Art Gallery of Regina Inc.

Financial Statements

March 31, 2026

Art Gallery of Regina Inc.
March 31, 2026

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Priority Accounting Services CPA Prof. Corp.
2144 Cornwall St.
Regina, Saskatchewan S4P 2K7

Independent Practitioner's Review Engagement Report

To the Members
Art Gallery of Regina Inc.

We have reviewed the accompanying financial statements of Art Gallery of Regina Inc. that comprise the statement of financial position as at March 31, 2026, and the Statements of operations, changes in net assets and cash flows for the year then ended, 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 accounting standards for not for profit organizations, 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.

Independent Practitioner's Responsibility

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of Art Gallery of Regina Inc. as at March 31, 2026, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not for profit organizations.

Priority Accountants CPA
Chartered Professional Accountants

August 10, 2026

Art Gallery of Regina Inc.

Statement of Financial Position

As At March 31, 2026

	Note	2026	2025
Assets			
Current Assets			
Cash	2.	**$ 143,430**	$ 133,416
Short term investments	3.	**26,628**	16,262
Accounts receivable, net of allowances	4.	**2,244**	1,643
Prepaid expenses		**-**	2,877
Total Current Assets		**172,302**	154,198
Total Assets		**$ 172,302**	$ 154,198

The accompanying notes are an integral part of these financial statements.

Art Gallery of Regina Inc.

Statement of Financial Position

As At March 31, 2026

Liabilities and Net Assets			
Current Liabilities			
Accounts payable and accrued liabilities	6.	**$ 6,215**	$ 13,043
PST payable		**195**	740
Deferred income/revenue	7.	**89,150**	21,200
Total Current Liabilities		**95,560**	34,983
Net Assets			
Net assets - unrestricted		**50,252**	109,111
Internally Restricted Funds:		**-**	-
Recovery Fund		**9,596**	6,000
Succession Fund		**6,538**	3,750
Capital Fund		**356**	354
Special Projects Fund (CAUA)		**10,000**	-
Total Net Assets		**76,742**	119,215
Total Liabilities and Net Assets		**$ 172,302**	$ 154,198

Approved on Behalf of the Board:

The accompanying notes are an integral part of these financial statements.

Art Gallery of Regina Inc.

Statement of Operations

For the Year Ended March 31, 2026

	2026	2025
Revenue		
Art sales	$ **16,952**	$ 22,073
Program and classes	**4,200**	5,847
Other income-Schedule 1	**11,535**	11,945
Interest and GST rebates	**771**	663
Corporate sponsorship	**10,531**	9,200
Partnership Contributions	**2,400**	3,000
Membership	**7,959**	8,459
	54,348	61,187
Grant revenue		
City of Regina Community Partnership Oper Grant	**84,500**	84,485
City of Regina - Adapted Sport & Recreation Grant	**-**	7,464
City of Regina - New Initiatives Grant	**5,290**	950
City of Regina - New Initiatives Grant - Listening station	**-**	978
City of Regina - Project Grant	**7,602**	-
Saskatchewan Arts Board - Operating Grant	**43,650**	43,650
Sask Arts Board - Artists in Communities	**-**	9,000
Sask Culture -Culture Days	**5,000**	5,000
Sask Culture - Aborignal Arts and Culture Leadership Grant	**-**	15,000
Canada Council - Explore and Create	**-**	30,320
Canada Council - Accessible Gallery Tours (Seed Grant)	**15,910**	9,090
	161,952	205,937
Total revenue	**216,300**	267,124
Wages Expense		
Director wages	**-**	(2,588)
Curator wages	**73,583**	52,880
Gallery support staff	**39,558**	43,174
Casual staff	**7,774**	-
Total wages expense	**120,915**	93,466
Operating expenses		
Operating expenses-Schedule 2	**62,974**	44,167
Program expenses-Schedule 3	**56,040**	61,075
Project grant expenses-Schedule 4	**18,844**	58,459

The accompanying notes are an integral part of these financial statements.

Art Gallery of Regina Inc.

Statement of Operations

For the Year Ended March 31, 2026

		2026	2025
Total operating expenses		**137,858**	163,701
Excess of revenue over expenses	**$**	**(42,473)**	$ 9,957

The accompanying notes are an integral part of these financial statements.

