

Financial Statements of

VANCOUVER ART GALLERY ASSOCIATION

And Independent Auditors' Report thereon

Year ended June 30, 2022



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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of the Vancouver Art Gallery Association

Report on the Audit of Financial Statements

Opinion

We have audited the financial statements of the Vancouver Art Gallery Association (the "Entity"), which comprise:

- the statement of financial position as at June 30, 2022
- the statement of operations for the year then ended
- the statement of changes in net assets 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 June 30, 2022, 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 "**Auditors' Responsibilities for the Audit of the Financial Statements**" section of our auditors' 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.

Auditors' 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 auditors' 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 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 auditors' 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 auditors' report. However, future events or conditions may cause 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 the 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 year.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, stylized font. Below the signature is a horizontal line.

Chartered Professional Accountants

Vancouver, Canada
September 28, 2022

VANCOUVER ART GALLERY ASSOCIATION

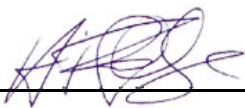
Statement of Financial Position

June 30, 2022, with comparative information for 2021

| | General Fund | Acquisitions Fund | Building Fund | Total 2022 | Total 2021 |
|--|-----------------|----------------------|------------------|----------------|---------------|
| ASSETS | | | | | |
| Current assets: | | | | | |
| Cash and cash equivalents | \$ 179,394 | \$ 2,072,701 | \$ 48,006,452 | \$ 50,258,547 | \$ 19,702,569 |
| Investments (note 4(b)) | - | - | 29,081,784 | 29,081,784 | 31,659,399 |
| Accounts and other receivables (notes 3, 14(a) and 20) | 1,311,211 | 304,700 | 52,374 | 1,668,285 | 2,001,245 |
| Prepaid expenses including exhibition costs | 625,692 | - | 21,525 | 647,217 | 387,865 |
| Inventories | 493,792 | - | - | 493,792 | 511,373 |
| | 2,610,089 | 2,377,401 | 77,162,135 | 82,149,625 | 54,262,451 |
| Investments (notes 4 and 14(b)) | 300,452 | - | 1,802,959 | 2,103,411 | 3,845,202 |
| Collection (note 16) | - | 1 | - | 1 | 1 |
| Capital assets (note 5) | 698,768 | - | 211,081 | 909,849 | 769,034 |
| Building project under development (note 5) | - | - | 14,903,887 | 14,903,887 | 12,887,636 |
| | \$ 3,609,309 | \$ 2,377,402 | \$ 94,080,062 | \$ 100,066,773 | \$ 71,764,324 |
| LIABILITIES AND NET ASSETS | | | | | |
| Current liabilities: | | | | | |
| Bank indebtedness (note 6) | \$ 1,409,520 | \$ - | \$ - | \$ 1,409,520 | \$ 1,577,399 |
| Accounts payable and accrued liabilities (note 7) | 1,250,324 | 36,008 | 792,885 | 2,079,217 | 2,816,395 |
| Obligations under capital lease - current portion (note 8) | 36,364 | - | - | 36,364 | 35,536 |
| Deferred membership revenue | 236,327 | - | - | 236,327 | 189,621 |
| Deferred contributions (note 9) | 1,261,663 | - | - | 1,261,663 | 731,140 |
| Current portion of long-term debt (note 10) | 101,550 | - | - | 101,550 | 99,113 |
| Interfund balances | 1,385,315 | 2,594 | (1,387,909) | - | - |
| | 5,681,063 | 38,602 | (595,024) | 5,124,641 | 5,449,204 |
| Obligations under capital lease (note 8) | 94,572 | - | - | 94,572 | 19,551 |
| Long-term debt (note 9) | 156,892 | - | - | 156,892 | 258,425 |
| Net assets: | | | | | |
| Unrestricted | (2,828,218) | - | - | (2,828,218) | (2,769,050) |
| Internally restricted (notes 2(a)(i) and 14(a)) | 505,000 | - | 7,477,074 | 7,982,074 | 8,028,079 |
| Externally restricted (note 14(a)) | - | 2,338,800 | 85,198,012 | 87,536,812 | 58,778,115 |
| Endowment (note 14(b)) | - | - | 2,000,000 | 2,000,000 | 2,000,000 |
| | (2,323,218) | 2,338,800 | 94,675,086 | 94,690,668 | 66,037,144 |
| Impact of COVID-19 on operations (note 1) | | | | | |
| Commitments (note 19) | | | | | |
| | \$ 3,609,309 | \$ 2,377,402 | \$ 94,080,062 | \$ 100,066,773 | \$ 71,764,324 |

See accompanying notes to financial statements.

Approved on behalf of the Board:



Trustee



Trustee

VANCOUVER ART GALLERY ASSOCIATION

Statement of Operations

Year ended June 30, 2022, with comparative information for 2021

| | General Fund | Acquisition Fund | Building Fund | Total 2022 | Total 2021 |
|--|------------------|---------------------|-------------------|-------------------|------------------|
| Revenue: | | | | | |
| Admissions | \$ 2,138,315 | \$ - | \$ - | \$ 2,138,315 | \$ 729,492 |
| Fundraising (notes 14 and 15) | 1,356,778 | 168,752 | 5,780,522 | 7,306,052 | 9,092,124 |
| Retail operations (note 11) | 2,140,145 | - | - | 2,140,145 | 1,425,477 |
| Investment income (note 13) | 44,747 | 476,793 | - | 521,540 | 468,312 |
| Memberships and programming | 596,935 | - | - | 596,935 | 516,337 |
| Rentals and food services (notes 4(a) and 11) | 859,654 | - | - | 859,654 | 674,469 |
| Special events (note 12) | - | - | - | - | 508,750 |
| Sponsorships and corporate partners | 344,804 | - | - | 344,804 | 388,330 |
| Vancouver Art Gallery Foundation (note 15 (a)) | 392,290 | 316,028 | - | 708,318 | 626,331 |
| Other | 204,027 | 8,770 | - | 212,797 | 21,397 |
| | 8,077,695 | 970,343 | 5,780,522 | 14,828,560 | 14,451,019 |
| Government grants (note 20) | 5,304,046 | - | 25,000,000 | 30,304,046 | 6,609,421 |
| | 13,381,741 | 970,343 | 30,780,522 | 45,132,606 | 21,060,440 |
| Expenses: | | | | | |
| Administration and finance | 1,721,091 | - | - | 1,721,091 | 1,656,983 |
| Art acquisitions (note 16) | - | 565,610 | - | 565,610 | 915,518 |
| Curatorial and programs | 1,489,393 | - | - | 1,489,393 | 1,214,955 |
| Exhibitions | 1,010,570 | - | - | 1,010,570 | 918,869 |
| Retail operations (note 11) | 1,996,446 | - | - | 1,996,446 | 1,528,298 |
| Facility operations and security | 3,316,239 | - | - | 3,316,239 | 2,849,028 |
| Marketing and advancement (note 12) | 1,174,512 | - | - | 1,174,512 | 1,070,246 |
| Building project capital campaign and engagement | - | - | 2,198,700 | 2,198,700 | 1,480,782 |
| Museum services | 1,949,893 | - | - | 1,949,893 | 1,629,568 |
| | 12,658,144 | 565,610 | 2,198,700 | 15,422,454 | 13,264,247 |
| Excess of revenue over expenses before the undernoted: | 723,597 | 404,733 | 28,581,822 | 29,710,152 | 7,796,193 |
| Amortization of capital assets | (246,762) | - | (120,351) | (367,113) | (402,411) |
| Equity Loss on investments (note 4(a)) | (536,003) | - | - | (536,003) | (561,391) |
| Investment income (loss) - Building Fund (notes 4(b) and 14) | (46,005) | - | (107,507) | (153,512) | 866,459 |
| Excess (deficiency) of revenue over expenses | (105,173) | 404,733 | 28,353,964 | 28,653,524 | 7,698,850 |
| Fund balance, beginning of year | (2,264,050) | 1,934,067 | 66,367,127 | 66,037,144 | 58,315,307 |
| Interfund transfers (note 14) | 46,005 | - | (46,005) | - | - |
| Fund balance, end of year | \$ (2,323,218) | \$ 2,338,800 | \$ 94,675,086 | \$ 94,690,668 | \$ 66,014,157 |

See accompanying notes to financial statements.

VANCOUVER ART GALLERY ASSOCIATION

Statement of Changes in Net Assets

Year ended June 30, 2022, with comparative information for 2021

| June 30, 2022 | Unrestricted | Internally Restricted | Externally Restricted | Endowment | Total 2022 |
|--|----------------|--------------------------|--------------------------|--------------|---------------|
| Balance, beginning of year (note 2(a)(i)) | \$ (2,769,050) | \$ 8,028,079 | \$ 58,778,115 | \$ 2,000,000 | \$ 66,037,144 |
| Excess (deficiency) of revenue over expenses | (105,173) | - | 28,758,697 | - | 28,653,524 |
| Interfund transfer (note 14) | 46,005 | (46,005) | - | - | - |
| Balance, end of year | \$ (2,828,218) | \$ 7,982,074 | \$ 87,536,812 | \$ 2,000,000 | \$ 94,690,668 |

| June 30, 2021 | Unrestricted | Internally Restricted | Externally Restricted | Endowment | Total 2021 |
|---|----------------|--------------------------|--------------------------|--------------|---------------|
| Balance, beginning of year (note 2(a)(i)) | \$ (3,510,698) | \$ 7,530,047 | \$ 54,295,958 | \$ - | \$ 58,315,307 |
| Excess of revenue over expenses | 1,239,680 | - | 4,482,157 | 2,000,000 | 7,721,837 |
| Interfund transfer (note 14) | (498,032) | 498,032 | - | - | - |
| Balance, end of year (note 2(a)(i)) | \$ (2,769,050) | \$ 8,028,079 | \$ 58,778,115 | \$ 2,000,000 | \$ 66,037,144 |

See accompanying notes to financial statements.

VANCOUVER ART GALLERY ASSOCIATION

Statement of Cash Flows

Year ended June 30, 2022, with comparative information for 2021

| | 2022 | 2021 |
|--|---------------|---------------|
| Cash provided by (used in): | | |
| Operating activities: | | |
| Excess of revenue over expenses | \$ 28,653,524 | \$ 7,721,837 |
| Amortization of capital assets | 367,113 | 402,411 |
| Equity loss on investment (note 4) | 536,003 | 561,391 |
| Unrealized loss (gain) on investments | 1,061,483 | (370,312) |
| Net change in non-cash operating working capital: | | |
| Accounts receivable | 332,960 | (471,369) |
| Prepaid expenses and exhibition costs | (259,352) | 261,957 |
| Inventories | 17,581 | 55,335 |
| Accounts payable and accrued liabilities | (737,178) | 1,857,590 |
| Deferred memberships revenue | 46,706 | (153,767) |
| Deferred contributons | 530,523 | (327,447) |
| | 30,549,363 | 9,537,626 |
| Investing activities: | | |
| Accrued interest on term loan for Bistro (note 4) | (70,445) | (60,289) |
| Working capital demand loan advanced to Bistro (note 4) | (242,043) | (247,837) |
| Purchase of capital assets and bulding project under development | (2,366,557) | (2,507,853) |
| Net redemption (purchase) of short-term investments | 1,905,354 | (3,999,904) |
| Net redemption (purchase) of long-term investments | 1,129,054 | (725,312) |
| | 355,363 | (7,541,195) |
| Financing activities: | | |
| Decrease in bank indebtedness | (167,879) | (846,716) |
| Repayment of obligations under capital lease | (81,773) | (32,741) |
| Debt repayment | (99,096) | 357,538 |
| | (348,748) | (521,919) |
| Increase in cash and cash equivalents | 30,555,978 | 1,474,512 |
| Cash and cash equivalents, beginning of year | 19,702,569 | 18,228,057 |
| Cash and cash equivalents, end of year | \$ 50,258,547 | \$ 19,702,569 |
| Supplementary information - non-cash transactions: | | |
| Capital assets acquired under capital lease obligations | 157,622 | - |

See accompanying notes to financial statements.

