

**Art Gallery of Nova Scotia
Annual Accountability Report
Fiscal Year 2006-2007**

TABLE OF CONTENTS

1.	Accountability Statement	3
2.	Introduction	4
3.	Progress and Accomplishments	
	Our Strategic Goals.....	4
	Our Core Business Areas.....	4
4.	Outcomes and Performance Measures	6
5.	Financial Results.....	13

1. Accountability Statement

The accountability report of the Art Gallery of Nova Scotia for the year ended March 31, 2007, is prepared pursuant to the Provincial Finance Act and government policies and guidelines. These authorities require the reporting of outcomes against the Art Gallery of Nova Scotia's business plan information for the fiscal year 2006 - 2007. The reporting of the Art Gallery of Nova Scotia outcomes necessarily includes estimates, judgments and opinions by Art Gallery of Nova Scotia management.

We acknowledge that this accountability report is the responsibility of Art Gallery of Nova Scotia management. The report is, to the extent possible, a complete and accurate representation of outcomes relative to the goals and priorities set out in the AGNS business plan for the year.

Minister, Tourism, Culture and Heritage

Chair, Board of Governors

Director & Chief Curator

2. Introduction

This accountability report describes our performance against the goals, priorities and outcomes as set out in the 2006 – 2007 business plan of the Art Gallery of Nova Scotia.

3. Progress and Accomplishments

Our Strategic Goals:

1. Financial Sustainability, Governance and Accountability
2. Stewardship: Preserve, promote, interpret and develop Nova Scotia's diverse visual arts culture and heritage.
3. Economic Growth: Help support the economic and export potential of Nova Scotia's tourism, culture and heritage resources.
4. Education: Facilitate life-long learning by providing access to Nova Scotia's visual arts culture and heritage and by providing programs that enhance the learning experience.

Our Core Business Areas:

- Public Programming and Exhibitions - the creation of knowledge in the arts. AGNS makes accessible to the public the Gallery's collection, art collections from other institutions and patrons, special exhibitions, publications, lectures, films and events and maintains accessible library, archives and study materials.
- Collections and Conservation- the accumulation of knowledge in the arts. AGNS acquires artworks for the permanent collection consistent with the mandate of the acquisition policy. The Gallery maintains related library, film, video and resource support materials, along with institutional archival records pertaining to collections, exhibitions, and institutional history. AGNS ensures proper management of the collection through documentation, maintenance of records and research. The Art Gallery of Nova Scotia ensures the Province of Nova Scotia's collection is preserved and maintained in an environment that meets museum standards, while conducting conservation and restoration treatments using accepted practices of research, examination, analysis, and documentation.
- Development and Auxiliary Services- to financially maintain AGNS and to encourage the public to visit the Art Gallery of Nova Scotia and engage in the visual arts. AGNS creates market awareness by various public relations tools. AGNS promotes membership to the

public, generating revenue and as well, these members become volunteers who assist the Gallery in all aspects of its operations including fund raising, governance and program delivery. The Gallery provides auxiliary services that benefit visitors and members while increasing Gallery funding. Services include membership, volunteer programs, a Gallery Shop, facility rentals, Art Sales and Rental and Cheapside Café.

We are pleased to report the achievement of many major priorities and considerable progress toward the rest.

Highlights of the gallery's accomplishments in 2006/07 include:

- Achieved a budget surplus (\$6,348) for the first time since 1994.
- Completed construction of AGNS Western Branch in Yarmouth and opened to the public in May, 2006. The Western Branch is now a year-round operation.
- Membership revenues increased 4% to attain a historic high of \$91,923.
- Received 804 Donated works of art valued at approximately \$6 million
- 18 items purchased valued at \$157,412.
- All funds for acquisitions are provided by donations of cash or grants received. The total for 2006/07 was \$283,904, representing a 17% increase over fiscal 2005/06.
- Held our first annual Patron Dinner, honouring Sheldon and Marjorie Fountain as "Patrons of the Year", and raising almost \$50,000.
- Managed and presented the Sobey Art Award, which is now an annual event, for the second straight year.
- Developed the ArtReach Program, brining access to a traveling Canada Council art collection, with related workshops and programming, to schools and arts organizations across the province.
- Hosted major world class exhibitions including Art of the Ancient Mediterranean World (continuation from 2005/06) and Treasures of Ancient Egypt.
- Hired a permanent Corporate Controller to manage the financial and governance aspects of the AGNS.
- Improved budgeting, planning, and governance through implementation of numerous recommendations outlined in the KPMG Report and AGNS Strategic Plan.

OUTCOMES AND PERFORMANCE MEASURES

When preparing the Business Plan for 2006-2007 the Art Gallery of Nova Scotia established a number of measures in an effort to determine success in the goals we set out to achieve. The following indicates the original outcome expected, how it was to be measured, if it was achieved and if not an explanation as to why.

Strategic Goal 1: Financial Sustainability, Governance and Accountability
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Outcome: Achieve a balanced budget

Measure #1: Revenues greater than or equal to expenses

What does this measure tell us?

This measure tells us that we have been vigilant about containing costs, or if some costs were higher than budgeted, we were successful in raising funds to cover these excesses.

Where are we now?

For the 2006/07 fiscal year, we realized total revenues of \$3,601,979 and total expenses of \$3,595,631, for a net surplus for the year of \$6,348.

Where do we want to be?

We want to continue generating enough revenues to cover our expenses, and are forecasting a break-even year again for fiscal 2007/08.

Measure #2: Admission fees collected

What does this measure tell us?

Increased Admission dollars tell us that more citizens find the service offered to be of value. As AGNS reaches larger audiences by fine touring exhibitions, publications, outreach and website projects, it demonstrates itself to be a capable major contributor to the discipline. Conversely, declining Admission numbers tells us that our exhibitions and programming have not captured our audience's imagination as planned.

Where are we now?

Our target for Admissions was \$240,000; our actual total of \$216,349 fell 10% short of this goal,

and was below the prior year's total of \$284,231.

For the second year, our Memberships total, while slightly less than budgeted, showed an increase from the prior year (13% increase over 2005/2006), and reached a historic high of \$91,923. An increase in memberships is a worthwhile goal; however in a way it comes at the expense of Admission dollars, as members get free admission for the year.

Where do we want to be?

AGNS wishes to maintain strong annual visitation numbers, and has attempted to map the trend of matching historic high - admission months with popular exhibitions. In this regard, based on expected popular exhibitions in 2007/08 (Treasures of Ancient Egypt (continued), Mary Lee Bendolf: the Quilts of Gee's Bend, Marilyn: Life as Legend, and Arena: the Hockey Show (starting March/08)) we have set a target of \$280,000 in annual admission revenues for the 2007/08 fiscal year.

Strategic Goal 2: Stewardship: Preserve, promote, interpret and develop Nova Scotia's diverse visual arts culture and heritage.

Outcome: Promote Public Access to Art

AGNS strives to increase its public profile, particularly in the promotion of its extensive Exhibition and Education programs, by appearing more frequently in provincial media publications. In this regard, we have signed partnerships with three newspapers, the Chronicle Herald, The Daily News, and The Coast, for weekly spots.

Measure #1: Attendance numbers

What does this measure tell us?

This measure tells us that our public offerings – exhibitions, public education programs, ancillary services – are relevant, enjoyable, and of use to our patrons.

Where are we now?

Despite a stated baseline of 66,000 visits, the actual total for the 2005/06 year was approximately 72,000. The target for visitations for 2006/07 was 67,000. Actual achieved fell below this goal - approximately 56,000.

