

# **Art Gallery of Nova Scotia**

**Financial statements**

**March 31, 2022**

## Management's report

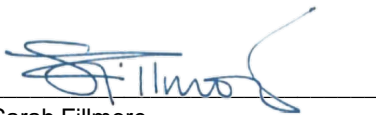
The financial statements have been prepared by management of the **Art Gallery of Nova Scotia** in accordance with Canadian Public Sector Accounting Standards. The integrity and objectivity of these financial statements are management's responsibility. Management is also responsible for all the notes to the financial statements, and for ensuring that this information is consistent, where appropriate, with the information contained in the financial statements.

Management is also responsible for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced.

The Board of Governors [the "Board"] is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control and exercises these responsibilities through the Board. The Board reviews internal financial statements regularly and external audited financial statements yearly.

The external auditors, Ernst & Young LLP, conduct an independent examination, in accordance with Canadian generally accepted auditing standards, and express their opinion on the financial statements. The external auditors have full and free access to financial management of the **Art Gallery of Nova Scotia**, and Ernst & Young LLP and management meet when required.

On behalf of the Art Gallery of Nova Scotia:



Sarah Fillmore  
Interim Director and CEO



Helen Hayward  
Director, Finance and Operations

June 3, 2022

# Independent auditor's report

To the Governors and Members of the  
Art Gallery of Nova Scotia

## Qualified opinion

We have audited the financial statements of the **Art Gallery of Nova Scotia** [the "Gallery"], which comprise the statement of financial position as at March 31, 2022, and the statement of operations and accumulated surplus, statement of remeasurement gains, statement of changes in net financial assets and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the *Basis for qualified opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Gallery as at March 31, 2022, and its results of operations, its remeasurement gains, its changes in net financial assets and its cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

## Basis for qualified opinion

In common with many not-for-profit organizations, the Gallery derives revenue from fundraising activities, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Gallery. Therefore, we were not able to determine whether any adjustments might be necessary to fundraising revenue, excess of revenue over expenses and cash flows from operations for the years ended March 31, 2022 and 2021, current assets as at March 31, 2022 and 2021, and net assets as at April 1 and March 31 for both the 2022 and 2021. Our audit opinion on the financial statements for the year ended March 31, 2022 was modified accordingly because of the possible effects of this limitation in scope.

We conducted our audit 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 Gallery in accordance with the ethical requirements that are relevant to our audit 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 qualified 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 Public Sector Accounting Standards, 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 Gallery'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 Gallery or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Gallery'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 Gallery's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 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 Gallery'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 Gallery 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.

Halifax, Canada  
June 3, 2022

# Art Gallery of Nova Scotia

## Statement of financial position

As at March 31

	2022	2021
	\$	\$
<b>Financial assets</b>		
Cash	2,356,062	1,224,545
Accounts receivable	95,025	414,129
Inventory for resale	153,318	160,449
Investments – endowment <i>[notes 4 and 7]</i>	5,483,949	4,872,547
	<u>8,088,354</u>	<u>6,671,670</u>
<b>Financial liabilities</b>		
Accounts payable and accrued liabilities <i>[note 10]</i>	2,039,522	1,258,310
Deferred revenue <i>[notes 3 and 12]</i>	677,849	715,256
	<u>2,717,371</u>	<u>1,973,566</u>
<b>Net financial assets</b>	<u>5,370,983</u>	<u>4,698,104</u>
<b>Non-financial assets</b>		
Tangible capital assets, net <i>[note 5]</i>	49,285	77,483
Prepaid expenses	46,442	31,887
Other assets	27,710	37,032
	<u>123,437</u>	<u>146,402</u>
<b>Accumulated surplus <i>[note 6]</i></b>	<u>5,494,420</u>	<u>4,844,506</u>
<b>Accumulated surplus comprises</b>		
Accumulated operating surplus	4,182,161	4,071,158
Accumulated remeasurement gains	1,312,259	773,348
	<u>5,494,420</u>	<u>4,844,506</u>

See accompanying notes

On behalf of the Board:



