

**ART GALLERY OF NORTHUMBERLAND**

FINANCIAL STATEMENTS

December 31, 2021

## CONTENTS

	<u>Page</u>
Independent Auditor's Report	2 - 3
Financial Statements	
Statement of Financial Position	4
Statement of Revenues and Expenses	5
Statement of Changes in Net Assets	6
Statement of Cash Flows	7
Notes to Financial Statements	8 - 16

**INDEPENDENT AUDITOR'S REPORT**

To the Members of  
**ART GALLERY OF NORTHUMBERLAND**

**Qualified Opinion**

We have audited the financial statements of **ART GALLERY OF NORTHUMBERLAND** (the "Gallery") , which comprise the statement of financial position as at December 31, 2021, and the statement of revenue 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.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the accompanying financial statements present fairly, in all material respects, the financial position of the Gallery as at December 31, 2021, 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 Qualified Opinion**

In common with many not-for-profit organizations, the Gallery derives revenue from donations and fundraising activities, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Gallery. Therefore, we were unable to determine whether any adjustments might be necessary to fundraising revenue, excess of revenues over expenses, and cash flows from operations for the years ended December 31, 2021 and December 31, 2020, current assets and net assets as at December 31, 2021 and December 31, 2020. The audit opinion on the financial statements for the year ended December 31, 2020 was modified accordingly because of the possible effects of this limitation in scope.

We conducted our audit in accordance with Canadian generally accepted auditing standards. The 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 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 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.

## INDEPENDENT AUDITOR'S REPORT (continued)

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

The 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 qualified 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 these 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 qualified 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, determine 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 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 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.

Belleville, Ontario  
March 24, 2022



CHARTERED PROFESSIONAL ACCOUNTANTS  
LICENSED PUBLIC ACCOUNTANTS

**ART GALLERY OF NORTHUMBERLAND  
STATEMENT OF FINANCIAL POSITION  
DECEMBER 31, 2021**

	Unrestricted 2021	Internally Restricted 2021	Restricted - Endowment Funds 2021	Invested in Capital Assets 2021	Total 2021	Total 2020
<b>CURRENT ASSETS</b>						
Cash	\$ 90,367	\$ 34,507	\$ 10,503	\$ -	\$ 135,377	\$ 50,486
Accounts receivable	5,793	-	-	-	5,793	53,113
Government remittances recoverable	3,808	-	-	-	3,808	4,483
Due from (to) other fund	(29,180)	29,180	-	-	-	-
Prepaid expenses	2,846	-	-	-	2,846	1,138
Permanent collection - Note 5	-	1	-	-	1	1
	<u>73,634</u>	<u>63,688</u>	<u>10,503</u>	<u>-</u>	<u>147,825</u>	<u>109,221</u>
<b>INVESTMENTS - Note 8</b>	-	-	160,959	-	160,959	136,917
	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,224</u>	<u>9,224</u>	<u>-</u>
<b>CAPITAL ASSETS - Note 7</b>	<u>\$ 73,634</u>	<u>\$ 63,688</u>	<u>\$ 171,462</u>	<u>\$ 9,224</u>	<u>\$ 318,008</u>	<u>\$ 246,138</u>

**LIABILITIES AND NET ASSETS**

<b>CURRENT LIABILITIES</b>						
Accounts payable and accrued liabilities	\$ 15,043	\$ -	\$ -	\$ -	\$ 15,043	\$ 15,274
Government remittances payable	3,794	-	-	-	3,794	3,079
Deferred revenue - Note 6	41,900	-	-	-	41,900	46,809
	<u>60,737</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>60,737</u>	<u>65,162</u>
	<u>12,897</u>	<u>63,688</u>	<u>171,462</u>	<u>9,224</u>	<u>257,271</u>	<u>180,976</u>
<b>NET ASSETS</b>	<u>\$ 73,634</u>	<u>\$ 63,688</u>	<u>\$ 171,462</u>	<u>\$ 9,224</u>	<u>\$ 318,008</u>	<u>\$ 246,138</u>

 Director  
 Director

(See accompanying notes)