Art Gallery of Regina Inc.

Statement of Changes in Net Assets

For the Year Ended March 31, 2026

	Unrestricted	Internally restricted: Capital replacement	Internally restricted: Recovery Fund	Special Projects Fund	Internally restricted: Succession planning
Net assets - beginning of year	$ 109,111	$ 354	$ 6,000	$ -	$ 3,750
Excess of revenue over expenses	(42,473)	-	-	-	-
Increase (decrease) in funds	(16,386)	2	3,596	10,000	2,788
Net assets - end of year	$ 50,252	$ 356	$ 9,596	$ -	$ 6,538

	2026	2025
Net assets - beginning of year	$ 119,215	$ 109,258
Excess of revenue over expenses	(42,473)	9,957
Increase (decrease) in funds	-	-
Net assets - end of year	$ 76,742	$ 119,215

The accompanying notes are an integral part of these financial statements.

Art Gallery of Regina Inc.

Statement of Cash Flows

For the Year Ended March 31, 2026

	Note	2026	2025
CASH FLOWS FROM OPERATING ACTIVITIES:			
Excess of revenue over expenses		**$ (42,473)**	$ 9,957
Changes in non-cash working capital			
Increase (decrease) in Deferred Revenue		**67,950**	(126,069)
Increase (decrease) in Accounts Payable		**(6,828)**	4,815
Increase (decrease) in Taxes Payable		**(545)**	(671)
Increase (decrease) in Receivables		**(601)**	2,168
Increase (decrease) in prepaid expense		**2,877**	(2,877)
TOTAL CASH FLOWS FROM OPERATING ACTIVITIES		**20,380**	(112,677)
CASH FLOWS FROM INVESTING ACTIVITIES:			
CASH FLOWS FROM FINANCING ACTIVITIES:			
OTHER ACTIVITIES:			
Net cash increase (decreases) in cash and cash equivalents		**20,380**	(112,677)
Cash and cash equivalents at beginning of period		**149,678**	262,355
Cash and cash equivalents at end of period		**$ 170,058**	$ 149,678

Cash and cash equivalents consist of the following:

	Note	2026	2025
Cash	2.	**$ 143,430**	$ 133,416
Short term investments		**26,628**	16,262
		$ 170,058	$ 149,678

The accompanying notes are an integral part of these financial statements.

Art Gallery of Regina Inc.

Notes to the Financial Statements

For the Year Ended March 31, 2026

1. Significant Accounting Policies

a. Nature of entity/basis of preparation

Art Gallery of Regina Inc. Art Gallery of Regina Inc. was initially incorporated as Rosemont Art Gallery Society Inc. on September 24, 1976, under the provisions of The Societies Act and was continued under the provisions of The Non-profit Corporations Act of Saskatchewan, 2022 . Effective May 17, 2005, the Gallery changed its name to Art Gallery of Regina Inc. The Gallery is a registered charity, as such, is exempt from income taxes under Section 149 of the Income Tax Act, Canada.

The objectives of the Gallery are:

a) to operate a public are Gallery for the benefit of Regina and Saskatchewan citizens; and b) to promote the development and appreciation of visual art through art exhibits and public educational programming.

These financial statements have been prepared in accordance with Canadian accounting standards for not-for profit organizations using the following significant accounting policies.

b. Cash and cash equivalents

Cash and cash equivalents includes short-term investments and highly liquid investments in money market instruments which are carried at the lower of cost and market value with a maturity date of three months or less from the acquisition date. These are valued at cost which approximates market value.

i. Restricted cash

Any cash that is legally restricted from use is recorded in restricted cash. Cash and deposits are considered restricted when they are subject to contingent rights of third parties. If the restriction on cash relates to acquiring a long-term asset, liquidating a long-term liability or is unavailable for a period longer than one year from the balance sheet date, the restricted cash is classified as a long-term asset. Otherwise, restricted cash is classified as a current asset.

c. Impairment of long lived assets

In the event that facts and circumstances indicate that the Gallery's long-lived assets may be impaired, an evaluation of recoverability would be performed. Such an evaluation entails comparing the estimated future undiscounted cash flows associated with the asset to the asset's carrying amount to determine if a write down to market value or discounted cash flow value is required. The Gallery considers that no circumstances exist that would require such an evaluation.