Governor



Governor

## Art Gallery of Nova Scotia

### Statement of operations and accumulated surplus

Year ended March 31

	2022	2021
	\$	\$
<b>Revenue</b> [schedule 1]		
Operating [note 3]	3,044,851	2,857,266
Programming [note 3]	554,041	517,738
Gallery shop	286,908	218,268
Capital Campaign [note 10]	1,024,210	1,015,005
Other revenue [notes 3, 7 and 8]	117,256	418,441
	<u>5,027,266</u>	<u>5,026,718</u>
<b>Expenditures</b> [schedule 2]		
Salaries and benefits	2,411,735	2,262,995
Capital campaign [note 10]	1,024,210	1,015,005
Programming	533,789	400,306
Administration [notes 7 and 8]	244,859	447,180
Gallery shop	200,183	196,529
Building project	155,166	94,167
Development and marketing	147,994	111,764
Western branch	137,973	117,781
Visitor experience	14,274	1,708
Building operations	14,219	29,435
Acquisitions [note 8]	4,012	297,650
	<u>4,888,414</u>	<u>4,974,520</u>
	138,852	52,198
Amortization of tangible capital assets	<u>27,849</u>	<u>18,877</u>
<b>Annual surplus</b>	<u>111,003</u>	<u>33,321</u>
Accumulated operating surplus, beginning of year	4,071,158	4,037,837
<b>Accumulated operating surplus, end of year</b>	<u>4,182,161</u>	<u>4,071,158</u>

See accompanying notes

## Art Gallery of Nova Scotia

### Statement of remeasurement gains

As at March 31

	2022	2021
	\$	\$
<b>Accumulated remeasurement gains (losses), beginning of year</b>	<u>773,348</u>	<u>(117,929)</u>
Unrealized gains attributable to investments	545,946	893,166
Less capital gain reclassified to statement of operations	<u>(7,035)</u>	<u>(1,889)</u>
Net remeasurement gains for the year	<u>538,911</u>	<u>891,277</u>
<b>Accumulated remeasurement gains, end of year</b>	<u>1,312,259</u>	<u>773,348</u>

*See accompanying notes*

## Art Gallery of Nova Scotia

### Statement of changes in net financial assets

Year ended March 31

	2022	2021
	\$	\$
<b>Annual surplus</b>	<b>111,003</b>	33,321
Acquisition of tangible capital assets	<b>349</b>	(65,990)
Amortization of tangible capital assets	<b>27,849</b>	18,877
Decrease (increase) in prepaid expenses	<b>(14,555)</b>	10,732
Decrease (increase) in other assets	<b>9,322</b>	(12,391)
	<b>133,968</b>	(15,451)
Unrealized gains attributable to investments	<b>538,911</b>	891,277
<b>Increase in net financial assets</b>	<b>672,879</b>	875,826
Net financial assets, beginning of year	<b>4,698,104</b>	3,822,278
<b>Net financial assets, end of year</b>	<b>5,370,983</b>	4,698,104

*See accompanying notes*



## Art Gallery of Nova Scotia

### Statement of cash flows

Year ended March 31

	2022	2021
	\$	\$
<b>Operating activities</b>		
Annual surplus	111,003	33,321
Add item not affecting cash		
Amortization of tangible capital assets	27,849	18,877
Change in non-cash working capital balances related to operations		
Decrease (increase) in accounts receivable	319,104	(257,830)
Increase (decrease) in inventory for resale	7,131	(3,322)
Increase in accounts payable and accrued liabilities	781,212	972,971
Increase (decrease) in deferred revenue	(37,407)	231,917
Decrease (increase) in other assets	9,322	(12,391)
Decrease (increase) in prepaid expenses	(14,555)	10,732
<b>Cash provided by operating activities</b>	<b>1,203,659</b>	<b>994,275</b>
<b>Capital activities</b>		
Acquisition of tangible capital assets	349	(65,990)
<b>Cash provided by (used in) capital activities</b>	<b>349</b>	<b>(65,990)</b>
<b>Investing activities</b>		
Additions to investments	(72,491)	(80,626)
<b>Cash used in investing activities</b>	<b>(72,491)</b>	<b>(80,626)</b>
<b>Net increase in cash during the year</b>	<b>1,131,517</b>	<b>847,659</b>
Cash, beginning of year	1,224,545	376,886
<b>Cash, end of year</b>	<b>2,356,062</b>	<b>1,224,545</b>

See accompanying notes

# Art Gallery of Nova Scotia

## Notes to financial statements

March 31, 2022

### 1. Nature of the organization

The Art Gallery of Nova Scotia's ["AGNS" or the "Gallery"] mandate is to preserve the Province's unique visual and cultural history through the acquisition, preservation and exhibition of works of art, and the provision of art education to learners of all ages.

