

**GLENHYRST ART GALLERY  
OF BRANT INCORPORATED**

**FINANCIAL STATEMENTS**  
**For the year ended October 31, 2021**

**GLENHYRST ART GALLERY  
OF BRANT INCORPORATED**

**For the year ended October 31, 2021**

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## INDEPENDENT AUDITORS' REPORT

To the Directors of  
**Glenhyrst Art Gallery of Brant Incorporated**

### **Qualified Opinion**

We have audited the financial statements of Glenhyrst Art Gallery of Brant Incorporated (the 'Gallery'), which comprise the statement of financial position as at October 31, 2021, and the statements of operations and 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 possible effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Gallery as at October 31, 2021, and the results of its 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 not able to determine whether any adjustments might be necessary to fundraising and donation revenue, excess of revenues over expenses, and cash flows from operations for the years ended October 31, 2021 and 2020, current assets as at October 31, 2021 and 2020, and net assets as at November 1 and October 31 for both the 2021 and 2020 years. Our audit opinion on the financial statements for the year ended October 30, 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. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of 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 these 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 relating 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.

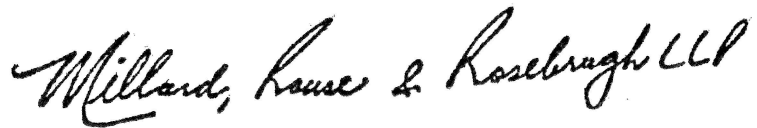
Those charged with governance are responsible for overseeing the Gallery's financial reporting process.

### **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 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 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, 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 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 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.



February 16, 2022  
Brantford, Ontario

CHARTERED PROFESSIONAL ACCOUNTANTS  
Licensed Public Accountants

**GLENHYRST ART GALLERY OF BRANT INCORPORATED**

**STATEMENT OF FINANCIAL POSITION**

As at October 31	2021	2020
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and bank	374,112	312,224
Short term investments	47,710	42,794
Accounts receivable	36,557	21,331
Prepaid expenses	3,223	2,988
Government receivables	2,624	457
	464,226	379,794
<b>Restricted Assets (Notes 3 and 5)</b>		
Cash and short term investments	232,530	215,962
<b>Permanent Collection (Note 4)</b>		
	1,781,081	1,741,431
	2,477,837	2,337,187
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Accounts payable and accrued liabilities	33,717	32,577
Deferred revenue (Note 6)	42,700	-
	76,417	32,577
<b>NET ASSETS</b>		
Invested in permanent collection	1,781,081	1,741,431
Externally restricted (Notes 3 and 5)	232,530	215,962
Unrestricted	387,809	347,217
	2,401,420	2,304,610
	2,477,837	2,337,187

Approved on behalf of the Board of Directors

..... Director

..... Director

# GLENHYRST ART GALLERY OF BRANT INCORPORATED

## STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS - UNRESTRICTED FUND

<b>For the year ended October 31</b>	<b>2021</b>	<b>2020</b>
<b>Revenue</b>		
Art rental	5,431	8,958
Donations	81,587	17,152
Exhibitions and sponsorships	5,000	6,992
City Hall art	15,188	31,250
Fundraising	2,500	14,930
Cookbook	260	3,952
Gardeners cottage	4,332	4,085
Gift shop	-	38
Memberships	4,580	4,130
Miscellaneous	5,471	1,496
Operating grants	66,550	85,078
Public programs and classes	36,196	30,057
Summer art camp	68,072	1,640
	<b>295,167</b>	<b>209,758</b>
<b>Expenses (Page 5)</b>		
Administration	18,719	16,286
Operational	235,856	198,163
	<b>254,575</b>	<b>214,449</b>
<b>Excess (Deficiency) of Revenue over Expenses</b>	<b>40,592</b>	<b>(4,691)</b>
<b>Unrestricted Net Assets - Beginning of Year</b>	<b>347,217</b>	<b>351,908</b>
<b>Unrestricted Net Assets - End of Year</b>	<b>387,809</b>	<b>347,217</b>

See accompanying notes

# GLENHYRST ART GALLERY OF BRANT INCORPORATED

## SCHEDULE OF EXPENSES - UNRESTRICTED FUND

For the year ended October 31	2021	2020
<b>Administration</b>		
Bank charges and interest	3,192	2,181
Professional fees	15,527	14,105
	18,719	16,286
<b>Operational</b>		
Advertising and newsletters	800	1,128
Art rental	3,705	3,691
Committee expenses	67	735
Exhibitions	28,611	27,659
Fundraising	-	403
Cookbook	-	2,145
Insurance	7,839	7,397
Memberships	754	535
Office supplies	10,637	6,456
Public programs and classes	44,764	26,184
City Hall art	25,260	20,687
Summer art camp	29,637	225
Travel	105	43
Wages and benefits	83,677	100,875
	235,856	198,163

# GLENHYRST ART GALLERY OF BRANT INCORPORATED

## STATEMENT OF CASH FLOWS

<b>For the year ended October 31</b>	<b>2021</b>	<b>2020</b>
<b>Cash Flows From Operating Activities</b>		
Excess (Deficiency) of revenue over expenses	40,592	(4,691)
<b>Net Changes from Operating Activity</b>		
Accounts Receivable	(17,321)	(4,292)
Prepaid Expenses	(235)	(265)
Accounts Payable and accrued liabilities	1,068	11,962
Deferred revenue	42,700	-
	26,212	2,714
<b>Cash Flows From Investing Activities</b>		
(Increase) decrease in short term investments	(4,916)	(907)
(Increase) decrease in restricted cash and investments	-	6,776
(Decrease) Increase in externally restricted assets	-	(6,776)
	(4,916)	(907)
<b>Net Increase in Cash and Bank</b>	61,888	1,807
<b>Opening Cash and Bank</b>	312,224	310,417
<b>Closing Cash and Bank</b>	374,112	312,224

