

**Art Gallery of Nova Scotia
Annual Accountability Report
Fiscal Year 2005-2006**

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1. Accountability Statement

The accountability report of the Art Gallery of Nova Scotia for the year ended March 31, 2006, is prepared pursuant to the Provincial Finance Act and government policies and guidelines. These authorities require the reporting of outcomes against the Art Gallery of Nova Scotia's business plan information for the fiscal year 2005-2006. The report of Art Gallery of Nova Scotia outcomes necessarily includes estimates, judgments and opinions by Art Gallery of Nova Scotia management.

We acknowledge that this accountability report is the responsibility of Art Gallery of Nova Scotia management. The report is, to the extent possible, a complete and accurate representation of outcomes relative to the goals and priorities set out in the AGNS business plan for the year.

Minister

Chair, Board of Governors

Director & Chief Curator

2. Introduction

This accountability report describes our performance against the goals, priorities and outcomes as set out in the 2005 – 2006 business plan of the Art Gallery of Nova Scotia.

3. Progress and Accomplishments

Our Goals

1. Stabilization of operations and increased Gallery sustainability
2. Implementation of the KPMG Audit Report and AGNS Strategic Plan Imperatives.
3. Completion of Gallery Expansion of AGNS Yarmouth
4. Continuation of Improvements to the Province of Nova Scotia's Collection of Art.

Core Business Areas

- **Public Programming and Exhibitions** - the creation of knowledge in the arts. AGNS makes accessible to the public the Gallery's collection, art collections from other institutions and patrons, special exhibitions, publications, lectures, films and events and maintains accessible library, archives and study materials.
- **Collections and Conservation**- the accumulation of knowledge in the arts. AGNS acquires artworks for the permanent collection consistent with the mandate of the acquisition policy. The Gallery maintains related library, film, video and resource support materials, along with institutional archival records pertaining to collections, exhibitions, and institutional history. AGNS ensures proper management of the collection through documentation, maintenance of records and research. The Art Gallery of Nova Scotia ensures the Province of Nova Scotia's collection is preserved and maintained in an environment that meets museum standards, while conducting conservation and restoration treatments using accepted practices of research, examination, analysis, and documentation.
- **Development and Auxiliary Services**- to financially maintain AGNS and to encourage the public to visit the Art Gallery of Nova Scotia and engage in the visual arts. AGNS creates market awareness by various public relations tools. AGNS promotes membership to the public, generating revenue and as well, these members become volunteers who assist the Gallery in all aspects of its operations including fund raising, governance and program delivery. The Gallery provides auxiliary services that benefit visitors and members while increasing Gallery funding. Services include membership, volunteer programs, a Gallery Shop, facility rentals, Art Sales and Rental and Cheapside Café.

We are pleased to report the achievement of many major priorities and considerable progress toward the rest.

Highlights of the gallery's accomplishments include:

- Completed construction of AGNS Western Branch in Yarmouth
- Membership revenues increased 13% to attain a historic high of \$88,486
- Admissions revenues increased by 75% to reach a historic high of \$284,231
- Exhibition sponsorships reached a historic high at \$339,200
- 924 Donated works of art valued over \$5.9 million
- 25 items purchased valued at \$289,699. All funds for acquisitions are provided by donations of cash or grants received. This amounts to a 94% increase over fiscal 2004-2005
- Appointed an Associate Curator of African Canadian Art, in support of diversity initiatives
- Hosted major world class exhibitions including Art of the Ancient Mediterranean World
- Secured long term loans of important historical works related to the history of Atlantic Canada, notably: AY Jackson's "Entrance to Halifax Harbour" 1919 and William Bradford's "Icebergs off the Labrador Coast" c.1867
- Hosted and contributed to retrospective exhibitions of senior Canadian artists: Chris Pratt Retrospective (National Gallery of Canada) and Takao Tanabe (Vancouver Art Gallery).
- Toured major exhibitions nationally: Sobey Art Award, and Nancy Edell
- Improved budgeting, planning, and governance through implementation of numerous recommendations outlined in the KPMG Audit and AGNS Strategic Plan.

