallery programming and publications	318,106	381,871
Fundraising activities and events	187,726	163,221
Venue rentals expenses	185,729	20,354
Retail cost of goods sold	119,654	43,217
Interest on loan <i>[note 9]</i>	106,996	12,663
Office and miscellaneous	76,783	66,470
Marketing and promotion	69,110	5,481
Telephone, internet and website	53,857	30,282
Professional fees	25,646	46,508
Insurance	24,409	13,576
Bank charges	14,664	10,723
Travel	6,726	17,585
Loss on disposal of assets	3,904	3,749
	3,364,702	1,811,193
<b>OPERATING SURPLUS / (DEFICIT)</b>	(171,057)	117,288
Transitional Start-up Costs <i>[note 13]</i>	—	(459,320)
Excess of Expenses over Revenues	(171,057)	(342,032)

See accompanying notes to the financial statements

STATEMENT OF CASH FLOWS

Year ended December 31

	2018	2017
	\$	\$
<b>OPERATING ACTIVITIES</b>		
Excess of expenses over revenues for the year	(171,057)	(342,032)
Items not involving cash:		
Amortization expense	404,067	116,858
Amortization of deferred contributions	(466,278)	(103,122)
Loss on disposal of assets	3,904	3,749
Change in non-cash working capital items:		
Accounts receivable	508,629	(535,501)
Prepaid expenses	(62,839)	(11,449)
Inventory	(7,574)	(53,773)
Accounts payable and accrued liabilities	(267,222)	223,018
Deferred revenue	67,325	(9,830)
Cash provided by (used in) operating activities	8,955	(712,082)
<b>INVESTING ACTIVITIES</b>		
Purchase of capital assets	(113,046)	(554,865)
Costs incurred towards new building	(51,206)	(7,633,526)
Cash used in investing activities	(164,252)	(8,188,391)
<b>FINANCING ACTIVITIES</b>		
Security deposit investment refunded	115,000	115,000
Construction loan proceeds (repayment)	(1,310,850)	3,590,000
Capital contributions received	962,609	3,455,062
Cash provided by (used in) financing activities	(233,241)	7,160,062
<b>Decrease in cash and cash equivalents during the year</b>	(388,538)	(1,740,411)
Cash and cash equivalents, beginning of year	1,143,092	2,883,503
<b>Cash and cash equivalents, end of year</b>	754,554	1,143,092

See accompanying notes to the financial statements



December 31, 2018

1. PURPOSE OF THE SOCIETY

The British Columbia Photography and Media Arts Society ("the Society") was established under the Societies Act of British Columbia. It is a registered charity for income tax purposes and is exempt from income taxes. The Society has the following purposes:

- a) To manage a gallery specializing in photography and media arts;
- b) To present a wide range of exhibitions and programs in photography and media arts;
- c) To encourage interest in and support for the work of photographic and media artists and activities of the gallery;
- d) To contribute to the development of cultural projects and activities in the North Vancouver community;
- e) To maintain the facility in the public interest; and
- f) To undertake initiatives to obtain funds and earn revenue in support of the stated purposes.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Part III of the Chartered Professional Accountants of Canada Handbook – Accounting Standards for Not-for-Profit Organizations using the accounting policies outlined below.

Use of Estimates

In preparing the financial statements management has to make estimates and assumptions about future events that affect the reported amounts of assets and liabilities at the end of the reporting period. Management believes that the estimates used are reasonable and prudent; however, actual results could differ from those estimates. Significant areas requiring the use of estimates relate to the determination of the useful lives of assets subject to amortization expense and revenue, the recording of allowances for doubtful accounts, valuation of accrued liabilities, deferred revenue.

Revenue Recognition

The Society follows the deferral method of accounting for contributions, which include donations and bequests and grants. Grants and bequests are recognized when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Other donations are recorded when received. Unrestricted contributions are recognized as revenue when received. Externally restricted contributions, except endowment contributions, are deferred when initially recorded in the accounts and recognized as revenue in the year in which the related expenses are recognized.