**ART GALLERY OF NORTHUMBERLAND  
STATEMENT OF REVENUES AND EXPENSES  
YEAR ENDED DECEMBER 31, 2021**

	Unrestricted 2021	Internally Restricted 2021	Restricted - Endowment Funds 2021	Invested in Capital Assets 2021	Total 2021	Total 2020
<b>REVENUE</b>						
Grants - Municipal	\$ 150,000	\$ -	\$ -	\$ -	\$ 150,000	\$ 215,000
Grants - Provincial	38,820	5,479	-	-	44,299	-
Grants - Federal	106,375	2,167	-	-	108,542	58,301
Grants - Other	1,250	-	-	-	1,250	20,250
Sponsorships	3,000	-	-	-	3,000	2,000
Donations	45,951	80,990	10,200	-	137,141	246,373
Fundraising and gallery shop commission	4,609	-	-	-	4,609	7,810
Membership	6,690	-	-	-	6,690	5,820
Education	200	-	-	-	200	445
Investment income	5,517	-	14,824	-	20,341	8,402
Gain (loss) on sale of investments	(317)	-	-	-	(317)	(206)
	<u>362,095</u>	<u>88,636</u>	<u>25,024</u>	<u>-</u>	<u>475,755</u>	<u>564,195</u>
<b>EXPENSES</b>						
Amortization	-	-	-	4,660	4,660	-
Education	4,254	-	-	-	4,254	4,352
Exhibitions	21,919	-	-	-	21,919	27,883
Fundraising	6,349	-	-	-	6,349	6,811
Furniture and furnishings	-	-	-	-	-	3,183
Cataloguing	-	-	-	-	-	19,877
Insurance	4,723	-	-	-	4,723	4,705
Interest and bank charges	1,182	-	-	-	1,182	1,689
Administration and management investment fees	-	-	1,450	-	1,450	1,083
Marketing and communications	4,918	-	-	-	4,918	4,931
Memberships	464	-	-	-	464	1,232
Office and sundry	15,220	193	-	-	15,413	11,423
Permanent collection maintenance	-	7,858	-	-	7,858	6,782
Professional fees	26,189	-	-	-	26,189	14,565
Rent	-	-	-	-	-	45,000
Repairs and maintenance	3,027	-	-	-	3,027	5,414
Salaries and related benefits	213,431	-	-	-	213,431	155,386
Security	2,113	-	-	-	2,113	2,459
Works of art accessioned	-	81,510	-	-	81,510	206,267
	<u>303,789</u>	<u>89,561</u>	<u>1,450</u>	<u>4,660</u>	<u>399,460</u>	<u>523,042</u>
Excess (deficiency) of revenue over expenses	\$ 58,306	\$ (925)	\$ 23,574	\$ (4,660)	\$ 76,295	\$ 41,153

(See accompanying notes)

**ART GALLERY OF NORTHUMBERLAND**  
**STATEMENT OF CHANGES IN NET ASSETS**  
**YEAR ENDED DECEMBER 31, 2021**

	Unrestricted 2021	Internally Restricted 2021	Restricted - Endowment Funds 2021	Invested in Capital Assets 2021	Total 2021	Total 2020
NET ASSETS, beginning of year	\$ 18,019	\$ 15,069	\$ 147,888	\$ -	\$ 180,976	\$ 139,823
Excess (deficiency) of revenue over expenses	58,306	(925)	23,574	(4,660)	76,295	41,153
Establishment of Contingency fund - Note 10	(30,000)	30,000	-	-	-	-
Purchase of capital assets - Note 10	(13,884)	-	-	13,884	-	-
Transfer of Internally restricted funds - Note 10	(19,544)	19,544	-	-	-	-
NET ASSETS, end of year	<u>\$ 12,897</u>	<u>\$ 63,688</u>	<u>\$ 171,462</u>	<u>\$ 9,224</u>	<u>\$ 257,271</u>	<u>\$ 180,976</u>