Comparing the individual components for year to year, we find that most of the drop from 2005/06 relates to paying patrons (non-members) as well as member visits to the gallery. In both

fiscal years, AGNS had a basic Admission price with an additional levy for members wanting to see a featured exhibition (Art of the Ancient Mediterranean World from August/05 to June/06 and Treasures of Ancient Egypt from October/06 to September/07). Another huge factor in the comparisons is the exhibition Rodin: a Magnificent Obsession, which was mainly held in the 2004/05 year, but ran in April and May 2006, drawing large crowds in the final months. These strong exhibitions also drove higher member visit numbers.

The breakdown in gallery visitations (including member visits) for the two fiscal years is as follows:

	<u>2005/06</u>	<u>2006/07</u>
Regular paying admissions – April & May	11,567	1,631
Regular paying admissions – June-March	9,975	10,779
Extra for Art of the Ancient Mediterranean World	13,625	3,687
Extra for Treasures of Ancient Egypt		7,591
Member visits	<u>7,170</u>	<u>5,547</u>
 Total regular paying visits	 42,337	 29,235
 Other visits (room rentals, tours, classes, etc.)	 <u>29,968</u>	 <u>27,292</u>
 Totals	 <u>72,305</u>	 <u>56,527</u>

The approximate 13,000 difference in regular paying visits, above, makes up most of the total difference in overall visitations for the two years. In many of the other areas (school visits, tours, room rentals, openings, art classes, special events), the figures were slightly up from 2005/06.

Where do we want to be?

Certainly, we would like to see attendance increase steadily rather than decrease. The 72,000 figure for 2005/06 was likely an all-time high for the Gallery. The 50,000 – 60,000 range has been the norm since we started keeping such statistics in 2003/04, and could well represent our “base” in the absence of blockbuster shows like Rodin or the Impressionists.

AGNS wishes to continue to show leadership in curatorial projects and thereby continue to be invited to produce projects for across the nation and beyond. This permits AGNS to attract stronger grant and donor support as well, which illustrates the correlation between Programming (exhibition dollars spent) and ancillary revenues (Admissions, Grants, Memberships, Donations, Gallery shop, etc.)

In our 2007/08 business plan, we have set a target of 80,000 visitations for international exhibitions alone (Egypt, Gee's Bend, and Marilyn). We will continue to track attendance numbers and hope that our choice of exhibitions, with ever - increasing related programming, and ancillary services will continue to encourage patrons to visit the gallery.

Measure #2: Number of exhibitions

What does this measure tell us?

The number of exhibitions mounted in a year is a measure of our capacity to provide offerings that are fresh, relevant, current, and of interest to a wide variety of visual art patrons with varying tastes. Not all exhibitions are alike - to compare a small exhibition of several weeks' duration, with a handful of art works from our permanent collection and a small budget, to a blockbuster exhibition like Treasures of Ancient Egypt with a six-figure budget, an 11-month run, and valuable artifacts on loan from an international arts museum, would not be a fair comparison. However, our ability to mount a significant of exhibitions, as we have mentioned above, helps drive attendance numbers, which in turn has a positive impact on many other revenue-producing areas (memberships, donations, educational & outreach programs, room rentals, shop sales, grants, etc.), in addition to keeping us relevant to visual arts patrons.

Where are we now?

The Mission Statement of the AGNS is "to bring the art of the world to Nova Scotia and the art of Nova Scotia to the world." We achieve the former by securing major international exhibitions (business plan goal of 2) and the latter by creating Nova Scotia-generated exhibitions for touring (business plan goal also 2). During the 2006/07 fiscal year, we mounted two international exhibitions - Art of the Ancient Mediterranean World (May & June/06) and Treasures of Ancient Egypt (October/06 to March/07 - and toured four AGNS-generated exhibitions (not counting the shows that went to our Western Branch) – the Sobey Art Award tour, Nancy Edell, Carl Zimmerman, and Garry Neill Kennedy – so our targets were met.

Where do we want to be?

