

Financial Statements

Art Gallery of Nova Scotia

March 31, 2015



Building a better
working world

MANAGEMENT'S REPORT

The financial statements have been prepared by management of the Art Gallery of Nova Scotia on the financial reporting provisions prescribed in the Art Gallery of Nova Scotia Act dated December 2012 [“the Act”], between the Province of Nova Scotia and the Art Gallery of Nova Scotia. Management has applied the principles of Canadian Public Sector Accounting Standards and the integrity and objectivity of these financial statements are management’s responsibility. Management is also responsible for all of 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 meet when required.

On behalf of the Art Gallery of Nova Scotia:


Lisa Bugden
Interim Director and CEO


Sheila King
Chief Financial Officer

June 16, 2015

INDEPENDENT AUDITORS' REPORT

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

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, 2015 and the statements of operations and accumulated surplus, remeasurement gains and losses, changes in net financial assets and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information. The financial statements have been prepared by management of the Art Gallery of Nova Scotia based on the financial reporting provisions prescribed in the Art Gallery of Nova Scotia Act ["the Act"], between the Province of Nova Scotia and the Art Gallery of Nova Scotia dated December 2012.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of the Act, 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.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for qualified opinion

In common with many charitable organizations, the Gallery derives revenue from donation receipts, special events, corporate campaigns, admissions and other income, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, we were unable to determine whether any adjustments for unrecorded revenue might be necessary to revenue, annual surplus, or accumulated operating surplus, end of year.

Qualified opinion

In our opinion, except for the effect of any adjustments that might have been required had we been able to satisfy ourselves with respect to the revenue described in the preceding paragraph, these financial statements, present fairly, in all material respects, the financial position of the Gallery as at March 31, 2015, and the results of its operations, changes in financial assets and its cash flows for the year then ended in accordance with the financial reporting provisions of the Act.

Other matters

Without modifying our opinion, we draw attention to Note 2 to the financial statements, which describe the basis of accounting. The financial statements are prepared to assist the Art Gallery of Nova Scotia to comply with the financial reporting provisions of the Act referred to above. As a result, the financial statements may not be suitable for another purpose.

Ernst + Young LLP

Halifax, Canada,
June 16, 2015

Chartered Accountants

Art Gallery of Nova Scotia

STATEMENT OF FINANCIAL POSITION

As at March 31

	2015	2014
	\$	\$
FINANCIAL ASSETS		
Cash	449,495	391,754
Accounts receivable	262,186	175,278
Inventory for resale	71,151	109,665
Investments – endowment <i>[notes 4 and 7]</i>	3,527,434	3,190,962
	<u>4,310,266</u>	<u>3,867,659</u>
FINANCIAL LIABILITIES		
Accounts payable and accrued liabilities	362,682	338,042
Deferred revenue <i>[note 3]</i>	334,328	249,945
	<u>697,010</u>	<u>587,987</u>
Net financial assets	<u>3,613,256</u>	<u>3,279,672</u>
NON-FINANCIAL ASSETS		
Tangible capital assets, net <i>[note 5]</i>	37,533	45,362
Prepaid expenses	29,636	38,230
Other assets	98,055	69,550
	<u>165,224</u>	<u>153,142</u>
Accumulated surplus <i>[note 6]</i>	<u>3,778,480</u>	<u>3,432,814</u>
Accumulated surplus is comprised of:		
Accumulated operating surplus	3,257,984	3,248,546
Accumulated remeasurement gains	520,496	184,268
	<u>3,778,480</u>	<u>3,432,814</u>

See accompanying Notes to Financial Statements.

On behalf of the Board:

Governor



Governor



Art Gallery of Nova Scotia

**STATEMENT OF OPERATIONS
AND ACCUMULATED SURPLUS**

Year ended March 31

	2015	2015	2014
	\$	\$	\$
	[budget]	[actual]	[actual]
REVENUE [schedule 1]			
Operating [note 3]	3,320,700	2,920,404	2,848,294
Programming	603,880	560,202	658,493
Gallery shop	245,000	185,692	191,289
Other revenue [notes 7 and 8]	140,750	425,040	526,708
	<u>4,310,330</u>	<u>4,091,338</u>	<u>4,224,784</u>
EXPENDITURES [schedule 2]			
Salaries and benefits	2,137,043	2,128,540	2,010,643
Programming	1,000,210	656,204	630,321
Administration [notes 7 and 8]	379,250	342,888	398,244
Acquisitions [note 8]	4,800	292,650	11,200
Communications and marketing	339,100	247,462	182,240
Western branch	200,136	230,999	196,565
Gallery shop	213,760	149,740	198,487
Building operations	10,050	6,907	89,341
	<u>4,284,349</u>	<u>4,055,390</u>	<u>3,717,041</u>
	25,981	35,948	507,743
Amortization of tangible capital assets	<u>22,500</u>	<u>26,510</u>	<u>16,980</u>
Annual surplus	<u>3,481</u>	<u>9,438</u>	<u>490,763</u>
Accumulated operating surplus, beginning of year	3,248,546	3,248,546	2,757,783
Accumulated operating surplus, end of year	<u>3,252,027</u>	<u>3,257,984</u>	<u>3,248,546</u>

See accompanying Notes to Financial Statements.