December 31, 2018

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Earned revenues are recorded as earned at the point of sale or when the service has been provided.

Investment income, which consists of interest, dividends and income distributions from pooled funds is recorded in the statement of operations, except to the extent that it is externally restricted, in which case it is added to or deducted from restricted balances.

Donated Services and Materials

Donated services of volunteers and materials provided to the Society are not recorded as the fair value thereof is not determinable.

Cash and Cash Equivalents

Deposits with banks and financial institutions that are due within 270 days or upon demand are classified as cash.

Inventory

Inventory is comprised of merchandise for sale in the gallery gift shop, bookstore, and owned prints and artwork held for sale. The Society also carries liquor inventory as part of its venue rentals program. Inventory is stated at the lower of cost and net realizable value. Costs for inventories include all costs to bring them to their present location and condition. Net realizable value is defined as anticipated selling price less the costs to sell.

Financial Instruments

Financial instruments are initially measured at fair value. The Society subsequently measures its financial instruments, consisting of cash, accounts receivable and accounts payable and accrued liabilities, at amortized cost. In management’s opinion, the Society is not exposed to significant interest rate, currency exchange rate or credit risks arising from these financial instruments.

The Society’s endowment investments, reported at fair value, are held in an irrevocable account managed by the Vancouver Foundation. Returns on the endowment are subject to market price risk.

Capital Assets and Development Costs - Building

Capital assets are stated at cost less accumulated amortization. Amortization is recorded over the estimated useful lives of the assets as follows:

- |                                   |                        |
|-----------------------------------|------------------------|
| ▪ Building                        | 50 years straight line |
| ▪ Computer equipment and software | 3 years straight line  |
| ▪ Furniture and equipment         | 10 years straight line |
| ▪ Leasehold improvements          | 5 years straight line  |



December 31, 2018

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Development costs consist of materials, labour and overhead directly attributable to development activity and the construction of the new premises [note 5]. Capitalization of costs ceased on November 17, 2017 when the new premises were substantially complete and ready for productive use.

The Society monitors the recoverability of its long lived assets based on factors such as current market value and future asset utilization and records impairment losses whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. To December 31, 2018, no impairment losses have been recorded.

3. CASH AND CASH EQUIVALENTS

	2018	2017
	\$	\$
Unrestricted cash	313,767	210,474
Restricted cash - Community Gaming grants	3,675	9,522
Restricted cash - restricted contributions	437,112	923,096
	754,554	1,143,092

4. ACCOUNTS RECEIVABLE

	2018	2017
	\$	\$
Grants receivable	6,000	224,000
Goods and services tax rebate	2,279	19,981
Individual donations receivable	27,743	161,534
Other customer accounts	44,225	183,361
	80,247	588,876

December 31, 2018

5. CAPITAL ASSETS

	Cost \$	Accumulated Amortization \$	Net Book Value \$
<b>2018</b>			
Building - leaseholds [note 16]	15,668,050	351,891	15,316,159
Computer equipment and software	168,511	69,613	98,898
Furniture and equipment	528,252	107,676	420,576
Leasehold improvements	8,163	8,163	—
	16,372,976	537,343	15,835,633
<b>2017</b>			
Building - under construction	15,616,844	39,042	15,577,802
Computer equipment and software	99,787	42,290	57,497
Furniture and equipment	503,650	59,597	444,053
Leasehold improvements	8,163	8,163	—
	16,228,444	149,092	16,079,352

The Society has posted \$100,000 in Letters of Credit with the City of North Vancouver and Lonsdale Energy Corporation as performance security. The Letters of Credit are held by the beneficiaries pending occupancy of the new building and are secured by non-redeemable Guaranteed Investment Certificates held by a major Canadian bank earning nominal market rate interest.

