

Financial Statements of

**ART GALLERY OF
GREATER VICTORIA**

And Independent Auditor's Report thereon

Year ended March 31, 2024



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INDEPENDENT AUDITOR'S REPORT

To the Members of the Art Gallery of Greater Victoria,

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Art Gallery of Greater Victoria (the Entity), which comprise:

- the statement of financial position as at March 31, 2024
- the statement of operations and changes in fund balances for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements, present fairly, in all material respects, the financial position of the Entity as at March 31, 2024, and its results of 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. Our responsibilities under those standards are further described in the "***Auditor's Responsibilities for the Audit of the Financial Statements***" section of our auditor's report.

We are independent of the Entity 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 opinion.



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 Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity'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 generally accepted auditing standards 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 the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, 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 Entity'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 Entity'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 Entity 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.
- 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.

Report on Other Legal and Regulatory Requirements

As required by the Societies Act (British Columbia), we report that, in our opinion, the accounting policies applied in preparing and presenting financial statements in accordance with Canadian accounting standards for not-for-profit organizations have been applied on a basis consistent with that of the preceding period.

A handwritten signature in black ink that reads 'KPMG LLP' in a cursive, slightly slanted font. A horizontal line is drawn underneath the signature.

Chartered Professional Accountants

Victoria, Canada
June 11, 2024

ART GALLERY OF GREATER VICTORIA

Statement of Financial Position

March 31, 2024, with comparative information for 2023

	Operating Fund	Restricted Funds		Total 2024	Total 2023
		Capital Fund	Internally/ Externally		
Assets					
Current assets:					
Cash and cash equivalents	\$ 452,852	\$ -	\$ 4,118,694	\$ 4,571,546	\$ 11,650,199
Short term investments	-	7,000,000	-	7,000,000	-
Receivables	481,441	89,605	80,000	651,046	141,188
Inventory	79,030	-	-	79,030	93,450
Prepays	40,300	-	-	40,300	85,324
Interfund balances	(92,703)	2,909,549	(2,816,846)	-	-
	960,920	9,999,154	1,381,848	12,341,922	11,970,161
Capital assets (note 2)	-	2,508,807	-	2,508,807	2,551,456
Objects of art and library books (note 3)	-	1	-	1	1
	\$ 960,920	\$ 12,507,962	\$ 1,381,848	\$ 14,850,730	\$ 14,521,618

Liabilities

Current liabilities:					
Payables and accruals	\$ 269,945	\$ 3,569	\$ -	\$ 273,514	\$ 468,353
Deferred contributions (note 5)	393,390	-	-	393,390	437,680
	663,335	3,569	-	666,904	906,033

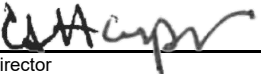
Fund Balances

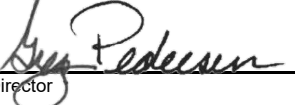
Invested in capital assets	-	2,508,807	-	2,508,807	2,551,456
Externally restricted	-	9,995,586	766,124	10,761,710	9,823,932
Internally restricted	-	-	615,724	615,724	579,611
Unrestricted	297,585	-	-	297,585	660,586
	297,585	12,504,393	1,381,848	14,183,826	13,615,585
	\$ 960,920	\$ 12,507,962	\$ 1,381,848	\$ 14,850,730	\$ 14,521,618

Commitments and contingencies (note 10)

See accompanying notes to financial statements.

On behalf of the Board:


Director


Director

ART GALLERY OF GREATER VICTORIA

Statement of Operations and Changes in Fund Balances

Year ended March 31, 2024, with comparative information for 2023

	Operating Fund		Restricted Funds				Total	Total
			Capital Fund		Externally and Internally Restricted Fund			
	2024	2023	2024	2023	2024	2023	2024	2023
Revenue:								
Admissions	\$ 103,566	\$ 179,160	\$ -	\$ -	\$ -	\$ -	\$ 103,566	\$ 179,160
AGGV Foundation (note 6)	405,500	407,260	72,000	-	80,000	84,700	557,500	491,960
Bequests	105,505	379,478	-	-	-	-	105,505	379,478
British Columbia Gaming Commission	80,500	80,500	-	-	-	-	80,500	80,500
Donations, fundraising and memberships	780,187	749,286	350,000	360,000	37,978	5,603	1,168,165	1,114,889
Grants (note 7)	1,266,124	1,774,236	-	-	-	-	1,266,124	1,774,236
Interest income	56,385	34,644	506,334	350,389	77,339	-	640,058	385,033
Other income	77,031	68,369	-	-	-	-	77,031	68,369
Retail services	611,127	706,689	-	-	-	-	611,127	706,689
	3,485,925	4,379,622	928,334	710,389	195,317	90,303	4,609,576	5,180,314
Expenses:								
Administration	1,057,989	929,636	-	-	-	-	1,057,989	929,636
Advancement and fundraising	306,017	317,877	-	31,920	-	-	306,017	349,797
Amortization	-	-	77,678	79,133	-	-	77,678	79,133
Art acquisitions (note 3)	-	-	-	-	110,975	41,441	110,975	41,441
Buildings and grounds	354,583	450,834	3,756	-	-	-	358,339	450,834
Collections management	283,734	206,752	-	-	-	-	283,734	206,752
Costs of goods sold	334,917	388,951	-	-	-	-	334,917	388,951
Curatorial	917,600	843,361	-	-	-	71	917,600	843,432
Marketing/Public relations	267,227	215,083	-	-	-	-	267,227	215,083
Retail services	174,590	155,933	-	-	-	-	174,590	155,933
Visitor services	152,269	142,688	-	-	-	-	152,269	142,688
Impairment of tangible capital assets (note 2)	-	-	-	2,365,112	-	-	-	2,365,112
	3,848,926	3,651,115	81,434	2,476,165	110,975	41,512	4,041,335	6,168,792
Excess (deficiency) of revenue over expenses	(363,001)	728,507	846,900	(1,765,776)	84,342	48,791	568,241	(988,478)
Fund balances, beginning of year	660,586	207,079	11,657,493	13,423,269	1,297,506	973,715	13,615,585	14,604,063
Interfund transfers (note 8)	-	(275,000)	-	-	-	275,000	-	-
Fund balances, end of year	\$ 297,585	\$ 660,586	\$ 12,504,393	\$ 11,657,493	\$ 1,381,848	\$ 1,297,506	\$ 14,183,826	\$ 13,615,585

See accompanying notes to financial statements.

ART GALLERY OF GREATER VICTORIA

Statement of Cash Flows

Year ended March 31, 2024, with comparative information for 2023

	Operating Fund	Restricted Funds	2024	2023
Cash flows provided from (used in):				
Operating activities:				
Excess (deficiency) of revenue over expenses	\$ (363,001)	\$ 931,242	\$ 568,241	\$ (988,478)
Items not involving cash:				
Amortization	-	77,678	77,678	79,133
Impairment of tangible capital assets	-	-	-	2,365,112
Interfund transfers	92,703	(92,703)	-	-
Changes in non-cash operating working capital:				
Receivables	(340,253)	(169,605)	(509,858)	(105,902)
Inventory	14,420	-	14,420	(14,652)
Prepays	45,024	-	45,024	(5,464)
Payables and accruals	(184,166)	(10,673)	(194,839)	(87,133)
Deferred contributions	(44,290)	-	(44,290)	(87,673)
	(779,563)	735,939	(43,624)	1,154,943
Investing activities:				
Purchase of tangible capital assets	-	(35,029)	(35,029)	(93,814)
Net purchase of short term investments	-	(7,000,000)	(7,000,000)	-
	-	(7,035,029)	(7,035,029)	(93,814)
Increase (decrease) in cash and cash equivalents	(779,563)	(6,299,090)	(7,078,653)	1,061,129
Cash and cash equivalents, beginning of year	1,232,415	10,417,784	11,650,199	10,589,070
Cash and cash equivalents, end of year	\$ 452,852	\$ 4,118,694	\$ 4,571,546	\$ 11,650,199

See accompanying notes to financial statements.

ART GALLERY OF GREATER VICTORIA

Notes to Financial Statements

Year ended March 31, 2024

Art Gallery of Greater Victoria (the “Society”) has the following mission statement: “The Art Gallery of Greater Victoria is a public art gallery committed to the celebration of art. With vision, leadership and scholarship, we will engage and inspire diverse audiences through exhibitions, interpretation, and stewardship of the collection”.

The Society is incorporated under the Societies Act of British Columbia and its principal activities are the operation of an art gallery and related services. The Art Gallery of Greater Victoria is a charitable organization registered under the Income Tax Act and as such is exempt from income taxes and able to issue donation receipts for income tax purposes.

1. Significant accounting policies:

The financial statements of the Society are prepared in accordance with Canadian accounting standards for not-for-profit organizations.

(a) Fund accounting:

The Art Gallery of Greater Victoria follows the restricted fund method of accounting for contributions. The Society records its activities in the following funds:

The Operating Fund accounts for the organization’s program delivery and transactions related to the maintenance of the facilities and general operations of the Gallery. This fund reports unrestricted and restricted operating contributions.