Art Gallery of Nova Scotia

**STATEMENT OF REMEASUREMENT
GAINS AND LOSSES**

As at March 31

	2015	2014
	\$	\$
Accumulated remeasurement gains, beginning of year	<u>184,268</u>	<u>10,457</u>
Unrealized gains attributable to investments	365,782	300,439
Capital gain reclassified to statement of operations	<u>(29,554)</u>	<u>(126,628)</u>
Net remeasurement gains for the year	<u>336,228</u>	<u>173,811</u>
Accumulated remeasurement gains, end of year	<u>520,496</u>	<u>184,268</u>

See accompanying Notes to Financial Statements.

Art Gallery of Nova Scotia

**STATEMENT OF CHANGES IN
NET FINANCIAL ASSETS**

Year ended March 31

	2015 \$	2015 \$	2014 \$
	[budget]	[actual]	[actual]
Annual surplus	3,481	9,438	490,763
Acquisition of tangible capital assets	—	(18,681)	(964)
Amortization of tangible capital assets	22,500	26,510	16,980
Decrease in prepaid expenses	—	8,594	1,823
Increase in other assets	—	(28,505)	(19,174)
	<u>25,981</u>	<u>(2,644)</u>	489,428
Unrealized gains attributable to investments	—	336,228	173,811
Increase in net financial assets	25,981	333,584	663,239
Net financial assets, beginning of year	<u>3,279,672</u>	<u>3,279,672</u>	2,616,433
Net financial assets, end of year	<u>3,305,653</u>	<u>3,613,256</u>	<u>3,279,672</u>

See accompanying Notes to Financial Statements.

Art Gallery of Nova Scotia

STATEMENT OF CASH FLOWS

Year ended March 31

	2015	2014
	\$	\$
OPERATING ACTIVITIES		
Annual surplus	9,438	490,763
Add item not affecting cash:		
Amortization of tangible capital assets	26,510	16,980
Increase in accounts receivable	(86,908)	(6,888)
Decrease (increase) in inventory for resale	38,514	(4,030)
Increase in accounts payable and accrued liabilities	24,640	5,232
Increase (decrease) in deferred revenue	84,383	(54,196)
Decrease in prepaid expenses	8,594	1,823
Increase in other assets	(28,505)	(19,174)
Cash provided by operating activities	76,666	430,510
CAPITAL ACTIVITY		
Acquisition of tangible capital assets	(18,681)	(964)
Cash used in capital activity	(18,681)	(964)
INVESTING ACTIVITY		
Additions to investments	(244)	(583,997)
Cash used in investing activity	(244)	(583,997)
Net change in cash during the year	57,741	(154,451)
Cash, beginning of year	391,754	546,205
Cash, end of year	449,495	391,754

See accompanying Notes to Financial Statements.

Art Gallery of Nova Scotia

NOTES TO FINANCIAL STATEMENTS

March 31, 2015

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 is able to 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 the Chartered Professional Accountants of 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.

These financial statements were prepared in accordance with the Art Gallery of Nova Scotia Act, to comply with the financial reporting provisions prescribed in the Act between the Province of Nova Scotia and the Art Gallery of Nova Scotia dated December 2012.

Accordingly, these financial statements include only the operating results of the Gallery as managed by AGNS as an agent for the Province. The basis of accounting used in these financial statements materially differs from Public Sector Accounting Standards for other government organizations as defined by the Canadian Public Sector Accounting Board, because the financial statements include only the operating net assets of the Gallery.

These financial statements do not include the assets (including the original cost of the property or the works of art, the Provincial Collection) and liabilities related to these assets but controlled by the Province, the property and Provincial Collection owners. The assets of the Gallery are available for the satisfaction of debts, contingent liabilities and commitments of the Province and not just those liabilities presented in the accompanying balance sheet.

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.

