

**Art Gallery of Nova Scotia  
Annual Accountability Report  
Fiscal Year 2008-2009**

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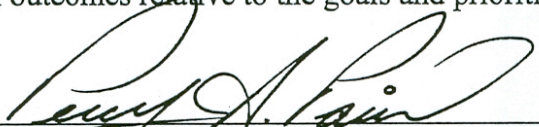
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### Accountability Statement

## Accountability Statement

The accountability report of the Art Gallery of Nova Scotia for the year ended March 31, 2009, 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 2008 - 2009. The reporting of the 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.



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Minister, Tourism, Culture and Heritage



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Chair, Board of Governors



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Director & Chief Executive Officer

## **Introduction**

This accountability report describes our performance against the goals, priorities and outcomes as set out in the 2008 – 2009 business plan of the Art Gallery of Nova Scotia.

### Our Strategic Goals

The AGNS has several areas of longer-term direction, including the following:

1. **Financial Sustainability:** Continue to ensure that financial sustainability is a priority at all times.
2. **Education:** Facilitate lifelong learning by providing greater access to Nova Scotia's visual arts culture and heritage and by providing programs that enhance the learning experience.
3. **Governance and Accountability:** Continue in the spirit of the governance and management recommendations outlined in the 2004 KPMG report and our AGNS Strategic Plan.
4. **Stewardship:** Preserve, promote, interpret, and develop Nova Scotia's diverse visual arts culture and heritage.

### Our Core Business Areas

#### 1. Collections and Conservation

AGNS acquires artworks for the permanent collection consistent with the mandate of the acquisition policy and the AGNS Mission Statement. The gallery maintains related library, film, video, and resource support materials, along 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 AGNS also conducts conservation and restoration treatments using accepted practices of research, examination, analysis, and documentation.

#### 2. Education and Public Programming

AGNS has a very ambitious Education and Public Programming strategy that focuses on both on-site and outreach activities. On-site activities surround the support and the interpretation of our temporary exhibitions programming and of our permanent collection exhibitions. Offerings include special exhibitions, the development of in-house didactic material in exhibitions, daily guided public tours, early childhood education programs, infant and toddler/parent programs, studio/gallery workshops for students and teachers, family programs, a large docent program in support of school visits, and interpretive gallery team, and the fostering of lifelong learning with a series of lectures, films, artist talks, and other educational activities including access to archives, publications, and study materials.

Outreach activities involve many new community collaborative partnerships. ArtReach, an innovative program developed in partnership with the Department of Education, continues in its second year to build on exciting links between the art gallery's programs and exhibitions, Nova Scotia schools, and the community. The initiative underscores the gallery's commitment to developing programs to reach diverse audiences and provide greater access to rural communities. Recently gifted prints from the Canada Council Art Bank collection are included in travelling ArtReach exhibitions to schools, museums, hospitals, and other community centres, complemented by educational workshops for people of all ages in their own communities. AGNS also reaches out to schools by continuing to serve as the lead partner for ArtsSmarts Nova Scotia, the provincial partner for the national ArtsSmarts program, the largest art education initiative in Canada. ArtsSmarts inspires collaborations between artists and educators to design and offer innovative projects for students that support specific curriculum goals by learning through the arts.

Other outreach programs include programming in these focus areas:

- Arts and Wellness: Extensive work with the IWK Health Centre as well as an art program for children with autism
- Resiliency and Youth: Programs with organizations such as Phoenix Youth Programs, Laing House and HomeBridge Youth Society
- Young Learners: Providing services to daycares including the availability of specially designed art resource kits distributed on loan to daycares throughout the province.

AGNS is working on documenting both the details and vision of these unique outreach programs within the context of the overall gallery mandate.

Many of the educational programs are or will be available in the Western Branch as well as in Halifax.

### 3. Exhibitions

In the area of exhibitions, AGNS curatorial staff supports our mission of bringing the art of the world to Nova Scotia and the art of Nova Scotia to the world. In addition to our annual Sobey Art Award exhibitions, AGNS is committed to presenting a wide range of art in our exhibition programs, both in Halifax and Yarmouth.

