

Financial Statements of

**THE GRIMSBY PUBLIC  
ART GALLERY**

Year ended December 31, 2024

# THE GRIMSBY PUBLIC ART GALLERY

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Year ended December 31, 2024

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# THE GRIMSBY PUBLIC ART GALLERY MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

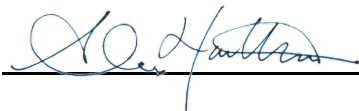
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The accompanying financial statements of The Grimsby Public Art Gallery (the "Gallery") are the responsibility of the Gallery's management and have been prepared in compliance with legislation, and in accordance with Canadian Public Sector Accounting Standards. A summary of the significant accounting policies is described in Note 2 to the financial statements. The preparation of financial statements necessarily involves the use of estimates based on management's judgement, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

The Gallery's management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the financial statements. These systems are monitored and evaluated by management.

The Council meets with management and external accountants to review and discuss any significant financial reporting or internal control matters prior to their approval of the financial statements.

The financial statements have been reviewed by KPMG LLP, licensed public accountants, appointed by the Town of Grimsby. The accompanying Independent Practitioner's Review Engagement Report outlines their responsibilities, and their opinion on the Gallery's financial statements.



Alexandra Hartstone  
Art Gallery Manager/Curator  
Corporation of the Town of Grimsby



Tony Del Monaco, CPA, CMA  
Director of Finance/Treasurer  
Corporation of the Town of Grimsby

July 10, 2025

**KPMG LLP**

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## **INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT**

To the Members of The Grimsby Public Art Gallery

We have reviewed the accompanying financial statements of The Grimsby Public Art Gallery, which comprise the statement of financial position as at December 31, 2024, the statement of operations and accumulated surplus, the statement of changes in net financial assets and statement of cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of financial statements in accordance with Canadian public sector accounting standards, 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.

### *Practitioner's Responsibility*

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.



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*Basis for Qualified Conclusion*

Based on our review, The Grimsby Public Art Gallery belongs to a post-employment benefit plan which is administered by the Town of Grimsby. The Grimsby Public Art Gallery's share of the post-employment benefit is not reflected in the statement of financial position of the Gallery as it was impractical to complete this analysis. The effect of this departure from Canadian public sector accounting standards has not been determined.

*Qualified conclusion*

Based on our review, except for the effects of the matter described in the Basis for Qualified Conclusion paragraph, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of The Grimsby Public Art Gallery as at December 31, 2024, and its results of operations, its changes in net financial assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

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

Chartered Professional Accountants, Licensed Public Accountants

Hamilton, Canada

July 10, 2025

# THE GRIMSBY PUBLIC ART GALLERY

## Statement of Financial Position

December 31, 2024, with comparative information for 2023

	2024	2023
<b>Financial assets</b>		
Receivable from Town of Grimsby	\$ 157,062	\$ 178,236
Inventory	4,856	4,791
	161,918	183,027
<b>Financial liabilities</b>		
Deferred revenue (note 4)	20,499	16,749
Capital lease obligation (note 5)	1,697	2,476
	22,196	19,225
<b>Net financial assets</b>	139,722	163,802
<b>Non-financial assets</b>		
Tangible capital assets (note 6)	1,194	1,991
Prepaid expenses	125	116
	1,319	2,107
<b>Accumulated surplus (note 7)</b>	\$ 141,041	\$ 165,909

See accompanying notes to financial statements.

On behalf of the Board:

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# THE GRIMSBY PUBLIC ART GALLERY

## Statement of Operations and Accumulated Surplus

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

	2024 Budget (note 14)	2024 Actual	2023 Actual
Revenue:			
Municipal contributions (note 8)	\$ 266,020	\$ 266,020	\$ 285,910
Government transfers (note 9)	59,200	44,236	99,865
Donations	4,500	1,970	800
Fundraising	18,500	14,850	3,505
Giftshop	18,000	17,107	19,048
Other (note 10)	36,000	38,087	21,699
Total revenue	402,220	382,270	430,827
Expenses:			
Advertising and promotion	3,640	3,619	3,199
Amortization	797	797	797
Conferences and training	700	608	26
Events	30,800	34,287	64,860
Giftshop	6,750	7,969	8,081
Maintenance and repairs	27,700	23,741	26,955
Memberships	1,400	1,232	561
Office	7,410	5,630	4,988
Professional fees	3,700	3,901	3,011
Salaries, wages and benefits (notes 11, 12 and 13)	276,610	285,689	267,362
Supplies	21,870	19,473	18,580
Travel	500	885	915
Utilities	21,140	19,307	21,138
Total expenses	403,017	407,138	420,473
Annual (deficit) surplus	(797)	(24,868)	10,354
Accumulated surplus, beginning of year	165,909	165,909	155,555
Accumulated surplus, end of year (note 7)	\$ 165,112	\$ 141,041	\$ 165,909

See accompanying notes to financial statements.