Art Gallery of Nova Scotia

NOTES TO FINANCIAL STATEMENTS

March 31, 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES [Cont'd]

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 statements 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 losses 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 depreciated on a straight-line basis at the following annual rates:

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

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, which are then recognized at nominal value. Transfers of capital assets from related parties are recorded at carrying value.

Prepaid expenses

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

Art Gallery of Nova Scotia

NOTES TO FINANCIAL STATEMENTS

March 31, 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES [Cont'd]

Other assets

Costs directly related to the development of future temporary exhibitions, future special events and special fundraising campaigns 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, which for temporary exhibitions is the period over which the exhibition is held, for future special events is the date of the event and for special fundraising campaigns is the period over which pledges are collected. 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.

Investment income, which consists of interest, dividends, income distributions from pooled funds, and realized gains and losses, is recorded as revenue in the statements of operations and accumulated surplus. Investment income, which consists of unrealized gains and losses, is recorded in the statement of rereasurement gains and losses.

Other income includes revenue from rent, rental spaces and advertising.

Transfers [revenue from non-exchange transactions] are recognized as revenue when the transfer is authorized, any eligibility criteria are met, and reasonable estimates of the amounts can be made. Transfers are recognized as deferred revenue when amounts have been received but not all stipulations have been met.

Art Gallery of Nova Scotia

NOTES TO FINANCIAL STATEMENTS

March 31, 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES [Cont'd]

Expenditures

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

Measurement uncertainty

The preparation of the financial statements in conformity with Canadian PSA standards requires management to make estimates and assumptions that affect the reporting amounts of assets and liabilities, and disclosure of contingent assets and liabilities, at the date of the financial statements and the reported amounts of revenue and expenditures during the period.

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. Acquisitions expensed in the current year amounted to \$292,650 [2014 – \$11,200].

Contributed goods and services

Volunteers contributed approximately 15,900 hours during 2015 to assist the AGNS in carrying out its mandate. Also, the Province of Nova Scotia provides the AGNS with use of its premises at no 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.

Art Gallery of Nova Scotia

NOTES TO FINANCIAL STATEMENTS

March 31, 2015

3. GOVERNMENT ASSISTANCE

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

	2015	2014
	\$	\$
Nova Scotia Department of Communities, Culture and Heritage – operating grant	2,276,597	2,397,274
Canada Council for the Arts	158,000	158,000
Department of Education	50,000	50,000
Arts Nova Scotia	30,000	30,000
Virtual Museum of Canada	14,712	—
Young Canada Works	7,739	6,605
Federal Department of Canadian Heritage	—	8,500
	<u>2,537,048</u>	<u>2,650,379</u>

During the year, \$2,489,677 [2014 – \$2,570,379] of the above funding is recognized in operating and programming revenue and \$47,371 [2014 – \$80,000] is recorded in deferred revenue.

4. INVESTMENTS

The investments included in the AGNS's financial statements are comprised of the following:

	2015		2014	
	Cost	Market	Cost	Market
	\$	value	\$	value
		\$		\$
Common equity	2,195,508	2,846,915	2,190,133	2,544,888
Short-term notes	6,025	6,025	465	465
Bonds and debentures	629,246	674,494	639,937	645,609
	<u>2,830,777</u>	<u>3,527,434</u>	<u>2,830,535</u>	<u>3,190,962</u>

Art Gallery of Nova Scotia

NOTES TO FINANCIAL STATEMENTS

March 31, 2015

5. TANGIBLE CAPITAL ASSETS

	2015 \$	2014 \$
Storage vault	152,330	152,330
Security system	21,593	21,593
Software	15,330	15,330
Equipment	12,752	9,912
Leasehold improvements	60,019	60,019
Website	15,841	—
	<u>277,865</u>	<u>259,184</u>
Less: accumulated depreciation	<u>240,332</u>	<u>213,822</u>
	<u>37,533</u>	<u>45,362</u>

6. ACCUMULATED SURPLUS

	2015 \$	2014 \$
Accumulated surplus, beginning of year	3,432,814	2,768,240
Annual surplus	9,438	490,763
Unrealized gains attributable to investments	336,228	173,811
Accumulated surplus, end of year	<u>3,778,480</u>	<u>3,432,814</u>

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:

- [a] enhance exhibitions and public programming;
- [b] increase visitation and membership;
- [c] continue to stabilize operational and program funding; and
- [d] enhance collection through acquisitions.

Art Gallery of Nova Scotia

NOTES TO FINANCIAL STATEMENTS

March 31, 2015

7. ENDOWMENT FUND [Cont'd]

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

- [a] donations designated as such by the donor; and
- [b] 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.