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2018 \$	2017 \$
Trade accounts payable	115,399	128,597
Taxes payable - GST and PST	4,539	40,860
Accrued wages and benefits payable	46,837	80,434
Accrued development costs	—	184,106
	166,775	433,997



December 31, 2018

7. DEFERRED REVENUE

	Programs & Publications \$	Operating \$	Totals \$
<b>2018</b>			
<b>Opening balance, beginning of year</b>	<b>30,762</b>	<b>64,070</b>	<b>94,832</b>
Received or receivable as of year end:			
Community gaming grant	56,500	—	56,500
Donations and grants	94,500	83,850	178,350
Facility rental deposits	—	295,888	295,888
Endowment interest	4,950	—	4,950
Gift cards sold	—	1,517	1,517
Recognized to revenue during the year:			
Community gaming grant	(62,340)	—	(62,340)
Donations and grants	(65,500)	(103,753)	(169,253)
Facility rental deposits	—	(233,025)	(233,025)
Endowment interest	(4,983)	—	(4,983)
Gift cards used	—	(279)	(279)
<b>Closing balance, end of year</b>	<b>53,889</b>	<b>108,268</b>	<b>162,157</b>
<b>2017</b>			
<b>Opening balance, beginning of year</b>	<b>96,872</b>	<b>7,790</b>	<b>104,662</b>
Received or receivable as of year end:			
Community gaming grant	50,000	—	50,000
Donations and grants	162,506	58,575	221,081
Facility rental deposits	—	50,130	50,130
Endowment interest	4,772	—	4,772
Recognized to revenue during the year:			
Community gaming grant	(47,277)	—	(47,277)
Donations and grants	(231,440)	(42,995)	(274,435)
Facility rental deposits	—	(9,430)	(9,430)
Endowment interest	(4,671)	—	(4,671)
<b>Closing balance, end of year</b>	<b>30,762</b>	<b>64,070</b>	<b>94,832</b>

Deferred revenue represents funds restricted for specific programming or other stipulated use, the expenses for which have not yet been incurred. The amounts will be recognized as revenue in subsequent periods as the related expenditures are incurred.

December 31, 2018

8. DEFERRED CONTRIBUTIONS - CAPITAL ASSETS

	2018 \$	2017 \$
<b>Opening balance, beginning of year</b>	<b>14,164,335</b>	<b>10,812,395</b>
Contributions from the Department of Canadian Heritage	—	574,517
Contributions from the City of North Vancouver	—	1,600,000
Contributions from private donors	962,609	1,498,652
Less: fundraising costs	—	(218,107)
	962,609	3,455,062
Amortization of deferred contributions	(466,278)	(103,122)
<b>Closing balance, end of year</b>	<b>14,660,666</b>	<b>14,164,335</b>

Deferred contributions - capital assets represents restricted funding which has been spent on capital assets (building and equipment) and capitalized and is then amortized into income over the useful life of those capital assets.

The \$466,278 amortization revenue includes \$106,996 used to pay the current year loan interest.

9. CONSTRUCTION LOAN

The Society has entered into an agreement with a Canadian chartered bank for a demand construction bridge loan to a maximum of \$5 million with a term of 4 years and 9 months, secured by a guarantee from the City of North Vancouver. Interest only payments at the bank’s prime rate were required until December 31, 2017 at which time principal repayments through the end of the loan’s term commenced.

During the year principal repayments were made of \$1,310,850 which decreased the balance outstanding from \$3,590,000 to \$2,279,150 as at December 31, 2018.

10. NEW BUILDING FUND

The new building fund was established by the Board of Directors in 2004 as an internally restricted fund for the purposes of procuring new premises for the Society. During 2017, construction of new premises was completed and put into use, thus the balance of the new building fund was fully invested in the building and has been transferred to unrestricted net assets.