The AGNS is an agency of the Province of Nova Scotia established under the authority of the Art Gallery of Nova Scotia Act. The Gallery is a governmental unit as set out in the consolidated financial statements of the Province and reports to the Legislative Assembly through the Ministry of Communities, Culture and Heritage. As an agency of the Province, the Gallery is exempt from income taxes and can issue donation receipts for income tax purposes.

### 2. Summary of significant accounting policies

These financial statements have been prepared by management by applying the principles of CPA Canada Public Sector Accounting Standards for other government organizations as defined by the Canadian Public Sector Accounting Board, which sets out generally accepted accounting principles for government organizations.

#### Cash

Cash consists of bank balances and cash on hand.

#### Inventory for resale

Inventory is valued at the lower of historical cost and net realizable value.

#### Investments

Equity securities are valued at their market values. Short-term securities are valued based on cost plus accrued income, which approximates fair value. Transaction costs are recognized in the statement of operations and accumulated surplus in the period during which they are incurred. Investments at fair value are remeasured at their fair value at the end of each reporting period. Any revaluation gains and losses are recognized in the statement of remeasurement gains and are reclassified to the statement of operations and accumulated surplus upon disposal or settlement.

All investment transactions are recorded on a trade date basis.

#### Tangible capital assets

Tangible capital assets are recorded at cost and are depreciated on a straight-line basis at the following annual rates:

Storage vault	30%
Security system	50%
Software	50%
Equipment	30%
Leasehold improvements	10%
Website	25%

## **Art Gallery of Nova Scotia**

### **Notes to financial statements**

March 31, 2022

Tangible capital assets are written down when conditions indicate that they no longer contribute to the Gallery's ability to provide goods and services, or when the value of future economic benefits associated with the tangible capital assets are less than their net book value. The net write-downs are accounted for as expenses in the statement of operations and accumulated surplus.

Contributed capital assets are recorded into revenues at their fair market value on the date of donation, except in circumstances where fair value cannot be reasonably determined, in which case they are then recognized at nominal value. Transfers of capital assets from related parties are recorded at carrying value.

These financial statements do not include works of art owned by the Province of Nova Scotia. Works of art are not recognized as tangible capital assets because a reasonable estimate of the future benefits associated with such property cannot be made.

#### **Prepaid expenses**

Prepaid expenses include information technology fees and annual service fees and are charged to expense over the period expected to benefit from it.

#### **Other assets**

Costs directly related to the development of future temporary exhibitions are presented as other assets when the Gallery can reliably demonstrate that there is a future economic benefit associated with these costs. These costs are expensed over the useful life. For temporary exhibitions, this is the period over which the exhibition is held. Such costs are expensed immediately when they are related to advertising or promotion and when there is insufficient evidence that the costs are recoverable.

#### **Deferred revenue**

Certain amounts are received pursuant to legislation, regulation or agreement and may only be used in the conduct of certain programs or in the delivery of specific services and transactions. These amounts are recognized as revenue in the fiscal year the related expenses are incurred, services are performed or when stipulations are met.

#### **Revenue recognition**

Revenue is recognized in the period in which the transactions or events occurred that gave rise to the revenue. All revenue is recorded on an accrual basis, except when the accruals cannot be determined with a reasonable degree of certainty or when their estimation is impracticable. Revenue from pledges, donations and life memberships is recognized when the cash is received.

Grants and sponsorships follow the deferral method of accounting and are recorded as revenue in the year when related expenses are incurred or as the terms of the sponsorship agreements are met.

Other income includes investment income earned by the Endowment fund and donations specifically allocated to the Acquisition Fund. Investment income, which consists of interest, dividends, income distributions from pooled funds, and realized gains and losses, is recorded as revenue in the statement of operations and accumulated surplus. Investment income, which consists of unrealized gains and losses, is recorded in the statement of remeasurement gains.

## Art Gallery of Nova Scotia

### Notes to financial statements

March 31, 2022

#### Expenditures

Expenditures are reported on an accrual basis. The cost of all goods consumed, and services received during the year, are expensed.

#### Measurement uncertainty

The preparation of the financial statements in conformity with Canadian Public Sector Accounting Standards requires management to make estimates and assumptions that affect the reporting amounts of assets and liabilities, and the disclosure of contingent assets and liabilities, at the date of the financial statements as well as the reported amounts of revenue and expenditures during the year.