AGNS made substantial improvements to the perception of its professional standing through participation and contribution to important national and international exhibitions. It presented programs of value to a broad spectrum of art audiences from introductory first-time art museum visitors through dedicated museum visitors through to contributions to scholarship of the highest order. AGNS made notable improvements to the quality, breadth and value of its permanent collections, by attracting first-rate gifts and key strategic purchases. AGNS maximized the advantage of its permanent collections through dramatic and attractive new permanent displays, and attracted complementing significant long-term loans.

The Senior conservator of AGNS demonstrated good stewardship of the provinces art assets by a number of important accomplishments and improvements to the province's collection and care responsibilities. During 2005-06:

- For the exhibition **Two Artists Time Forgot** twelve major treatments were completed upon works by significant Atlantic artists
- Approximately 50 paper objects underwent preventive treatment and/or archival hinging over the course of the year.
- Conservation treatments were also completed on works by artists, Gornik, Barranti, Carmichael, Morris, Mandaggio, Reynolds and Gauthier.

In 2006, AGNS finished the capital campaign and completed construction and plans for the grand opening of the AGNS Western Branch in Yarmouth. AGNS attained higher levels of self-generated funds through admissions and related sales, increased membership numbers, and reinvigorated sponsorships. The public art collection continued to flourish through significant numbers of art donations from supporters nationwide. AGNS initiated the innovative educational program ArtReach, bringing original art works and programs to many communities throughout Nova Scotia.

OUTCOMES AND PERFORMANCE MEASURES

When preparing the Business Plan for 2005-2006 the Art Gallery of Nova Scotia established a number of measures in an effort to determine success in the goals we set out to achieve determining a level of success. The following indicates the original outcome expected, how it was to be measured, if it was achieved and if not an

explanation as to why.

Goal 1: Stabilization of Operations and Increased Sustainability; Increase Revenues

Outcome #1: Higher Admissions

AGNS strives to attract larger audiences to view its exhibitions, collections, and public programs at its premises by mounting exhibitions with wide popular appeal and relevance. This makes the experience more enjoyable and valuable to visitors by changes to in-gallery interpretation and an aggressive outreach program of publications and touring exhibits, thus encouraging repeat usage.

Measure: Admission Fees Collected

What does this measure tell us?

Increased Admission dollars tell us that more citizens find the service offered to be of value. As AGNS reaches larger audiences by fine touring exhibitions, publications and website projects, it demonstrates itself to be a capable major contributor to the discipline.

Where are we now?

Our Admissions increased by 75% in the 2006 fiscal year (from \$162,632 in 2005 to \$284,231 in 2006). However, we fell 21% short of the target of \$360,000 for the year, which in retrospect, at 221% of the 2005 total, was perhaps a rather ambitious target. We had intended to build on excitement created by the major Rodin exhibition in 2005 by following up with a major exhibition, Art of the Ancient Mediterranean, in 2006. While this exhibition was fairly successful, fiscal pressures caused us to cancel three other supporting exhibitions in the year, which no doubt had a negative effect on both Admissions and Memberships.

Another factor is that the Memberships total, while less than budgeted, showed a 13% increase over 2005. An increase in memberships is a worthwhile goal; however in a way it comes at the expense of Admission dollars, as members get free admission for the year.

Where do we want to be?

AGNS wishes to maintain strong annual visitation numbers, but with a more modest target of \$240,000 in annual admission revenues for the 2007 fiscal year (offset by a higher Membership target). Increased visitation in total helps AGNS to support the costs of exemplary programming of international stature.

AGNS wishes to continue to show leadership in curatorial projects and thereby continue to be invited to produce projects for across the nation and beyond. This permits AGNS to attract stronger grant and donor support as well, which illustrates the correlation between Programming (exhibition dollars spent) and ancillary revenues (Admissions, Grants, Memberships, Donations, Gallery shop, etc.)

Outcome #2: Increase Membership Revenue

As stated above, AGNS strives to attract larger audiences to view its exhibitions, collections, and public programs at its premises by mounting exhibitions with wide popular appeal and relevance. A membership offers individuals and families unlimited visits for a year and is an indication that our programs are worth seeing more than once.

Measure: Membership Fees

What does this measure tell us?

As with Admissions, increased Membership dollars tell us that more citizens find the service offered to be of value. Further they indicate that patrons do not see their visit as being a one-time event, but rather they intend to return for *future* visits.

Where are we now?