*(See accompanying notes)*

**ART GALLERY OF NORTHUMBERLAND**  
**STATEMENT OF CASH FLOWS**  
**YEAR ENDED DECEMBER 31, 2021**

	2021	2020
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash receipts from members, donors and other funding sources	\$ 518,841	\$ 506,002
Cash paid to suppliers and employees	(394,840)	(517,817)
Interest received (paid)	(1,184)	(1,687)
	122,817	(13,502)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Long-term investments	(24,042)	545
Purchase of capital assets	(13,884)	-
	84,891	(12,957)
<b>INCREASE (DECREASE) IN CASH</b>		
<b>CASH, BEGINNING OF YEAR</b>	50,486	63,443
<b>CASH, END OF YEAR</b>	\$ 135,377	\$ 50,486

*(See accompanying notes)*



**ART GALLERY OF NORTHUMBERLAND  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2021**

**1. NATURE OF OPERATIONS**

Art Gallery of Northumberland (the "Gallery") was incorporated under the laws of Ontario as a corporation without share capital. The Gallery is a public art gallery with a permanent collection of national significance.

The Gallery is a registered charity under the Income Tax Act (Canada), registration number 118790393 RR0001, and as such is exempt from income taxes.

**2. SIGNIFICANT ACCOUNTING POLICIES**

**Basis of accounting**

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations.

**Cash and cash equivalents**

Cash and cash equivalents consist of cash on deposit, bank overdrafts and guaranteed investment certificates.

**Capital assets**

Capital assets are recorded at cost less accumulated amortization and are classified according to their functional use. Amortization is provided using the following annual rates and methods:

Equipment and furniture	20% declining balance
Computer equipment	55% declining balance
Website development	100% declining balance

One-half the normal rate of amortization is recorded in the first year of acquisition.

During 2021, the Gallery reached the average revenue threshold that requires capitalizing of assets, as they were expensed in the past due to revenue levels. Due to the value of past purchases, the change was adopted prospectively.

**ART GALLERY OF NORTHUMBERLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2021**

**2. SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Revenue recognition and fund accounting**

The Gallery follows the restricted fund method for contributions. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Restricted contributions for which there is no appropriate restricted fund are recognized as revenue in the year in which the related expenses are incurred. Restricted contributions for which there is an appropriate restricted fund are recognized as revenue when received. All other revenue is recognized as it is earned and where collection is reasonably assured.

Unrestricted investment income earned on the endowments is recognized as revenue of the Unrestricted fund. Restricted investment income on the endowments is recognized as revenue of the Endowment fund.

The Unrestricted fund accounts for all activities of the Gallery's core administrative and core operations.

The Internally Restricted funds report the assets, liabilities, revenues and expenses of the Permanent Collection fund and Contingency fund.

The Invested in Capital Assets fund reports the assets, liabilities, revenues and expenses related to the Gallery's tangible capital assets.

The Endowment funds reflect the activities related to endowments made available to the Gallery under conditions specified by donors.

**Government assistance**

Government assistance received is recorded as revenue in the period for which eligible expenditures are incurred.

**Permanent collection**

The Gallery maintains a collection of works of art, historical treasures and similar assets for public exhibition, which is reported as a restricted asset at a nominal value of \$1. Purchased acquisitions of art collection items are recorded at cost as an expense in the year of purchase. Contributed acquisitions of art items are recognized as revenue with an offsetting expense once the organization issues a donation receipt for the fair market value of the contribution. When works of art are deaccessioned and then sold, the proceeds are held as a restricted asset. These proceeds can only be used for the restoration of the permanent collection or the purchase of art.

**ART GALLERY OF NORTHUMBERLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2021**

**2. SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Financial instruments**

i. Measurement of financial instruments

The Gallery initially measures its financial assets and liabilities at fair value.

The Gallery subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in net income.

Financial assets measured at amortized cost include cash, cash equivalents and government remittances recoverable.

Financial liabilities measured at amortized cost include the bank indebtedness, accounts payable and accrued liabilities.

Financial assets measured at fair value include the long-term investments.

ii. Impairment

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in net income. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in net income.

iii. Transaction costs

The Gallery recognizes its transaction costs in net income in the period incurred. However, financial instruments that will not be subsequently measured at fair value are adjusted by the transaction costs that are directly attributable to their origination, issuance or assumption.

