

Art Gallery of Nova Scotia
Annual Accountability Report
for the Fiscal Year 2017-2018

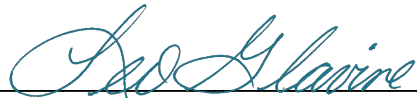
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Accountability Statement

The Accountability Report of the Art Gallery of Nova Scotia for the year ended March 31, 2018, is prepared pursuant to the Finance Act and government policies and guidelines. These authorities require the reporting of outcomes against the Art Gallery of Nova Scotia's Business Plan for the fiscal year just ended. The reporting of the Art Gallery of Nova Scotia outcomes necessarily includes estimates, judgments and opinions by the Art Gallery of Nova Scotia management.

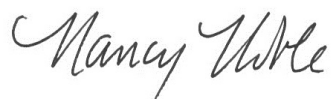
We acknowledge that this Accountability Report is the responsibility of Art Gallery of Nova Scotia management. The report is, to the extent possible, a complete and accurate representation of outcomes relative to the goals and priorities set out in the Art Gallery of Nova Scotia's 2017-2018 Business Plan.



Leo Glavine, Communities, Culture and Heritage



Malcolm Fraser, Chair, Board of Governors



Nancy Noble, Chief Executive Officer

Message from the Chair/CEO

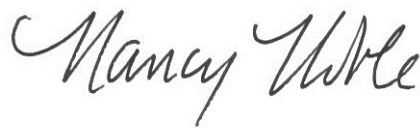
On behalf of the Board of Governors and management of the Art Gallery of Nova Scotia (AGNS), we are presenting the 2017 -2018 Accountability Report.

It has been an exciting, and record setting, 12 months for the Art Gallery of Nova Scotia. This year's successes demonstrate the impact that cultural institutions have on our provincial economy and the cultural sector in Nova Scotia. The Gallery's programming over the past 12 months was wide reaching and made great strides to be more reflective of the cultural diversity in our province and country. The future for the Gallery will have a focus on inclusivity and broadening the narrative of the diverse stories told through the visual arts.

This year our staff and volunteers worked diligently to offer a world class experience while nearly doubling visitation and reach through diverse exhibitions and programming coupled with strategic marketing. This team has also made major steps towards building a stronger future for the Art Gallery of Nova Scotia and for the cultural sector in the Province. The Board and staff look forward to building an innovative and successful Art Gallery of Nova Scotia for all Nova Scotians.



Malcolm Fraser
Chair of the Board



Nancy Noble
Director and CEO

Financial results 2017-2018

<i>As at March 31</i>	Budget	Actual	Variance
Revenue			
Operating	3,159,291	2,914,433	(244,858)
Programming	436,784	369,710	(67,074)
Gallery Shop	261,000	539,822	278,822
Other Revenue	66,800	122,208	55,408
Total Revenue	3,923,875	3,946,173	22,298
Expenses			
Salaries and benefits	2,264,071	2,244,112	(19,959)
Programming	666,920	485,731	(181,189)
Administration	325,421	333,153	7,732
Develop & Marketing	198,000	211,314	13,314
Acquisitions	29,709	12,752	(16,957)
Western branch	133,849	148,822	14,973
Gallery Shop	221,593	395,524	173,931
Building Operations	17,100	14,557	(2,543)
Total Expenditures	3,856,663	3,845,965	(10,698)
Surplus/Deficit	67,212	100,208	
Amortization of tangible capital assets	67,212	45,487	
Annual Surplus	-	54,721	54,721

Notes to financial results:

The AGNS had an operating surplus of \$54,721. Operating revenue was \$2,914,400, a decrease of \$245,000 compared to budget. Development revenue was \$408,000 below budget primarily driven by lower donation and sponsorship revenues (down \$272,000 and \$85,000 respectively); admission revenues were up \$146,000. Programming revenue was down \$70,000 compared to budget however expenditures in this area were also down in the amount \$181,000. Gallery Shop revenues were up by \$273,000 compared to budget.

The Endowment Fund realized returns of \$87,000 with donations amounting to \$15,000. Overall revenue in the Endowment Fund was up \$35,000; \$20,000 from returns on the portfolio and \$15,000 from donations.

Overall expenditures down \$11,000 from budget driven primarily from programming (\$181,000) offset cost of merchandise sold in the Gallery Shop as a result of higher revenue (\$173,000). Administration expense were up 8,000 to budget primarily as a result of lower travel and appraisal fees (\$16,000 and \$11,000 respectively) offset by higher point of sale fees from shop admission revenues and office expenditures (\$16,000 and \$2,000 respectively).

Measuring Performance

The AGNS's 2017-18 Business Plan identified the following outcomes and goals.