# THE GRIMSBY PUBLIC ART GALLERY

## Statement of Changes in Net Financial Assets

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

	2024 Budget (note 14)	2024 Actual	2023 Actual
Annual (deficit) surplus	\$ (797)	\$ (24,868)	\$ 10,354
Amortization of tangible capital assets	797	797	797
	—	(24,071)	11,151
(Increase) decrease in prepaid assets	—	(9)	17
Change in net financial assets	—	(24,080)	11,168
Net financial assets, beginning of year	163,802	163,802	152,634
Net financial assets, end of year	\$ 163,802	\$ 139,722	\$ 163,802

See accompanying notes to financial statements.



# THE GRIMSBY PUBLIC ART GALLERY

## Statement of Cash Flows

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

	2024	2023
Cash provided by (used in):		
Operating activities:		
Annual (deficit) surplus	\$ (24,868)	\$ 10,354
Items not involving cash:		
Amortization of tangible capital assets	797	797
Change in non-cash assets and liabilities:		
Receivable from Town of Grimsby	21,174	50,061
Inventory	(65)	(378)
Prepaid expenses	(9)	17
Deferred revenue	3,750	(60,136)
Net change in cash from operating activities	779	715
Financing activities:		
Repayment of capital lease obligation	(779)	(715)
Net increase in cash and cash equivalents	—	—
Cash and cash equivalents, beginning of year	—	—
Cash and cash equivalents, end of year	\$ —	\$ —

See accompanying notes to financial statements.

# THE GRIMSBY PUBLIC ART GALLERY

## Notes to Financial Statements

Year ended December 31, 2024

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### 1. Purpose of the Art Gallery Board:

The Grimsby Public Art Gallery ("the Gallery") provides art gallery services to residents of the Town of Grimsby and residents of other municipalities who have contracted with the Gallery for services.

### 2. Significant accounting policies:

The financial statements are the responsibility of and prepared by management in accordance with Canadian Public Sector Accounting Standards. The preparation of financial statements necessarily involves the use of estimates based on management's judgement, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

The significant accounting policies used are as follows:

#### (a) Basis of accounting:

Sources of revenue and expenses are reporting on the accrual basis of accounting. The accrual basis of accounting records revenues in the period in they are earned and measurable and expenses in the period the goods and services are acquired and a liability is incurred.

#### (b) Reporting entity:

The financial statements reflect the financial assets, liabilities, non-financial assets, revenues, expenses and changes in accumulated surplus of the Gallery.

#### (c) Cash and cash equivalents:

Cash and cash equivalents include cash on hand, balances with bank and guaranteed investment certificates that mature within three months.

#### (d) Tangible capital assets:

Tangible capital assets are recorded at cost. Cost includes all directly attributable expenses to acquisition, construction, development and/or betterment of the asset, required to install the asset at the location and in the condition necessary for its intended use. Contributed tangible assets are capitalized at their estimated fair value upon acquisition. The Gallery does not capitalize interest as part of the costs of its capital assets

Amortization is calculated on a straight-line basis to write-off the net cost of each asset over its useful life for all classes except land. Land is considered to have infinite life without amortization. Residual values of assets are assumed to be zero with any net gain or loss arising from the disposal of assets recognized in the Statement of Operations as other revenue. Works of art and cultural assets are not recorded as assets in these financial statements.

# THE GRIMSBY PUBLIC ART GALLERY

Notes to Financial Statements (continued)

Year ended December 31, 2024

## 2. Significant accounting policies (continued):

### (d) Tangible capital assets (continued):

Asset	Useful life - years
Equipment	5

Assets under construction are not amortized until the assets are available for productive use.

### (e) Deferred revenue:

Deferred revenue is comprised of user charges, user fees and grant amounts which have been received prior to the fiscal year to which they pertain. These amounts will be recognized as revenues in the fiscal year the services are performed.

### (f) Leases:

Leases are classified as capital or operating leases. Leases which transfer substantially all the benefits and risks incidental to ownership of property are considered as capital leases. All other leases are accounted for as operating leases and the related lease payments are charged to expenses as incurred.

