

Financial Statements

Art Gallery of Nova Scotia

March 31, 2013

MANAGEMENT'S REPORT

The financial statements have been prepared by management in accordance with Canadian public sector accounting standards and the integrity and objectivity of these financial statements are management's responsibility. Management is also responsible for all of the notes to the financial statements, and for ensuring that this information is consistent, where appropriate, with the information contained in the financial statements.

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

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

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

On behalf of the Art Gallery of Nova Scotia:



Raymund Cronin
Director and CEO

June 27, 2013.

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of the **Art Gallery of Nova Scotia** [the "Gallery"] which comprise the statements of financial position as at March 31, 2013, and 2012 and April 1, 2011, and the statements of operations and accumulated surplus, remeasurement gains and losses, changes in net financial assets and cash flows for the years ended March 31, 2013 and 2012, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Basis for qualified opinion

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

Qualified opinion

In our opinion, except for the effect of any adjustments that might have been required had we been able to satisfy ourselves with respect to the revenue described in the preceding paragraph, these financial statements, present fairly, in all material respects, the financial position of the Gallery as at March 31, 2013 and 2012, and April 1, 2011, and the results of its operations, changes in financial assets and its cash flows for the years ended March 31, 2013 and 2012 in accordance with Canadian public sector accounting standards.

Ernst & Young LLP

Halifax, Canada,
June 27, 2013.

Chartered Accountants

Art Gallery of Nova Scotia

STATEMENTS OF FINANCIAL POSITION

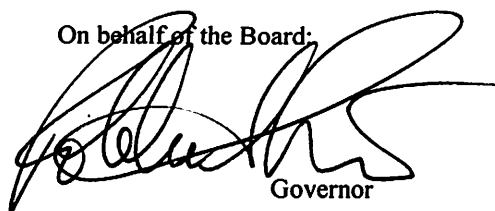
As at

	March 31, 2013 \$	March 31, 2012 \$	April 1, 2011 \$
FINANCIAL ASSETS			
Cash	546,205	597,125	151,329
Accounts receivable	168,390	288,030	896,521
Inventory for resale	105,635	121,835	107,783
Investments – endowment <i>[notes 5 and 10]</i>	2,433,154	2,230,878	2,321,303
	<u>3,253,384</u>	<u>3,237,868</u>	<u>3,476,936</u>
FINANCIAL LIABILITIES			
Accounts payable and accrued liabilities	332,810	427,857	720,225
Deferred revenue <i>[note 4]</i>	304,141	481,961	374,296
	<u>636,951</u>	<u>909,818</u>	<u>1,094,521</u>
Net financial assets	<u>2,616,433</u>	<u>2,328,050</u>	<u>2,382,415</u>
NON-FINANCIAL ASSETS			
Tangible capital assets, net <i>[note 6]</i>	61,378	109,775	87,271
Prepaid expenses	90,429	101,296	37,688
	<u>151,807</u>	<u>211,071</u>	<u>124,959</u>
Accumulated surplus <i>[note 9]</i>	<u>2,768,240</u>	<u>2,539,121</u>	<u>2,507,374</u>
Accumulated surplus is comprised of:			
Accumulated operating surplus	2,757,783	2,575,430	2,507,374
Accumulated remeasurment gains (losses)	10,457	(36,309)	—
	<u>2,768,240</u>	<u>2,539,121</u>	<u>2,507,374</u>

Contingencies *[note 7]*

See accompanying notes

On behalf of the Board:


Governor


Governor

Art Gallery of Nova Scotia

**STATEMENTS OF OPERATIONS
AND ACCUMULATED SURPLUS**

Years ended March 31

	2013	2013	2012
	\$	\$	\$
	[budget – unaudited]	[actual]	[actual]
REVENUE [schedule 1]			
Operating [note 4]	2,660,391	2,711,600	2,986,333
Programming	542,600	935,112	605,131
Gallery Shop	236,134	214,536	225,865
Other revenue [notes 10 and 11]	230,100	446,668	306,154
	<u>3,669,225</u>	<u>4,307,916</u>	<u>4,123,483</u>
EXPENDITURES [schedule 2]			
Salaries and benefits	1,972,924	1,981,599	1,826,872
Programming	621,240	854,305	651,750
Building operations	497,500	10,194	495,598
Western branch	142,016	133,777	123,516
Gallery Shop	208,160	187,273	237,272
Administration [notes 10 and 11]	260,570	347,589	271,178
Communications and marketing	261,000	344,436	262,661
Acquisitions [note 11]	156,000	217,993	129,485
	<u>4,119,410</u>	<u>4,077,166</u>	<u>3,998,332</u>
	(450,185)	230,750	125,151
Amortization of tangible capital assets	—	48,397	57,095
Annual surplus	<u>(450,185)</u>	<u>182,353</u>	<u>68,056</u>
Accumulated operating surplus, beginning of year	2,575,430	2,575,430	2,507,374
Accumulated operating surplus, end of year	<u>2,125,245</u>	<u>2,757,783</u>	<u>2,575,430</u>