Outcome: Enhance exhibitions and public programming

A key part of the mandate of the AGNS is to exhibit works of art and to make them available for public view. The Gallery delivers a range of programs which invite people of diverse backgrounds, ages and abilities to engage with art. We encourage the exchange of ideas and multiple perspectives through a range of tours, talks, dialogue and studio-based programs and events.

In 2017-18, the Gallery delivered a slate of exhibitions and programs that provided a diversity of subject matter and historical perspectives that balanced a celebration of our past with a vital look ahead.

Goals:

- Number of visitors increases.
- Admissions revenues increase.
- Audiences are more diverse.
- Engagement strategy is completed.

Results:

Number of Visitors

In 2017-2018, visitation to the Art Gallery of Nova Scotia's two locations grew from 45,455 to 69,421 visitors, an increase of 53 per cent. In Halifax, visitation grew 63 per cent from 39,701 to 64,729. The results exceeded our visitation goals significantly because of several factors: increased interest in the Maud Lewis collection because of the film *Maudie*; increased investment in marketing to take advantage of the release of the film and more generally to tourist and other markets; and a dynamic slate of exhibitions and programs that appealed to broad audiences.

In addition, the gallery saw over 8,000 people visit during BMO Free Access Thursday Nights, meeting our goal to be more accessible to people who may not be able to afford admission fees. Interestingly, 62 per cent of visitors to our Halifax location came between June 1st and October 31st or tourism season.

The gallery also saw an increase in participation by school and youth groups at both locations with a combined total of 8,939 youth for an increase of 12 per cent. For those unable to come to the gallery, the AGNS partnered with schools and other organizations to bring *ArtReach* and *ArtsSmarts* to over 2,000 students and teachers throughout the province. The gallery also

provided a range of artist-lead programming focused on children and families such as March break, Summer Art Classes, and Family Sundays.

Admissions Revenues

As a result of being able to attract more visitors and a concerted effort to streamline our complimentary admissions, revenue from tickets sales grew substantively from \$111,960 in 2017 to \$284,148 in 2018, a remarkable increase of 154 per cent in just one year. These results were influenced by the same factors that led to greater visitation.

Audiences are more diverse.

It is difficult to measure the diversity of audiences, but certainly increased visitation would indicate more diversity. Nevertheless, a more robust way of measuring this outcome is still required.

The gallery continued its practice of partnering with community-based organizations to deliver opportunities to more diverse interests including health and wellness and social justice issues in the province. The gallery partnered with Autism Nova Scotia to offer *Autism Arts* in Halifax and Yarmouth and to work with the Alzheimer's Society to provide *Artful Afternoons* for people with dementia and their partners in care. Another important health-related partnership also continued - *Art from the Heart*. This pioneering program was developed in conjunction with the Aboriginal Children's Hurt & Healing Initiative (ACHH), and demonstrates the power of art to assist children and youth in finding ways to express their hurt so they can be healed.

Another important partnership that drew more Indigenous interest in the Gallery, was *Kepe'kek from the Narrows of the Great Harbour*, an exhibition and program that showcased five Indigenous youth artists and makers with support from established artists and the community. The exhibition presented a visual story of Kepe'kek or Turtle Grove, addressing the story of the Mi'kmaq community that was destroyed during the Halifax explosion of 1917.

Engagement strategy is complete.

A formal engagement strategy was not completed although significant work has been done towards both a strategic plan and an engagement strategy. In 2017, the gallery leadership team and community members came together to articulate our reason for being or clear definition of our purpose and how we could move towards accomplishing that purpose. The group created a touchstone – **Sparking Connections**.

For the Art Gallery of Nova Scotia, **Sparking Connections** is about becoming an inclusive gathering place where everyone—young, old, artists, non-artists, locals, visitors—can find a connection to themselves and to each other. It's about creating a place that is a focal point for communities and for the province of Nova Scotia.

The public benefits from the work of the gallery, not just those who come through the door. A great art experience can profoundly affect a person, triggering ideas, emotions, thoughts and even change. The professional arts community represents the heart of the Art Gallery of Nova Scotia. For artists, **Sparking Connections** engenders a stronger sense of community and the chance to create more opportunities for artist to artist and artist to public interaction. Finally, donors are pivotal to our success, they champion growth, connect us to the community, and stabilize our funding.

This touchstone, **Sparking Connections**, has become a key filter through which we are planning our exhibitions and programs for the next several years and how we will engage with

Nova Scotians and others not only in the physical spaces of the galleries, but in other Nova Scotia communities and online.

