

**MacKenzie Art Gallery Incorporated**  
**Financial Statements**

March 31, 2023

## Independent Auditor's Report

To the Board of Trustees of  
MacKenzie Art Gallery Incorporated

### Opinion

We have audited the financial statements of MacKenzie Art Gallery Incorporated (the "Gallery"), which comprise the balance sheet as at March 31, 2023, and the statements of revenues and expenses, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Gallery as at March 31, 2023, 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.

### Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Gallery in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

### Other Information

Management is responsible for the other information. The other information comprises the information, other than the financial statements and our auditor's report thereon, in the Annual Report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained the Annual Report prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

## Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing the Gallery's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Gallery or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Gallery's financial reporting process.

## Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Gallery's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Gallery's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Gallery to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*Deloitte LLP*

Chartered Professional Accountants  
June 19, 2023

**MacKenzie Art Gallery Incorporated**  
**Balance Sheet**  
As at March 31, 2023

	March 31, 2023	March 31, 2022
<b>Assets</b>		
<b>Current assets</b>		
Cash	\$ 1,956,419	\$ 1,898,591
Short-term investments (Note 3)	2,316,696	2,587,723
Accounts receivable	35,550	485,541
Government remittances receivable	8,091	10,509
Grants receivable	—	429,000
Inventories	78,032	72,228
Prepaid expenses	24,590	45,270
	<b>4,419,378</b>	<b>5,528,862</b>
Objects of art (Note 4)	1	1
Tangible capital assets (Note 5a)	874,003	1,060,206
Intangible capital assets (Note 5b)	29,243	27,067
Long-term investments (Note 3)	260,337	259,294
	<b>1,163,584</b>	<b>1,346,568</b>
	<b>\$ 5,582,962</b>	<b>\$ 6,875,430</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	\$ 394,455	\$ 265,401
Deferred revenue (Note 6)	502,307	473,698
	<b>896,762</b>	<b>739,099</b>
Deferred revenue (Note 6)	61,637	88,195
	<b>61,637</b>	<b>88,195</b>
<b>Net Assets</b>		
Unrestricted	80,242	86,225
Internally restricted (Note 7)	4,544,321	5,961,911
	<b>4,624,563</b>	<b>6,048,136</b>
	<b>\$ 5,582,962</b>	<b>\$ 6,875,430</b>

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

*Mary Ference*

Mary Ference (Jun 20, 2023 15:35 MDT)

On behalf of the Board of Trustees

*Cindy Ogilvie*

On behalf of the Board of Trustees

**MacKenzie Art Gallery Incorporated**  
**Statement of Changes in Net Assets**

For the year ended March 31, 2023

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	Restricted	Unrestricted	Total
<b>Balance, April 1, 2021</b>	\$ 5,062,605	\$ 69,927	\$ 5,132,532
Excess of revenue over expenses for the year	—	915,604	915,604
Interfund transfers	899,306	(899,306)	—
<b>Balance, March 31, 2022</b>	<b>\$ 5,961,911</b>	<b>\$ 86,225</b>	<b>\$ 6,048,136</b>
Deficiency of revenue over expenses for the year	—	(1,423,573)	(1,423,573)
Interfund transfers	(1,417,590)	1,417,590	—
<b>Balance, March 31, 2023</b>	<b>\$ 4,544,321</b>	<b>\$ 80,242</b>	<b>\$ 4,624,563</b>