Our Memberships increased by almost \$10,000 (13%) in the 2006 fiscal year (from \$78,491 in 2005 to \$88,486 in 2006). However, we fell 11% short of the target of \$100,000 for the year, which, similar to our Admission targets, at an increase of 27% over the 2005 total, was perhaps a rather ambitious target. The same arguments outlined above in the Admission Fees measure would apply here.

An addition factor is the fact that the across-the-board Membership fee increases were not implemented until the 2007 fiscal year.

Where do we want to be?

AGNS wishes to maintain our upward trend in Membership numbers, with a target of \$95,000 in Membership revenues for the 2007 fiscal year. The individual fee increases slated for the 2006 fiscal year were implemented in August, 2006.

As stated above, AGNS wishes to continue to show leadership in curatorial projects and Education programs, which will increase our visitations and hopefully entice visitors to become members.

Outcome #3: Increase Direct Mail Appeal Campaign

A direct mail campaign is a relatively inexpensive and efficient way to generate donation dollars. These revenues are for the most part not earmarked for any specific program, and as such simply go in our general coffers. Our goal for the 2006 fiscal year was a total of \$27,000 raised from the direct mail campaign.

Measure: Donations

What does this measure tell us?

Donations received from our mailing campaign are an indication of support for the arts in general, and the Art Gallery of Nova Scotia in particular.

Where are we now?

Our target for 2006 was \$27,000. We fell short of our target by 19%, with approximately \$22,000 raised from the direct mail campaign. The appeal letters were to go out in the fall, but were not sent until late November or early December, 2005.

Where do we want to be?

We need to raise greater amounts from our mailing campaigns, and our target for the 2007 fiscal year is

\$25,000. Accordingly, in the current fiscal year we have included the appeal cards in with regular mailings to members in the summer and fall, along with the annual appeal letters in November (to those who had not previously donated), with encouraging early results.

Outcome #4: Increase Business Development

Business Development refers to funds raised to support the various AGNS programs. With limited government funding, AGNS would not be able to mount relevant, popular exhibitions and continue to provide quality education programs.

Measure: Sponsorships

What does this measure tell us?

Increased sponsorships indicate two major points: (1) our Exhibitions and related Education programs are of superior quality, thereby enticing major corporations and government agencies to sponsor them, and (2) our management, Board and Development Committee members are successful in their fundraising efforts to raise sponsorship dollars.

Where are we now?

Exhibition sponsorships for the 2006 fiscal year were budgeted at \$324,250, and came in at \$339,200. Even though three planned exhibitions were cancelled in the 2006 fiscal year, we did mount (or continue from the prior year) some fifteen quality exhibitions and our sponsorship targets for these were met and exceeded.

Where do we want to be?

AGNS wishes to continue to provide top quality programming for its patrons, and ensure we have the financial means to do so. Fundraising is important for all areas of our operation, and in this regard we have continued to encourage our Board, Committees, and staff to continue to be more engaged in this area. The Development Committee, a volunteer committee of the Board, is working on some new fundraising plans for the current and next fiscal years (a patron recognition dinner, as well as endowment opportunities), and the Development staff, in conjunction with this Committee and the Board, are working on a comprehensive Development Plan that will guide our efforts in this area.

In order to continue and increase the quality of our exhibitions and programs, AGNS feels that a full-time Manager of Development position is needed to coordinate all development efforts. This was also suggested in the KPMG Report of April 2004. We have requested additional Operating grant funds from the Department of Tourism, Culture and Heritage to allow us to fill this role in the 2007/2008 fiscal year.

Outcome #5: Increase Special Events Revenue

In addition to sponsorship, acquisition, and other program-specific revenues, AGNS requires unrestricted revenues for general Operating purposes. In this regard AGNS holds an annual fundraising gala, and a volunteer group, the Friends of the AGNS, hosts luncheon events at various times during the year.

Measure: Tickets sold

What does this measure tell us?

High attendance at fundraising events tells us that we have been successful in convincing our public that not only are the events themselves enjoyable occasions, but the cause – the AGNS – is one worthy of their support.

Where are we now?

We were successful in increasing revenues from special events by 32% in 2006 (\$26,098 versus \$19,814); however, we were only at 52% our goal of \$50,000 for the year. Our gala was not attended to our expectations, partly due to lack of adequate Development staff and resources to do a proper job of planning and hosting the event.