See accompanying notes

Art Gallery of Nova Scotia

**STATEMENTS OF REMEASUREMENT
GAINS AND LOSSES**

As at March 31

	2013	2012
	\$	\$
	<u>[actual]</u>	<u>[actual]</u>
Accumulated remeasurement losses, beginning of year	(36,309)	—
Unrealized gains (losses) attributable to investments	46,766	(36,309)
Accumulated remeasurement gains (losses), end of year	<u>10,457</u>	<u>(36,309)</u>

See accompanying notes

Art Gallery of Nova Scotia

**STATEMENTS OF CHANGES IN
NET FINANCIAL ASSETS**

Years ended March 31

	2013	2013	2012
	\$	\$	\$
	[budget – unaudited]	[actual]	[actual]
Annual surplus	(450,185)	182,353	68,056
Acquisition of tangible capital assets	—	—	(79,599)
Amortization of tangible capital assets	—	48,397	57,095
Decrease (increase) in prepaid expenses	—	10,867	(63,608)
	(450,185)	241,617	(18,056)
Unrealized gains (losses) attributable to investments	—	46,766	(36,309)
Increase (decrease) in net financial assets	(450,185)	288,383	(54,365)
Net financial assets, beginning of year	2,328,050	2,328,050	2,382,415
Net financial assets, end of year	1,877,865	2,616,433	2,328,050

See accompanying notes

STATEMENTS OF CASH FLOWS

Years ended March 31

	2013	2012
	\$	\$
	<u>[actual]</u>	<u>[actual]</u>
OPERATING ACTIVITIES		
Annual surplus	182,353	68,056
Add item not affecting cash:		
Amortization of tangible capital assets	48,397	57,095
Decrease in accounts receivable	119,640	608,491
Decrease (increase) in inventory for resale	16,200	(14,052)
Decrease in accounts payable and accrued liabilities	(95,047)	(292,368)
Increase (decrease) in deferred revenue	(177,820)	107,665
Decrease (increase) in prepaid expenses	10,867	(63,608)
Cash provided by operating activities	<u>104,590</u>	<u>471,279</u>
CAPITAL ACTIVITY		
Cash used to acquire tangible capital assets	—	(79,599)
Cash used in capital activity	<u>—</u>	<u>(79,599)</u>
INVESTING ACTIVITY		
Change in investments	(155,510)	54,116
Cash (used in) provided by investing activity	<u>(155,510)</u>	<u>54,116</u>
Net (decrease) increase in cash during the year	(50,920)	445,796
Cash, beginning of year	597,125	151,329
Cash, end of year	<u>546,205</u>	<u>597,125</u>

See accompanying notes

Art Gallery of Nova Scotia

NOTES TO FINANCIAL STATEMENTS

March 31, 2013

1. NATURE OF THE ORGANIZATION

The Art Gallery of Nova Scotia's ["AGNS" or the "Gallery"] mandate is to preserve the Province's unique visual and cultural history through the acquisition, 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. CONVERSION TO PUBLIC SECTOR ACCOUNTING STANDARDS

Commencing with the 2013 fiscal year, the AGNS has adopted Canadian public sector accounting ["PSA"] standards. These financial statements are the first financial statements for which the AGNS has applied Canadian PSA standards.

In accordance with Section PS 2125, *First-time Adoption by Government Organizations*, the Gallery elected to apply the following exemption:

- The Gallery prospectively applied, as at the date of the transition, the requirements for write-downs of tangible capital assets set out in Section PS 3150. The Gallery reviewed the first-time adoption standard and determined that no other exemptions were applicable.

The accounting policies that the Gallery has used in the preparation of its opening balance sheet have resulted in no adjustments to balances that were presented in the balance sheet prepared in accordance with Part V of the CICA Handbook – *Accounting XFI*.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements are prepared by management in accordance with Canadian PSA standards for provincial reporting entities established by the Canadian Public Sector Accounting Board.

Cash

Cash consists of bank balances and cash on hand.

Inventory held for resale

Inventory is valued at the lower of historical cost and replacement cost.

NOTES TO FINANCIAL STATEMENTS

March 31, 2013

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

Investments

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

All investment transactions are recorded on a trade date basis.

Tangible capital assets

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

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

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

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

Deferred revenue

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

NOTES TO FINANCIAL STATEMENTS

March 31, 2013

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

Revenue recognition

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

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

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

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

Expenditures

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

Measurement uncertainty

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

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

Art Gallery of Nova Scotia

NOTES TO FINANCIAL STATEMENTS

March 31, 2013

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

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 \$217,993 [2012 – \$129,485].