The Restricted Funds include the following:

Capital Fund which includes funds received from individual and corporate donations and government grants that are designated for capital asset additions relating to land, buildings and equipment.

Externally Restricted Fund which includes funds received from individual and corporate donations and government grants that are designated for specifically defined purposes including art acquisitions, programming and the care and maintenance of the collection.

Internally Restricted Fund which includes funds restricted by direction of the Society that are designated for specifically defined purposes including art acquisitions, new gallery building project, a major repair and maintenance reserve for the collection and facility and an insurance deductible reserve.

(b) Revenue recognition:

Operating grant revenue is recognized in the period for which the grant is awarded. Accordingly, operating grant revenue awarded for periods subsequent to the current year is deferred to the next fiscal year, where there is no period specified the revenue is recognized in the current fiscal year.

Restricted contributions related to general operations are recognized as revenue of the Operating Fund in the year in which the related expenses are incurred. All other restricted contributions are recognized as revenue of the appropriate restricted fund when received or receivable.

ART GALLERY OF GREATER VICTORIA

Notes to Financial Statements

Year ended March 31, 2024

1. Significant accounting policies (continued):

(b) Revenue recognition (continued):

Unrestricted contributions are recognized as revenue of the Operating Fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Revenue on retail sales, admissions and membership is recognized at the point of sale when the customer receives and pays for the goods or service.

(c) Capital assets:

Rates and bases applied to write off the cost less estimated salvage value of capital assets over their estimated useful lives are as follows:

Building improvements	20 years, straight-line
Furniture, fixtures and equipment	5 years, straight-line
Computer equipment	3 years, straight-line
Computer software	2 years, straight-line

There is no amortization of the cost of building improvements or other capital projects that are substantially incomplete and not ready for their intended purpose at year end. When a capital asset no longer contributes to the Society's ability to provide services its carrying value is written down to its residual value

(d) Financial instruments:

The Society's financial instruments consist of cash and cash equivalents, short term investments, receivables and payables and accruals.

Financial instruments are recorded at fair value on initial recognition. Investments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instrument at fair value. The Society has not elected to carry any such financial instruments at fair value.

(e) Inventory:

Inventory is stated at the lower of cost and net realizable value.

(f) Art and library books:

The Society holds a collection of works of art for the perpetual benefit of current and future generations. The collection is shown as an asset at a nominal value of \$1 due to the practical difficulties of determining a meaningful value for these assets. Works of art purchased for the collection of the Society are recorded as an expense in the year of acquisition. Works of art donated to the Society are not recorded in the books of account.

ART GALLERY OF GREATER VICTORIA

Notes to Financial Statements

Year ended March 31, 2024

1. Significant accounting policies (continued):

(g) Contributed goods and services:

The Society records donated materials, services and facilities in those cases where:

- the Society controls the way they are used;
- there is a measurable basis for arriving at fair value;
- the services are essential services, which would normally be purchased and paid for if not donated; and
- The value of the donated materials, services or facilities is a minimum of \$3,000.

Part of the activities of the Society is carried out by volunteers. The value of this contributed time is not reflected in these financial statements. During the year the Society received \$9,500 in-kind donations in excess of the threshold (2023 – nil).

(h) Impairment of long-lived assets:

The Society regularly reviews the carrying value of long-lived assets and continually makes estimates regarding future cash flows and other factors to determine the fair value of the respective assets. If these estimates or their related assumptions change in the future, the Society may be required to record impairment charges for these assets.

(i) Use of estimates:

In preparing the Society's financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenue and expenses during the period. The estimates and assumptions made include, among other things, the estimated useful life of capital assets and the collectability of receivables. Actual results could differ from these estimates.

2. Capital assets:

			2024	2023
	Cost	Accumulated amortization	Net book value	Net book value
Land	\$ 2,172,745	\$ -	\$ 2,172,745	\$ 2,172,745
Building improvements	1,083,516	877,451	206,065	239,014
Furniture, fixtures and equipment	618,200	538,281	79,919	97,994
Computer equipment	171,370	121,292	50,078	39,951
Computer software	100,285	100,285	-	1,752
	\$ 4,146,116	\$ 1,637,309	\$ 2,508,807	\$ 2,551,456

ART GALLERY OF GREATER VICTORIA

Notes to Financial Statements

Year ended March 31, 2024

2. Capital assets (continued):

During the year capital asset purchases of \$35,029 (2023 - \$93,814) were made.