Art Gallery of Regina Inc.

Notes to the Financial Statements

For the Year Ended March 31, 2026

1. **Significant Accounting Policies**

d. Capital assets

The Gallery treats the cost of capital asset purchases as an expense in the year that the asset is purchased. No provision for amortization is included in these financial statements.

e. Deferred revenue

Deferred revenue represents annual membership fees paid by the Gallery's members, grant, sponsorship and art sales received in advance. The Gallery recognizes membership fee ratably over the term of the membership and any unearned portion is included in deferred revenue. The Gallery recognizes grants, sponsorship and art sales when all recognition stipulations are met.

f. Financial instruments

The Gallery has determined that the estimated fair value of the financial assets and liabilities do not differ considerably from their book value. Financial assets and financial liabilities are recorded on the statement of financial position when the Organization becomes party to the contractual provisions of the financial instrument.

The Gallery initially measures its financial assets and financial liabilities at fair value, except for certain related party transactions that are measured at the carrying amount or exchange amount, as appropriate.

The Gallery's recognized financial assets and liabilities consist of cash, investments, accounts receivable, accounts payable and accrued liabilities. The fair value of these financial instruments approximates the carrying value unless otherwise noted.

g. Revenue recognition

The Gallery follows the deferral method of accounting for contributions. Restricted contributions and grant are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions and grants are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collections is reasonably assured.

Donations are recorded when received since pledges are not legally enforceable claim.

Membership revenue is recognized in operations in the period to which they apply.

Investment income and other revenue is recognized in operations when earned.

Sales revenue is recognized in accordance with industry practice which is when all the risks and benefits of ownership of products have been transferred to customers and services are rendered.

Sponsorships are most often received much earlier than the event and recorded as deferred revenue (a liability) and recognized in the period that the event occurs.

Art Gallery of Regina Inc.

Notes to the Financial Statements

For the Year Ended March 31, 2026

1. Significant Accounting Policies

g. Revenue recognition

Contributed good and services from volunteers are not recognized in these financial statements due to the difficulty of determining fair value.

h. Use of estimates

The preparation of financial statements in accordance with Canadian accounting standards for not-for-organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates and may have impact on future periods.

Art Gallery of Regina Inc.

Notes to the Financial Statements

For the Year Ended March 31, 2026

2. Cash

		2026		2025
Bank chequing	$	143,069	$	132,557
Capital fund-restricted		361		354
Paypal		-		505
Total	$	143,430	$	133,416

3. Investments

		2026		2025
GIC TD bank with interest rate of 2.80%, maturing July 21, 2026	**$**	**6,914**	$	-
GIC with interest rate of 4.5%, maturing Jul 19, 2025		**-**		6,532
GIC with interest rate of 3.10%, maturing June 21, 2026		**9,615**		-
GIC with interest rate of 2.5%, maturing June 20, 2025		**-**		9,596
Accrued interest		**114**		134
Total Investments in GIC		**16,643**		16,262
Saskatchewan Community Foundation		**9,985**		-
Total investments	**$**	**26,628**	$	16,262

4. Accounts receivable, net of allowances

		2026		2025
City of Regina - New Initiatives	$	1,248	$	1,443
GST receivable		996		200
Total	$	2,244	$	1,643

Art Gallery of Regina Inc.

Notes to the Financial Statements

For the Year Ended March 31, 2026

5. Capital assets

The Gallery records the cost of capital assets as an expense in the period of acquisition. In addition, to maintain accountability for the capital assets the Gallery maintains a listing of its capital assets including the original cost of the asset. Annually, management review the asset listing and adjust the record of capital assets for the cost of the assets deemed to be obsolete.

	2026	2025
Office equipment	$ 13,586	$ 13,586
Gallery equipment	14,086	14,086
Total expensed	$ (27,672)	$ (27,672)

6. Accounts payable and accrued expenses

	2026	2025
Accrued liability-review fees	$ 3,996	$ 2,997
TD Visa	404	1,286
Trade payables	1,345	8,763
Accrued liability-Accounting fee	473	-
Total	$ 6,218	$ 13,046

7. Deferred revenue

Deferred revenue includes advance fees received and unspent grant funds, which are carried over to subsequent periods until the associated services are performed or the grant conditions are fulfilled.