VANCOUVER ART GALLERY ASSOCIATION

Notes to Financial Statements

Year ended June 30, 2022

Purpose of the Organization:

The Vancouver Art Gallery Association (the "Association") is a not-for-profit organization incorporated in April 1931 under the Society Act (British Columbia) and is a registered charity for Canadian income tax purposes. Its objectives are to establish and maintain an art gallery for the perpetual benefit of the City of Vancouver and its citizens. The Association transitioned to the new Societies Act (British Columbia) on December 21, 2016.

1. Impact of COVID-19 on continuing operations:

These financial statements have been prepared on the basis that the Association is a going concern, which assumes that the Association will continue to realize its assets and discharge its liabilities in the normal course of operations. For the year ended June 30, 2022, the Association had an excess of revenues over expenses of \$28,653,524 (2021 - \$7,721,837) which includes a deficiency of revenue over expenses of \$105,173 (2021 - excess of revenue over expenses of \$1,239,680) from the General Fund.

On March 11, 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organization and has had a significant financial, market and social dislocating impact. In response, the Association reduced operating and payroll expenditures substantially, and was eligible for COVID-19 government relief grants and subsidies, including the Canadian Emergency Wage Subsidy and the Tourism and Hospitality Recovery Program Subsidy.

During fiscal 2022, the Association has continued to take actions to support ongoing recovery including a focus on admissions, membership and philanthropy. Included with the philanthropy initiative is a renewed focus on a comprehensive fundraising campaign that includes both capital and operating requirements.

The situation is dynamic, and although the Gallery is optimistic regarding recovery, it continues to ensure that plans are in place should the pandemic return in the same manner as previous. This uncertainty does not allow management to make a practical estimate of the future impact of the return of COVID-19 restrictions on the operations of the Association at this time due to external conditions beyond management control. However, management will continue to monitor the on-going environment and the resulting financial impact on its cash and budget forecasts and will adjust its operations as required to ensure it fulfills its obligations and continues its operations. The Association will continue to adapt to any changes in the environment through prudent monitoring and management of its budget.

VANCOUVER ART GALLERY ASSOCIATION

Notes to Financial Statements

Year ended June 30, 2022

2. Significant accounting policies:

These financial statements have been prepared by management in accordance with Canadian Accounting Standards for Not-For-Profit Organizations and include the following significant accounting policies:

(a) Fund accounting:

These financial statements include the undernoted funds which are segregated for purposes of carrying on specific activities as described below:

- (i) The General Fund reflects the results of general operations of the Association. The General fund also includes internally restricted net assets established for the purpose of accumulating and managing capital in support of future working capital and other contingency needs of general operations.

The Association holds \$505,000 in funds held restricted for the purpose of meeting future working capital or other contingency funding needs of the General fund. These funds were previously presented as a separate Operating Capital Fund in the financial statements. Through the approval of the Board, this fund has been collapsed into the General Fund and is now presented as internally restricted net assets as part of the General Fund. The comparative figures for 2021 have been reclassified to conform to this presentation.

- (ii) The Acquisitions Fund was established in 1984 through funds from the sale of the original Georgia Street building and receives restricted income earned by The Vancouver Art Gallery Endowment Fund for Acquisitions of Art and other contributions received for the purpose of art acquisitions. The Association also receives restricted income from The Vancouver Art Gallery Foundation (the "Foundation") which has established several acquisition endowments funds (note 15(a)). The purpose of the Acquisitions Fund is to manage the funding and expenditures on the art collection (the "Collection") of the Association.

- (iii) The Building Fund was established in 2008 for the express purpose of accumulating, managing and distributing funds to plan, develop and build a new Vancouver Art Gallery as well as to provide funding either through endowment or direct gifts to support the new buildings operations. The Building fund also includes restricted interest earned on pledge payments made by private donors subsequent to fiscal 2016 based on an average investment income on the Association's investments, as well as any unrestricted investment income earned and transferred to the Building fund as approved by the Board. See note 14.

VANCOUVER ART GALLERY ASSOCIATION

Notes to Financial Statements

Year ended June 30, 2022

2. Significant accounting policies (continued):

(a) Fund accounting (continued):

(iii) (continued):

Also included in the Building Fund are endowment net assets which consist of donations for which the donor specifies that the principal amount be invested in perpetuity. Interest and investment income are recorded in either the unrestricted or restricted funds in accordance with the endowment terms of reference. All fundraising and administrative expenses, with the exception of investment management fees, are charged to the unrestricted fund. Investment management fees are allocated on a pro-rata basis based on the investment balances within each Fund.

In addition, the Life Benefactors Endowment Fund was initially established in 1989 and the income from the Fund is intended to finance special projects as determined by the Board of Trustees. This fund is permanently restricted and administered by the Vancouver Foundation as described in note 13 and is not included in these financial statements.

(b) Subsidiary:

The Association accounts for its investment in the 1931 Gallery Bistro Inc., a wholly-owned subsidiary of the Association, using the equity method. Under this method the Association's 100% share of the investee's earnings/losses is included in determining the Association's net income and is adjusted against the carrying value of the investment shown on the Statement of Financial Position.