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

# MacKenzie Art Gallery Incorporated

## Statement of Revenues and Expenses

For the year ended March 31, 2023

	March 31, 2023	March 31, 2022
<b>Revenue</b>		
Operating grants (Schedule 1)	\$ 1,275,000	\$ 1,264,620
Programming grants (Schedule 2)	352,704	408,445
Fundraising income (Schedule 4)	1,347,239	1,315,124
Earned income (Schedule 5)	380,735	741,701
Gallery shop (Schedule 6)	—	5,874
MacKenzie Trust Fund (Note 8)	—	73,500
Other income (Schedule 3)	61,592	1,002,164
	<b>\$ 3,417,270</b>	<b>\$ 4,811,428</b>
<b>Expenses</b>		
Exhibitions and programs (Schedule 7)	\$ 2,654,586	\$ 1,857,667
Administrative (Schedule 7)	1,274,465	1,008,704
Collection management (Schedule 7)	53,751	338,652
Marketing and communications (Schedule 7)	334,855	292,222
Membership and development (Schedule 7)	405,680	222,386
Permanent collection (Schedule 7)	67,130	176,193
Gallery shop (Schedule 6)	13,626	—
MacKenzie Trust Fund (Note 8)	36,750	—
	<b>\$ 4,840,843</b>	<b>\$ 3,895,824</b>
(Deficiency) excess of revenue over expenses before the following	<b>(1,423,573)</b>	915,604
Donations of art (Note 4)	63,300	41,500
Permanent collection donations (Note 4)	<b>(63,300)</b>	<b>(41,500)</b>
<b>(Deficiency) excess of revenue over expenses for the year</b>	<b>\$ (1,423,573)</b>	<b>\$ 915,604</b>

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

**Mackenzie Art Gallery Incorporated**  
**Statement of Cash Flows**  
For the year ended March 31, 2023

	March 31, 2023	March 31, 2022
<b>Cash provided by (used for) the following activities</b>		
<b>Operating activities</b>		
(Deficiency) excess of revenue over expenses	\$ (1,423,573)	\$ 915,604
Items not affecting cash		
Amortization	282,407	311,758
Unrealized losses (gains) on investments	196,824	(298,411)
Gain on disposal of capital assets	(2,031)	-
	<b>(946,373)</b>	<b>928,951</b>
<b>Change in working capital items</b>		
Accounts receivable	449,991	(423,450)
Government remittances receivable	2,418	(3,995)
Grants receivable	429,000	(340,001)
Inventories	(5,804)	15,011
Prepaid expenses	20,680	(33,526)
Accounts payable and accrued liabilities	129,054	23,927
Deferred revenue	2,051	76,352
	<b>81,017</b>	<b>243,269</b>
<b>Investing activities</b>		
Purchase of capital assets	(106,502)	(66,948)
Proceeds on disposal of capital assets	10,153	-
Redemption (acquisition) of investments	73,160	(1,060,628)
	<b>(23,189)</b>	<b>(1,127,576)</b>
Increase (decrease) in cash	57,828	(884,307)
Cash, beginning of year	1,898,591	2,782,898
<b>Cash, end of year</b>	<b>\$ 1,956,419</b>	<b>\$ 1,898,591</b>

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



# **MacKenzie Art Gallery Incorporated**

## **Notes to the Financial Statements**

For the year ended March 31, 2023

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### **1. Nature of organization**

MacKenzie Art Gallery Incorporated (the "Gallery") is incorporated under the Saskatchewan Non-Profit Corporations Act and is a registered Canadian charitable organization and is exempt from income tax under section 149 (1) (I) of the Income Tax Act. The Gallery's purpose is to connect the community with art through public exhibitions in the City of Regina and throughout the province of Saskatchewan.

Effective May 1, 1990, the Gallery became custodian of the permanent collection of the Norman MacKenzie Art Gallery, formerly associated with the University of Regina. The permanent collection, acquired prior to May 1, 1990, remains the property of the University of Regina, after which the Gallery began acquiring its own permanent collection.

### **2. Accounting policies**

These financial statements have been prepared in accordance with Canadian accounting standards for not-for profit organizations. The Gallery's financial statements are presented in Canadian dollars, which is the Gallery's functional currency and include the following significant accounting policies:

#### **a) Fund accounting**

The accounts of the Gallery are maintained in accordance with the principles of fund accounting, whereby the resources of the Gallery are classified into funds associated with specific activities or objectives.

The internally restricted fund represents amounts restricted by the Board of Trustees for certain strategic and operational activities as determined from time to time.

#### **b) Objects of art**

The value of objects of art has been excluded from the balance sheet except for a nominal carrying value of \$1. The disbursements for purchased additions are recorded as an expense at cost and donated art is recorded as revenue and expense at its appraised value.

#### **c) Contributed materials and services**

The Gallery does not recognize contributed materials and services other than contributed art and services in its financial statements due to the difficulty of determining their fair values.