Outcome: Increase Visitation and Membership

Attendance at the gallery has been flat or declining over the past several years. In 2017/2018, that trend changed, significantly. Visitation to Halifax grew significantly, membership grew, and our online presence was greater. This was achieved by greater investments in marketing, membership and donor relations, improved visibility on the outside of the AGNS Halifax, and investments in our shop both in-house and online.

Goals:

Number of visitors increases and more people are engaged with the gallery.
Membership grows.
Marketing is more effective at driving attendance.
The Gallery has a plan to meet its provincial mandate.

Results:

Number of visitors increases.

See above for results.

Membership grows.

Gallery membership grew 11 per cent to 2,418 members. This was a direct result of putting more resources towards the recruitment, retention and stewardship of our members with a new position dedicated to member and donor relations. Highlights included the launch of a new monthly e-newsletter, engaging over 357 students and welcoming 344 reciprocal member visits from other galleries.

Marketing is more effective at driving attendance.

The gallery invested significantly more in marketing in 2017/18 than in previous years. This included the hiring of a dedicated Marketing Manager, increasing the marketing spend and investing in our social media presence. Website visits, for example, grew from 96,500 in 2016/17 to 246,197 in 2017/18. In addition, all social media platforms saw more likes and followers.

The emphasis of our marketing campaign last year was Maud Lewis and it paid in both attendance and admission numbers and in awareness of the Gallery's Gift Shop, both in house and online. The AGNS launched its *Maud Lives Here* campaign alongside the release of the feature film *Maudie*, focusing on the work of Maud Lewis, specifically, her painted house, and offered a further glimpse into the work of this Nova Scotian icon. The gallery used targeted media to reach Atlantic Canadians and tourists to the region. The campaign team worked diligently to ensure that the creative was on brand and accurately reflected the Maud Lewis experience offered to patrons who visited the gallery.

Gallery plan to meet its provincial mandate

Although no plan has been articulated, the Art Gallery of Nova Scotia began the process of re-thinking how we can better meet our provincial mandate. This includes continuing to work in communities across the province through our ArtsSmarts and ArtsReach programs, but going beyond that to partner with existing arts organizations to travel exhibitions and increase programming beyond our Halifax and Yarmouth locations.

One significant accomplishment in 2017/18 was the completion of a project to make our collection of over 18,000 works of art available online. The online portal can be found at: https://collections.artgalleryofnovascotia.ca/Argusnet/Argus_ArtGalleryNovaScotia/portal.aspx

Outcome: Continue to stabilize AGNS operational and program funding.

The gallery continued its efforts to stabilize its operation by increasing earned and contributed revenues to reduce reliance on government funding. This was achieved, in part, with only 60 per cent of our revenues coming from government versus 69 per cent in 2016/17. Earned revenues also grew exponentially, particularly in admissions and shop revenues. Contributed, or donated and sponsored revenues, grew although they did not meet the targets set out in the budget. More work remains to be done, but changes to our staffing and a better alignment of skills and abilities will support those goals in the future. One key goal that was not achieved was the governance review, but this remains a priority in 2018/19, particularly as we move towards a new facility on the waterfront.

Goals:

- Governance improves.
- Strategic Plan completed.
- Other revenues increase.
- Gallery shop revenues increase.
- Storage improvement plan is complete.

Results:**Governance improves.**

The intent was to complete a governance review and implement. This was not completed due to competing priorities. It is scheduled to be done in 2018/19, in line with the development of a new facility for the Art Gallery of Nova Scotia.

Strategic plan completed.

Again, this was not completed although the work the board and staff undertook with community (see page 7 and 8 above) is the basis upon which a new strategic plan will be built. It was decided that the timing of the first phase of a potential building project meant that doing a strategic plan was premature and should be part of the process of reimagining a new Art Gallery of Nova Scotia.

Other revenues increase.

Other revenues were largely flat or up slightly over the previous year although the ambitious targets set out in the business plan were not met. Membership revenues grew slightly from

\$49,231 to \$51,831; events were up over \$14,000 from the previous year; sponsorship revenues by over \$40,000; and rentals remained relatively flat. One area that dropped was donations. However, much of the development team changed during the year with two staff leaving and two new staff joining the team.

Gift Shop revenues increase.

The strongest increase in revenues in 2017/18 was in the gift shop and largely due to the strength of our Maud merchandise, online sales to markets the film opened (including Japan and Korea) and increased marketing. Our goal was to grow shop revenues by 135 per cent - they grew by 373 per cent from sales of \$114,253 in 2016/17 to sales of \$539,822 in 2017/18.

Storage improvement plan is complete.

Although the grant was successful and the consultant hired, the plan was not completed in the last fiscal year. It will be completed in 2018/19.