The Association periodically reviews the investment for impairment. Significant impairment is adjusted against the carrying value of investment.

(c) Cash and cash equivalents:

Cash and cash equivalents consist of cash and highly liquid investments with terms to maturity of three months or less at the date of acquisition.

(d) Short-term investments:

Investments which either have maturities within twelve months of the balance sheet date or can readily be liquidated are classified as current assets.

(e) Prepaid exhibition costs:

Prepaid exhibition costs consist of exhibition expenditures, excluding advertising and promotional costs, that have been paid by the Association, the benefits of which relate to exhibitions held subsequent to year-end. These expenditures are recognized as exhibition expenses over the duration of the exhibition.

VANCOUVER ART GALLERY ASSOCIATION

Notes to Financial Statements

Year ended June 30, 2022

2. Significant accounting policies (continued):

(f) Inventories:

Inventories are comprised primarily of the following categories:

- (i) Books, jewelry, paper products, gifts, reproductions and clothing held-for-sale in the Gallery Store are stated at the lower of cost and net realizable value. Cost is determined on a weighted average basis.
- (ii) Owned artwork held-for-sale or rental in the Art Rental & Sales Department, where the Association is the title holder and ultimate beneficiary, is stated at the lower of cost and net realizable value.

Costs for inventories include all costs incurred in bringing inventories to their present location and condition. Net realizable value is defined as the anticipated selling price less the costs to sell. Any previous write-downs to net realizable value are reversed when there is a subsequent increase in the value of inventories.

(g) Revenue recognition:

The Association applies the restricted fund method of accounting for contributions. Restricted contributions for which a corresponding restricted fund is presented are recognized as revenue of that fund in the year received or receivable. Any externally restricted contributions for which there is no corresponding restricted fund is recorded in the general fund, using the deferral method of accounting. Under this method of accounting, revenue received with specific external restrictions is deferred and recognized in the period the related expenses are incurred or the restrictions are met. Annual operating grant contributions are recognized on a straight-line basis over the period for which the grants are provided.

Contributions of or toward the purchase of capital assets under the general fund are recorded as deferred capital contributions and amortized into revenue at the same rate as the amortization of the related capital asset.

The portions of membership fees, sponsorships and exhibition loan fees relating to future periods are deferred and amortized into revenue over the period of membership or exhibition.

Gallery Store, Artist Editions and Art Rentals & Sales revenues are recognized at the time the sales and rentals are made.

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.

Pledged donation amounts are recorded as revenue when the amount to be received and the timing of collection can be reasonably estimated, typically when signed pledge forms are received, and ultimate collection is reasonably assured.

Revenue and expenses related to fundraising and other special events, where the Association is the principal to the events, are recorded on a gross basis.

VANCOUVER ART GALLERY ASSOCIATION

Notes to Financial Statements

Year ended June 30, 2022

2. Significant accounting policies (continued):

(h) Capital assets and building project under development:

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution. Assets acquired under capital leases are amortized over the estimated life of the assets or over the lease term, as appropriate. Repairs and maintenance costs are charged to expense. Betterments that improve the service potential or extend the estimated life of an asset are capitalized.

Building project under development includes development and construction costs as well as overhead costs directly attributable to the new Vancouver Art Gallery project. The carrying value of these assets reflects the current project plan of the Association and will be evaluated annually in accordance with the Association's impairment of capital assets and building project under development policy as described in note 2(i).

Capital assets are amortized on a straight-line basis over the useful lives of the assets as follows:

| Asset | Rate |
|---------------------------------|---------------|
| Computers and software | 3 to 5 years |
| Equipment | 3 to 20 years |
| Furniture and building fixtures | 5 to 25 years |
| Equipment under capital lease | 3 to 15 years |

Assets under development or construction are not amortized until the asset is available for productive use.

(i) Impairment of capital assets and building project under development:

The Association reviews for impairment the carrying value of capital assets to be held and used whenever events or changes in circumstances indicate that associated future economic benefits or service potential have been reduced. If such conditions exist, an impairment loss is measured at the amount by which the carrying amount of the asset exceeds its fair value or replacement cost.

(j) Foreign currency translation:

Monetary assets and liabilities denominated in foreign currencies have been translated at the rate of exchange in effect at year end. Non-monetary items, revenues and expenses are translated at rates of exchange in effect when the assets were acquired, or obligations incurred.

Exchange gains and losses are included in the determination of excess of revenues over expenses for the period.

VANCOUVER ART GALLERY ASSOCIATION

Notes to Financial Statements

Year ended June 30, 2022

2. Significant accounting policies (continued):

(k) Pension plan:

The Association maintains a defined contribution plan for its employees. Pension plan costs for the employees of the Association are funded annually and are charged to operating expenses. These costs totaled \$155,667 for the year ended June 30, 2022 (2021 - \$136,952).

(l) Collection:

The value of the Collection, for both items purchased and contributed has been excluded from the Statement of Financial Position except for a nominal carrying value of \$1. The costs of purchased collection items less nominal value are charged as an expense in the Acquisition Fund in the year of acquisition.

(m) Donated works of art, materials and services:

The Association receives donated works of art, materials and services, including services from governance members, the value of which is not reflected in these financial statements given the difficulty of determining the fair value.