Estimates are based on the best information available at the time of preparation of the financial statements and are reviewed annually to reflect new information as it becomes available. Measurement uncertainty exists in these financial statements. Actual results could differ from those estimates.

#### Acquisitions

Acquisitions of works of art, including donated works, become the property of the Province of Nova Scotia. Accordingly, acquisitions paid for by the AGNS are expensed in the year acquired.

#### Contributed goods and services

Volunteers contribute hours of service during the fiscal year to assist the AGNS in carrying out its mandate. Also, the Province of Nova Scotia provides the AGNS with use of its premises at a nominal cost. Because of the difficulty in determining their fair value, contributed goods and services are not recognized in the financial statements.

#### Allocation of expenditures

The costs of each function include the costs of personnel and other expenditures that are directly related to the function. General support and other costs are not allocated.

### 3. Government assistance

During the year, the AGNS received funding from provincial, federal and other agencies as follows:

	2022	2021
	\$	\$
Nova Scotia Department of Communities, Culture, Tourism and Heritage	2,381,100	2,936,000
Visual Identity Grant	111,500	—
Canada Council for the Arts	430,000	430,000
Department of Education	85,000	81,000
Canadian Heritage – Map Grant	59,294	—
Arts Nova Scotia	30,000	30,000
Young Canada Works	11,858	6,054
	<b>3,108,652</b>	<b>3,483,054</b>

During the year, \$2,890,170 of the above funding is recognized in operating and programming revenue [2021 – \$3,103,435], and \$218,482 [2021 – \$379,619] was recorded in deferred revenue.

## Art Gallery of Nova Scotia

### Notes to financial statements

March 31, 2022

#### 4. Investments

The investments included in the AGNS's financial statements comprise the following:

	2022		2021	
	Cost \$	Market value \$	Cost \$	Market value \$
Common equity	2,761,952	4,163,114	2,685,984	3,444,610
Bonds and debentures	1,409,370	1,320,468	1,412,415	1,427,138
Cash	367	367	799	799
	<b>4,171,689</b>	<b>5,483,949</b>	4,099,198	4,872,547

#### 5. Tangible capital assets

The tangible capital assets included in the AGNS's financial statements comprise the following:

	2022 \$	2021 \$
Storage vault	152,330	152,330
Security system	21,593	21,593
Software	77,378	77,378
Equipment	104,738	105,088
Leasehold improvements	95,356	95,355
Website	39,330	39,330
	<b>490,725</b>	491,074
Less accumulated depreciation	<b>441,440</b>	413,591
	<b>49,285</b>	77,483

#### 6. Accumulated surplus

The accumulated surplus included in the AGNS's financial statements is comprised of the following:

	2022 \$	2021 \$
Accumulated surplus, beginning of year	4,844,506	3,919,908
Annual surplus	111,003	33,321
Unrealized gains attributable to investments	538,911	891,277
Accumulated surplus, end of year	<b>5,494,420</b>	4,844,506

## Art Gallery of Nova Scotia

### Notes to financial statements

March 31, 2022

#### 7. Endowment Fund

The Endowment Fund consists of amounts that have been endowed by the donor and/or the Board of Governors of the AGNS. These funds are managed by a professional fund manager. The Finance and Audit Committee is responsible for monitoring the fund on behalf of the Board of Governors. It is the Gallery's intent that the Fund's capital be preserved and managed in a manner that ensures future resources will be available for the Gallery's requirements.

The AGNS recognizes the importance of developing and maintaining its Endowment Fund to further the objectives of the organization and realize certain strategic priorities such as:

- Enhancing exhibitions and public programming;
- Increasing visitation and membership;
- Continuing to stabilize operational and program funding; and
- Enhancing collection through acquisitions.

The funds which will be placed in the Endowment Fund will be:

- Donations designated as such by the donor; and
- Any funds specifically designated by the Board of Governors.

Revenues and expenditures related to the activities of the Endowment Fund are recorded on the statement of operations and accumulated surplus in other revenue and administration, respectively.

	<b>2022</b>	<b>2021</b>
	\$	\$
Endowment revenue	<b>114,202</b>	122,804
Less endowment administration expenditures	<b>(39,430)</b>	(35,237)
Excess of revenue over expenditures for the year	<b>74,772</b>	87,567
Surplus, beginning of year	<b>4,788,837</b>	3,818,593
Excess of revenue over expenditures for the year	<b>74,772</b>	87,567
Unrealized (losses) gains attributable to investments	<b>538,911</b>	891,277
Contributions to Acquisition Fund	<b>(21,609)</b>	(8,600)
Contributions to Gallery Operating Fund	<b>(9,788)</b>	—
Surplus, end of year	<b>5,371,123</b>	4,788,837

Included within the surplus balance noted above are restricted contributions in the amount of \$1,194,708 [2021 – \$1,077,427].