	2026	2025
City of Regina	$ 89,150	$ 5,290
Canada Council - Accessible Gallery Tours	-	15,910
Total	$ 89,150	$ 21,200

8. Credit risk

a. Credit risk

Credit risk refers to the risk that a company may default on its contractual obligations resulting in a financial loss. The Gallery's principal asset is cash. The carrying amounts of financial assets in the statement of financial position represent the Gallery's maximum credit exposure at the balance sheet date. The Gallery does not have significant exposure to any individual customer and has not incurred any significant bad debts during the year. Dealing with institutions that have strong credit ratings minimizes credit risk related to cash.The Gallery does not face significant credit risk exposure. The fair values of items that meet the definition of financial instruments approximate their carrying values. These items include accounts receivable, notes receivable and short-term debt.

b. Liquidity risk

Liquidity risk is the risk that the gallery will not able to meet a demand for cash or fund its obligations as they come due. Liquidity risk also includes the risk of the Gallery not being able to liquidate assets in a timely manner at a reasonable price. The Gallery monitors its cash flow throughout the year to ensure its billing practices take into account the timing and level of its cash obligations. The Gallery has sufficient funds from which to operate and this risk is considered to be low.

9. Art collection

The Gallery maintains a permanent collection of visual and audio visual materials relevant to its mandate. The collection is not recognized in the statement of financial position and has an estimated appraised value of $30,000 (appraisal was done in 2023 by professional appraiser). During the year there were no significant changes in the Gallery's collection. The Gallery carries an insurance policy on its permanent collection in the amount of $50,000.

Art Gallery of Regina Inc.

Notes to the Financial Statements

For the Year Ended March 31, 2026

10. Internally restricted net assets

The Gallery's Board of Directors internally restricted the following amounts from unrestricted net assets. The amounts are not available for other purposes without the approval of the Board of Directors.

Capital Replacement Reserve

During the 2015 fiscal year the Gallery undertook a capital campaign designed to raise funds to assist the Gallery with the acquisition of capital assets. At the time of undertaking this campaign, the Board of Directors agreed to internally restrict the use of the capital campaign funds and defer recognition of these funds as revenue until the year in which the Gallery spends funds on capital assets and replacements.

Succession Planning Reserve

The Gallery received funds specifically designated to defray the cost of transition. The Gallery spent some of the funds and then established a restricted Succession Fund reserved for future succession expenses.

Special Projects Reserve (CAUA)

The Board of Directors has internally restricted a portion of the Gallery’s net assets to provide funding for strategic initiatives and special projects, including amounts invested with the Saskatchewan Community Foundation through its Charitable Assets Under Administration (CAUA) program. These amounts are internally restricted and are not subject to external restrictions. The restrictions may be modified or removed only by resolution of the Board of Directors.

11. Grants - Saskatchewan Arts Board

The amount reported in these financial statements as grant revenue from the Saskatchewan Arts Board is made up of a combination of Lottery and non-Lottery funding. This is made possible through the Partnership Agreement between the Saskatchewan Arts Board and SaskCulture Inc., which is the Trustee for the Culture Section of Saskatchewan Lotteries Trust Fund for Sport, Culture and Recreation. Under the terms of this agreement for the applicable period, SaskCulture allocated a specified amount of Lottery funds to the Saskatchewan Arts Board as a portion of the total envelope of funds available for the program(s) through which this grant was adjudicated and approved.

Art Gallery of Regina Inc.

Notes to the Financial Statements

For the Year Ended March 31, 2026

12. Commitments

Art Gallery of Regina Inc. operates under a 5 year renewable lease which expires March 31, 2031. The Gallery pays base rent of $ 1 to City of Regina and the Gallery's proportionate share of the annual operating costs of $17,000.00 plus GST per year.