Where do we want to be?

Our expectations were tempered for the current year's budget, with a goal of \$25,000 for the year, which will be exceeded based on a successful annual dinner in October 2006.

The Development effort will assist in this regard in the 2007 fiscal year, and will be further enhanced if we are successful in hiring a Development Manager to guide the entire development/fundraising effort.

The Development Committee has also planned a patron recognition event for the current year in progress, to raise additional funds for general operating purposes.

Outcome #6: Increase Gallery Shop Revenues

The Gallery Shop is the retail branch of AGNS. Sales in the 2005 fiscal year totaled \$310,112, and our goal for 2006 was an increase to \$486,200, predicated on increased sales generated by the larger exhibitions.

Measure: Sales

What does this measure tell us?

Sales of the Gallery Shop move in step with patron visits to the gallery. Popular exhibitions bring in more patrons, and increased traffic – all of whom enter through our main entrance, to our Admissions desk directly in front of the shop – leads to increased sales, especially of exhibition-related materials.

Net income from the shop, as well as our “Product Development” wholesale operation (Maud Lewis materials), forms part of our Operating fund.

Where are we now?

Sales of the Gallery Shop did increase by 11% over the 2005 fiscal year - from \$310,112 to \$345,055 - but finished 29% short of our target of \$486,200. As well, our projected gross margin on Sales was 48.5%, but the actual results were only 43.2%. As a result, our budgeted net income of \$50,800 was not met; our actual net result was a modest profit of \$425.

Results from the Gallery Shop were consistent with our measures of Admissions and Memberships – an increase from 2005, but short of our ambitious targets. Our cancellation of three planned exhibitions doubtless had a negative effect on Gallery Shop operations.

On the other hand, both Sales and Net income from our wholesale division, which are less tied to visitation

numbers, were well above targets for the year, offsetting some of the disappointing results from the Gallery Shop. Budgeted wholesale Sales and Net Income were \$53,000 and \$14,800 respectively. Actual results for the year were \$53,259 and \$26,181 respectively, indicating the enduring popularity of Maud Lewis' art.

Where do we want to be?

Current year budgets are again ambitious for the Gallery Shop, with Sales and Net Income targets of \$371,000 and \$42,700 respectively. (Comparative targets for the wholesale operation are \$72,000 and \$21,500.) Efforts have been made to increase margins in the Shop, both by price increases and management of Sales discounts.

Early returns in the current year show that Shop Sales are trending approximately 20% under budget, offset by higher margin percentages and expense controls. It is expected that Net Income for the Shop will again be below target (but significantly better than 2006 results), and that the Wholesale division will meet or exceed targets.

Goal 2: Increase Public Awareness of AGNS Exhibitions and Programs

Outcome #1: Increased Promotional Materials

AGNS strives to increase its public profile, particularly in the promotion of its extensive Exhibition and Education programs, by appearing more frequently in provincial media publications. In this regard, we have signed partnerships with three newspapers, the Chronicle Herald, The Daily News, and The Coast, for weekly spots.

Measure: Number of Times Appearing in the Media

What does this measure tell us?

This measure is an indication of our profile in the local community, measured in terms of advertisements and feature pieces appearing in the media. The more of these AGNS can generate, the better our programs will be supported.

Where are we now?

We were successful in obtaining at least one advertisement per week in each of the three newspapers during the 2005/2006 fiscal year. In addition, these newspapers frequently had feature articles on our programs; approximately once every two weeks on average.

Where do we want to be?

The promotion of our programs must continue. We are constrained by budget realities, and Advertising and Promotion are often the first areas to be cut when looking for budget savings. However, increasing awareness in our programs will lead to better patronage by the public, which will assist in reaching financial sustainability.

Outcome #2: More Artists Working in Schools

A growing part of AGNS' mandate is the promotion of art education and appreciation in Nova Scotia's schools.

Measure: Number of Schools Participating

What does this measure tell us?

An increase in the number of schools participating tells us that we are successful in increasing art awareness in Nova Scotia's school systems. Our target increase was 5% over the 2004/2005 fiscal year.

Where are we now?