**MacKenzie Art Gallery Incorporated**  
**Notes to the Financial Statements**  
For the year ended March 31, 2023

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**2. Accounting policies (cont'd)**

**d) Capital assets**

Capital assets are separated into tangible and intangible assets and are recorded at acquisition cost less accumulated amortization.

**e) Amortization**

Amortization of capital assets, tangible, and intangible, is provided using the straight-line method over the estimated useful life of the asset at the following rates:

Computer hardware and technical equipment	3 to 5 years
Furniture and fixtures	5 to 10 years
Leasehold improvements	5 to 10 years
Computer software and website	3 to 5 years

**f) Impairment of long-lived assets**

When conditions indicate that a tangible capital asset is impaired, the net carrying amount of the tangible capital asset is written down to the asset's fair value or replacement cost. The write-down of tangible capital assets is recognized as an expense in the statement of revenues and expenses. A write-down shall not be reversed.

**g) Inventories**

Inventories are recorded at the lower of cost and net realizable value. Cost of inventories is determined on an average cost basis. Inventories consist of products for sale in the gift shop.

**h) Revenue recognition**

The Gallery follows the deferral method of accounting for contributions.

Grants, self-generated, sponsorship and other sources of revenue are recognized when granted or earned except to the extent that they relate to future fiscal periods, which are recorded as deferred revenue. Pledges are recorded when the cash is received. Revenue from the gift shop is recognized when the sale of the products occurs. Revenue from grants for the acquisition of capital assets is recognized as the asset is utilized. Funds recognized that are restricted for purchase of capital assets are deferred and amortized over the useful life of the related asset.

# **MacKenzie Art Gallery Incorporated**

## **Notes to the Financial Statements**

For the year ended March 31, 2023

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### **2. Accounting policies (cont'd)**

#### **i) Financial instruments**

The Gallery initially measures its financial assets and financial liabilities at fair value. It subsequently measures all its financial assets and financial liabilities at amortized cost except for the following financial assets which have elected to be recognized at fair value:

- i) Short-term investments
- ii) Long-term investments

Transaction costs related to financial instruments measured at fair value subsequent to initial recognition are expensed as incurred. Transaction costs related to financial instruments measured at amortized cost are added to the carrying value of the asset or netted against the carrying value of the liability and are then recognized over the expected life of the instrument using the effective interest method.

With respect to financial assets measured at amortized cost, the Gallery recognizes in the statement of revenues and expenses an impairment loss, if any, when there are indicators of impairment and it determines that a significant adverse change has occurred during the year in the expected timing or amount of future cash flows. When the extent of impairment of a previously written-down asset decreases and the decrease can be related to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed in the statement of revenues and expenses in the year the reversal occurs.

#### **j) Pension plans**

The Gallery participates in two multi-employer pension plans. Although within the plans there is a defined contribution and defined benefit component, the Gallery accounts for the plans as defined contribution plans due to insufficient information being available to accrue the Gallery's share of the obligation arising from the defined benefit components. Contributions to the pension plans are expensed as funded.

#### **k) Use of estimates**

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, and amortization during the reporting period. Key components of the financial statements requiring management to make estimates include the useful lives of long-lived assets, the fair value of certain financial instruments, and the value of donations of art. Actual results could differ from these estimates.

**MacKenzie Art Gallery Incorporated**  
**Notes to the Financial Statements**  
For the year ended March 31, 2023

**2. Accounting policies (cont'd)**

**I) Government assistance**

The Gallery has applied for government assistance under the Canadian Emergency Wage Subsidy ("CEWS") program, whereby companies meeting specified eligibility criteria based on declines in revenue experienced during the pandemic are eligible to receive a subsidy to cover a portion of their employee wages. The Gallery has determined that there is reasonable assurance that it will comply with all conditions attached the program and that payment will be received and therefore has recognized the estimated CEWS funding as revenue within other income.