### (g) Revenue recognition:

Government transfers, which include municipal contributions, provincial and federal grants, are recognized in the year in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria or stipulations have been met, and reasonable estimates of the amount can be made.

Donations and other revenues are recognized when received.

Gift shop and other revenues are recognized when the services are performed or goods are delivered and there is reasonable assurance of collection.

### (h) Financial instruments:

The Gallery initially measures its financial assets and financial liabilities at fair value. The Gallery subsequently measures all its financial assets and financial liabilities at amortized cost. Financial liabilities are removed from the Statement of Financial Position upon discharge, cancellation, or expiration.

Financial assets measured at amortized cost include the receivable from the Town of Grimsby.

Financial liabilities measured at amortized cost include the capital lease obligation.

# THE GRIMSBY PUBLIC ART GALLERY

Notes to Financial Statements (continued)

Year ended December 31, 2024

## 2. Significant accounting policies (continued):

### (i) Use of estimates:

The preparation of the financial statements in accordance with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

## 3. Adoption of new guidance:

Effective January 1, 2024, the Gallery adopted new public sector accounting standards sections retroactively with restatement: PS 3160 *Public Private Partnerships*, PS 3400 *Revenue* and adopted PSG-8 *Purchased Intangibles* prospectively.

PS 3400 *Revenue* establishes standards on how to account for and report on revenue, specifically differentiating between transactions that include performance obligations (i.e. the payor expects a good or service from the public sector entity), referred to as exchange transactions, and transactions that do not have performance obligations, referred to as non-exchange transactions. For exchange transactions, revenue is recognized when a performance obligation is satisfied. For non-exchange transactions, revenue is recognized when there is authority to retain an inflow of economic resources and a past event that gave rise to an asset has occurred.

PSG-8 *Purchased Intangibles* provides guidance on the accounting and reporting for purchased intangible assets that are acquired through arm's length exchange transactions between knowledgeable, willing parties that are under no compulsion to act.

PS 3160 *Public Private Partnerships* (P3s) provides specific guidance on the accounting and reporting for P3s between public and private sector entities where the public sector entity procures infrastructure using a private sector partner.

The adoption of the new standards had no impact on the Gallery.

## 4. Deferred revenue:

	2024	2023
Balance, beginning of year	\$ 16,749	\$ 76,885
Grant revenue received during the year	47,986	39,740
Revenue recognized during the year	(44,236)	(99,876)
Balance, end of year	\$ 20,499	\$ 16,749

# THE GRIMSBY PUBLIC ART GALLERY

Notes to Financial Statements (continued)

Year ended December 31, 2024

## 5. Capital lease obligation:

- (a) The capital lease obligation reported on the Statement of Financial Position is made up of the following:

Purpose	Interest rate	Maturity date	2024	2023
Photocopier	3.1%	2026	\$ 1,697	\$ 2,476

- (b) Total charges for interest, which are reported on the Statement of Operations and Accumulated Surplus amounts to \$193 (2023 - \$258).

- (c) Principal payments due over the next two years are as follows:

2025	\$ 850
2026	847

## 6. Equipment under capital lease:

Cost	Balance at December 31, 2023	Additions	Disposals	Balance at December 31, 2024
Equipment	\$ 3,984	\$ —	\$ —	\$ 3,984

Accumulated amortization	Balance at December 31, 2023	Disposals	Amortization expense	Balance at December 31, 2024
Equipment	\$ 1,993	\$ —	\$ 797	\$ 2,790

Net book value	December 31, 2023	December 31, 2024
Equipment	\$ 1,991	\$ 1,194

# THE GRIMSBY PUBLIC ART GALLERY

Notes to Financial Statements (continued)

Year ended December 31, 2024

## 7. Accumulated surplus:

	2024	2023
Operating surplus	\$ 141,544	\$ 166,394
Investment in tangible capital assets (note 6)	1,194	1,991
Unfunded capital lease obligation (note 5)	(1,697)	(2,476)
	\$ 141,041	\$ 165,909

## 8. Related party transactions:

	2024 Budget (note 14)	2024 Actual	2023 Actual
Revenues:			
Municipal contribution	\$ 266,020	\$ 266,020	\$ 285,910
Expenses:			
Utilities	\$ 17,140	\$ 15,080	\$ 17,105

All above transactions are with the Town of Grimsby and are measured at the exchange amount agreed to by the related parties.