**ART GALLERY OF NORTHUMBERLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2021**

**2. SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Contributed goods and services**

Contributed goods and services of independent third parties are recognized in the financial statements at their fair values when practical. Volunteers contribute a significant number of hours per year to assist the Gallery in carrying out its activities. Because of the difficulty of determining their fair value, contributed services are generally not recognized in the financial statements. In a very few circumstances where the services are of a highly skilled nature and there is an industry accepted value for that service, the relevant amounts will be recognized in the financial statements.

During the year the Gallery recognized \$78,990 in-kind donations of artwork, and \$13,092 in-kind donations of shares.

**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 amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

The significant areas requiring management estimates include estimates of the useful lives for amortization, the timing of revenue recognition and related deferred revenues, and accrued liabilities.

**ART GALLERY OF NORTHUMBERLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2021**

**3. FINANCIAL INSTRUMENTS**

Credit risk

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in a financial loss. While the Gallery does not normally enter into commercial transactions where it is the creditor, it reduces its exposure to credit risk by performing credit valuations when considered appropriate. Management is of the opinion that credit risk to the Gallery is low and is not material.

Liquidity risk

The Gallery does have a liquidity risk in the accounts payable of \$18,840 (2020 - \$18,353). Liquidity risk is the risk that the Gallery will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The Gallery's ability to continue meeting the costs of its operating activities will depend on its ability to maintain its current funding levels. Management is of the opinion that the Gallery's exposure to liquidity risk is low and not material.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate as a result of changes in market prices. Market risk is comprised of currency risk, interest rate risk and other price risk.

Currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Gallery has no foreign currency transactions and therefore is not exposed to currency risk

Interest rate risk

Interest rate risk is the risk that the fair value of financial instruments and future cash flows associated with the instruments will fluctuate due to changes in market interest rates. The Gallery has interest rate exposure on their investments.

Other price risk

Other price risk is the risk that the fair value of financial instruments or future cash flows associated with the instruments will fluctuate due to changes in market prices (other than those arising from currency risk or interest rate risk), whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all similar instruments traded in the market. The Gallery manages other price risk by investing in low risk investments. The Gallery is exposed to other price risk on their long-term investments.

Changes in risk

There were no changes in the Gallery's risk exposure during the year.

**ART GALLERY OF NORTHUMBERLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2021**

**4. CASH AND CASH EQUIVALENTS**

The Gallery has an operating line of credit with TD Canada Trust with a limit of \$40,000 and interest is calculated at prime plus 3%.

The Gallery operates a separate bank account exclusively for monetary transactions specifically related to the permanent collection. The account is maintained at the Royal Bank of Canada. Subsequent to year end, the bank account was closed and the funds were transferred to RBC Dominion Securities.

**5. INTERNALLY RESTRICTED FUNDS**

Permanent Collection Fund

The Permanent Collection is valued at the nominal amount of \$1 and is comprised of items donated and items purchased, since inception of the Gallery in 1960. The cumulative amount of items purchased, at cost, and items donated, at appraised value at the time of donation, is approximately \$1.7 million. The fund balance at December 31, 2021 was \$33,688 (2020 - \$15,069).

Contingency Fund

The Contingency Fund was established December 31, 2021 to create access to funds that would be available to meet financial obligations in the event of unforeseen or extraordinary circumstances seriously impacting The Gallery's revenues, operations, or existence.

The funds are to be held in investments focused on long-term growth of capital and preservation of purchasing power. The capital amount will increase when the Board determines that it is required, to ensure that a moderate level of operation over one year is possible. Net income of the fund is to be added to the Gallery's unrestricted fund.

Funds may be withdrawn at the discretion of the Board of Directors to meet costs the Board determines to be due to a major adverse financial event. The fund balance at December 31, 2021 was \$30,000 (2020 - \$Nil).

