

Financial Statements

Art Gallery of Nova Scotia

March 31, 2012

ART GALLERY OF NOVA SCOTIA
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MARCH 31, 2012

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INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements, summary of significant accounting policies and other explanatory information of the **Art Gallery of Nova Scotia** ["AGNS" or the "Gallery"] consisting of the following:

- | | |
|----------------------------|---|
| Art Gallery of Nova Scotia | - Combined Balance Sheet as at March 31, 2012 |
| | - Combined Statement of Revenue, Expenditures and Surplus (Deficit) for the year ended March 31, 2012 |
| Gallery Fund | - Balance Sheet as at March 31, 2012 |
| | - Statement of Revenue, Expenditures and Deficit for the year ended March 31, 2012 |
| Endowment Fund | - Balance Sheet as at March 31, 2012 |
| | - Statement of Revenue, Expenditures and Surplus for the year ended March 31, 2012 |
| Acquisition Fund | - Balance Sheet as at March 31, 2012 |
| | - Statement of Revenue, Expenditures and Surplus (Deficit) for the year ended March 31, 2012 |

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles, 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 is sufficient and appropriate to provide a basis for our audit opinion, except as discussed in the following paragraph.

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, excess (deficiency) of revenue over expenditures for the year or surplus (deficit), end of year.

Opinion

In our opinion, except for the effect of any adjustments which 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, 2012 and the results of its operations for the year then ended in accordance with Canadian generally accepted accounting principles.

Ernst & Young LLP

Halifax, Canada,
June 28, 2012.

Chartered Accountants

Art Gallery of Nova Scotia

COMBINED BALANCE SHEET

As at March 31

	2012	2011
	\$	\$
ASSETS		
Current		
Cash	597,125	151,329
Accounts receivable	288,030	896,521
Inventory	121,835	107,783
Prepaid expenses	101,296	37,688
Total current assets	1,108,286	1,193,321
Investments <i>[note 5]</i>	2,230,878	2,321,303
Capital assets, net <i>[note 6]</i>	109,775	87,271
	3,448,939	3,601,895
LIABILITIES AND SURPLUS		
Current		
Accounts payable and accrued liabilities	427,857	720,225
Deferred revenue	481,961	374,296
Total current liabilities	909,818	1,094,521
Surplus (deficit)		
Deficit – Gallery Fund	(741,748)	(754,618)
Surplus – Endowment Fund <i>[note 4]</i>	3,161,105	3,263,350
Surplus (deficit) – Acquisition Fund	119,764	(1,358)
Total surplus	2,539,121	2,507,374
	3,448,939	3,601,895

Contingencies *[note 7]*

See accompanying notes

On behalf of the Board:

Governor

Paul Bradley

Governor

[Signature]

Art Gallery of Nova Scotia

**COMBINED STATEMENT OF REVENUE, EXPENDITURES
AND SURPLUS (DEFICIT)**

Year ended March 31

	Gallery Fund	Endowment Fund	Acquisition Fund	Total 2012	Total 2011
	\$	\$	\$	\$	\$
Revenue					
Operating	2,986,333	—	—	2,986,333	2,876,070
Programming	605,131	—	—	605,131	663,870
Gallery Shop	225,865	—	—	225,865	176,113
Other revenue	—	152,088	154,066	306,154	1,423,729
	3,817,329	152,088	154,066	4,123,483	5,139,782
Expenditures					
Salaries and benefits	1,826,872	—	—	1,826,872	1,748,076
Programming	651,750	—	—	651,750	587,498
Building operations	552,693	—	—	552,693	504,253
Western branch	123,516	—	—	123,516	134,463
Gallery Shop	237,272	—	—	237,272	214,482
Administration	209,255	24,953	36,970	271,178	275,944
Communications and marketing	262,661	—	—	262,661	239,201
Acquisitions	—	—	129,485	129,485	313,152
	3,864,019	24,953	166,455	4,055,427	4,017,069
Excess (deficiency) of revenue over expenditures for the year	(46,690)	127,135	(12,389)	68,056	1,122,713
Surplus (deficit), beginning of year	(754,618)	3,263,350	(1,358)	2,507,374	1,248,384
Unrealized gain	—	(36,309)	—	(36,309)	136,277
Realized loss	—	—	—	—	—
Interfund transfers	59,560	(193,071)	133,511	—	—
Surplus (deficit), end of year	(741,748)	3,161,105	119,764	2,539,121	2,507,374