## 9. Government transfers:

	2024 Budget (note 14)	2024 Actual	2023 Actual
Federal - Digital Access to Heritage & Museums Assistance Program (MAP)	\$ 13,000	\$ —	\$ 66,030
Federal - Young Canada Works	19,230	18,868	6,848
Provincial - Ontario Arts Council	26,970	25,368	26,987
	\$ 59,200	\$ 44,236	\$ 99,865

# THE GRIMSBY PUBLIC ART GALLERY

Notes to Financial Statements (continued)

Year ended December 31, 2024

## 10. Other revenue:

	2024 Budget (note 14)	2024 Actual	2023 Actual
Program fee	\$ 35,000	\$ 38,031	\$ 20,910
Memberships	1,000	56	106
Sales and recovery	—	—	683
	\$ 36,000	\$ 38,087	\$ 21,699

## 11. Salaries, wages and benefits:

	2024 Budget (note 14)	2024 Actual	2023 Actual
Salaries and wages	\$ 220,690	\$ 237,347	\$ 222,099
Benefits	55,920	48,342	45,263
	\$ 276,610	\$ 285,689	\$ 267,362

## 12. Pension agreements:

The Gallery makes contributions to the Ontario Municipal Employees Retirement System ("OMERS"), which is a multi-employer plan, on behalf of the members of its staff. The plan is a defined benefit that specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay. Employees and employers contribute jointly to the plan.

Since OMERS is a multi-employer pension plan, the Municipality does not recognize any share of the pension plan deficit of \$4.3 billion (2023 - \$7.6 billion deficit) based on the fair market value of the plan's assets, as this is a joint responsibility of all Ontario municipal entities and their employees. Plan deficits may require increases to future contributions. Contributions were made in 2024 calendar year at rates from 9% to 14.6% depending on the member's designated retirement age and level of earnings. Employer contributions for current and past service are included as an expense in the Statement of Operations and Accumulated Surplus. Employer contributions to OMERS for 2024 current and past service was \$6,259 (2023 - \$6,214) and were matched by employee contributions in a similar amount.

# THE GRIMSBY PUBLIC ART GALLERY

Notes to Financial Statements (continued)

Year ended December 31, 2024

## 13. Workplace and Insurance Board (WSIB) future benefits:

The Gallery, as a part of the Town, is a schedule II employer under the Workplace Safety & Insurance Act and follows a policy of self-insurance for all its employees.

The Town also maintains an insurance policy, which protects the Corporation against single claims in excess of \$500,000.

## 14. Budget information:

The budget is approved by Council includes expenditures for tangible capital assets but does not include amortization of tangible capital assets. The following is a reconciliation of the approved budget to that reported on the Statement of Operations and Accumulated Surplus:

Approved budgeted annual surplus	\$	—
Less: transfers to reserves, net		—
Less: amortization of tangible capital assets		(797)
Budgeted surplus/(deficit) per Statement of Operations and Accumulated Surplus	\$	(797)

## 15. Financial instruments:

The Gallery is exposed to various risks through its financial instruments. The following analysis provides a measure of the Gallery's risk exposures as at December 31, 2024:

### (a) Credit risk:

Credit risk is the risk of financial loss to the Gallery if a debtor fails to pay the amounts owing to the Gallery. The Gallery is exposed to this risk arising from its receivable.

Accounts receivable is primarily due from government, corporations and individuals. Credit risk is mitigated by the highly diversified nature of the debtors and other customers. The Gallery measures its exposure to credit risk based on how long the amounts have been outstanding. There were no changes in exposures to credit risk during the period. The amounts outstanding at year end were as follows:

2024	Current	31-60 days	61-90 days	91-120 days	Over 120 days	Total
Government receivables	\$ 157,062	\$ —	\$ —	\$ —	\$ —	\$ 157,062



# THE GRIMSBY PUBLIC ART GALLERY

Notes to Financial Statements (continued)

Year ended December 31, 2024

## 15. Financial instruments (continued):

### (a) Credit risk (continued):

2023	Current	31-60 days	61-90 days	91-120 days	Over 120 days	Total
Government receivables	\$ 178,236	\$ –	\$ –	\$ –	\$ –	\$ 178,236

### (b) Liquidity risk:

Liquidity risk is the risk that the Gallery will not be able to meet all cash outflow obligations as they come due. The Gallery mitigates this risk by monitoring cash activities and expected outflows through extensive budgeting and maintaining adequate cash levels. The following undiscounted cash-flows are required to settle the Gallery's financial liabilities within one year \$Nil (2023 - \$Nil).

There have been no significant changes from the previous year in the exposure to risk or policies, procedures and methods used to measure the risk.