Contributed goods and services

Volunteers contributed approximately 25,000 hours during 2013 to assist the AGNS in carrying out its mandate. Also, the Province of Nova Scotia provides the AGNS with use of its premises at no cost. Because of the difficulty in determining their fair value, contributed goods and services are not recognized in the financial statements.

Allocation of expenditures

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

4. GOVERNMENT ASSISTANCE

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

	2013	2012
	\$	\$
Nova Scotia Department of Tourism, Culture and Heritage – operating grant	2,046,000	2,046,000
Nova Scotia Department of Tourism, Culture and Heritage – non-recurring operating recoveries	—	50,000
Nova Scotia Department of Transportation Infrastructure Renewal – non-recurring operating recoveries	—	354,439
Canada Council for the Arts	160,000	160,000
Federal Department of Canadian Heritage	132,358	87,090
Department of Education	50,000	50,000
Nova Scotia Department of Communities Culture & Heritage – ArtSmarts/Gold Exhibition/Operating	85,000	55,000
Federal Virtual Museum of Canada	—	58,850
Federal Department of Canadian Heritage	—	50,000
	<u>2,473,358</u>	<u>2,911,379</u>

Art Gallery of Nova Scotia

NOTES TO FINANCIAL STATEMENTS

March 31, 2013

4. GOVERNMENT ASSISTANCE [Cont'd]

During the year, \$2,393,358 [2012 – \$2,827,529] of the above funding is recognized in operating and programming revenue and \$80,000 [2012 – \$83,850] is recorded in deferred revenue.

5. INVESTMENTS

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

	March 31, 2013		March 31, 2012		April 1, 2011	
	Cost \$	Market value \$	Cost \$	Market value \$	Cost \$	Market value \$
Common equity	1,368,713	1,509,786	1,268,421	1,342,394	1,329,886	1,476,612
Short-term notes	64,088	57,065	57,065	57,065	660	660
Bonds and debentures	813,733	859,280	765,540	831,419	814,601	844,031
	2,246,534	2,433,154	2,091,026	2,230,878	2,145,147	2,321,303

6. TANGIBLE CAPITAL ASSETS

	March 31, 2013 \$	March 31, 2012 \$	April 1, 2011 \$
Storage vault	152,330	152,330	134,696
Security system	20,630	20,630	20,630
Software	15,330	15,330	15,330
Equipment	9,912	9,912	7,949
Leasehold improvements	60,002	60,002	—
	258,204	258,204	178,605
Less: accumulated depreciation	196,826	148,429	91,334
	61,378	109,775	87,271

NOTES TO FINANCIAL STATEMENTS

March 31, 2013

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.

8. FINANCIAL INSTRUMENTS

Measurement of financial instruments

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

Risk management

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

Credit risk

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

Liquidity risk

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

Art Gallery of Nova Scotia

NOTES TO FINANCIAL STATEMENTS

March 31, 2013

8. FINANCIAL INSTRUMENTS [Cont'd]

Market, foreign currency and interest rate price risks

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

Capital management

In managing capital, the AGNS focuses on liquid resources available for operations. The AGNS's objective is to have sufficient liquid resources to continue operating despite events with adverse financial consequences and to provide it with the flexibility to take advantage of opportunities that will advance its purposes. The need for sufficient liquid resources is considered in the preparation of an annual budget and in the monitoring of cash flows and actual operating results compared to the budget. As at March 31, 2013, the AGNS has met its objective of having sufficient liquid resources to meet its current obligations.

9. ACCUMULATED SURPLUS

	2013 \$	2012 \$
Accumulated surplus, beginning of year	2,539,121	2,507,374
Annual surplus	182,353	68,056
Unrealized gains (losses) attributable to investments	46,766	(36,309)
Accumulated surplus, end of year	<u>2,768,240</u>	<u>2,539,121</u>

10. ENDOWMENT FUND

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.

Art Gallery of Nova Scotia

NOTES TO FINANCIAL STATEMENTS

March 31, 2013

10. ENDOWMENT FUND [Cont'd]

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 that are stipulated to go to the Endowment Fund, such as life membership fees; and
- [c] any funds specifically designated by the Board of Governors.

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

	2013 \$	2012 \$
Endowment revenue	180,136	152,088
Less: endowment administration expenditures	(19,670)	(24,953)
Excess of revenue over expenditures for the year	<u>160,466</u>	<u>127,135</u>
Surplus, beginning of the year	3,161,105	3,263,350
Excess of revenue over expenditures for the year	160,466	127,135
Unrealized gains (losses) attributable to investments	46,766	(36,309)
Contributions to Acquisition Fund	—	(133,511)
Contributions to Gallery Fund	(55,283)	(59,560)
Surplus, end of the year	<u>3,313,054</u>	<u>3,161,105</u>

Included with in the surplus balance noted above are restricted contributions in the amount of \$579,212 [2012 – \$574,549; 2011 – \$572,726].