We have been successful in reaching our target of a 5% increase, in large part due to the pilot projects we have done with both ArtReach and ArtsSmarts. Although AGNS is in the process of trying to achieve sustainable funding for the ArtsSmarts program in Nova Scotia, ArtsSmarts NS was able to increase the number of artists working in schools with teachers and students. This was in part due to two additional pilot projects that were designed with artists/educators to work with special needs students and students from African Canadian heritage.

In addition to ArtsSmarts, the ArtReach partnership between AGNS and the Department of Education, English Program Services, allowed for increased number of visits of artists to schools with special pilot projects and the establishment of the Art Bank travelling exhibitions.

Where do we want to be?

We need sustainable funding to continue this increase in our programs with Nova Scotian schools. We are continually working on funding applications that will allow us to maintain our momentum in this area.

Outcome #3: Age of Sail Website

“Tall Ships of Atlantic Canada (*An initiative of the Art Gallery of Nova Scotia*)” is a bilingual website for teachers and students in Grade 4 to 10. Tall Ships of Atlantic Canada is a treasure trove of 500 plus art works, stories, videos, and historical documentation exploring the science and social impact of Atlantic Canada's Age of Sail.

Measure: Fully Operational; Number of Hits

What does this measure tell us?

Number of website visitors tells us that this resource is seen to be of value by educators and students alike.

Where are we now?

The website was launched in the summer of 2005, promotional materials were produced and distributed and the site has received almost 2000 hits. It remains active and can be reached through the AGNS website.

Where do we want to be?

This initiative is now complete. We will continue to monitor its use to ensure it is still of value and is current.

Goal 3: Implementation of KPMG Audit and AGNS Strategic Plan Imperatives

Outcome: Improved budgeting, planning, and governance

KPMG LLP was engaged by the Nova Scotia Department of Tourism, Culture and Heritage (TCH) to study and make recommendations on AGNS' governance framework, management roles and responsibilities, financial management and control, and related areas. Their final report was issued in April, 2004, and contained several key recommendations, which can be summarized as flows:

(1) Enhanced Governance through:

- Clearly-defined reporting relationships between management, Board, Committees and TCH authorities
- Performance measurement and reporting processes
- Smaller Board composition
- Consolidation of Board Committees
- Amendment of Board Powers as defined in the AGNS Act, to allow greater management autonomy over day-to-day operations.
- Amendment of AGNS Act & By-Laws to reflect governance enhancement changes

(2) Enhance AGNS Management through:

- Enhanced management planning and control environment
- Enhanced internal controls
- Tax receipt issuance in compliance with CRA rules
- Redefined AGNS Management structure, roles and responsibilities

In early 2005, a consultant was assigned by TCH to assess the content of the report and make recommendations on the implementation of the changes and enhancements. One of the recommendations was to hire a full-time Corporate Controller who would deal in many of the implementation action items. A long-time civil servant was seconded from another department to bridge the gap until a permanent Corporate Controller was hired in September 2006.

Measure: Increased Effectiveness and Efficiency

What does this measure tell us?

This non-quantitative measure tells us that governance processes at AGNS are changed, enhanced, or streamlined, leading to better communication, reporting, controls and fiscal responsibility.

Where are we now?

This measure is obviously one that is difficult to quantify. However, it is possible to see significant progress in this direction by looking at the various structures and processes that were addressed following the issuance of the KPMG report.

The following is a summary that was prepared towards the end of the March 31, 2006 fiscal year, which addresses the progress on the various issues highlighted in the KPMG Report.

KPMP Update Summary

Issue

Governance Framework Structure and reporting relationships: The report suggests the province and AGNS explore the requirement and/or benefits associated with continuing or discontinuing the agency relationship that

now exists; need for clearly defined, documented and adhered to AGNS Board, AGNS Director, TC&H reporting relationships, authorities and accountabilities; clearly defined, documented and adhered to performance management and reporting processes.

Update

The Board has considered this issue and is supportive of continuing the agency relationship. A protocol setting out reporting relationships, authorities and accountabilities will be developed. Treasury and Policy Board staff will assist with this process.

Issue

Board: A smaller and enhanced board composition is recommended along with a small honorarium for board members; elimination/consolidation of unnecessary board committees; amendment of board powers to allow more autonomy over day-to-day gallery operating and management activities.