(n) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Freestanding derivative instruments that are not in a qualifying hedging relationship and equity instruments 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 instruments at fair value. The Association has elected to carry all investments at fair value except for term deposits, which are carried at amortized cost.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

Financial assets carried at cost or amortized cost are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the Association determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the Association expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

VANCOUVER ART GALLERY ASSOCIATION

Notes to Financial Statements

Year ended June 30, 2022

2. Significant accounting policies (continued):

(o) Measurement uncertainty:

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. Items requiring the use of management estimates include the determination of useful lives of capital assets for purposes of amortization, valuation of capital assets, building project under development and inventories, allowance for doubtful accounts related to pledges receivable, and provisions, if any, for contingencies. Actual results may differ from these estimates

3. Pledges:

(a) General Fund:

In accordance with the Association's revenue recognition policy, included in accounts and other receivables are pledges receivable of \$92,215 (2021 - \$506,596 net of a \$50,000 provision). The amounts outstanding were collected subsequent to year-end.

(b) Building Fund:

To date, the Association has received \$204.2 million (2021 - \$82.8 million) in private sector pledges for the development of the new Vancouver Art Gallery, excluding accumulated investment income earned from the Building Fund of \$8.0 million (2021 - \$8.1 million). Of the amount pledged, \$186.8 million are supported by documented agreements, of which payments of \$28.2 million have been received by the Association, and \$25.1 million are subject to return to donors should the building project not proceed. The remainder of the pledges have been confirmed and agreements supporting the pledged amounts are in the process of being finalized. The outstanding pledges have not been recorded as an asset on the financial statements as at June 30, 2022, as the timing of collection cannot be reasonably estimated and ultimate collection is not reasonably assured.

4. Investments:

(a) Bistro:

As disclosed in note 2(b), the Association accounts for its wholly-owned subsidiary, 1931 Gallery Bistro Inc. ("Bistro"), using the equity method. The Bistro was incorporated on July 26, 2019, under the Business Corporations Act (British Columbia) and began operations on November 27, 2019. The Bistro's purpose is to operate food and beverage services to the Association's gallery patrons and general public.

VANCOUVER ART GALLERY ASSOCIATION

Notes to Financial Statements

Year ended June 30, 2022

4. Investments (continued):

(a) Bistro (continued):

The Association has an Operating Management Agreement with the Bistro which includes provisions for management and technology fees and interest chargeable on capital and operating advances. During the year, the Association charged fees of \$118,504 (2021 - \$63,067) to the Bistro, which are included in rentals and food services revenue in the statement of operations. Management fees for the current and prior periods, in the amount of \$214,875, remain unpaid and are included in accounts and other receivables as at June 30, 2022.

| | 2022 | 2021 |
|---------------------------------------|-------------|-------------|
| Share capital | \$ 1 | \$ 1 |
| Working capital loan | 790,044 | 548,001 |
| Capital construction loan | 906,619 | 906,619 |
| Loan interest | 168,134 | 97,689 |
| Accumulated equity loss on investment | (1,564,346) | (1,028,343) |
| Total investment | \$ 300,452 | \$ 523,967 |

The working capital loan bears interest at prime plus 0.5% and is payable on demand. The capital construction loan bears interest at prime plus 3% and is repayable over a 5 year amortization period to the maturity date of December 1, 2024. The Association has granted a deferral on repayment of the loans until fiscal 2023. During the year, the Association recognized interest revenue of \$70,445 (2021 - \$60,289) from the Bistro, which is included in rentals and food services revenue in the statement of operations.

The summarized financial position of the Bistro as at June 30, 2022, and its summarized operating results and cash flows for the year then ended are as follows:

| Financial Position | 2022 | 2021 |
|---------------------|----------------|----------------|
| Assets | \$ 662,880 | \$ 749,367 |
| Less: | | |
| Liabilities | 2,227,225 | 1,777,709 |
| Share capital | 1 | 1 |
| Accumulated deficit | \$ (1,564,346) | \$ (1,028,343) |

VANCOUVER ART GALLERY ASSOCIATION

Notes to Financial Statements

Year ended June 30, 2022

4. Investments (continued):

(a) Bistro (continued):

| Results of Operations and Cash Flows | 2022 | 2021 |
|---|--------------|--------------|
| Revenue | \$ 1,567,865 | \$ 1,351,615 |
| Expenses | (2,103,868) | (1,913,006) |
| Net loss | (536,003) | (561,391) |
| Add: Change in non-cash working capital | 181,309 | 517,629 |
| Add: Amortization | 159,616 | 188,654 |
| Cash from operations, (decrease) increase in cash | \$ (195,078) | \$ 144,892 |

(b) Building Fund:

The Building Fund investments are comprised of the following at year end:

| | 2022 | 2021 |
|---|---------------|---------------|
| Investments held at amortized cost: | | |
| Term deposits | \$ 2,443,862 | \$ 4,916,508 |
| Investments held at fair value: | | |
| Corporate bonds | 1,252,456 | 1,249,770 |
| RBC fixed income | 10,605,176 | 11,049,383 |
| RBC equities | 2,349,472 | 2,591,253 |
| RBC alternative investments | 1,588,235 | 1,566,995 |
| Waratah One Trust | 10,842,583 | 10,285,490 |
| Current investments | 29,081,784 | 31,659,399 |
| Investments held at fair value: | | |
| Corporate bonds | - | 1,275,900 |
| Endowment held at fair value - Jarislowsky Fraser | | |
| Global Balanced Fund (note 14(b)) | 1,802,959 | 2,045,335 |
| Long-term investments | 1,802,959 | 3,321,235 |
| Total investments | \$ 30,884,741 | \$ 34,980,634 |

The breakdown of investment income net of fees related to the building fund investments (note 14) is as follows:

| | 2022 | 2021 |
|--------------------------------|--------------|------------|
| Dividend and interest income | \$ 731,956 | \$ 154,152 |
| Realized gains | 176,015 | 341,995 |
| Unrealized gains (loss) | (1,061,483) | 370,312 |
| Total investment (loss) income | \$ (153,512) | \$ 866,459 |