**3. Investments**

	<b>March 31, 2023</b>	<b>March 31, 2022</b>
<b>Short-term investments</b>		
RBC Dominion Securities - fixed income instruments	\$ 806,371	\$ 869,755
RBC Dominion Securities - Canadian equity instruments	1,148,487	1,165,855
RBC Dominion Securities - USA equity instruments	361,838	552,113
Total short-term investments	<b>2,316,696</b>	<b>2,587,723</b>
<b>Long-term investments</b>		
South Saskatchewan Community Foundation pooled investments	260,337	259,294
Total long-term investments	<b>260,337</b>	<b>259,294</b>
Total short-term and long-term investments	<b>\$ 2,577,033</b>	<b>\$ 2,847,017</b>

The Gallery has classified those investments which can be accessed on demand and are used to support the Gallery's operations as short-term. Investments which the Gallery is holding for future growth and has no intention of accessing in the near term have been classified as long-term.

**4. Objects of art**

During the year, the Gallery expensed acquisitions of objects of art in the following amounts:

	<b>March 31, 2023</b>	<b>March 31, 2022</b>
Purchased at cost	\$ 65,164	\$ 133,812
Donations received at appraised value	63,300	41,500
	<b>\$ 128,464</b>	<b>\$ 175,312</b>

# MacKenzie Art Gallery Incorporated

## Notes to the Financial Statements

For the year ended March 31, 2023

### 4. Objects of art (cont'd)

The MacKenzie Art Gallery permanent collection spans 5000 years of art with nearly 5000 works. The Gallery continues to contribute to the history of artmaking for the benefit of present and future generations by collecting, amongst other works, historical and contemporary Canadian art with special interest devoted to art from Saskatchewan and Western Canada, and the work of Indigenous artists.

The core holdings of the MacKenzie Art Gallery's Permanent Collection are of national importance and include a comprehensive representation of Saskatchewan art, a representative selection of Canadian art, and a broad representation of contemporary Indigenous art. In addition, the Gallery holds individual works of international significance in the areas of post-war American art, 19th and early 20th century European modernism, early modern European drawings, and Asian and Near Eastern antiquities.

Work in the MacKenzie Art Gallery collection demonstrates outstanding cultural significance and is often deemed culturally significant by a third-party adjudicator through Canadian Cultural Property Export Review Board. There are no funds from prior period disposals that are unspent. No works of art were disposed of during the year.

### 5. Capital assets

#### a) Tangible assets

	Cost	Accumulated Amortization	2023 Net	2022 Net
Computer hardware and technical equipment	\$ 283,226	\$ 161,495	\$ 121,731	\$ 87,943
Furniture and fixtures	179,587	107,217	72,370	95,166
Leasehold improvements	1,506,077	826,175	679,902	877,097
	<b>\$ 1,968,890</b>	<b>\$ 1,094,887</b>	<b>\$ 874,003</b>	<b>\$ 1,060,206</b>

#### b) Intangible assets

	Cost	Accumulated Amortization	2023 Net	2022 Net
Computer software and website	\$ 46,523	\$ 17,280	\$ 29,243	\$ 27,067
	<b>\$ 46,523</b>	<b>\$ 17,280</b>	<b>\$ 29,243</b>	<b>\$ 27,067</b>

## MacKenzie Art Gallery Incorporated

### Notes to the Financial Statements

For the year ended March 31, 2023

#### 6. Deferred revenue

	March 31, 2023	March 31, 2022
<b>Balance, beginning of year</b>	<b>\$ 561,893</b>	<b>\$ 485,541</b>
Funds received relating to future periods		
Program contributions	<b>434,000</b>	306,996
Other unearned revenue	<b>41,748</b>	138,543
Amounts recognized in current period revenue	<b>(473,697)</b>	(369,187)
<b>Balance, end of year</b>	<b>563,944</b>	561,893
Less: Current portion of deferred revenue	<b>502,307</b>	473,698
Long-term portion of deferred revenue	<b>\$ 61,637</b>	<b>\$ 88,195</b>

#### 7. Internally restricted funds

Allocation or spending of the funds requires Board of Trustees approval. The framework for these funds is allocated as follows:

	March 31, 2023	March 31, 2022
Acquisitions	<b>\$ 567,493</b>	\$ 676,957
Campaign	<b>51,875</b>	93,750
Capital	<b>33,961</b>	33,847
Human resource contingency	<b>25,335</b>	25,335
Insurance	<b>5,000</b>	5,000
Invest in capital assets	<b>815,050</b>	972,520
Invested in inventory	<b>78,032</b>	72,228
South Saskatchewan Community Foundation	<b>2,415,412</b>	2,415,412
Sustaining	<b>552,163</b>	1,666,862
	<b>\$ 4,544,321</b>	<b>\$ 5,961,911</b>

An amount of \$1,817,000 (2022 - \$84,000) was transferred from the Sustaining Fund to cover capital asset additions of \$97,000 (2022 - \$67,000) and an operating fund deficit of \$1,720,000 (2022 - \$17,000). These internally restricted amounts are not available for any other purpose without approval of the Board of Trustees.