See accompanying notes

Art Gallery of Nova Scotia
Gallery Fund

BALANCE SHEET

As at March 31

	2012	2011
	\$	\$
ASSETS		
Current		
Cash	49,786	139,752
Accounts receivable	262,591	182,394
Due from Acquisition Fund	87,073	85,902
Inventory	121,835	107,783
Prepaid expenses	101,296	37,688
Total current assets	622,581	553,519
Capital assets, net <i>[note 6]</i>	109,775	87,271
	732,356	640,790
LIABILITIES AND DEFICIT		
Current		
Accounts payable and accrued liabilities	415,835	446,969
Deferred revenue	481,961	374,296
Total current liabilities	897,796	821,265
Due to Endowment Fund	576,308	574,143
	1,474,104	1,395,408
Deficit	(741,748)	(754,618)
	732,356	640,790

See accompanying notes

Art Gallery of Nova Scotia

Gallery Fund

**STATEMENT OF REVENUE, EXPENDITURES
AND DEFICIT**

Year ended March 31

	2012	2011
	\$	\$
Operating revenue		
Province of Nova Scotia – operating grant <i>[note 3]</i>	2,046,000	2,029,296
Province of Nova Scotia – non-recurring operating recoveries <i>[note 3]</i>	404,439	314,339
Special events	87,965	104,223
Admissions	93,451	102,669
Sponsorships	146,654	101,991
Rental recoveries	66,130	73,858
Donations	61,367	58,790
Memberships	45,394	57,535
Other	34,933	33,369
	<u>2,986,333</u>	<u>2,876,070</u>
Programming revenue		
Exhibitions	430,000	372,500
Education and outreach	175,131	291,370
	<u>605,131</u>	<u>663,870</u>
Shop revenue		
Gallery Shop <i>[Schedule 2]</i>	225,865	176,113
Total revenue	<u>3,817,329</u>	<u>3,716,053</u>
Expenditures		
Salaries and benefits <i>[Schedule 1]</i>	1,826,872	1,748,076
Programming <i>[Schedule 1]</i>	651,750	587,498
Building operations <i>[Schedule 1]</i>	552,693	504,253
Western branch <i>[Schedule 1]</i>	123,516	134,463
Administration <i>[Schedule 1]</i>	209,255	234,597
Communications and marketing <i>[Schedule 1]</i>	262,661	239,201
Gallery Shop <i>[Schedule 2]</i>	237,272	214,482
	<u>3,864,019</u>	<u>3,662,570</u>
Excess (deficiency) of revenue over expenditures for the year	(46,690)	53,483
Deficit, beginning of year	(754,618)	(808,101)
Contribution from Endowment Fund	59,560	—
Deficit, end of year	<u>(741,748)</u>	<u>(754,618)</u>

See accompanying notes

Art Gallery of Nova Scotia
Endowment Fund

BALANCE SHEET

As at March 31

	2012	2011
	\$	\$
ASSETS [note 4]		
Current		
Cash	539,622	155
Accounts receivable	636	550,625
Total current assets	540,258	550,780
Investments [note 5]	2,230,878	2,321,303
Due from Gallery Fund	576,308	574,143
	3,347,444	3,446,226
LIABILITIES AND SURPLUS		
Current		
Accounts payable	3,463	—
Due to Acquisition Fund	182,876	182,876
Total current liabilities	186,339	182,876
Surplus		
Restricted	574,549	572,726
Unrestricted	2,586,556	2,690,624
Total surplus	3,161,105	3,263,350
	3,347,444	3,446,226

See accompanying notes

Art Gallery of Nova Scotia
Endowment Fund

**STATEMENT OF REVENUE, EXPENDITURES
AND SURPLUS**

Year ended March 31

	2012	2011
	\$	\$
Revenue [note 4]		
Bequest	50,000	1,015,785
Investment income	90,901	62,514
Life members' fees	3,750	7,850
Donations	7,437	2,803
	<u>152,088</u>	<u>1,088,952</u>
Expenditures [note 4]		
Trustee fees	19,794	16,001
Donor restricted projects	5,000	5,000
Bank charges	159	161
	<u>24,953</u>	<u>21,162</u>
Excess of revenue over expenditures for the year	127,135	1,067,790
Surplus, beginning of year	3,263,350	2,083,474
Unrealized loss	(36,309)	—
Unrealized gain	—	136,277
Contribution to Acquisition Fund	(133,511)	(24,191)
Contribution to Gallery Fund	(59,560)	—
Surplus, end of year	<u>3,161,105</u>	<u>3,263,350</u>
Less: restricted surplus [note 4]	574,549	572,726
Unrestricted surplus, end of year	<u>2,586,556</u>	<u>2,690,624</u>