VANCOUVER ART GALLERY ASSOCIATION

Notes to Financial Statements

Year ended June 30, 2022

5. Capital assets:

| | | | 2022 | 2021 |
|--|---------------|--------------------------|----------------|----------------|
| | Cost | Accumulated amortization | Net book value | Net book value |
| Computers and software | \$ 2,290,353 | \$ 2,046,888 | \$ 243,465 | \$ 286,156 |
| Equipment | 1,371,971 | 1,263,643 | 108,328 | 140,245 |
| Furniture and building fixtures | 1,567,862 | 1,151,666 | 416,196 | 296,619 |
| Equipment under capital lease | 932,386 | 790,526 | 141,860 | 46,014 |
| | 6,162,572 | 5,252,723 | 909,849 | 769,034 |
| Building project under development (a) | 14,903,887 | - | 14,903,887 | 12,887,636 |
| | \$ 21,066,459 | \$ 5,252,723 | \$ 15,813,736 | \$ 13,656,670 |

(a) Building project under development relates to costs incurred that are directly attributable to the construction and development of a new Vancouver Art Gallery. Costs incurred to-date primarily relate to project management, engineering, technical consulting and architectural costs related to the development of the building's conceptual design, schematic design and design development. The capitalized costs to date are not amortized until the asset construction is complete and is available for productive use.

6. Bank indebtedness:

As at June 30, 2022, the Association has an operating line of credit of \$2.250 million (2021 - \$2.250 million) which bears interest at the bank's prime rate plus 0.50% and is secured by a general security agreement representing a first charge on the Association's assets excluding:

- (a) gifts, bequests and donations received by the Association with instructions for the specific use not forming part of the general operating expenses of the Association; and
- (b) any funds, including interest accumulated thereon received with respect to the relocation related capital campaign, including without limitation all funding received from the Province of British Columbia and private funding received for this purpose.

As at June 30, 2022, the amount drawn on the line of credit was \$1.410 million (2021 - \$1.920 million).

7. Accounts payable and accrued liabilities:

Included in accounts payable and accrued liabilities are government remittances of \$45,707 (2021 - \$33,533), which includes amounts payable for PST, Employer Health Tax and payroll related taxes.

VANCOUVER ART GALLERY ASSOCIATION

Notes to Financial Statements

Year ended June 30, 2022

8. Obligations under capital lease:

The following is a schedule of minimum lease payments under fixed-rate capital leases, together with the balance of the obligation:

| | | |
|---|----|----------|
| 2023 | \$ | 36,364 |
| 2024 | | 31,524 |
| 2025 | | 31,524 |
| 2026 | | 31,524 |
| Total minimum lease payments | | 130,936 |
| Interest (nil as implicit rate is 0%) | | - |
| Present value of capital lease payments | | 130,936 |
| Less current portion | | (36,364) |
| | \$ | 94,572 |

9. Deferred contributions:

| | 2022 | 2021 |
|-----------------------------|--------------|------------|
| General Fund contributions: | | |
| City of Vancouver | \$ 933,558 | \$ 420,995 |
| Other | 328,105 | 310,145 |
| | \$ 1,261,663 | \$ 731,140 |

10. Long-term debt

Long-term debt at June 30, 2022 consists of a 48-month term loan facility for food services capital renovations of \$258,442 (2021 - \$357,538) related to the Bistro (note 4). The loan bears interest at a fixed rate of 2.394% (2021 - 2.394%) and has a contractual maturity date of December 17, 2024. Monthly blended payments of principal and interest on the loan are \$8,882 due on the 17th day of each successive month commencing on March 17, 2021. Contractual payments to be made on long-term debt principal until maturity are as follows:

| | | |
|-------|----|---------|
| 2023 | \$ | 101,550 |
| 2024 | | 103,969 |
| 2025 | | 52,923 |
| Total | \$ | 258,442 |

VANCOUVER ART GALLERY ASSOCIATION

Notes to Financial Statements

Year ended June 30, 2022

11. Retail operations:

| | 2022 | 2021 |
|--|--------------|------------|
| Sales: | | |
| Gallery store | \$ 1,215,290 | \$ 805,859 |
| Art rental and sales | 924,855 | 619,618 |
| Retail operations | 2,140,145 | 1,425,477 |
| Rentals and food services | 859,654 | 674,469 |
| | 2,999,799 | 2,099,946 |
| Expenses: | | |
| Cost of goods sold | 1,148,695 | 771,862 |
| Salaries and employee benefits | 623,941 | 648,828 |
| Administration | 223,810 | 107,608 |
| | 1,996,446 | 1,528,298 |
| Excess of retail revenue over expenses | \$ 1,003,353 | \$ 571,648 |

The cost of inventories recognized as an expense during the year is substantially equal to cost of goods sold.

12. Special events:

The Association performs certain fundraising activities considered to be ancillary to its ongoing operations. The gross revenue and expenses related to these activities, if any, as presented in the Statement of Operations are as follows:

| | 2022 | 2021 |
|--|------|------------|
| Revenue | \$ - | \$ 508,750 |
| Expenses (included in marketing and development) | - | (54,527) |
| Excess of revenue over expenses | \$ - | \$ 454,223 |

VANCOUVER ART GALLERY ASSOCIATION

Notes to Financial Statements

Year ended June 30, 2022

13. Endowment funds held at Vancouver Foundation:

Endowment funds are permanently held and administered by the Vancouver Foundation. Consequently, these funds are not included as assets of the Association in these financial statements. These funds, at market and cost values, are comprised of:

| | 2022 | 2021 |
|---|---------------|---------------|
| The Vancouver Art Gallery Endowment Fund for Acquisitions of Art | \$ 10,728,657 | \$ 12,021,673 |
| The Vancouver Art Gallery Endowment Fund | 1,006,453 | 1,128,288 |
| Market value | \$ 11,735,110 | \$ 13,149,961 |
| Cost | \$ 6,129,838 | \$ 6,129,838 |

Under the terms of these endowment funds, the Association receives investment income earned on the capital. Income for the year ended June 30, 2022, of \$476,793 (2021 - \$428,119) from the Vancouver Art Gallery Endowment Fund for Acquisitions of Art has been recorded in the Acquisitions Fund. Income for the year ended June 30, 2022, of \$44,747 (2021 - \$40,193) from the General and Life Benefactors components of the Vancouver Art Gallery Endowment Fund has been recorded in the General Fund.