We are committed to building audiences for art and have a three-part strategy for doing so. The first, as stated above, is the ongoing growth of the Sobey Art Award. The second is to work to broaden our programming of more "museum" style exhibitions, exhibitions of world culture and heritage, which will be paired up with other challenging art exhibitions. The third part of our strategy is to build partnerships to broaden the reach of our contemporary art exhibitions, to tour exhibitions within the province, across the region and country. To that end, we actively seek partnerships to ensue that our

contemporary Canadian projects are seen by as many audiences as possible, and we received a significant grant from the Canada Council in 2007-2008 that enabled us to accelerate the expansion of this program (and have applied for similar funding for the 2008-2009 fiscal year). We tour every one of our contemporary Canadian projects at least one other venue.

We are committed to assisting in maximizing the export potential of the province's resources by raising the profile of this region's art activity across the country. We are committed to developing exhibitions that examine the work of individual artists and to producing catalogues that do justice to their work. Thematic exhibitions that we develop are drawn almost exclusively from our permanent collection and serve to complement the solo exhibition projects concurrently on display in the gallery. Our objective is to be a leader in the advancement of knowledge and understanding of visual art and in fostering the careers of Canadian artists.

#### 4. Development and Auxiliary Services

This business function serves to financially maintain the operations of the 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, many of these members become volunteers who assist the gallery in all aspects of its operations including fundraising, 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, facilities rentals, Art Sales and Rental (a related society housed in our premises), and Cheapside Café.

### **Progress and Accomplishments**

**We are pleased to report the achievement of many of our priorities and progress toward the rest. The following, listed by core business area, includes progress and status report for each priority.**

***Priority 1: Hire a new Director and CEO***

New Director and CEO was appointed June 1, 2008.

**Core Business Area 1 – Collections and Conservation**

***Priority 2: Address Space / Storage Problems***

AGNS successfully applied for a \$50,000 Cultural Spaces Canada grant to assist with the AGNS storage project. This grant in combination with funds provided by the Province and the AGNS, purchased special storage equipment, installed security and prepared a newly leased storage site in Burnside. The site was acquired in October 2008 and the renovations completed by March 2009.

***Priority 3: Upgrade Collections Database Systems***

The Curator of Collections and Assistant Registrar explored and examined several different database systems, with an initial plan to identify the best collections database systems for the AGNS and prepare a budget for the project. This upgrade was placed on hold due to the need to focus on the storage project in 2008-2009. Future upgrade will be contingent on future budget fund availability.

**Core Business Area 2 – Education and Public Programming**

***Priority 4: Expand the Educational and Public Programming activities at the Western Branch***

Programming activities at the Western Branch were increased over the year to include the following: Creative Minds, Gingerbread Sunday, Children's Festival, Family Sundays and Picture This. School visits and community groups were expanded throughout the year and included local schools and several community groups. Special Tours, workshops, lectures and films presented were significantly increased from prior years.

**Core Business Area 3 – Exhibitions**

***Priority 5: Expand Exhibition Programming at the Western Branch***

The position in Yarmouth for the Curator of Programs was filled in May of 2009. Filling this position will be instrumental in providing the exhibition programs for the 2009-2010 fiscal year.

For the year of 2008-2009 several exhibitions were held at the Western Branch. They include:

Forshaw Day opening in April 2009 and ongoing, Pictured: Image and Object in Canadian Sculpture on display May to July 2008, Lucie Chan: in between tears on display February to April 2008, Abstract Painting in Canada on display July to October 2008, Landscapes of the South Shore: Earth, Wind, Sea on display July to October 2008, ARENA: Road Game on display February to April 2009 and Walter Ostrom opening in 2008 and ongoing.

#### **Core Business Area 4 – Development and Auxiliary Services**

##### ***Priority 6: Balance the Annual Budget***

For the fiscal 2008-2009 year this goal was not achieved. The AGNS posted a consolidated loss of over \$740,000. This loss is comprised of all three AGNS funds: Gallery Operating, Endowment and Acquisitions.