*See accompanying notes*



# GLENHYRST ART GALLERY OF BRANT INCORPORATED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended October 31, 2021

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### 1. PURPOSE OF THE ORGANIZATION

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Glenhyrst Art Gallery of Brant Incorporated (the Gallery) is a public arts centre serving the citizens of Brant County. The Gallery operates programs designed to encourage appreciation, enjoyment, and education in the visual arts. Glenhyrst Art Gallery of Brant is incorporated under the Canada Corporations Act as a not-for-profit organization and is a registered charity under the Income Tax Act.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

#### **Revenue Recognition and Fund Accounting**

Contribution revenue is recognized by the corporation using the restricted fund method.

The Operating Fund accounts for the revenues and expenses related to the Gallery's program delivery and administration activities.

The Endowment Fund segregates assets and their related incomes, subject to externally imposed restrictions through the arts endowment fund program.

The Gallery recognizes its interest using the accrual basis of accounting. Revenues from the gallery are recognized at the time of sale and those from fundraising activities when such activities are held.

#### **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 amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of financial statements and the reported amounts of revenue and expenses during the year. Actual results could differ from those estimates.

#### **Financial Instruments**

All financial instruments are initially recorded on the statement of financial position at fair value. Investments in equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently measured at amortized cost.

#### **Property, Plant and Equipment**

In accordance with CPA Canada Handbook, Part III section 4430.03, the Gallery has elected to expense its capital asset purchases. During the year, capital assets expensed were \$5,642 (2020 - \$869).

#### **Contributed Services**

The Gallery would not be able to carry out its activities without the services of the many volunteers who donate a considerable number of hours. Because of the difficulty in compiling these hours, contributed services are not recognized in the financial statements.

#### **Government Assistance**

Government assistance is recognized as revenue at the time it is granted, provided there is reasonable assurance that the Gallery will continue to comply with all the conditions of the conditions of the government assistance. During the current year, Canada Emergency Wage Subsidy of \$62,121 (2020 - \$59,638) and City of Brantford Grant of \$55,000 (2020 - \$nil) were received.

**GLENHYRST ART GALLERY OF BRANT INCORPORATED**

**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended October 31, 2021**

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**3. RESTRICTED ASSETS**

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Net assets restricted for endowment purposes are subject to externally imposed restrictions stipulating that the resources be maintained permanently. Income generated by these funds must be used in accordance with the bylaws of the endowment fund.

The Gallery, together with other participating organizations, established a fund under the Arts Endowment Fund Program, maintained by the Ontario Arts Foundation. The market value of the Gallery's share of the fund is \$129,962 (2020 - \$109,187). Interest is paid annually on this fund at 5% and in 2021 the Gallery received \$807 (2020 - \$1,178). The Gallery has no entitlement to the Capital Funds and, should the Gallery cease operations, these funds would be distributed among other participating organizations.

**4. PERMANENT COLLECTION**

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The Gallery's policy for the permanent collection of artworks and sculptures is to obtain an appraisal for insurance purposes and to update the carrying value on the Gallery's books. The increase in the value of the permanent collection consists of purchases of new works and changes in the value of existing works. The permanent collection was appraised during the current year.

Of the 540 works in the permanent collection, 11 are owned by the City of Brantford. The Gallery is responsible for insuring these works. Based on the 2016 appraisal, the value of the works owned by the City is \$135,500.

**5. EXTERNALLY RESTRICTED  
NET ASSETS / ENDOWMENT FUND**

	<b>2021</b>	<b>2020</b>
Balance - beginning of year	215,962	222,738
Investment (Loss) Gain	28,188	1,227
Transfers	(10,064)	-
Expenditures	(1,556)	(8,003)
Balance - end of year	232,530	215,962

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**6. DEFERRED REVENUE**

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The Gallery received a grant from the Ontario Trillium Foundation in the amount of \$42,700 which relates to the 2021/2022 fiscal year.

**7. ECONOMIC DEPENDENCE**

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The Gallery is dependant on annual contributions from The City of Brantford in order to finance its operations. Should these contributions cease, the Gallery would be unable to continue operations in its present form.

# GLENHYRST ART GALLERY OF BRANT INCORPORATED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended October 31, 2021

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### 8. FINANCIAL INSTRUMENTS

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The Gallery has identified the following financial risks:

#### **Credit Risk**

The Gallery's exposure to credit risk relates to its accounts receivable. The risk of significant credit loss is considered remote.

#### **Liquidity Risk**

Liquidity risk is the risk that the Gallery will encounter difficulty in meeting obligations associated with financial liabilities. The Gallery's ability to meet obligations depends on the receipt of funds from donations, fundraising, grants, membership fees and public programs.

#### **Market Risk**

The Gallery holds investments that may be subject to fluctuations in market value. The Gallery considers its investments to be conservative with low market risk.

### 9. COVID-19 PANDEMIC

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Covid-19 had an enormous impact on the Gallery. Cancellations during the year included several fundraisers and events, which are usually significant revenue generators. Classes and workshops have occurred but have been greatly reduced to accommodate provincial regulations and guidelines. Educational programs with schools were all cancelled as a result of the pandemic. The Gallery has received funding through the Canada Emergency Wage Subsidy in the amount of \$62,121 (2020 - \$59,638).