In keeping with our mission, in the 2007/08 fiscal year we plan to hire a Curator of Exhibitions and a Touring Exhibitions Coordinator to better manage our increasing exhibition schedule. Given that all exhibitions are not the same, we have set targets for total patron visits rather than number of exhibitions. Our targets for 2007/08 are 80,000 visitations for international exhibitions and 48,000 for touring exhibitions.

Measure #3: Number of objects in permanent collection

What does this measure tell us?

The AGNS Acquisition Policy states that the AGNS “is the major public institution in the Province of Nova Scotia for the collection, classification, preservation and exhibition of the visual arts. The acquisitions of the Art Gallery of Nova Scotia are directed to the continued planned development of the Gallery's permanent collection of historical and contemporary paintings, sculptures, prints, drawings, photographs, ceramics, decorative arts, video and other materials that may be considered significant.”

An art museum prospers by increasing the perceived intrinsic value of its art collections to meet its mission. AGNS does not have assured budgetary sources of acquisition funds. It must seek patrons and supporters to make donations to improve the public collection. Donors have many options of which institution to assist within the country. A continuing history of gifts from donors across the country aids the fulfillment of the AGNS' primary mission; it also tells us that key individuals value the work done by the AGNS.

The number of relevant additions to our collection is a reflection of our success.

Where are we now?

Our business plan target was 20 art objects added to the collection. We greatly exceeded this modest goal by purchasing 18 objects and acquiring a further 804 objects by donation. The majority of these gifts are works of contemporary Canadian art which support additions to the international collection.

Where do we want to be?

AGNS continues to target specific art collection needs and identify ways to attract items that are required for study and display to meet our mission. The collection of post-war Canadian art is now well represented. About 75% of the artists of historic record of this period are now represented within the AGNS collection. We need to continue to fill gaps in representation and build superlative holdings that allow AGNS to be a leader and service provider through the excellence of its collections.

We have again set a target of 20 new objects in our 2007/2008 business plan, and have already exceeded this target.

Strategic Goal 3: Economic Growth: Help support the economic and export potential of Nova Scotia's tourism, culture and heritage resources

Outcome: Develop AGNS as a major tourism destination to strengthen Nova Scotia's tourism sector

Measure #1: Number of visitors from outside the region

What does this measure tell us?

Knowing where our patrons are coming from gives us a better understanding of the programming we should be providing to suit their needs. A high proportion of visitors from outside Nova Scotia helps us fulfill that portion of our mission to bring the art of Nova Scotia to the world.

Where are we now?

A sampling of postal codes taken from the Admissions desk POS system from August/06 to March/07 shows a breakdown approximately as follows:

Nova Scotia	55%
Other Canadian (mainly Maritimes)	20%
United States	15%
Europe/Other	10%

These figures reflect paid admissions only, and ignore member visits, school tours, special events, etc., so the local content overall is a much higher percentage. Still, it does indicate a significant patron population from outside the province, making us a significant tourist draw for the province.

Where do we want to be?

We are still a fair way from having reliable data, and knowing from where a patron is coming still does not tell us what type of programming they'd like to see. Better data-gathering methods and a visitor survey are two areas that will be considered by our Visitor Services initiative.

<p>Strategic Goal 4: Education: Facilitate life-long learning by providing access to Nova Scotia's visual arts culture and heritage and by providing programs that enhance the learning experience.</p>
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Outcome: Improved learning experiences

Measure #1: Number of students served

What does this measure tell us?

AGNS strives to instill love of art at the earliest stages of a person's life. Having offerings of educational art programs for pre-school and school-age children, post-secondary students, and youth groups not only provides a unique learning opportunity but promotes love of art to children who will become the artists, patrons, donors, and volunteers of tomorrow.

Where are we now?