## **MacKenzie Art Gallery Incorporated**

### **Notes to the Financial Statements**

For the year ended March 31, 2023

#### **8. Mackenzie Trust Funds Inc.**

In 1990 the Gallery and the University of Regina entered into an Agreement relating to the administration of the Norman MacKenzie Foundation Fund and the Norman MacKenzie Art Works Fund (referred to collectively as the "MacKenzie Trust Funds"). The University of Regina is the Trustee of the MacKenzie Trust Funds. The total of the funds held by the University in 1990 had an approximate fund balance of \$71,000 and \$2,000, respectively.

Income and accumulated income earned from the MacKenzie Trust Funds shall be used by the Gallery solely for the purposes as follows:

- Purchasing works of art, artifacts or other objects for the MacKenzie Art Gallery, University of Regina Collection. All reasonable costs associated with the purchasing of the above noted items, such as travel.
- Cleaning, maintenance, or restoration of any of the works of art, artifacts or objects that form part of the MacKenzie Art Gallery, University of Regina Collection.
- Providing building maintenance and upkeep required for the care of the MacKenzie Art Gallery, University of Regina Collection.

Income and accumulated income earned on the MacKenzie Trust Funds is disbursed to the Gallery upon request and upon approval by the University of Regina's President's Advisory Committee on Art.

During the year \$nil (2022 - \$73,500) was paid from the MacKenzie Trust Funds to the Gallery for the acquisition of art. The Gallery is required to repay \$36,750 to the trust as a result of an overpayment during the year.

	<b>Norman Mackenzie Foundation Fund</b>	<b>Norman Mackenzie Art Works Fund</b>
<b>Balance, April 1, 2022</b>	<b>\$ 171,886</b>	<b>\$ 27,066</b>
Investment gain (loss)	880	(136)
Accrued overpayment	36,750	-
<b>Balance, March 31, 2023</b>	<b>\$ 209,516</b>	<b>\$ 26,930</b>

#### **9. Donations**

The Gallery received a contribution from the South Saskatchewan Community Foundation of \$850,000 (2022 - \$1,000,000) during the year.

## **MacKenzie Art Gallery Incorporated**

### **Notes to the Financial Statements**

For the year ended March 31, 2023

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#### **10. Pension plans**

Employees of the Gallery are eligible to participate in the University of Regina's Non-Academic Pension Plan ("NAAP"). These plans are administered by the University of Regina and are defined benefit final average pension plans. Contributions are made to the plans in accordance with the respective collective agreements in place as well as the employee benefit plans offered to out of scope employees.

The MacKenzie Art Gallery shall contribute monthly to the NAPP 8.75% of earnings. In addition, an actuarial funding valuation performed December 31, 2017 was filed with regulatory authorities and included a recommendation that the University and MacKenzie make additional contributions of 0.85% of earnings, effective January 1, 2019.

The Gallery records as pension expense its contributions to the pension plans. The expense recorded in 2023 was \$156,760 (2022 - \$137,006). Additional amounts paid by the Gallery in 2023 to address the going concern deficit was \$13,555 (2022 - \$9,714) and this amount will be due annually until the next actuarial valuation is completed.

#### **11. Commitment**

The Gallery entered into a lease agreement dated January 1, 2023 with the Province of Saskatchewan, which provides the Gallery with its leased premises for five years at \$1 per year. The facility operating costs of approximately \$1.5 million (2022 - \$ 1.6 million) are not recognized in the financial statements.

#### **12. Financial instruments**

The Gallery is exposed to various risks related to its financial instruments described in Note 2(i). The following analysis presents the Gallery's significant risk exposures as of March 31, 2023.

