

Art Gallery of Regina Inc.

Financial Statements

March 31, 2024

Art Gallery of Regina Inc.

March 31, 2024

CONTENTS

	<u>Page</u>
Financial Statements	
Independent Practitioner's Review Engagement Report	1
Statement of Financial Position	2
Statement of Operations	3
Statement of Changes in Net Assets	4
Statement of Cash Flows	5
Notes to the Financial Statements	6
Schedules	12-15

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, 2024, 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, 2024, 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

Priority Accounting Services CPA Prof. Corp.
Chartered Professional Accountants

August 22, 2024

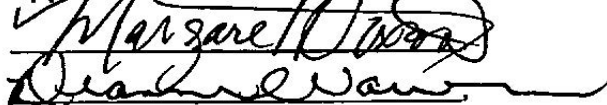
Art Gallery of Regina Inc.

Statement of Financial Position

As At March 31, 2024

	Note	2024	2023
Assets			
Current Assets			
Cash	2.	\$ 246,655	\$ 183,984
Short term investments	3.	15,699	-
Accounts receivable, net of allowances	4.	3,811	1,200
Total Current Assets		266,165	185,184
Total Assets			
		\$ 266,165	\$ 185,184
Liabilities and Net Assets			
Current Liabilities			
Accounts payable and accrued liabilities	6.	\$ 8,228	\$ 4,144
PST payable		1,411	-
Deferred income/revenue	7.	147,269	107,898
Total Current Liabilities		156,908	112,042
Net Assets			
Net assets - unrestricted		108,910	72,584
Net assets - reserve for capital expenditures		347	220
Net assets - succession fund		-	338
Total Net Assets		109,257	73,142
Total Liabilities and Net Assets		\$ 266,165	\$ 185,184

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, 2024

	2024	2023
Revenue		
Art sales	\$ 13,957	\$ 12,978
Program and classes	12,075	8,575
Other income-Schedule 1	10,365	11,117
Interest and GST rebates	680	1,480
Sponsorship	15,750	-
Partnership Contributions	3,575	-
Membership	10,165	13,215
	66,567	47,365
Grant revenue		
City of Regina Community Partnership Oper Grant	83,648	82,820
City of Regina - Adapted Sport & Recreation Grant	4,150	3,850
City of Regina - New Initiatives Grant	3,912	3,131
City of Regina - Accessibility Grant	-	5,855
Saskatchewan Arts Board - Operating Grant Project	44,650	46,530
Grants - SK Culture/SK Lotteries	5,000	12,160
Federal Grants	15,277	3,071
Canada Council - Explore and Create	12,800	-
Canada Council - Holophon Partnership Grant	15,000	-
Canadian Heritage - Grant	-	15,456
	184,437	172,873
Total revenue	251,004	220,238
Wages Expense		
Director wages	32,395	54,251
Curator wages	52,831	54,772
Gallery support staff	12,530	-
Summer student	-	5,381
Total wages expense	97,756	114,404
Operating expenses		
Operating expenses-Schedule 2	39,544	46,183
Program expenses-Schedule 3	42,320	57,365
Project grant expenses-Schedule 4	34,930	2,177
Total operating expenses	116,794	105,725
Excess of revenue over expenses	\$ 36,454	\$ 109

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, 2024

	Capital		Succession		2024	2023
	Unrestricted	replacement	planning			
Net assets - beginning of year	\$ 72,584	\$ 220	\$ 338	\$	73,142	\$ 73,033
Excess of revenue over expenses	36,453	1	-		36,454	109
Increase (decrease) in funds	(127)	127	(338)		-	-
Net assets - end of year	\$ 108,910	\$ 348	\$ -	\$	109,596	\$ 73,142

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, 2024

	Note	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES:			
Excess of revenue over expenses		\$ 36,454	\$ 109
Increase (decrease) in Deferred Revenue		39,371	25,078
Increase (decrease) in Accounts Payable		4,083	(24,111)
Increase (decrease) in Taxes Payable		1,411	-
Increase (decrease) in Receivables		(2,611)	(1,200)
TOTAL CASH FLOWS FROM OPERATING ACTIVITIES		78,708	(124)
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		78,370	(124)
Cash and cash equivalents at beginning of period		183,984	184,108
Cash and cash equivalents at end of period		\$ 262,354	\$ 183,984

Cash and cash equivalents consist of the following:

Cash	2.	\$ 246,655	\$ 183,984
Short term investments		15,699	-
		\$ 262,354	\$ 183,984

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, 2024

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, 2024

1. Significant Accounting Policies

e. Deferred revenue

Membership 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.