13. Economic dependence

Approximately 75% (2025 - 77%) of the Gallery's sales are made from external contributions. The loss of a material amount of contributions could have a material adverse effect on operations. The Gallery is dependent upon the continuance of these contributions to maintain operations at their current level..

14. Art Gallery of Regina Legacy Fund

The Art Gallery of Regina is the designated beneficiary of the Art Gallery of Regina Legacy Fund (the "Fund"), which has been established and is administered by the Saskatchewan Community Foundation (the "Foundation"). The capital of the Fund is held, invested, and managed by the Foundation in accordance with the applicable fund agreement.

As the Organization does not control the assets of the Fund, the Fund's assets and related investment income are not included in the Organization's statement of financial position or statement of operations. Distributions received from the Fund are recognized as revenue in the period in which they are approved by the Foundation.

As of March 31, 2026, the Organization has contributed a total of $15,000 to establish the Fund.

Art Gallery of Regina Inc.

Other income-Schedule 1

For the Year Ended March 31, 2026

	2026	2025
Donation	**$ 4,541**	$ 4,632
Other income	**637**	86
Donations from Art Sales	**4,932**	6,725
Fundraising	**1,357**	502
Concession/Café	**68**	-
Total revenue	**$ 11,535**	$ 11,945

Art Gallery of Regina Inc.

Operating expenses-Schedule 2

For the Year Ended March 31, 2026

	2026	2025
Audit and accounting	**$ 10,553**	$ 9,154
Office expenses	**747**	752
Promotion and other	**368**	266
Bank charges	**2,453**	2,082
Telephone	**1,194**	1,404
Memberships	**250**	250
Software Licenses	**1,061**	1,948
Postage	**1,116**	1,410
Photocopy	**2,866**	3,013
Newsletters/advertising	**55**	1,087
Payroll fees	**1,374**	1,088
Rent	**13,298**	12,946
Professional development	**2,500**	197
Repairs and maintenance	**391**	(60)
Bad debt expense	**-**	6,131
Strategic plan	**3,075**	-
Installation equipment	**-**	212
Tech equipment	**403**	285
Insurance	**5,591**	1,949
Equipment	**-**	53
Legacy Fund	**15,000**	-
WCB	**484**	-
Miscellaneous	**160**	-
SCF Fund Admin Expense	**35**	-
Total	**$ 62,974**	$ 44,167

The accompanying notes are an integral part of these financial statements.

Art Gallery of Regina Inc.

For the Year Ended March 31, 2026

Program expenses-Schedule 3

	2026	2025
Instructor fees	$ **1,506**	$ 1,715
Artist fees	**10,917**	15,436
Artist professional fees	**800**	-
Performance Fees	**1,200**	1,160
Honorariums	**900**	6,064
Travel - Accommodations & Per Diem	**3,662**	872
Installation	**785**	930
Workshop	**410**	442
Artist Talk honorariums	**1,000**	-
Workshop expenses/refund	**-**	583
Visit Instructor	**4,453**	4,430
Curators and writers	**2,000**	582
Signage & materials	**2,038**	800
Installation crew	**3,006**	3,045
Box & Other Show sales	**4,533**	14,565
Annual Member Show sale	**12,261**	8,663
Refund	**127**	458
Receptions hospitality	**1,519**	1,068
Fundraising	**1,378**	262
Shipping	**3,545**	-
Total	$ **56,040**	$ 61,075

The accompanying notes are an integral part of these financial statements.

Art Gallery of Regina Inc.

For the Year Ended March 31, 2026

Project grant expenses-Schedule 4

		2026		2025
Canada Council - Explore and Create	**$**	**-**	$	18,498
Canada Council - Holophon Partnership (Seed Grant)		**-**		1,907
Canada Council - Accessible Gallery Tours		**5,763**		16,554
Sask Culture - Culture Days		**3,864**		2,941
Sask Culture - Aborignal Arts and Culture Leadership Grant		**-**		15,609
City of Regina - New Initiatives Grant Holophon Listening Station		**5,459**		2,950
City of Regina - Adapted Sport and Recreation Grant PY		**1,800**		-
City of Regina - Adapted Sport and Recreation Grant		**1,958**		-
Total	**$**	**18,844**	$	58,459

The accompanying notes are an integral part of these financial statements.