##### **Credit risk**

The Gallery is exposed to credit risk from potential non-payment of amounts receivable. The Gallery's receivables are primarily from various government agencies whose credit risk is low. The Gallery's exposure to credit risk in respect of its other assets is not significant. The cash and short-term investments are held with creditworthy financial institutions, such as major Canadian chartered banks.

##### **Liquidity risk**

The Gallery's objective is to have sufficient liquidity to meet its liabilities when due and monitors its cash balance and cash flows to meet its requirements. The most significant financial liabilities are accounts payable and accrued liabilities.



## **12. Financial instruments (cont'd)**

### **Market risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Gallery is exposed to market risk through its investments (Note 3) which consist of fixed income, equity, and pooled investments whose fair values fluctuate with changes in the market. The Gallery's exposure is limited to the carrying value of these investments.

### **Interest rate risk**

The Gallery is exposed to interest rate risk on its fixed income investments.

## **13. Allocated expenses**

Salaries are allocated based on the portion of time allocated to the function in the position.

**MacKenzie Art Gallery**  
**Schedule 1 - Schedule of Operating Grants**  
**For the year ended March 31, 2023**

	March 31, 2023	March 31, 2022
<b>Federal Grants</b>		
Canada Council	\$ 429,000	\$ 429,000
	<b>429,000</b>	429,000
<b>Municipal and School Grants</b>		
City of Regina	308,000	308,000
	<b>308,000</b>	308,000
<b>Provincial Grants</b>		
Saskatchewan Lotteries Trust Fund for Sport, Culture and Recreation	366,000	366,000
Saskatchewan Arts Board	172,000	161,620
	<b>538,000</b>	527,620
<b>Total Operating Grants</b>	<b>\$ 1,275,000</b>	<b>\$ 1,264,620</b>

**MacKenzie Art Gallery**  
**Schedule 2 - Schedule of Programming Grants**  
**For the year ended March 31, 2023**

	Funds				March 31, 2023	March 31, 2022
	Operating	Acquisitions	Capital	Sustaining		
<b>Federal Grants</b>						
Department of Canadian Heritage - Museums Assistance Program	\$ 27,917	\$ —	\$ —	\$ 27,984	\$ 55,901	\$ 87,293
Canada Council Digital Strategy Internal Operations	—	—	—	—	—	101,645
Canada Council Digital Strategy Single Phase Initiative	—	—	—	—	—	49,000
Canada Council Conceptions of White Tour	68,496	—	—	—	68,496	—
Western Economic Diversification Canada	—	—	26,558	—	26,558	26,559
Employment grants	6,635	—	—	—	6,635	—
Canadian Heritage- MAP Heavyshield Grant	160,215	—	—	—	160,215	112,448
	<b>263,263</b>	<b>—</b>	<b>26,558</b>	<b>27,984</b>	<b>317,805</b>	<b>376,945</b>
<b>Municipal and School Grants</b>						
City of Regina	—	—	—	—	—	24,000
	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>24,000</b>
<b>Provincial Grants</b>						
Tourism Sector Marketing Events Partnership Program	34,899	—	—	—	34,899	7,500
	<b>34,899</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>34,899</b>	<b>7,500</b>
<b>Total Programming Grants</b>	<b>\$ 298,162</b>	<b>\$ —</b>	<b>\$ 26,558</b>	<b>\$ 27,984</b>	<b>\$ 352,704</b>	<b>\$ 408,445</b>

**MacKenzie Art Gallery**  
**Schedule 3 - Schedule of Other Income**  
**For the year ended March 31, 2023**

	Funds				March 31, 2023	March 31, 2022
	Operating	Acquisitions	Capital	Sustaining		
<b>Federal</b>						
Canada Emergency Wage Subsidy	\$ 61,592	\$ –	\$ –	\$ –	\$ 61,592	\$ 916,364
Canada Council - Reopening Fund	–	–	–	–	–	85,800
<b>Total Other Income</b>	<b>\$ 61,592</b>	<b>\$ –</b>	<b>\$ –</b>	<b>\$ –</b>	<b>\$ 61,592</b>	<b>\$ 1,002,164</b>