14. Building Fund:

(a) Building Fund Activities:

On March 31, 2008, the Province of British Columbia (the "Province") made a grant to the Association in the amount of \$50,000,000, with a restriction that the funds be used for the general purpose of planning, developing and building of a new Vancouver Art Gallery. This grant funding along with all additional contributions received by the Association restricted for the purpose of the new art gallery are recorded as externally restricted revenues of the Building Fund in the year the funds are received. The Association received \$30,780,522 of such contributions in 2022 (2021 - \$7,903,103), which includes an additional \$25,000,000 grant from the Province.

During the year, the Association made disbursements of \$4,423,161 (2021 - \$4,018,095) from the Building Fund related to the new Vancouver Art Gallery building project, including \$2,016,215 (2021 - \$2,267,358) of costs capitalized to building project under development, \$87,895 (2021 - \$163,083) of capitalized computer, software, and furniture and fixtures, and \$2,319,051 (2021 - \$1,587,654) in other Building Fund expenses which have not been capitalized.

VANCOUVER ART GALLERY ASSOCIATION

Notes to Financial Statements

Year ended June 30, 2022

14. Building Fund (continued):

(a) Building Fund Activities (continued):

Unspent funds are invested in accordance with the Association's Board approved investment policy. Any investment income earned on the Building Fund that is restricted is recorded as revenue under the Building Fund. During the year ended June 30, 2022, the unrestricted net investment loss incurred on these investments and recorded under the General Fund was \$46,005 (2021 - investment income \$498,032). The Board of Trustees approved the interfund transfer of the investment loss incurred during the year of \$46,005 (2021 - investment income \$498,032) to the Building Fund. As at June 30, 2022, cumulative investment income transferred to the Building Fund totaled \$7,477,074 (2021 - \$7,523,079).

(b) Endowment:

The Association received capital contributions of \$1 million from each of the Jarislowsky Foundation and the Estate of Gordon Smith for a total of \$2 million in fiscal 2021 for the purpose of supporting the office of a Curator of Canadian Art, named The Smith Jarislowsky Curator of Canadian Art. The investment income earned from the Fund shall be used by the Smith Jarislowsky Curator of Canadian Art to support the office of the Association's Canadian Art activities. The Association recognized realized gains of \$94,775 (2021 - nil), and dividend and interest income of \$52,071 (2021 - nil) and an unrealized loss of \$389,222 (2021 - unrealized gain of \$45,335) on its endowment net assets held in the Building Fund during the year. The market value of the endowment investment funds at year end is \$1,802,959 (2021 - \$2,045,335) (note 4(b)) and no distribution of funds were made during the year.

15. Related parties and economic interest:

(a) Vancouver Art Gallery Foundation:

The Foundation was incorporated in March 1998 and is registered under the Societies Act (British Columbia) and is a registered charity under the Income Tax Act. Its purpose is to receive, hold and invest bequests, donations, gifts, funds and property, the income from which supports the programs, operations and activities of the Association. The Foundation's Board of Directors is elected by the membership of the Foundation, which consists of the Association's Trustees and the elected Foundation's Directors. The Foundation has not been consolidated in the Association's financial statements.

VANCOUVER ART GALLERY ASSOCIATION

Notes to Financial Statements

Year ended June 30, 2022

15. Related parties and economic interest (continued):

(a) Vancouver Art Gallery Foundation (continued):

The summarized financial position and operating results as at and for the year ended December 31, 2021, the latest fiscal year end of the Foundation, are as follows:

| Financial position | 2021 | 2020 |
|--------------------|--------------|--------------|
| Assets | \$ 4,815,634 | \$ 4,285,021 |
| Liabilities | 340,974 | 132,618 |
| Net assets | \$ 4,474,660 | \$ 4,152,403 |

| Results of operations | 2021 | 2020 |
|--|--------------|------------|
| Revenue | \$ 1,008,154 | \$ 826,562 |
| Administrative and investment related expenses | (36,320) | (41,186) |
| Donation to the Association | (649,577) | (603,086) |
| Excess of revenue over expenses | \$ 322,257 | \$ 182,290 |

| Cash flows | 2021 | 2020 |
|---|------------|-------------|
| Cash from operations and investing activities, being a net increase (decrease) in cash | \$ 211,629 | \$ (24,529) |

For the year ended June 30, 2022, the Foundation's donation to the Association amounts to \$708,318 (2021 - \$626,331). The Foundation also receives income on endowment funds, which are permanently held and administered by the Vancouver Foundation. The market value of these funds at June 30, 2022, is \$11,763,198 (2021 - \$13,187,663).

As at June 30, 2022, the Association has \$383,529 (2021 - \$117,446) in interest receivable from the Vancouver Art Gallery Foundation.

(b) Friends of Vancouver Art Gallery:

Friends of Vancouver Art Gallery ("Friends") is a non-profit organization incorporated in the United States in March 2003 and is independent of the Association.

Its purpose is to receive donations, gifts, funds, and property from residents of the United States for the benefit of the Association. During fiscal 2022, Friends made a \$32,215 (2021 - \$19,152) donation to the Association, which is recorded in fundraising revenue in the statement of operations.