	Contingency Fund 2021	Permanent Collection 2021	Contingency Fund 2020	Permanent Collection 2020
Balance at beginning of year	\$ -	\$ 15,069	\$ -	\$ 16,619
Revenues	-	88,636	-	211,237
Expenses	-	(89,561)	-	(213,160)
Interfund transfers	30,000	19,544	-	373
Balance at end of year	<u>\$ 30,000</u>	<u>\$ 33,688</u>	<u>\$ -</u>	<u>\$ 15,069</u>

**ART GALLERY OF NORTHUMBERLAND  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2021**

**6. DEFERRED REVENUE**

Deferred revenue consists of the following:

	2021	2020
Kaplansky Exhibition	\$ -	\$ 17,119
Museums Assistance Program (MAP)	-	29,690
Ontario Trillium Foundation	41,900	-
	\$ 41,900	\$ 46,809

**7. CAPITAL ASSETS**

Capital assets consist of the following:

	Cost	2021 Accumulated Amortization	Net	2020 Net
Equipment and Furniture	\$ 1,071	\$ 107	\$ 964	\$ -
Computer equipment	8,240	2,266	5,974	-
Website development	4,573	2,287	2,286	-
	\$ 13,884	\$ 4,660	\$ 9,224	\$ -

**8. ENDOWMENT NET ASSETS**

Art Gallery of Northumberland Arts Endowment Fund

Art Gallery of Northumberland established the Art Gallery of Northumberland Arts Endowment Fund at the Ontario Arts Foundation (OAF) under the terms of the Arts Endowment Fund (AEF) Program. The AEF is a program of the Government of Ontario through the Ministry of Culture and administered by the OAF.

The Art Gallery of Northumberland Arts Endowment Fund will be held in perpetuity for the benefit of Art Gallery of Northumberland. The market value and balance of the Arts Endowment Fund as at December 31, 2021 was \$124,044 (2020 - \$111,053).

The Art Gallery of Northumberland receives investment income from their Arts Endowment Fund to be used for operations. During the year, Art Gallery of Northumberland received investment income of \$5,409 (2020 - \$7,097).

**ART GALLERY OF NORTHUMBERLAND  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2021**

**8. ENDOWMENT NET ASSETS (continued)**

Duane Schermerhorn Endowment Fund

The Duane Schermerhorn Endowment Fund consists of the contributed principal and net income since its inception with the principal held in perpetuity. The investments are to be maintained and invested in accordance with the investment policies of the Gallery. The net investment income is restricted for the acquisition of contemporary Canadian photography. The balance of the fund at December 31, 2021 was \$47,418 (2020 - \$36,835)

	OAF Endowment 2021	Schermerhorn Endowment 2021	OAF Endowment 2020	Schermerhorn Endowment 2020
Balance at beginning of year	\$ 111,053	\$ 36,835	\$ 111,599	\$ 26,163
Revenues	14,441	10,583	537	10,672
Expenses	(1,450)	-	(1,083)	-
Balance at end of year	<u>\$ 124,044</u>	<u>\$ 47,418</u>	<u>\$ 111,053</u>	<u>\$ 36,835</u>

**9. ECONOMIC DEPENDENCE**

The Gallery received from the Town of Cobourg, \$150,000 (2020 - \$215,000), which represents 41.4% (2020 - 62.9%) of its unrestricted revenue.

**10. INTERFUND TRANSFERS**

Interfund transfers are recorded at the date that the cash is transferred, a restriction is made, or when a purchase is made related to another fund.

**11. UNCERTAINTY DUE TO THE ECONOMIC CONSEQUENCES OF THE COVID-19 DISEASE OUTBREAK**

In mid-March of 2020 the province of Ontario declared a state of emergency in response to the public health concerns originating from the spread of the Covid-19 disease.

The operations were scaled back for parts of the year to comply with Public Health orders in place. During the year, the Gallery applied for assistance under the Government of Canada's CEWS program. The total amount received and recognized as revenue was \$38,862 (2020 \$31,672) and is included in Grants- Federal revenue on the Statement of Revenues and Expenses.



**ART GALLERY OF NORTHUMBERLAND  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2021**

**12. COMPARATIVE FIGURES**

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year. The changes do not affect prior year earnings.