**MacKenzie Art Gallery**  
**Schedule 4 - Schedule of Fundraising Revenue**  
**For the year ended March 31, 2023**

	Funds				March 31, 2023	March 31, 2022
	Operating	Acquisitions	Capital	Sustaining		
Donations	\$ 173,309	\$ –	\$ –	\$ 850,000	\$ 1,023,309	\$ 1,291,374
<b>Total Donations</b>	<b>173,309</b>	<b>–</b>	<b>–</b>	<b>850,000</b>	<b>1,023,309</b>	<b>1,291,374</b>
Sponsorship	155,500	–	–	–	155,500	23,750
Gala Art Auction	168,430	–	–	–	168,430	–
<b>Total Sponsorship &amp; Events</b>	<b>323,930</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>323,930</b>	<b>23,750</b>
<b>Total Fundraising Revenue</b>	<b>\$ 497,239</b>	<b>\$ –</b>	<b>\$ –</b>	<b>\$ 850,000</b>	<b>\$ 1,347,239</b>	<b>\$ 1,315,124</b>

**Mackenzie Art Gallery**  
**Schedule 5 - Schedule of Earned Revenue**  
**For the year ended March 31, 2023**

	Funds				March 31, 2023	March 31, 2022
	Operating	Acquisitions	Capital	Sustaining		
Admission fees	\$ 61,915	\$ —	\$ —	\$ —	\$ 61,915	\$ 27,155
Conservation fees	2,925	—	—	—	2,925	8,499
Co-production fees	22,678	—	—	—	22,678	69,913
Facility rental program	33,544	—	—	—	33,544	3,708
Membership fees	42,568	—	—	—	42,568	31,790
Other earned (expense) revenue	(3,752)	—	—	—	(3,752)	42,946
Program fees	93,475	—	—	—	93,475	5,989
University of Regina	250,000	—	—	—	250,000	250,000
Unrealized (loss) gain on investments	—	(66,359)	—	(130,464)	(196,824)	298,411
Realized gain on capital assets	—	—	2,031	—	2,031	—
Investment income	—	22,517	—	49,657	72,175	3,290
<b>Total Earned Income</b>	<b>\$ 503,353</b>	<b>\$ (43,842)</b>	<b>\$ 2,031</b>	<b>\$ (80,807)</b>	<b>\$ 380,735</b>	<b>\$ 741,701</b>

**MacKenzie Art Gallery**

**Schedule 6 - Schedule of Gallery Shop Revenues and Expenses**  
**For the year ended March 31, 2023**

	March 31, 2023	March 31, 2022
Sales	\$ 298,793	\$ 190,443
Other earned revenue	—	26,174
	<b>298,793</b>	<b>216,617</b>
 Cost of goods sold	 <b>168,579</b>	 105,875
	<b>130,214</b>	<b>110,742</b>
 Salaries and benefits	 <b>92,357</b>	 90,979
Administrative	<b>51,483</b>	13,889
	<b>143,840</b>	<b>104,868</b>
 <b>(Deficiency) excess of revenues over expenses for the year</b>	 <b>\$ (13,626)</b>	 <b>\$ 5,874</b>

**MacKenzie Art Gallery**  
**Schedule 7 - Schedule of Expenses**  
**For the year ended March 31, 2023**

	Salaries & Benefits	Administration	Amortization	Collection Management Expenses	Programming & Other Expenses	March 31, 2023	March 31, 2022
Exhibitions and programs	\$ 1,498,025	\$ 26,128	\$ 282,407	\$ 13,753	\$ 834,273	\$ 2,654,586	\$ 1,857,667
Administrative	758,586	503,512	—	—	12,367	1,274,465	1,008,704
Collection management	—	4,256	—	40,612	8,883	53,751	338,652
Marketing and communications	249,007	2,153	—	—	83,695	334,855	292,222
Membership and development	251,813	31,802	—	70	121,995	405,680	222,386
Permanent collection	—	250	—	66,880	—	67,130	176,193
<b>Total Expenses</b>	<b>\$ 2,757,431</b>	<b>\$ 568,101</b>	<b>\$ 282,407</b>	<b>\$ 121,315</b>	<b>\$ 1,061,213</b>	<b>\$ 4,790,467</b>	<b>\$ 3,895,824</b>