## Art Gallery of Nova Scotia

### Notes to financial statements

March 31, 2022

#### 8. Acquisition Fund

The purpose of the AGNS Acquisition Fund is to acquire, by gift or purchase, works of art for the Provincial Collection and to cover costs associated with acquiring these works.

Revenues related to acquisition activities are recorded on the statement of operations and accumulated surplus in other revenue. Expenditures related to acquisition activities are recorded on the statement of operations and accumulated surplus in administration and acquisitions.

	2022	2021
	\$	\$
Acquisition revenue	3,054	295,637
Less administration expenditures	(6,046)	(13,975)
Less acquisitions	(4,012)	(297,650)
Deficiency of revenue over expenditures for the year	<u>(7,004)</u>	<u>(15,988)</u>
Surplus, beginning of year	22,862	30,250
Deficiency of revenue over expenditures for the year	(7,004)	(15,988)
Contributions from Endowment Fund	21,609	8,600
Surplus, end of year	<u>37,467</u>	<u>22,862</u>

#### 9. Operating Fund

The purpose of the AGNS Operating Fund is to support the normal operations of Gallery including collecting, preserving, exhibiting and interpreting works of visual art. It also includes facility rentals and the Gallery shop.

	2022	2021
	\$	\$
Operating revenue	4,910,011	4,608,277
Less expenditures	(4,838,927)	(4,627,659)
Less depreciation	(27,849)	(18,876)
Deficiency of revenue over expenditures for the year	<u>43,235</u>	<u>(38,258)</u>
Surplus, beginning of year	32,807	71,065
Surplus (deficiency) of revenue over expenditures for the year	43,235	(38,258)
Contributions from Endowment Fund	9,788	—
Surplus, end of year	<u>85,830</u>	<u>32,807</u>

## Art Gallery of Nova Scotia

### Notes to financial statements

March 31, 2022

#### 10. Capital Campaign

The Gallery established a multi-year capital campaign [i] to meet the Gallery's commitment to the Province to contribute \$30,000,000 towards the construction of a new gallery [note 11]; [ii] to establish a fund or set of funds to support programming, curatorial needs and other priorities in the new gallery; and [iii] to invest in the expenses required to administer the capital campaign.

	2022 \$	2021 \$
Capital Campaign donations	1,024,210	1,015,005
Administrative expenses	<b>(427,588)</b>	(75,919)
Net capital campaign proceeds	<b>596,622</b>	939,086
Less distribution to the Department of Infrastructure and Housing	<b>(596,622)</b>	(939,086)
Net proceeds after distribution	—	—

The distribution of the net proceeds of \$596,622 [2021 – 939,086] is included in capital campaign expenses and accrued liabilities as the amount was payable to the Department of Public Works at year-end.

At year-end, the Gallery received capital campaign pledges of \$10,000,000. To date, \$1,750,000 [2021 – \$750,000] of the pledges have been collected. Pledges are only recognized as revenue when the cash is received.

#### 11. Commitments

The Gallery has committed to contribute \$30,000,000 to the Department of Public Works to be used toward the construction of a new art gallery. To date, the Gallery contributed \$1,535,708 [2021 – \$939,086] toward the commitment.

#### 12. Financial instruments

Financial instruments are defined as contractual rights to receive or deliver cash or another financial asset. Financial assets measured at amortized cost include accounts receivable and investments. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

##### Risk management

The AGNS is exposed to various risks through transactions in financial instruments. The following provides helpful information in assessing the extent of the AGNS's exposure to these risks.

##### Credit risk

The AGNS is an agency of the Province of Nova Scotia that is subject to credit risk through its accounts receivable, which consist primarily of revenue from sponsors, government departments and wholesalers who operate in various industries. An appropriate allowance is established for doubtful accounts based on the factors surrounding the credit risk of specific government or members, historical trends and other information.