Outcome: Build a New Home for AGNS

The Art Gallery of Nova Scotia has been discussing the potential for a new home for many years due to the physical deterioration of the buildings, limitations on space sizes (to house oversized art works) and location. During the past year, the gallery partnered with NSCAD University, Waterfront Development Corporation, and other government departments to advance the project. Staff, board, members and donors are excited about the possibility of re-imagining the Art Gallery of Nova Scotia as part of a cultural hub on the waterfront in Halifax.

Goals:

Lord Study is complete.
 Government funding is in place.
 Transformative gifts are pledged.
 Agreements to secure key collections in place.
 Case for support is complete.

Results:

Significant progress has been made on all the goals outlined to build a new home for the Art Gallery of Nova Scotia.

The Lord Report was completed and outlines the scope of the potential building project along with a collaborative approach with the Nova Scotia College of Art and Design. The study is being used to inform the first phase of the project (funded through the provincial government) to build a project proposal for a cultural hub on the waterfront in Halifax in partnership with NSCAD and Waterfront Development Corporation. This phase of the project is continuing in 2018/19.

Although no “transformative gifts” have been secured, several donors have pledged support to the new Gallery including collections. A case for support has been delayed until a full project

proposal is complete including a new curatorial vision and plan for the Art Gallery of Nova Scotia.

Performance Scorecard 2017-2018

Outcome: Visitation in-house and online increases.

Measure	Trends	Result	
Number of visitors to AGNS increases.	2013-	46,274	Visitation to the Art Gallery of Nova Scotia has been flat for some years. In 2017-18, we increased overall visitation to both locations by almost 24,000 people or 53%. In addition, visitors to our BMO Free Access Thursday Nights grew to over 8,000
	14	45,836	
	2014-	43,507	
	15	45,455	
	2015-	69,421	
	16		
	2016-		
	17		
Number of visitors to the website	2013-	96,825	The number of visitors to the website has also been quite flat over the past four years with tremendous growth in 2017-18 (155%) as a result of increased marketing and focus on social media.
	14	102,257	
	2014-	97,164	
	15	96,575	
	2015-	246,147	
	16		
	2016-		
	17		
2017-			
18			

Outcome: Earned Revenues (admissions, shop, membership, events) increase.

Measure	Trends	Result	
Earned revenues increase.	2013-	922,491	Earned revenues grew by 126% with the most significant growth in admissions revenue and gift shop (see below).
	14	845,972	
	2014-	799,866	
	15	507,383	
	2015-	1,145,959	
	16		
	2016-		
	17		
Admissions	2013-	16,094	Revenue from admissions has been up and down (with the exception of the 2013/14 anomaly when the gallery was closed for several months), but grew exponentially in 2017-18 to \$284,148. This is exceptional growth in one year.
	14	111,077	
	2014-	94,386	
	15	111,960	
	2015-	284,148	
	16		
	2016-		
	17		
2017-			
18			

Gift Shop Revenue	2013-	191,289	Revenue from the gift shop is at record levels growing 372% over last year. This is the result of better management, marketing and Maud Lewis merchandise.
	14	185,692	
	2014-	146,135	
	15	114,253	
	2015-	539,822	
	16		
	2016-		
17			
2017-			
18			

Outcome: Contributed revenues (sponsorship, donations, private grants) increase.

Measure	Trends		Result
Contributed Revenue	2013-	710,321	Contributed revenues have decreased over time, largely due to decreases in the endowment and acquisitions funds. Donations have fluctuated and sponsorships have grown in recent years. Increased and more focused staff should assist in stabilizing. Note, the 2015-16 fiscal year is skewed because some investments in the endowment fund were sold and they realized gains of \$581,000.
	14	755,689	
	2014-	1,285,668	
	15	498,233	
	2015-	436,282	
	16		
	2016-		
17			
2017-			
18			

Outcome: Government funding is reduced as a portion of the whole.

Measure	Trends		Result
Level of government funding from all sources.	2013-14	2,591,972	Government funding from all sources has traditionally been fairly stable at about 61% of total revenues. In 2015-16 this is skewed because of the realized gains and in 2016-17 due to additional funds for the Lord Report, etc. Funding from Communities, Culture and Heritage (CCH) has actually declined over the past several years.
	2014-15	2,591,972 (61%)	
	2015-16	2,489,677 (61%)	
	2016-17	2,593,862 (55%)	
	2017-18	2,543,746 (72%)	
		2,363,932 (60%)	

Funding from CCH	2013-14	2,338,867	Funding from CCH has declined by over \$200,000 since 2013-14 and currently sits at 53.5% of total revenues.
	2014-15	2,229,226	
	2015-16	2,305,884	
	2016-17	2,285,441	
	2017-18	2,109,655	