VANCOUVER ART GALLERY ASSOCIATION

Notes to Financial Statements

Year ended June 30, 2022

15. Related parties and economic interest (continued):

(c) Other:

During the year, the Association recognized \$5,767,290 (2021 - \$7,190,957) in contributions from members of the Board of Trustees, or organizations affiliated with these members, comprising donations, sponsorships and special event support. The Association also received certain contributions of art which have not been recognized in the financial statements in accordance with the Association's policy with respect to donated works of art.

16. Collection and Acquisitions Fund:

Collection:

The Association is responsible for the management of the Vancouver Art Gallery collection and fine arts reference library. The collection is comprised of paintings, drawings, sculptures, photography, prints and other visual art materials. Artwork in the Association's collection, as held for the perpetual benefit of the City of Vancouver and its citizens, demonstrate outstanding cultural significance and is often certified as such by the Canadian Cultural Property Export Review Board.

The Association incurred \$565,610 (2021 - \$915,518) in expenditures acquiring new works for the collection during the year.

A nominal value of \$1 for the collection is included in the statement of financial position of the Association (note 2(l)).

Acquisitions fund:

During 2010, the Association received a bequest of \$2,852,477 from the Estate of Anne Eliza Winn, which is held externally with a trustee. As a condition of the bequest, funds may only be used to purchase original works of art from the 'Group of Seven' and the Association is reimbursed from the bequeathed funds at the time of purchase. During the year the Association did not purchase any works of art for which the use of the fund could be utilized (2021 - nil).

Amounts are recorded as bequest revenue and art acquisition expenses under the Acquisitions Fund in the year the purchase occurs. The market value of the unspent funds at June 30, 2022, is \$634,485 (2021 - \$639,343).

17. Remuneration to employees, contractors and directors:

For the year ended June 30, 2022, the Association paid total remuneration of \$1,554,583 (2021 - \$1,404,664) to the top ten employees and contractors for services, each of whom received total annual remuneration of \$75,000 or greater.

No remuneration was paid to any member of the Association's Board of Trustees.

VANCOUVER ART GALLERY ASSOCIATION

Notes to Financial Statements

Year ended June 30, 2022

18. Financial risks:

(a) Liquidity risk:

Liquidity risk is the risk that the Association will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The Association manages its liquidity risk by monitoring its operating requirements. The Association prepares budget and cash forecasts to ensure it has sufficient funds to fulfill its obligations.

(b) Interest rate risk:

Fixed interest rate instruments are subject to fair value risks while floating rate instruments are subject to cashflow risks. The Association is subject to cashflow risk with respect to its operating line of credit which bears a variable rate of interest and fair value risk with respect to its term loan facility which bears a fixed rate of interest (notes 6 and 9).

(c) Credit risk:

The Association is exposed to credit risk related to its accounts and pledges receivable. It is management's opinion the related risk is not significant due to the nature and credit worthiness of the counterparties and that the amounts are only recorded when ultimate collection is reasonably assured. A provision is provided against the receivable based on any potential impairment as determined by management. The Association is exposed to credit risk with respect to its cash deposits and investments held. The risk of loss is considered low as the deposits and investments are highly liquid and held with reputable financial institutions in Canada.

(d) Industry:

The Association operates in the cultural industry environment and can be affected by general economic trends. A decline in economic conditions, public consumer-spending levels or other adverse conditions could lead to reduced revenues and changes in operating results.

(e) Currency risk:

The Association is, from time to time, exposed to financial risks as a result of exchange rate fluctuations and the volatility of these rates related to their foreign currency denominated accounts payable. As at June 30, 2022, the Association has payables outstanding denominated in various foreign currencies, most notably USD\$33,314 (2021 - US\$55,286) accounts payable and accrued liabilities. The Association does not currently enter into forward contracts to mitigate this risk.

There were no significant changes to the risk exposures from 2021.

19. Commitments:

The Association leases its current premises from the City of Vancouver for a period of 99-years ending 2079 for annual payments of \$1. The fair value of the rent cannot be readily determined and is not recorded in these financial statements.

VANCOUVER ART GALLERY ASSOCIATION

Notes to Financial Statements

Year ended June 30, 2022

20. Government grants and other funding:

Grants recognized in the General Fund and Building Fund are comprised of the following:

| | 2022 | 2021 |
|---|---------------|--------------|
| General Fund: | | |
| City of Vancouver | \$ 2,336,057 | \$ 2,298,735 |
| Provincial: | | |
| BC Arts Council | 854,600 | 1,057,500 |
| BC Gaming | 225,000 | 225,000 |
| Ministry of Tourism, Arts, Culture and Sport | 1,000,000 | - |
| | 2,079,600 | 1,282,500 |
| Federal: | | |
| Canada Council for the Arts | 544,800 | 573,200 |
| Canada Emergency Wage Subsidy | 83,578 | 2,404,986 |
| Tourism and Hospitality Recovery Program | 260,011 | - |
| | 888,389 | 2,978,186 |
| Total General Fund | 5,304,046 | 6,559,421 |
| Building Fund: | | |
| Federal - Heritage Canada | - | 50,000 |
| Provincial - Ministry of Tourism, Arts, Culture and Sport | 25,000,000 | - |
| Total | \$ 30,304,046 | \$ 6,609,421 |

Due to the COVID-19 pandemic, the Canadian government introduced the Canada Emergency Wage Subsidy ("CEWS") to assist organizations who had lost a certain percentage of their qualifying revenue. During the year ended June 30, 2022, government assistance recorded for eligible CEWS claims totaled \$343,589. As at June 30, 2022, \$260,012 (2021 - \$695,090) is included in accounts and other receivables with respect to these claims.

21. Comparative information:

Certain comparative information has been reclassified to conform to the current year presentation. The reclassifications had no impact on the excess (deficiency) of revenue over expenses or net assets.