

Art Gallery of Regina Inc.

Financial Statements

March 31, 2025

Art Gallery of Regina Inc.

March 31, 2025

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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, 2025, 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, 2025, 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

June 25, 2025

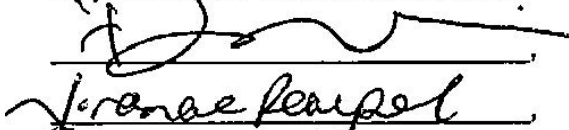
Art Gallery of Regina Inc.

Statement of Financial Position

As At March 31, 2025

	Note	2025	2024
Assets			
Current Assets			
Cash	2.	\$ 133,416	\$ 246,655
Short term investments	3.	16,262	15,699
Accounts receivable, net of allowances	4.	1,643	3,811
Prepaid expenses		2,877	-
Total Current Assets		154,198	266,165
Total Assets			
		\$ 154,198	\$ 266,165
Liabilities and Net Assets			
Current Liabilities			
Accounts payable and accrued liabilities	6.	\$ 13,043	\$ 8,228
PST payable		740	1,411
Deferred income/revenue	7.	21,200	147,269
Total Current Liabilities		34,983	156,908
Net Assets			
Net assets - unrestricted		109,111	108,910
Internally Restricted Funds:		-	-
<i>Recovery Fund</i>		6,000	-
<i>Succession Fund</i>		3,750	-
<i>Capital Fund</i>		354	347
Total Net Assets		119,215	109,257
Total Liabilities and Net Assets		\$ 154,198	\$ 266,165

Approved on Behalf of the Board:


Veronica Keupel

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, 2025

	2025	2024
Revenue		
Art sales	\$ 22,073	\$ 13,957
Program and classes	5,847	12,075
Other income-Schedule 1	11,945	10,365
Interest and GST rebates	663	680
Sponsorship	9,200	15,750
Partnership Contributions	3,000	3,575
Membership	8,459	10,165
	61,187	66,567
Grant revenue		
City of Regina Community Partnership Oper Grant	84,485	83,648
City of Regina - Adapted Sport & Recreation Grant	7,464	4,150
City of Regina - New Initiatives Grant	950	3,912
City of Regina - New Initiatives Grant - Listening station	978	-
Saskatchewan Arts Board - Operating Grant	43,650	44,650
Sask Arts Board - Artists in Communities	9,000	-
Sask Culture -Culture Days	5,000	5,000
Sask Culture - Aboriginal Arts and Culture Leadership Grant	15,000	-
Federal Grants	-	15,277
Canada Council - Explore and Create	30,320	12,800
Canada Council - Holophon Partnership Grant	-	15,000
Canada Council - Accessible Gallery Tours (Seeds Grant)	9,090	-
	205,937	184,437
Total revenue	267,124	251,004
Wages Expense		
Director wages	(2,588)	32,395
Curator wages	52,880	52,831
Gallery support staff	43,174	12,530
Total wages expense	93,466	97,756
Operating expenses		
Operating expenses-Schedule 2	44,167	39,544
Program expenses-Schedule 3	61,075	42,320
Project grant expenses-Schedule 4	58,459	34,930

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, 2025

	2025	2024
Total operating expenses	163,701	116,794
Excess of revenue over expenses	\$ 9,957	\$ 36,454

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, 2025

	Unrestricted	Internally restricted: Capital replacement	Internally restricted: Recovery Fund	Internally restricted: Succession planning	2025
Net assets - beginning of year	\$ 108,910	\$ 348	\$ -	\$ -	\$ 109,258
Excess of revenue over expenses	9,951	6	-	-	9,957
Increase (decrease) in funds	(9,750)	-	6,000	3,750	-
Net assets - end of year	\$ 109,111	\$ 354	\$ 6,000	\$ 3,750	\$ 119,215

	2024
Net assets - beginning of year	\$ 73,142
Excess of revenue over expenses	36,454
Increase (decrease) in funds	(338)
Net assets - end of year	\$ 109,258

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, 2025

	Note	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES:			
Excess of revenue over expenses		\$ 9,957	\$ 36,454
Increase (decrease) in Deferred Revenue		(126,069)	39,371
Changes in non-cash working capital			
Increase (decrease) in Accounts Payable		4,815	4,083
Increase (decrease) in Taxes Payable		(671)	1,411
Increase (decrease) in Receivables		2,168	(2,611)
Increase (decrease) in prepaid expense		(2,877)	-
TOTAL CASH FLOWS FROM OPERATING ACTIVITIES		(112,677)	78,708
CASH FLOWS FROM INVESTING ACTIVITIES:			
CASH FLOWS FROM FINANCING ACTIVITIES:			
Transfers from restricted funds		-	(338)
OTHER ACTIVITIES:			
Net cash increase (decreases) in cash and cash equivalents		(112,677)	78,370
Cash and cash equivalents at beginning of period		262,355	183,984
Cash and cash equivalents at end of period		\$ 149,678	\$ 262,354

Cash and cash equivalents consist of the following:

Cash	2.	\$ 133,416	\$ 246,655
Short term investments		16,262	15,699
		\$ 149,678	\$ 262,354

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, 2025

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 art 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.

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.

Art Gallery of Regina Inc.