Update

This issue has been considered by the Board with the decision to maintain the current size and no honorarium status. The committees are in the process of being restructured from twelve to six in number.

Issue

Act: Amendment to the act and by-laws is recommended to reflect governance changes

Update

When the governance model is determined, the necessary amendments to the Act and by-laws will be pursued.

Issue

Budgeting and monitoring: increased emphasis on managing the AGNS's financial position with a need to implement regular reporting procedures.

Update

The Board will approve major exhibitions in advance following the submission of a project plan outlining all costs, as part of the budget process. The AGNS now sends monthly forecast information to government via the department.

Issue

Endowment Fund: continuous withdrawals to fund operations puts the Endowment fund at risk of depletion.

Update

The board has approved a revised policy for use of the fund and changes in provincial accounting procedures will now limit the amount that can be withdrawn in any one year.

Issue

Data integrity: the KPMG report indicated financial information presented to the board was not as timely and up-to-date as it should be.

Update

Changes in internal reporting have been implemented such that the board receives financial information in a timely manner.

Issue

Cash controls: There is a need for more control around the handling of cash, memberships, donations and gallery shop inventory.

Update

Duties have been segregated to ensure control; a point of sale system has been installed with all money related transactions accounted for electronically.

Issue

Procurement: AGNS should follow provincial procurement policies. Purchases are now made without obtaining three quotes or issuing requests for proposals.

Update

All goods and services require purchase orders that are signed off by the budget manager, finance manager and director. Quotes are required and received for goods and services beyond normal daily operations.

Issue

Acquisition of art work: Acquisition policy needs to be updated with stricter guidelines surrounding the acquisition process. Approval for acquisitions are not clearly identified with no approval trail for expenditures.

Update

Revisions to the Acquisition policy are being prepared by the Acquisition Committee to be presented for Board approval. The amendments will require a pre-planned approach to acquisitions involving Board approval and using a requisition form with clear signing authority and accountability.

Issue

Credit cards: There is no user/purchasing policy for its corporate credit cards and the AGNS does not follow the province's procurement card policy. Selected employees hold AGNS credit cards that have no purchase limits. Purchases made are not approved by the manager of Finance and Operations or the Director

Update

Currently the Director signs off on all credit card purchases; the use of AGNS credit cards will be discontinued as of March 31st and replaced with the system used by other government departments.

Issue

Official receipts for income tax purposes: Need to improve compliance with Canada Customs and Revenue Agency rules regarding official receipts for income tax purposes.

Update

Income tax receipts are issued in strict compliance with Canada Customs and Revenue Agency.

Issue

Management structure: The report suggests need for performance measuring, monitoring and reporting process for director's position; establishment of a functioning management team; separation of chief curator and director roles and responsibilities; hiring of a chief curator; enhanced focus on management and administration on part of director; hiring of a qualified accounting professional; elimination of HR responsibilities from Manager of Finance and Operations to HR CSU.

Update

A performance management system for all permanent employees is being implemented with the assistance of the Department of Education Human Resources Corporate Services Unit and will be in place by April 30th. A management team has been established and is meeting on a weekly basis. An acting senior curator has been appointed as an interim measure. The director attends the management team meetings which focus on administrative issues. The Manager of Finance and Administration consults with the HR CSU on all HR issues.

Where do we want to be?

Implementing the many recommendations of the KPMG report is an evolving process that may take several years to be fully operational. Some further enhancements have continued to be made in the 2007 fiscal year. A significant one is that the Endowment Fund capital will not be encroached upon, i.e. the budgeted contribution to operations is from the fund's net income only.

In September 2006, a qualified accounting professional was hired as Corporate Controller, who, while primarily focusing on the financial aspects of the operation, will be actively involved in the governance structure and

policies, and continue to guide and assist in the process of implementing the KPMG recommendations.

There are still some governance and management issues that are in the process of being addressed:

- AGNS is in need of a full time Development Manager to lead the development efforts, as outlined above.
- Reporting relationships and routines have been established, but more formal documentation needs to be done.
- Changes in the AGNS Act and By-laws have not yet been implemented. As a result, simple changes in operational items (e.g. change in membership fee structure) are still very cumbersome to implement.
- Monthly financial reporting formats do not align exactly with budgets, Business Plan, and audited financial statements formats. The plan is for all formats to be identical, starting with the March 31, 2007 audited financial statements.
- Exhibition budgets and actual results need to be monitored on a more timely basis.
- A formal staff Performance Appraisal system has been introduced but has not yet been actively implemented.
- The Purchase Order system for expenses needs to be adhered to and more strictly policed to ensure better expense controls.