	2015 \$	2014 \$
Endowment revenue	125,259	397,799
Less: endowment administration expenditures	(34,573)	(25,932)
Excess of revenue over expenditures for the year	<u>90,686</u>	<u>371,867</u>
Surplus, beginning of the year	3,734,901	3,313,054
Excess of revenue over expenditures for the year	90,686	371,867
Unrealized gains attributable to investments	336,228	173,811
Contributions to Acquisition Fund	(7,848)	(12,993)
Contributions to Gallery Fund	(90,000)	(110,838)
Surplus, end of the year	<u>4,063,967</u>	<u>3,734,901</u>

Included within the surplus balance noted above are restricted contributions in the amount of \$710,288 [2014 – \$651,450].

Art Gallery of Nova Scotia

NOTES TO FINANCIAL STATEMENTS

March 31, 2015

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".

	2015 \$	2014 \$
Acquisition revenue	299,781	128,909
Less: administration expenditures	(21,338)	(132,087)
Less: acquisitions	(292,650)	(11,200)
Deficiency of revenue over expenditures for the year	<u>(14,207)</u>	<u>(14,378)</u>
Surplus, beginning of the year	80,188	81,573
Deficiency of revenue over expenditures for the year	(14,207)	(14,378)
Contributions from Endowment Fund	7,848	12,993
Surplus, end of the year	<u>73,829</u>	<u>80,188</u>

9. BUDGETED FIGURES

Budgeted figures have been provided for comparison purposes and have been derived from the estimates approved by the AGNS Board of Governors.

10. 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.

Art Gallery of Nova Scotia

NOTES TO FINANCIAL STATEMENTS

March 31, 2015

10. FINANCIAL INSTRUMENTS [Cont'd]

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 its members and donors 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.

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, 2015, the AGNS has met its objective of having sufficient liquid resources to meet its current obligations.

11. CONTINGENCIES

The AGNS may incur costs related to a piece of art that was damaged while on loan to the Gallery. Discussions are ongoing between the AGNS and the artist. At this time, the outcome of these discussions cannot be determined. Management believes that any claim against the Gallery will be fully recovered from the Province of Nova Scotia under the province's insurance. Accordingly, the AGNS has not recorded a liability related to this matter in these financial statements.

12. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with current year financial statement presentation.

SCHEDULE OF REVENUE

Year ended March 31

	2015	2014
	\$	\$
Operating		
Nova Scotia Department of Communities, Culture and Heritage		
– operating grant <i>[note 3]</i>	2,229,226	2,317,274
Nova Scotia Department of Communities, Culture and Heritage		
– capital grant	—	21,593
Donations	251,051	73,613
Special events	122,543	154,087
Admission	111,077	16,094
Sponsorships	79,598	110,000
Memberships	56,539	40,747
Rental recoveries	52,555	77,000
Others	17,815	37,886
	2,920,404	2,848,294
Programming		
Exhibitions	384,774	417,600
Education and outreach	175,428	240,893
	560,202	658,493
Gallery Shop		
Art and craft sales	177,675	176,847
Wholesale	8,017	14,442
	185,692	191,289
Other revenue		
Endowment fund	125,259	397,799
Acquisition fund	299,781	128,909
	425,040	526,708

SCHEDULE OF EXPENDITURES

Year ended March 31

	2015	2014
	\$	\$
Salaries and benefits		
Salaries and employee benefits	2,128,540	2,010,643
Programming		
Exhibitions	391,346	320,207
Collection management	144,894	130,778
Education	98,726	145,603
Others	21,238	33,733
	<u>656,204</u>	<u>630,321</u>
Building operations		
Security	5,087	8,426
Building maintenance and cleaning	1,820	82,061
Insurance	—	1,017
	<u>6,907</u>	<u>91,504</u>
Western branch		
Salaries and benefits	119,185	100,372
Building operations	102,933	79,745
Programming	7,633	14,198
Others	1,248	87
	<u>230,999</u>	<u>194,402</u>
Administration		
Capital campaign	52,629	20,000
Stationery and postage	51,983	105,078
Travel	37,445	24,185
Telephone	37,282	32,729
Trustee fees	29,244	20,882
Technology	23,452	40,877
Professional fees	21,540	17,700
Memberships	19,486	21,726
Appraisal fees	17,963	53,702
Bank charges	16,485	12,751
Bad debts	15,765	26,010
Equipment rental	14,344	17,604
Designated gallery expenses	5,270	5,000
	<u>342,888</u>	<u>398,244</u>
Communications and marketing		
Development/public relations	183,967	110,124
Special events	63,495	72,116
	<u>247,462</u>	<u>182,240</u>