Retroactive pay for the casual conversion staff was a \$340,000 expense to the AGNS that was not in the budget. This is the amount of pay due to casual staff for the difference in rate for hours worked during the year. Revenue for admissions, memberships and donations fell significantly short of budget. The implementation of the Development plan as one of the key strategies was delayed with the Director of Development position not being filled until March of 2009. This also impacted the Enhanced Visitor service plan. Overall revenues were negatively impacted due to the sluggish economy and downturn in the tourist numbers. The growth anticipated from previous year was aggressive and with the above factors made it almost impossible to achieve. Retail operations of the Gallery Shop and our wholesale operations fell short, a direct impact of the economy. Expenses in programming were higher than budget however were partially offset within the recovery area. Outside of the casual conversion cost, salary expenses came in under budget with the delay in hiring of the Director of Fund Development and filling the position of Chief Curator.

The Endowment fund interest used to supplement the Exhibitions fell short with the stock market turn. Our investment portfolio was affected and the AGNS posted losses in the 2008 – 2009 fiscal year. Acquisition fund expenses were over budget due to foreign exchange loss on acquisitions and timing issues for invoices.

#### **Outcomes and Performance Measures**

When preparing the Business Plan for 2008 – 2009 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. 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.

## **General**

*Priority 1: Hire a New Director and CEO*

**Outcome #1: Successful Recruitment**

**Measure: New Director and CEO hired**

**What does this measure tell us?**

The hiring of a new Director and CEO confirms successful recruitment.

**Where are we now?**

With the assistance of the Public Service Commission executive search service the new Director and CEO was hired. Position was filled on June 1, 2008.

**Where do we want to be?**

Under the leadership of the new Director and CEO, AGNS can now move forward with the strategic plans established by Board of Governors.

## **Core Business Area 1 – Collections and Conservation**

*Priority 2: Address Space / Storage Problem*

**Outcome # 1 – Feasible Storage Solution**

**Measure: Storage Solution Option Selected**

**What does this measure tell us?**

By successfully selecting the storage solution, the committee can continue with the storage project.

**Where are we now?**

A focus of the Acquisition Committee has been the storage and environmental issues that continue to present problems in maintaining the AGNS' Category "A" status with Movable Cultural Property. The special care and requirements of the art gallery is a discussion

point at each Acquisition committee meeting. It was determined by the committee under the leadership of Shannon Parker, Curator of Collections, consolidation of the gallery's present two storage locations, 4<sup>th</sup> floor gallery and offsite storage, could be consolidated into one 6,000 square feet storage area. This would free up the 4<sup>th</sup> floor to become an exhibition space once again and having space available to display our permanent collection on the 3<sup>rd</sup> floor.

### **Where do we want to be?**

The next step in this project would be to develop the project plan with funding requirements.

### **Outcome # 2 – Storage Plan in Action**

#### **Measure: Additional Storage Space Identified**

#### **What does the measure tell us?**

Upon identification of storage space the storage project plan can be initiated. The 6,000 lease space was located in Burnside and project will be completed in 2009 – 2010.

### **Where are we now?**

Project plan was developed and a Cultural Spaces Canada Grant of \$50,000 was secured. This in combination of funding from the Province and AGNS capital provided money that was used to purchase special storage equipment, install security and prepare the newly leased storage site in Burnside. The space was prepared and ready for relocation of artwork from the other storage area by the end of March 2009.

### **Where do we want to be?**

The goal is to transfer the artwork from the 4<sup>th</sup> floor to the new storage space in Burnside. Completion of this will allow for the Permanent Collection gallery project to be completed by mid 2009-2010.

### ***Priority 3: Upgrade Collections Database System***

### **Outcome # 1 – Upgraded Collections Database System**

#### **Measure: Database System Selected and Installed**

#### **What does this measure tell us?**

By selecting the appropriate database and installing the AGNS would have accessible information on entire inventory of our collections. Information would be readily available to management and board of governors as required.

### **Where are we now?**

The Curator of Collections and Assistant Registrar explored and examined several different database systems, with an initial plan to identify the best collections database systems for the AGNS and prepare a budget for the project. This upgrade was placed on hold due to the need to focus on the storage project in 2008-2009. Future upgrade will be contingent on future budget fund availability.

### **Where do we want to be?**

In the new fiscal year, working with an Information Management intern from Dalhousie University, the Collections department has been able to coordinate updating the AGNS database with Artefacts Canada hosted by Canadian Heritage Information Network (CHIN). This database provides online access to the AGNS collection, which will be useful for visitors and staff.