Goal 4: Completion of Art Gallery of Nova Scotia Expansion to the Western Region

Outcome #1: Final phase Completed

The AGNS Western Branch in Yarmouth was conceived and initiated almost 11 years ago. In 2005-2006 AGNS completed the final fund-raising to complete phase seven, the final phase of construction for this project. AGNS staff and board worked to make the last adjustments to the construction plans. Construction was commenced and completed in spring 2006.

Measure: Opened and exhibiting

Although funding delays postponed the inaugural opening, the new art museum structure was completed and now is operational year round

What does this measure tell us?

AGNS at Yarmouth is the first permanent satellite art museum project in Canada. Completing the construction transforms a dream into a concrete reality. Full art museum services can now be offered to residents and visitors to the south-western region of the province.

Where are we now?

Construction is now complete, the AGNS at Yarmouth is now open and operating year round

Where do we want to be?

This project outcome is 100% complete.

Outcome #2: Programs Delivered

Measure: Number of programs

Funding delays postponed the inaugural opening. The construction phase of the new art museum structure was not completed until after the end of fiscal 2005-2006.

What does this measure tell us?

Delivering programs realizes the dream of providing museum services to this section of the province.

Where are we now?

The museum is now complete and is open and operating year round providing exhibitions and services. AGNS Yarmouth opened in late spring 2006 with exhibitions and programs offered for the general public, however too late to serve the school year.

Where do we want to be?

AGNS Halifax has been working in collaboration with AGNS Yarmouth to establish a variety of programs

including school tours, Family Sundays and special programming for specific exhibitions such as the Grinch. The number of school tours has increased over the fall school term as more schools are hearing about the programs. AGNS Halifax is also working to train volunteers to conduct the school tours so it has been important to monitor the number of schools visiting to ensure that tours are of high quality. Hands-on studio activities are now available on weekend days for visitors.

Outcome # 3: Increased revenues

Measure: Donations and sponsorships

What does this measure tell us?

A new art museum in a new region needs to gather new supporters, patrons and sponsors. Contributions and donations indicates that key individuals in the community assess that the institution is valued by its citizens.

Where are we now?

Until construction and the capital campaign was complete, few would consider donating to operating and programming fund initiatives. Only a modest number of donation dollars were raised prior to construction completion.

Where do we want to be?

With construction complete and the museum open and operating, some individuals and businesses have made financial contributions to support the program and operations. Grants have been awarded from numerous sources. Municipal area grants and private benevolence should be sought. The initial capital campaign committee, now transforms into a development and program fund-raising committee to seek financial support for the extended community.

Goal 5: Continuation of Improvements to the Province's Collection of Art

Outcome # 1: Key acquisitions

Measure: Number of works

What does this measure tell us?

An art museum prospers by increasing the perceived intrinsic value of its art collections to meet its mission. AGNS does not have assured budgetary sources of acquisition funds. It must seek patrons and supporters to make donations to improve the public collection. Donors have many options of which institution to assist within the country. A continuing history of gifts from donors across the country aids the fulfillment of the AGNS' primary mission; it also tells us that key individuals value the work done by the AGNS.

Where are we now?

AGNS continues to receive extraordinary numbers of very valued art gifts from patrons across Canada, each year averaging nearly 1,000 works of art, valued in the millions of dollars. The majority of these gifts are

works of contemporary Canadian art which support additions to the international collection. AGNS made key additions by long-term loan of works that could not otherwise be purchased or gifted. Important art works were transferred to AGNS by gift from the Canada Council Art Bank Collection. We added key works by senior Nova Scotia artists, including specific works chronicled and reproduced in published histories of art in Nova Scotia.

- 924 Donated works of art valued over \$5.9 million

Where do we want to be?

AGNS continues to target specific art collection needs and identify ways to attract items that are required for study and display to meet our mission. The collection of post-war Canadian art is now well represented. About 75% of the artists of historic record of this period are now represented within the AGNS collection. We need to continue to fill gaps in representation and build superlative holdings that allow AGNS to be a leader and service provider through the excellence of its collections.