Notes to the Financial Statements

For the Year Ended March 31, 2025

1. Significant Accounting Policies

e. Deferred revenue

Deferred revenue represents annual membership fees paid by the Gallery's members, grants, 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 grants 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 collection 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.

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

Art Gallery of Regina Inc.

Notes to the Financial Statements

For the Year Ended March 31, 2025

1. Significant Accounting Policies

h. Use of estimates

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit 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, 2025

2. Cash

	2025	2024
Bank chequing	\$ 132,557	\$ 245,052
Capital fund-restricted	354	346
Paypal	505	1,257
Total	\$ 133,416	\$ 246,655

3. GIC investments

	2025	2024
GIC with interest rate of 5%, maturing Jul 19, 2024	\$ -	\$ 6,221
GIC with interest rate of 4.5%, maturing Jul 19, 2025	6,532	-
GIC with interest rate of 4%, maturing May 15, 2024	-	9,204
GIC with interest rate of 2.5%, maturing June 20, 2025	9,596	-
Accrued interest	134	274
Total	\$ 16,262	\$ 15,699

4. Accounts receivable, net of allowances

	2025	2024
Trade accounts receivable-TD bank	\$ 1,443	\$ 3,000
GST receivable	200	811
Total	\$ 1,643	\$ 3,811

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.

	2025	2024
Office equipment	\$ 13,586	\$ 13,586
Gallery equipment	14,086	14,086
Total expensed	\$ (27,672)	\$ (27,672)

Art Gallery of Regina Inc.

Notes to the Financial Statements

For the Year Ended March 31, 2025

6. Accounts payable and accrued expenses

	2025	2024
Accrued liability-review fees	\$ 2,997	\$ 2,775
TD Visa	1,286	678
Toshiba Business Solutions	-	185
Trade payables	8,763	4,589
Total	\$ 13,046	\$ 8,227

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.

	2025	2024
City of Regina	\$ 5,290	\$ 91,949
Canada Council Seed Grant	-	38,320
Canada Council - Accessible Gallery Tours	15,910	-
Canada Council	-	17,000
Total	\$ 21,200	\$ 147,269

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.

Art Gallery of Regina Inc.

Notes to the Financial Statements

For the Year Ended March 31, 2025

8. Credit risk b. Liquidity risk

Liquidity risk is the risk that the gallery will not be 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.

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.

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, 2025

12. Commitments

Art Gallery of Regina Inc. operates under a 5 year renewable lease which expires March 31, 2026. The Gallery pays base rent of \$ 1 to City of Regina and the Gallery's proportionate share of the annual operating costs of \$13,000.00 plus GST per year.

13. Economic dependence

Approximately 77% (2024 - 75%) 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..

Art Gallery of Regina Inc.

Other income-Schedule 1

For the Year Ended March 31, 2025

	2025	2024
Donations	\$ 4,632	\$ 4,373
Other income	86	1,406
Donations from Art Sales	6,725	4,091
Fundraising	502	495
Total revenue	\$ 11,945	\$ 10,365

Art Gallery of Regina Inc.

Operating expenses-Schedule 2

For the Year Ended March 31, 2025

	2025	2024
Audit and accounting	\$ 9,154	\$ 12,043
Office expenses	752	594
Promotion and other	266	2,288
Bank charges	2,082	1,848
Telephone	1,404	1,315
Memberships	250	314
Memberships and licenses	1,948	1,017
Postage	1,410	650
Photocopy	3,013	2,397
Newsletters	1,087	34
Payroll fees	1,088	823
Rental	12,946	13,054
Professional development	197	675
Repairs and maintenance	(60)	2,239
Bad debt expense	6,131	-
Installation equipment	212	115
Tech equipment	285	138
Insurance	1,949	-
Equipment	53	-
Total	\$ 44,167	\$ 39,544

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

Art Gallery of Regina Inc.

For the Year Ended March 31, 2025

Program expenses-Schedule 3

	2025	2024
Instructor fees	\$ 1,715	\$ 175
Artist fees	15,436	5,136
Artist Installation fees	-	1,024
Performance Fees	1,160	1,375
Honorariums	6,064	1,000
Travel - Accommodations & Per Diem	872	1,941
Installation	930	497
Workshop	442	882
Artist Talk honorariums	-	3,697
Workshop expenses/refund	583	1,478
Visit Instructor	4,430	5,391
Shipping /transportation	582	1,190
Signage & materials	800	1,265
Installation crew	3,045	1,000
Box & Other Show sales	14,565	3,954
Annual Member Show sale	8,663	10,116
Exhibition expenses	458	373
Receptions hospitality	1,068	1,826
Fundraising	262	-
Total	\$ 61,075	\$ 42,320

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

Art Gallery of Regina Inc.

For the Year Ended March 31, 2025

Project grant expenses-Schedule 4

	2025	2024
Canada Council - Explore and Create	\$ 18,498	\$ 12,971
Canada Council - Holophon Partnership (Seed Grant)	1,907	13,026
Canada Council - Accessible Gallery Tours	16,554	-
Sask Culture - Culture Days	2,941	4,429
Sask Culture - Aboriginal Arts and Culture Leadership Grant	15,609	-
City of Regina - New Initiatives Grant	2,950	2,300
City of Regina - Adapted Sport and Recreation Grant PY	-	2,054
City of Regina - Adapted Sport and Recreation Grant	-	150
Total	\$ 58,459	\$ 34,930

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