During 2023, the Society made the decision to no longer move forward with the capital renewal project at the Society's existing operating location at 1040 Moss St. in Victoria, BC and construct a new facility at an alternate location. \$2,365,112 of capital renewal project costs were impaired and written down during 2023. This represents the amount of costs incurred that were unique to the capital renewal of the existing location.

3. Objects of art and library books:

The Society has an extensive collection of visual arts, particularly Asian and Canadian art. The Society's collection includes some 20,000 works of art.

The Society acquires works of art by purchase, donation and bequest. Acquisitions in the year are as follows:

	2024	2023
Purchase - Restricted funds	\$ 110,975	\$ 41,441
Donations and bequests, at estimated fair market value	45,000	152,380
	<u>\$ 155,975</u>	<u>\$ 193,821</u>

4. Bank indebtedness:

The Society maintains two lines of credit with the Bank of Montreal. The operating line of credit, bearing interest at bank prime, interest only monthly payments, authorized to a maximum of \$100,000, and the restricted line of credit, bearing interest at bank prime, interest only monthly payments, authorized to a maximum of \$300,000, are secured by a general security agreement and a pledge of duplicate certificate of title over 1040 Moss Street.

ART GALLERY OF GREATER VICTORIA

Notes to Financial Statements

Year ended March 31, 2024

5. Deferred contributions:

Changes in the deferred contributions balance are as follows:

	2024	2023
Balance, beginning of year	\$ 437,680	\$ 525,353
Contributions received:		
Grants	1,229,748	1,654,236
Other	37,667	39,777
	1,267,415	1,694,013
Recognition of contributions:		
Grants (note 7)	1,266,124	1,774,236
Other	45,581	7,450
	1,311,705	1,781,686
Balance, end of year	\$ 393,390	\$ 437,680

6. Art Gallery of Greater Victoria Foundation:

The Art Gallery of Greater Victoria Foundation (the "Foundation") is incorporated under the Societies Act of British Columbia and is a charitable organization registered under the Income Tax Act and, as such, is exempt from income taxes and able to issue donation receipts for income tax purposes. Its purpose is to build and manage donations and bequests as endowment funds, art acquisition funds, programming funds, or capital funds, based on the wishes of the donors or the decision of the Directors. The annual income is used for the benefit of the Society in accordance with the wishes of the donors.

The Foundation is controlled by the Society as, of the Foundation's eight Board members, four comprise of the President, Treasurer, Director/Chief Executive Officer, and Director of Finance and Administration of the Society, and the four remaining are appointed by the Society's Board. The Foundation has not been consolidated in the Society's financial statements.

Included in receivables is \$ 571,071 (receivable 2023 - \$107,276) due from the Art Gallery of Greater Victoria Foundation. During the year, the Society made no donations to the Art Gallery of Greater Victoria Foundation (2023 - \$nil).

ART GALLERY OF GREATER VICTORIA

Notes to Financial Statements

Year ended March 31, 2024

6. Art Gallery of Greater Victoria Foundation (continued):

The summarized financial position and operating results as at and for the year ended March 31, 2024, the latest fiscal year-end of the Foundation, are as follows:

	2024	2023
Financial position:		
Total assets	\$ 9,891,067	\$ 7,713,385
Total liabilities	578,861	114,916
Fund balances	\$ 9,312,206	\$ 7,598,469
Results of operations:		
Revenue (includes unrealized gain/(losses) on investments)	\$ 2,281,740	\$ (121,710)
Expenses	568,003	501,462
Excess (deficiency) of revenue over expenses	\$ 1,713,737	\$ (623,172)
Cash flows:		
Operating activities	\$ 856,139	\$ 165,526
Investing activities	(706,584)	119,064
Net increase in cash and cash equivalents	\$ 149,555	\$ 284,590
Revenue received from the Foundation's endowment funds:		
Restricted:		
Holmes Sisters, Gladys, Doris and Marjorie Fund	\$ 7,544	\$ 7,163
Mortimer Lamb Fund	4,592	11,148
Myfanwy Pavelic Fund	1,804	1,715
George and Lola Kidd Decorative Arts Fund	13,656	19,639
George and Lola Kidd B.C. Arts Fund	12,240	17,602
Audain Curator of First Nations Art Fund	-	27,277
Asian Art Fund	164	156
J.E. (Ted) Browne & Cora (Browne) Shaw Fund	40,000	-
Other general funds	72,000	-
	\$ 152,000	\$ 84,700
Unrestricted:		
Gwendolyn Scott Fund	\$ 3,240	\$ 1,765
Richard and Constance Glover Fund	12,150	6,735
Sara Spencer Fund	119,610	122,260
Rosita Tovell Programming Fund	85,500	166,500
Other general funds	185,000	110,000
	\$ 405,500	\$ 407,260