## **Core Business Area 2 – Education and Public Programming**

*Priority 4: Expand the Educational and Public Programming activities at the Western Branch*

**Outcome #1: Expanded educational and public programming at Western Branch**

**Measure: Number of Participants in Educational and Public Programming**

### **What does this measure tell us?**

By setting a baseline / target number of participants we can measure the penetration of our expanded programs within the local market.

### **Where are we now?**

Educational and Public programs fell short of a target of 2,500 by 600 participants. However, this does reflect an increase over the prior year by 950 or 100% increase. Programs included: Regular programming such as Creative minds, Gingerbread Sunday, Family Sunday and Picture This, Outreach / Community programs such as ECE, Group Tours and other presentations, School Visits and Special Tours.

The recruitment of a new Curatorial position was completed and a filled in May of 2009. Having this position in place is important to the increased number of participants for these programs.

### **Where do we want to be?**

Financial feasibility of all programs will be reviewed to ensure that the offering of programs is profitable for the Western Branch. The number of participants will continue to be one measure of success. Once the programs are identified to be continued based on analysis from both a financial and a strategic basis, marketing and development plans will be implemented.

## **Core Business Area 3 – Exhibitions**

### ***Priority 5: Expand the Exhibition Programming at the Western Branch***

#### **Outcome #1: Increased Visits to Exhibitions at Western Branch**

##### **Measure: Number of Exhibition Visits**

#### **What does this measure tell us?**

The number of visitors to the Western Branch and its increase year over year confirms our success with our exhibitions. This measure will help us in analyzing the exhibition appeal to the public and whether marketing strategies were successful.

#### **Where are we now?**

For the fiscal year of 2008 – 2009 there were 2,600 visitors to the Western Branch. This did fall short of the objective of the baseline / target of 4,000. One of the strategies to achieve this was the hiring of the additional Curatorial staff which did not take effect until May. In spite of this shortfall the attendance still exceeded the 2007 – 2008 fiscal year.

#### **Where do we want to be?**

Increased number of visitors is critical to the financial goals set for the Western Branch. For the 2009- 2010 year this number will be increased with the hire of new Curator. This along with the number of increased exhibitions should be a drawing card to the Gallery.

## **Outcome #2: Exhibitions Curated by Western Branch**

### **Measure: Number of Western Branch Exhibitions**

#### **What does this measure tell us?**

Increasing the number of exhibitions in the Gallery shows the interest the AGNS has in our Western Branch.

#### **Where are we now?**

There were eight exhibitions held at the Western Branch in 2008 – 2009. These included the following: Forshaw Day, Pictured: Image and Object in Canadian Sculpture, Lucie Chan: in between tears, Contemporary Conversations, Abstract Paintings in Canada, Landscapes of the South Shore: Earth, Wind, Sea, ARENA: Road Game and Walter Ostrom.

#### **Where do we want to be?**

There is continued interest in providing the Western Branch with ongoing exhibitions. In 2009-2010 exhibitions have been planned for the year. This includes current exhibition of Frances Dorsey and during the summer months Flight Dreams will be exhibited in connection with the International Air Show being held in Yarmouth in the fall.

## **Core Business Area 4 – Development and Auxiliary Services**

### ***Priority 6 - Balance the Annual Budget***

#### **Outcome #1: Balanced Budget**

### **Measure: Revenue equal to our greater than expenses**

#### **What does this measure tell us?**

Balance the annual budget by ensuring that expenses are contained within the restrictions of the Operating and Programming revenues. The result should be attained without compromising service delivery.

#### **Where are we now?**

**For the fiscal 2008-2009 year this goal was not achieved. The AGNS posted a consolidated loss of over \$740,000. This loss is comprised of all three AGNS funds: Gallery Operating, Endowment and Acquisitions.**

**Retroactive pay for the casual conversion staff was a \$340,000 expense to the AGNS that was not in the budget. This is the amount of pay due to casual staff for the difference in rate for hours worked during the year. Revenue for admissions, memberships and donations fell significantly short of budget. The implementation of the Development plan as one of the key strategies was delayed with the Director of Development position not being filled until March of 2009. This also impacted the Enhanced Visitor service plan. Overall revenues were negatively impacted due to the sluggish economy and downturn in the tourist numbers. The growth anticipated from previous year was aggressive and with the above factors made it almost impossible to achieve. Retail operations of the Gallery Shop and our wholesale operations fell short, a direct impact of the economy. Expenses in programming were higher than budget however were partially offset within the recovery area. Outside of the casual conversion cost, salary expenses came in under budget with the delay in hiring of the Director of Fund Development and filling the position of Chief Curator.**