See accompanying notes

Art Gallery of Nova Scotia
Acquisition Fund

BALANCE SHEET

As at March 31

	2012	2011
	\$	\$
ASSETS		
Current		
Cash	7,717	11,422
Accounts receivable	24,803	163,502
Total current assets	32,520	174,924
Due from Endowment Fund	182,876	182,876
	215,396	357,800
LIABILITIES AND SURPLUS (DEFICIT)		
Current		
Accounts payable and accrued liabilities	8,559	273,256
Due to Gallery Fund	87,073	85,902
Total current liabilities	95,632	359,158
Surplus (deficit)	119,764	(1,358)
	215,396	357,800

See accompanying notes

Art Gallery of Nova Scotia

Acquisition Fund

**STATEMENT OF REVENUE, EXPENDITURES
AND SURPLUS (DEFICIT)**

Year ended March 31

	2012	2011
	\$	\$
Revenue		
Donations		
Regular	5,850	156,838
Appraisal and shipping recovery	7,602	4,400
Art sales and rental society	15,000	—
Other	75,614	8,904
Bequest	—	163,626
Grants [note 4]	50,000	—
Miscellaneous	—	1,009
	<u>154,066</u>	<u>334,777</u>
Expenditures		
Acquisitions	129,485	313,152
Appraisal and professional fees	24,430	12,258
Shipping	12,453	7,480
Bank charges	87	447
	<u>166,455</u>	<u>333,337</u>
Excess (deficiency) of expenditures over revenue for the year	(12,389)	1,440
Deficit, beginning of year	(1,358)	(26,989)
Contribution from Endowment Fund	133,511	24,191
Surplus (deficit), end of year	<u>119,764</u>	<u>(1,358)</u>

See accompanying notes

Art Gallery of Nova Scotia

NOTES TO FINANCIAL STATEMENTS

March 31, 2012

1. PURPOSE 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, conservation and display of art, and the provision of art education to learners of all ages.

The AGNS is an agency of the Province of Nova Scotia and, as such, 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 are prepared by management in accordance with Canadian generally accepted accounting principles within reasonable limits of materiality and within the framework of the significant accounting policies summarized below.

Basis of presentation

The combined balance sheet and combined statement of revenue, expenditures and surplus (deficit) presented herein are those of the Gallery Fund, Endowment Fund and Acquisition Fund and are derived from the records of such funds after the elimination of interfund balances and transactions.

Fund accounting

In order to ensure observance of the limitations and restrictions placed on the use of resources available to the AGNS, the accounts of the AGNS are maintained in accordance with the principles of fund accounting. Accordingly, resources are classified for accounting and reporting purposes into separate funds. These funds are held in accordance with the objectives specified by the donors or in accordance with directives issued by the Board of Governors or various funding authorities.

For financial reporting purposes, the accounts are classified into the following three funds:

The AGNS Gallery Fund supports the day-to-day operations of the Provincial Gallery including all programming, exhibitions, development, public relations, conservation, and collections management.

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.

Art Gallery of Nova Scotia

NOTES TO FINANCIAL STATEMENTS

March 31, 2012

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

The AGNS Endowment Fund exists to generate income to help support the operations of the Provincial Gallery. The investments are managed by a professional fund manager and the Investment Committee is responsible for monitoring the fund on behalf of the Board of Governors.

Deferred revenue

Under the deferral method of accounting for contributions, restricted contributions related to expenditures of future periods are deferred and recognized as revenue in the year during which the related expenditures are incurred. Endowment contributions are reported as direct increases in net assets. All other contributions are reported as revenue of the current year.

Cash

Cash consists of bank balances and cash on hand.

Inventory

Inventory is valued at the lower of cost, determined on an average cost basis, and net realizable value using the direct costing method.

Investments

Equity securities are valued at their market values. Short-term securities are valued based on cost plus accrued income, which approximates fair value. All investments are designated as available-for-sale. Transactions are recorded on a trade date basis and transaction costs are expensed as incurred.