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.

h. Use of estimates

The preparation of financial statements in accordance with Canadian accounting standards for private enterprises 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, 2024

2. Cash

Cash and cash equivalents consist of the following:

	2024	2023
Bank chequing	\$ 245,052	\$ 183,224
Cash	-	202
Succession fund-restricted	-	338
Capital fund-restricted	346	220
Paypal	1,257	-
Total	\$ 246,655	\$ 183,984

3. GIC investments

	2024	2023
GIC with interest rate of 5%, maturing Jul 19, 2024	\$ 6,221	\$ -
GIC with interest rate of 4%, maturing May 15, 2024	9,204	-
Accrued interest	274	-
Total	\$ 15,699	\$ -

4. Receivables

Accounts receivable consist of the following:

	2024	2023
Trade accounts receivable-TD bank	\$ 3,000	\$ 1,200
GST receivable	811	-
Total	\$ 3,811	\$ 1,200

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.

	2024	2023
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, 2024

6. Accounts payable and accrued expenses

Accounts payable consist of the following:

	2024	2023
Accrued liability-review fees	\$ 2,775	\$ -
TD Visa	678	2,522
Toshiba Business Solutions	185	-
Western Litho Printers	-	1,103
Trade payables	4,589	519
Total	\$ 8,227	\$ 4,144

7. Deferred revenue

The details of grants received are as follows

	2024	2023
Grants in advance - City of Regina	\$ 91,949	\$ 83,648
Sponsorship	-	5,250
Canada Council Seed Grant	38,320	15,000
Adapted Rec Grant	-	4,000
Canada Council	17,000	-
Total	\$ 147,269	\$ 107,898

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, 2024

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, 2024

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 75% (2023 - 78%) 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, 2024

	2024	2023
Corporate donation	\$ 4,373	\$ 7,300
Other income	1,406	1,903
Donations from Art Sales	4,091	1,914
Gala Bar Revenue	495	-
Total revenue	\$ 10,365	\$ 11,117

Art Gallery of Regina Inc.

Operating expenses-Schedule 2

For the Year Ended March 31, 2024

	2024	2023
Audit and accounting	\$ 12,043	\$ 4,151
Office expenses	594	2,052
Promotion and other	2,288	2,879
Bank charges	1,848	2,448
Telephone	1,315	1,172
Memberships	314	-
Memberships and licenses	1,017	1,278
Postage	650	2,658
Photocopy	2,397	3,653
Newsletters	34	697
Payroll fees	823	-
Rental	13,054	13,000
Professional development	675	-
Repairs and maintenance	2,239	7,500
Installation Equipment	115	600
Tech Equipment	138	320
Insurance	-	3,775
Total	\$ 39,544	\$ 46,183

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

Art Gallery of Regina Inc.

For the Year Ended March 31, 2024

Program expenses-Schedule 3

	2024	2023
Instructor Fees	\$ 175	\$ 5,475
Artist Fees	5,136	-
Artist Installation Fees	1,024	1,034
Performance Fees	1,375	-
Honorariums	1,000	7,456
Travel - Accommodations & Per Diem	1,941	870
Installation	497	479
Workshop	882	1,205
Artist Talk Honorariums	3,697	1,866
Workshop expenses/refund	1,478	2,635
Visit Instructor	5,391	1,601
Shipping /Transportation	1,190	2,335
Signage & Materials	1,265	1,304
Installation Crew	1,000	526
Box & Other Show Sales	3,954	3,995
Annual Member Show Sale	10,116	12,508
Exhibition Expenses	373	3,268
Receptions Hospitality	1,826	2,232
Salon Show Sales	-	7,221
Publications	-	1,205
Other promotion	-	150
Total	\$ 42,320	\$ 57,365

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

Art Gallery of Regina Inc.

For the Year Ended March 31, 2024

Project grant expenses-Schedule 4

	2024	2023
Canada Council - Explore and Create	\$ 12,971	\$ 2,177
Canada Council - Holophon Partnership (Seed Grant)	13,026	-
Sask Culture - Culture Days	4,429	-
City of Regina - New Initiatives Grant	2,300	-
City of Regina - Adapted Sport and Recreation Grant PY	2,054	-
City of Regina - Adapted Sport and Recreation Grant	150	-
Total	\$ 34,930	\$ 2,177

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