ART GALLERY OF GREATER VICTORIA

Notes to Financial Statements

Year ended March 31, 2024

7. Grants:

	2024	2023
Operating Fund:		
B.C. Arts Council:		
Operating Assistance	\$ 287,100	\$ 699,726
Canada Council:		
Operating Assistance	462,700	555,300
Projects	8,377	52,000
Canadian Museums Association:		
Young Canada Works in Heritage Organizations	7,966	4,925
Service Canada - Canada Summer Jobs	10,581	4,609
Department of Canadian Heritage	300	-
Capital Regional District	448,000	448,000
Mt Allison University	-	9,676
BC Museums Association	1,100	-
First People	40,000	-
	\$ 1,266,124	\$ 1,774,236

8. Interfund transfers:

In 2024 there were no interfund transfers. In 2023 as per a Board motion, a transfer of \$275,000 was made from the Operating Fund to an internally restricted deferred maintenance, care of collection and technology fund.

9. Employee pension plan:

The Society and its employees contribute to the Municipal Pension Plan (the Plan), a jointly trustee plan. The board of trustees of the British Columbia Pension Corporation, representing plan members and employers, is responsible for overseeing the management of the Plan including investment of the assets and administration of benefits. The Plan is a multi-employer defined benefit plan.

Defined contribution plan accounting is applied to this benefit plan. As such, the cost of these employee future benefits is recognized as an expense in the year that contributions are paid.

The risks and rewards associated with the Plan's unfunded liability or surplus are shared between the employers and the Plan's members and may be reflected in their future contributions. During the year, the Society contributed \$ 123,875 (2023 - \$117,083) to the Plan on behalf of employees. Based on the most recent actuarial valuation as of December 2021, the Municipal Pension Plan had a funding surplus for basic pension benefits. Portions of any surplus or deficiency are not attributed to individual employers.

ART GALLERY OF GREATER VICTORIA

Notes to Financial Statements

Year ended March 31, 2024

10. Commitments and contingencies:

(a) Operating leases:

The Society has entered into agreements to lease office equipment for various periods until September 2027. Minimum rent payable for equipment in aggregate is as follows:

2025	\$	3,108
2026		3,108
2027		3,108
2028		1,554
		<hr/>
		\$ 10,878

(b) Provincial funding agreement:

In March 2018, the Society received \$6 million of funding towards its capital renewal project under a contribution agreement with the Province of British Columbia. Under the terms of this agreement, if the funding is not utilized to expand the Art Gallery of Greater Victoria, the province may elect to terminate the agreement and the Society would be required to repay the portions of funds not expended as of that date. The unexpended balance of the \$6 million funding is currently held in restricted short-term investments. The Society is working with the Province to amend the terms of the agreement to fund construction at the alternate location.

11. Remuneration of directors, employees and contractors:

For the fiscal year ending March 31, 2024, the Society paid total remuneration of \$747,139 to 7 employees (2023 - \$352,072 to 3 employees), each of whom received total annual remuneration of \$75,000 or greater. No remuneration was paid to any Director and no remuneration of \$75,000 or greater was paid to any contractor in 2024 or 2023.

12. Victoria Foundation – B.C. Arts Renaissance Endowment Fund:

The Society is the income beneficiary of the Art Gallery of Greater Victoria B.C. Arts Renaissance Endowment Fund established in December 2005 by the Victoria Foundation.

Capital contributions by anonymous donors to this fund totaled \$25,100 and were supplemented by \$22,100 of contributions by the Society flowed through from the B.C. Arts Renaissance Fund at the Vancouver Foundation, and further contributions of \$33,327 made to the fund by the Victoria Foundation. The capital of the Endowment Fund remains the property of the Victoria Foundation. The fair market value of the Endowment Fund as of March 31, 2024 is \$ 110,364 (2023 - \$103,345).

ART GALLERY OF GREATER VICTORIA

Notes to Financial Statements

Year ended March 31, 2024

13. Risk management:

In the normal course of business, the Society is exposed to liquidity risk. The Society's primary risk management objective is to protect earnings and cash flow in order to support its operations. Risks are managed within limits ultimately established by the Society's Board of Directors and implemented by management. The Society manages liquidity risk by having access to a line of credit.

The Society is exposed to interest rate risk due to the variable rate on its lines of credit.

It is management's opinion that the Society is not exposed to significant currency or credit risk arising from its financial instruments.

There have been no significant changes in the Society's risk exposure from the prior year.

14. Comparative figures:

Certain comparative information has been reclassified to conform with the financial statement presentation adopted for the current year.