Art Gallery of Nova Scotia

NOTES TO FINANCIAL STATEMENTS

March 31, 2013

11. ACQUISITION FUND

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

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

	2013 \$	2012 \$
Acquisition revenue	266,532	154,066
Less: administration expenditures	(65,545)	(36,970)
Less: acquisitions	(217,993)	(129,485)
Deficiency of revenue over expenditures for the year	(17,006)	(12,389)
Surplus (deficit), beginning of the year	119,764	(1,358)
Deficiency of revenue over expenditures for the year	(17,006)	(12,389)
Contributions from Endowment Fund	—	133,511
Surplus, end of the year	102,758	119,764

12. COMPENSATION DISCLOSURE FOR THE PUBLIC SECTOR COMPENSATION DISCLOSURE ACT

The compensation amount is calculated in accordance with the requirements of the *Public Sector Compensation Disclosure Act*. Compensation includes total base income before taxes for 2012-13 as well as all overtime payments, retirement or severance payments, lump-sum payments and vacation payouts, payments made for exceptional benefits not provided to the majority of employees, and the value of the benefit derived from vehicles or allowances with respect to vehicles. The *Public Sector Compensation Disclosure Act* requires public sector bodies to disclose the name and compensation paid to individuals who receive compensation of \$100,000 or more.

For the year ended March 31, 2013, the following individual received compensation of \$100,000 or more:

Employee name	Position	Total compensation \$
Raymund Cronin	Director and CEO and Secretary to the Board	144,076

Art Gallery of Nova Scotia

NOTES TO FINANCIAL STATEMENTS

March 31, 2013

13. BUDGETED FIGURES

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

SCHEDULE OF REVENUE

Years ended March 31

	2013	2012
	\$	\$
Operating		
Nova Scotia Department of Tourism, Culture and Heritage – operating grant <i>[note 4]</i>	2,046,000	2,046,000
Nova Scotia Department of Tourism, Culture and Heritage non-recurring operating recoveries <i>[note 4]</i>	—	50,000
Nova Scotia Department of Transportation Infrastructure Renewal non-recurring operating recoveries <i>[note 4]</i>	—	354,439
Special events	193,285	87,965
Admission	101,261	93,451
Sponsorships	196,265	146,654
Rental recoveries	76,880	66,130
Donations	35,752	61,367
Memberships	49,177	45,394
Other	12,980	34,933
	2,711,600	2,986,333
Programming		
Exhibitions	746,590	430,000
Education and outreach	188,522	175,131
	935,112	605,131
Gallery Shop		
Art and craft sales	196,360	158,209
Art and craft sales on consignment	—	49,456
Wholesale	18,176	18,200
	214,536	225,865
Other revenue		
Endowment fund	180,136	152,088
Acquisition fund	266,532	154,066
	446,668	306,154

SCHEDULE OF EXPENDITURES

Years ended March 31

	2013	2012
	\$	\$
Salaries and benefits		
Salaries and employee benefits	1,981,599	1,826,872
Programming		
Exhibitions	623,315	424,284
Education	100,999	103,308
Collection management	90,735	82,444
Other	39,256	35,574
Vehicles	—	6,140
	<u>854,305</u>	<u>651,750</u>
Building operations		
Security	5,029	14,175
Building maintenance and cleaning	4,137	180,529
Insurance	1,028	1,040
Utilities	—	273,772
Climate Control	—	16,052
Elevator	—	10,030
	<u>10,194</u>	<u>495,598</u>
Western branch		
Salaries and benefits	77,831	78,877
Building operations	54,747	43,901
Other	2,542	1,694
Programming	(1,343)	(956)
	<u>133,777</u>	<u>123,516</u>
Administration		
Travel	49,914	39,932
Appraisal fees	47,904	24,430
Telephone	44,331	34,361
Stationery and postage	49,116	37,105
Technology	30,161	17,214
Professional fees	33,295	27,996
Bad debts	21,185	11,068
Equipment Rental	17,967	18,461
Trustee fees	17,008	19,794
Bank charges	15,115	14,940
Miscellaneous	9,773	(384)
Memberships	9,320	21,261
Designated Gallery expenses	2,500	5,000
	<u>347,589</u>	<u>271,178</u>
Communications and marketing		
Development/public relations	284,845	213,595
Special events	59,591	49,066
	<u>344,436</u>	<u>262,661</u>