December 31, 2018

11. ENDOWMENT

During 2015 the Society established a permanent endowment, the Polygon Gallery Endowment Fund, to provide a base of sustainable income to ensure the Society’s future funding. Net assets of the endowment are irrevocably held by the Vancouver Foundation. As the Society has the right to receive only the investment distributions on the endowment funds, and has no right to the contributed principal, the endowment is not included as an asset on the Society’s statement of financial position.

	2018	2017
	\$	\$
Opening balance, at fair market value	399,575	306,109
Capital contributions	547,872	82,056
Investment income	25,221	11,777
Distributions	(19,482)	(11,407)
Unrealized market adjustment	(51,222)	11,040
Ending balance, at fair market value [capital cost \$918,928]	901,964	399,575

Investment income is recorded as revenue in the statement of operations when it is received or receivable.

12. GOVERNMENT GRANT REVENUES

	2018	2017
	\$	\$
Federal grants		
Canada Council - operating grant	200,000	200,000
Canada Council - special purpose and other grant	43,500	97,900
Canadian Museum Association - employment grant	11,021	14,852
Service Canada - Canada Summer Jobs program	7,241	7,241
Provincial grants		
BC Arts Council - operating grant	98,500	98,500
BC Arts Council - special project grants	51,653	69,468
BC Museums Association	—	88,373
BC Community Gaming	62,340	47,277
Municipal grants		
North Vancouver Recreation & Culture Commission	175,000	175,000
City of North Vancouver - in kind permissive tax exemption [note 16]	149,659	94,842
Other municipal grants	—	515
	798,914	893,968

December 31, 2018

13. TRANSITIONAL START-UP COSTS

The Society has incurred non-recurring, non-operating expenses in preparation for its transition to a newly built venue in 2017:

	2018	2017
	\$	\$
Grand opening costs	—	68,768
Moving costs	—	9,974
Retail, rentals, membership and tourism program	—	56,424
Strategic planning, brand development and consulting	—	74,978
Wages, employee benefits and subcontracts	—	197,500
Website development	—	51,676
	—	459,320

14. RELATED PARTY TRANSACTIONS

Contributions totaling \$270,227 [2017 - \$339,305] were received from directors, or organizations controlled by directors, which includes \$5,000 to the endowment fund.

These transactions were carried out in the normal course of operations and are recorded at the exchange value. This value corresponds to the consideration agreed to by the related parties.

15. DIRECTOR AND EMPLOYEE REMUNERATION

During the year ended December 31, 2018, no remuneration was paid to Society directors and six [2017 - four] employees collectively earned \$680,200 [2017 - \$603,220] in compensation.

16. PREMISES LEASE AND NON-MONETARY TRANSACTIONS

Commencing in 2018 the Society will pay basic rent of \$1.00 per year for an initial term of fifty (50) years after which there are four optional renewal terms of five (5) years each. The Society’s new premises include commercial retail units (“CRU’s”) which are forecast to be leased at market rates. The Society will pay the City of North Vancouver “Shipyards Area Maintenance Rent” in the amount of \$3.16 per year per square foot of floor space occupied by the CRU’s to vary with the Consumer Price Index. The Society is responsible for all maintenance, repairs, property taxes and utilities costs related to its new premises. The Society has committed to ensuring active use of the site consistent with the general character of the Shipyards area. At the end of the term of the Ground Lease, ownership of the building will transfer to the City of North Vancouver.



December 31, 2018

**16. PREMISES LEASE AND NON-MONETARY TRANSACTIONS (CONT'D)**

Included in the Statement of Operations is revenue of \$149,659 [2017 - \$94,842] and an offsetting expense (within building maintenance) for the value of premise costs provided by the City of North Vancouver.

**17. SUBSEQUENT EVENT**

Subsequent to year end, the Society paid \$103,164 to reduce the balance of the construction loan. As of the audit report date, the balance of the construction loan was \$2,175,986.

**18. COMPARATIVE FIGURES**

Certain comparative figures from the prior year have been reclassified to correspond with the current year's presentation



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