Art Gallery of Nova Scotia

NOTES TO FINANCIAL STATEMENTS

March 31, 2012

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

Capital assets

Capital assets purchased by the AGNS are recorded at cost. Capital assets are depreciated on a straight-line basis at the following rates:

Storage vault	30%
Security system	30%
Software	50%
Equipment	30%
Leasehold improvements	Over the term of the lease

Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenditures during the reporting period. Actual results could differ from those estimates.

Revenue recognition

Revenue from pledges, donations and life memberships is recognized when the cash is received. All other revenue is recognized on the accrual basis of accounting.

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 revenue, expenditures and surplus (deficit). Investment income, which consists of unrealized gains and losses, is recorded in surplus (deficit). When these gains and losses are realized they are removed from surplus (deficit) and recorded as revenue for the year.

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 \$129,485 [2011 – \$313,152].

Other income

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

Art Gallery of Nova Scotia

NOTES TO FINANCIAL STATEMENTS

March 31, 2012

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

Contributed goods and services

Volunteers contributed approximately 25,000 hours during 2012 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.

Statement of cash flows

A separate statement of cash flows has not been presented since cash flows from operating, investing and financing activities are readily apparent from the other financial statements and accompanying notes to 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.

Future accounting change

Public sector accounting standards

The Public Sector Accounting Board ["PSAB"] approved an amendment to the Introduction to Public Sector Accounting Standards (PSAS) that will require government not-for-profit organizations to apply the ["PSAS"] for fiscal years beginning on or after January 1, 2012.

AGNS is classified as a government non-for-profit organization and is currently analyzing the impact of adopting the PSAS and preparing a conversion plan for the transition. These standards will be applicable to the fiscal year beginning on April 1, 2012.

Art Gallery of Nova Scotia

NOTES TO FINANCIAL STATEMENTS

March 31, 2012

3. GOVERNMENT ASSISTANCE

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

	2012	2011
	\$	\$
Gallery Fund		
Nova Scotia Department of Tourism, Culture and Heritage - operating grant	2,046,000	2,059,000
Nova Scotia Department of Tourism, Culture and Heritage - non-recurring operating recoveries	50,000	157,169
Nova Scotia Department of Transportation Infrastructure Renewal - non-recurring operating recoveries	354,439	157,170
Canada Council for the Arts	160,000	160,000
Federal Department of Canadian Heritage	87,090	63,810
Department of Education	50,000	50,000
Nova Scotia Department of Communities Culture & Heritage – ArtSmarts/Gold Exhibition	55,000	—
Federal Virtual Museum of Canada	58,850	—
	2,861,379	2,647,149
Acquisition Fund		
Federal Department of Canadian Heritage	50,000	134,224
	2,911,379	2,781,373

During the year, \$2,827,529 [2011 – \$2,701,373] of the above funding is recognized in operating and programming revenue and \$83,850 [2011 – \$80,000] is recorded in deferred revenue.

Art Gallery of Nova Scotia

NOTES TO FINANCIAL STATEMENTS

March 31, 2012

4. ENDOWMENT FUND

Endowment Fund donations and bequests are allocated to the Endowment Fund together with investment income thereon. The income of the Endowment Fund, or a portion thereof as determined by the Board of Governors, after a balance of \$500,000 is accumulated shall be available for the purpose of:

- [a] the acquisition of artworks for the permanent collection;
- [b] the expansion of exhibition and art education programs; and
- [c] other special projects.

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

- [a] donations designated as such by the donor;
- [b] special types of donations which are stipulated to go to the Endowment Fund, such as life membership fees; and
- [c] any funds specifically designated by the Board of Governors.

Expenditures relating to the activities of the Endowment Fund are charged to the Endowment Fund.

5. INVESTMENTS

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

	2012		2011	
	Cost \$	Market value \$	Cost \$	Market value \$
Endowment Fund				
Common equity	1,268,421	1,342,394	1,329,886	1,476,612
Short-term notes	57,065	57,065	660	660
Bonds and debentures	765,540	831,419	814,601	844,031
	2,091,026	2,230,878	2,145,147	2,321,303

Art Gallery of Nova Scotia

NOTES TO FINANCIAL STATEMENTS

March 31, 2012

6. CAPITAL ASSETS

Capital assets consist of the following:

	2012	2011
	\$	\$
Storage vault	152,330	134,696
Security system	20,630	20,630
Software	15,330	15,330
Equipment	9,912	7,949
Café leasehold improvements	60,002	—
	<u>258,204</u>	<u>178,605</u>
Less: accumulated depreciation	148,429	91,334
	<u>109,775</u>	<u>87,271</u>

7. CONTINGENCIES

The AGNS may be allocated damages and costs which may arise from a claim against the Province of Nova Scotia, relating to a Phase II reconstruction contract in 1997. The case went to trial in November 2006 and is awaiting judgment. Management believes the claim against the Province of Nova Scotia to be without merit and the amount, if any, to be allocated to the AGNS by the Province of Nova Scotia in the event of a loss to be indeterminable. Accordingly, the AGNS has not recorded a liability related to this matter in these financial statements.