A comparison of various youth programs over the past two years is as follows:

	<u>2005/06</u>	<u>2006/07</u>
Schools visits	7,639	7,217
Pre-school children	1,121	904
NSCAD University	1,536	1,777
Art classes	791	547
Youth organizations/partnerships	<u>716</u>	<u>1,562</u>
Totals	<u>11,803</u>	<u>12,007</u>

These numbers show a relatively modest increase in youth and students served in-house. What is not considered in these numbers are outreach programs – primarily ArtReach – that bring art programs to schools and other art groups throughout the province. These programs were much more extensive in their reach in 2006/07 than in the previous year - ArtReach only started in 2006/07 and brought art programs to 930 students in the province. Overall, our service to students is definitely up from last year.

Where do we want to be?

We intend to continue growing our service to this segment of the population – and we are doing so. We recently completed an Early Childhood Education kit, expanded our March Break and Summer School programs, and entered into collaborative partnerships with various new youth groups. More budget dollars are being allocated to education/outreach (\$156,030 spent in 2005/06, \$182,103 in 2006/07, budget \$224,500 for 2007/08), and grant funding is continually being sought to further expand these programs.

Measure #2: Number of volunteers

What does this measure tell us?

Volunteers are the lifeblood of AGNS. They outnumber paid staff by about three to one, and help us with thousands of hours of service in interpretive tours, the gallery shop, Art Sales & Rentals, office administration, art tours, programming, Board and Committee work, among other areas. By increasing our volunteer contingent, we expand our ability to provide programming to our patrons.

Where are we now?

Our baseline was 100 volunteers in 2005/06, and we had approximately 110 active volunteers (docents, guides, etc.) in 2006/07. Counting the Board and standing committees, the total is approximately 140, well above the target of 125.

Where do we want to be?

As our various program offerings continue to grow, so does our need for volunteers. We continue to solicit and welcome new volunteers, and make sure they are appropriately trained and made to feel appreciated. We hold special events for the volunteers during Volunteer Week in April, and recognize them at our Annual General Meeting with awards for years of service.

**ART GALLERY OF NOVA
SCOTIA
Accountability Report -
Financial Results
Year Ending March 31,
2007**

	<u>Budget</u>	<u>Actual</u>	<u>Note Reference</u>
Operating Revenues:			
Province of Nova Scotia	\$1,559,000	\$1,928,542	(1)
Admissions & Memberships	335,000	308,272	(2)
Donations & Other	168,500	172,697	
Programming recoveries	681,666	679,846	
Gallery recoveries	<u>112,200</u>	<u>111,258</u>	
	<u>2,856,366</u>	<u>3,200,615</u>	
Operating Expenses:			

Salaries & Benefits	1,141,600	1,236,790	(3)
Building Operations	924,500	833,242	(4)
Programming	735,000	922,603	(5)
Development & Public Relations	115,000	130,849	
Western Branch	<u>110,000</u>	<u>306,264</u>	(6)
	<u>3,026,100</u>	<u>3,429,748</u>	
	(169,734)	(229,133)	
Gallery Shop	42,700	37,789	
Product			
Development	<u>21,500</u>	<u>20,736</u>	
Net Operating Income (Loss)	(105,534)	(170,608)	
Endowment Fund - Net	101,000	104,509	
Acquisition Fund - Net	<u>5,000</u>	<u>72,447</u>	(7)
Surplus	<u>\$466</u>	<u>\$6,348</u>	

Notes

- (1) Additional funding received for bargaining unit settlement increases (\$179K) and Western Branch expenses for full year (\$190K).
- (2) Exhibitions did not bring in number of patrons as projected, therefore Admissions did not meet forecast.
- (3) Retroactive salary increases (\$179K), net of savings from not filling some positions.
- (4) Savings realized in Utilities, Security, Insurance, and other expenses.
- (5) Several exhibitions went over budget due to unexpected costs; Sobey Art Award made into annual event. Some additional Sponsorship revenue offset part of these added costs.
- (6) Western Branch kept open full year; original plan had been a seasonal operation.
- (7) Proceeds from fundraising dinner (\$49K) were used for Acquisitions. Acquisition budget was underspent due to high cost of professional fees for donated works.