Outcome # 2: Funds to purchase artworks

Measure: Donations

What does this measure tell us?

Direct monetary support expresses the confidence of individual donors in the value of the AGNS and its programs. It also tells us that the AGNS is attracting resources to accomplish its primary objectives.

Where are we now?

25 items purchased valued at \$289,699. All funds for acquisitions are provided by donations of cash or grants received. This outcome amounts to a 94% increase over fiscal 2004-2005 (\$149,523).

AGNS obtained a federal grant and private donations to repatriate by purchase the oil portrait by Sir Joshua Reynolds of the founder of Halifax, Cornwallis plus a series of rare 18th century watercolours of Annapolis Royal. Additionally, private monetary support was offered to match funds provided by a Canada Council grant to acquire contemporary Canadian art.

Where do we want to be?

We wish to find more consistent and predictable sources of funds for these acquisitions in advance, rather than discovering a collections need, then fund-raising thereafter.

Outcome # 3: Archives Collection

Measure: Number of works

What does this measure tell us?

The Nova Scotia Archives offered to transfer to the AGNS art objects held in their collection care. The measure chronicles the progress made to physically transfer the offered items and their records from one institution to the other.

Where are we now?

This project did not happen in 2005-2006 due to funding pressures at AGNS. The staff resources for the initial

research were unavailable, and our space pressures make it very hard to absorb such a large collection of works.

Where do we want to be?

The N.S. Archives art collection is a visual archive of the history of the province. The historical prints and drawings collection of the AGNS performs many parallel functions. Both institutions often seek to acquire the same items or class of items to better perform this service. At present, there is not one comprehensive collection; both the Archives and AGNS hold partial resources that address these issues. Often scarce acquisition funds are directed by AGNS or the Archives to seek purchases to complete a specific set of prints. Meanwhile, the sister institution may already hold a copy of these art works in its collection.

Once integration of these resources is complete, the two harmonized collections will gather together the province's principal resources of prints and drawings pertaining to the early history of the province and region. Currently both institutions hold portions of the known historical prints created; some overlap and duplications occur. By melding the two resources it will allow AGNS on behalf of the province to assess the items collectively owned, identify gaps and missing items and to seek to rectify this by acquisitions. Since solely one agency will seek to create this comprehensive study resource this eliminates the need for both institutions to seek parallel duplicated collection holdings.

AGNS will continue to work with the archives to accomplish the blending of these two collections. AGNS is attempting to find additional space to physically receive this collection. We need to allocate personnel resources to integrate the records.

Art Gallery of Nova Scotia
Accountability Report - Financial Results

Year Ending March 31, 2006

Operations			
Revenue	Budget	Actual	Information
Province of Nova Scotia	\$1,198,000	\$1,181,504	
Admissions	360,000	284,231	<i>Exhibition cancellations led to fewer paying patrons</i>
Programming Recoveries, Sponsorships & Grants	740,000	654,412	<i>Exhibition cancellations and deferrals; business development not successful</i>
Membership	100,000	88,486	<i>Event cancellations led to fewer new members</i>
Donations/Major Gifts	57,000	48,950	<i>Mail campaign less successful than budgeted</i>
Public Education Programs	130,000	77,306	<i>Flow-through programs; corresponding decrease in expenditures</i>
Special Events	50,000	26,098	<i>Fundraising event was not well attended</i>
Other Income	105,500	95,827	<i>Western Branch not open; accounts for shortfall</i>
	2,740,500	2,456,814	
Expenses	Budget	Actual	Information
Salaries & Benefits	933,000	969,964	
Exhibitions and Programming	859,300	745,122	<i>Several exhibitions cancelled; Education funds not spent, per above</i>
Building Operations	1,046,700	889,546	<i>Western branch not open; savings in utilities and climate control</i>
Development/Public Relations	160,000	160,363	
	2,999,000	2,764,995	
Operating Income/Loss	(258,500)	(308,181)	
Gallery Shop/Product Development	50,000	26,606	<i>Gallery Shop target Sales not reached</i>
Transfer from Endowment Fund	209,000	209,000	
	259,000	235,606	
Excess of Revenue over Expenses (Expenses over Revenue)	\$500	(\$72,575)	