Art Gallery of Nova Scotia

NOTES TO FINANCIAL STATEMENTS

March 31, 2012

8. FINANCIAL INSTRUMENTS

Fair value

The AGNS's financial instruments consist of cash, accounts receivable, investments and accounts payable and accrued liabilities. The difference between the carrying values and the fair market values of the financial instruments is not material due to their short-term maturities. Investments are recorded at fair value as disclosed in note 2, with additional detail in note 5.

Risk management

The AGNS is exposed to a number of risks as a result of the financial instruments on its balance sheet that can affect its operating performance. These risks include credit risk, liquidity risk and market, foreign currency, and interest rate price 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 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 represents the risk that the AGNS will have difficulty meeting obligations of financial liabilities. The AGNS's financial liabilities are current and as the majority of the assets are liquid in the Gallery Fund, Acquisition Fund and Endowment Fund, liquidity risk is not considered significant.

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.

Art Gallery of Nova Scotia

NOTES TO FINANCIAL STATEMENTS

March 31, 2012

9. 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, 2012, the AGNS has met its objective of having sufficient liquid resources to meet its current obligations.

10. COMPENSATION DISCLOSURE

AGNS meets the criteria for classification as a public sector body and is a member of the Government Reporting Entity ("GRE") as defined in the Finance Act of Nova Scotia. GREs meeting the criteria for classification as a public sector body are subject to the Public Sector Compensation Disclosure Act (the "Act"). Effective for AGNS's fiscal 2012 year-end, the Act requires audited public disclosure of employees who were compensated \$100,000 or more.

<u>Name</u>	<u>Position</u>	<u>Total Compensation</u>
Raymond Cronin	Director and CEO and Secretary to the Board	\$123,480

SCHEDULE OF EXPENDITURES

Year ended March 31

	2012	2011
	\$	\$
Salaries and benefits		
Salaries and employee benefits	1,826,872	1,748,076
Programming		
Exhibitions	424,284	364,772
Education and outreach	103,308	110,907
Collection management	82,444	88,277
Other	35,574	20,144
Vehicles	6,140	3,398
	<u>651,750</u>	<u>587,498</u>
Building operations		
Utilities	273,772	240,512
Building maintenance and cleaning	180,529	179,325
Depreciation	57,093	40,097
Climate control	16,052	16,549
Security and interpreters	14,175	13,597
Elevator maintenance	10,032	13,273
Insurance	1,040	900
	<u>552,693</u>	<u>504,253</u>
Western branch		
Salaries and benefits	78,877	76,675
Building operations	43,901	48,571
Other	1,694	1,353
Programming	(956)	6,173
Travel	—	1,691
	<u>123,516</u>	<u>134,463</u>
Administration		
Travel	39,932	35,138
Telephone	34,361	45,662
Professional fees	27,996	26,741
Stationery and postage	24,652	25,680
Memberships	21,260	3,724
Equipment rental	18,461	18,553
Technology	17,214	22,864
Bank charges	14,780	11,972
Bad debts	11,068	8,203
Staff relocation	—	(5,261)
Miscellaneous	(469)	41,321
	<u>209,255</u>	<u>234,597</u>
Communications and marketing		
Development/public relations/printing/publications	213,595	195,344
Special events	49,066	43,857
	<u>262,661</u>	<u>239,201</u>

SCHEDULE OF REVENUE AND EXPENDITURES

Year ended March 31

	2012	2011
	\$	\$
Revenue		
Art and craft sales	158,209	131,060
Art and craft sales on consignment	49,456	28,648
Books, notes and posters	18,200	16,405
	<u>225,865</u>	<u>176,113</u>
Cost of sales	116,600	88,438
Gross profit	<u>109,265</u>	<u>87,675</u>
Expenditures		
Salaries and benefits	100,229	102,976
Office and administration	20,443	23,068
	<u>120,672</u>	<u>126,044</u>
Deficiency of gross profit over expenditures for the year	<u>(11,407)</u>	<u>(38,369)</u>