## **Notes to financial statements**

March 31, 2022

### **Liquidity risk**

Liquidity risk is the risk that the AGNS will encounter difficulty in meeting obligations associated with financial liabilities. The AGNS is exposed to this risk mainly in respect to its accounts payable and accrued liabilities. Given the AGNS's currently available liquid resources, from both financial assets and on-going operations, as compared to its contractual obligations, management assesses the AGNS's liquidity risk to be low.

### **Market, foreign currency and interest rate price risks**

The AGNS is subject to market, foreign currency and interest rate price risks with respect to its investment portfolio. To manage these risks, the AGNS has established a target mix of investment types designed to achieve the optimal return within reasonable risk tolerances.

### **Capital management**

In managing capital, the AGNS focuses on liquid resources available for operations. The AGNS's objective is to have sufficient liquid resources to continue operating despite events with adverse financial consequences and to provide it with the flexibility to take advantage of opportunities that will advance its purposes. The need for sufficient liquid resources is considered in the preparation of an annual budget and in the monitoring of cash flows and actual operating results compared to the budget. As at March 31, 2022, the AGNS has met its objective of having sufficient liquid resources to meet its current obligations.

## Schedule of revenue

Year ended March 31

	2022	2021
	\$	\$
<b>Operating</b>		
Provincial grants	2,619,836	2,537,167
Federal grants	71,152	10,863
Donations	143,786	127,781
Admission	55,872	24,102
Sponsorships	105,036	119,612
Rental recoveries	14,600	8,045
Memberships	32,223	27,539
Others	2,346	2,157
	<b>3,044,851</b>	<b>2,857,266</b>
<b>Programming</b>		
Exhibitions	430,000	430,000
Education and outreach	124,041	87,738
	<b>554,041</b>	<b>517,738</b>
<b>Gallery shop</b>	<b>286,908</b>	<b>218,268</b>
<b>Capital Campaign</b>	<b>1,024,210</b>	<b>1,015,005</b>
<b>Other revenue</b>		
Endowment Fund	114,202	122,804
Acquisition Fund	3,054	295,637
	<b>117,256</b>	<b>418,441</b>

See accompanying notes

## Schedule of expenditures

Year ended March 31

	2022	2021
	\$	\$
<b>Salaries and benefits</b>		
Salaries and employee benefits	2,411,735	2,262,995
<b>Capital campaign</b>		
Administration	427,588	75,919
Distribution to Department of Public Works	596,622	939,086
	<u>1,024,210</u>	<u>1,015,005</u>
<b>Building project</b>		
Consulting fees	66,933	-
Engagement and communications	88,233	94,167
	<u>155,166</u>	<u>94,167</u>
<b>Programming</b>		
Exhibitions	225,661	147,259
Collection management	151,252	144,363
Education	114,279	73,835
Programming	5,371	6,316
Public programming	37,226	28,533
	<u>533,789</u>	<u>400,306</u>
<b>Administration</b>		
Professional fees	37,847	178,577
Technology	77,128	95,497
Trustee fees	39,386	35,204
Bad debts	4,435	31,582
Telephone	12,908	19,719
Stationery and postage	14,446	18,491
Other	12,255	15,897
Memberships and staff development	6,467	14,880
Office equipment and rentals	11,974	14,671
Bank charges	18,228	13,597
Appraisal fees	4,420	6,675
Travel	5,365	2,390
	<u>244,859</u>	<u>447,180</u>
<b>Development and marketing</b>		
Marketing	127,629	93,077
Development	20,365	18,687
	<u>147,994</u>	<u>111,764</u>
<b>Acquisitions</b>	<u>4,012</u>	297,650
<b>Western branch</b>	<u>137,973</u>	117,781
<b>Gallery shop</b>	<u>200,183</u>	196,529
<b>Visitor experience</b>	<u>14,274</u>	1,708
<b>Building operations</b>		
Building maintenance and cleaning	6,876	11,447
Security	7,343	17,988
	<u>14,219</u>	<u>29,435</u>

See accompanying notes

### Summary of Fund Surplus

Year ended March 31

	Operating Fund \$	Endowment Fund \$	Acquisition Fund \$	Total \$
Surplus, beginning of year	32,807	4,788,837	22,862	4,844,506
Excess of revenue over expenses for the year	43,235	74,772	(7,004)	111,003
Unrealized gains	—	538,911	—	538,911
Contribution to/from funds	9,788	(31,397)	21,609	—
Surplus, end of the year	<b>85,830</b>	<b>5,371,123</b>	<b>37,467</b>	<b>5,494,420</b>

See accompanying notes