**The Endowment fund interest used to supplement the Exhibitions fell short with the stock market turn. Our investment portfolio was affected and the AGNS posted losses in the 2008 – 2009 fiscal year. Acquisition fund expenses were over budget due to foreign exchange loss on acquisitions and timing issues for invoices.**

### **Where do we want to be?**

**The budget for 2009-2010 presented is a balanced budget. The AGNS is optimistic that with the leadership of its new Management team this will be achievable. Full review of all programs and timelier financial reporting will enable the team to plan and react to any downturns.**

**Art Gallery of Nova Scotia  
Annual Accountability Report  
2008 - 2009 Fiscal Year**

	<u>Budget 2008-2009</u>	<u>Actual 2008-2009</u>	<u>Variance ( ) Unfav</u>
<b>Revenue</b>			
Gallery Operations			
Province of Nova Scotia Grant	\$2,018,000	\$2,055,500	\$ 37,500 (1)
Admissions and memberships	\$325,000	\$179,013	\$ (145,987) (2)
Donations and other	\$247,500	\$82,330	\$ (165,170) (3)
Programming recoveries	\$1,034,500	\$1,068,760	\$ 34,260 (4)
Gallery recoveries	\$126,000	\$87,260	\$ (38,740)
Total Gallery Operations	<u>\$3,751,000</u>	<u>\$3,472,863</u>	<u>\$ (278,137)</u>
Gallery Shop - Net	\$50,000	\$14,972	(\$35,028) (5)
Product Development - Net	\$25,000	\$4,270	(\$20,730) (6)
<b>Total Revenue</b>	<u>\$3,826,000</u>	<u>\$3,492,105</u>	<u>(\$333,895)</u>
<b>Expenses</b>			
Gallery Operations			
Salaries and benefits	\$1,395,000	\$1,517,950	(\$122,950) (7)
Building operations	\$938,000	\$876,165	\$61,835 (8)
Capital project	\$154,000	\$191,500	(\$37,500)
Programming	\$1,159,000	\$1,274,730	(\$115,730) (9)
Development and public relations	\$120,000	\$171,065	(\$51,065) (10)
Western Branch	\$210,000	\$212,450	(\$2,450)
Total Gallery Operations	<u>\$3,976,000</u>	<u>\$4,243,860</u>	<u>(\$267,860)</u>
<b>Total Expenses</b>	<u>\$3,976,000</u>	<u>\$4,243,860</u>	<u>(\$267,860)</u>
<b>Net Operating Income (Loss)</b>	<u>(\$150,000)</u>	<u>(\$751,755)</u>	<u>(\$601,755)</u>
<b>Endowment Fund - Net</b>	<u>\$150,000</u>	<u>\$28,929</u>	<u>(\$121,071) (11)</u>
<b>Acquisition Fund - Net</b>	<u>\$0</u>	<u>(\$18,118)</u>	<u>(\$18,118) (12)</u>
<b>Surplus (Deficit)</b>	<u>\$0</u>	<u>(\$740,944)</u>	<u>(\$740,944)</u>

- (1) Grant included \$37,500 funding for storage project.
- (2) Fund Development Plan as outlined in Business plan was not implemented
- (3) Fund Development Plan as outlined in Business plan was not implemented
- (4) Funding for programs including Sobey Art Award higher than anticipated.
- (5) Gallery Shop sales significantly underperformed
- (6) Wholesale sales significantly underperformed
- (7) Casual Conversion expense for retro pay of \$340,000 accrued. Offset by other savings recognized due to timing of hires for Director Fund Development and Chief Curator
- (8) Security, stationery, postage and other discretionary expenses underspent
- (9) Increases due to higher costs of programming including Sobey Art Award
- (10) Advertising expenses included prior year invoices
- (11) Endowment fund decreased due to investment losses and lower than anticipated interest
- (12) Acquisition expenses higher due to prior year invoices and foreign exchange conversion