



Board Meeting
Monday, May 12, 2025, 6:00 -8:00 pm
Art Gallery

Agenda:

- 1. Call to Order**
- 2. Disclosure of Pecuniary Interests**
- 3. Review of Minutes of Board Meeting held on March 10, 2025 (Page 2)**
- 4. Business arising from the minutes**
- 5. Directors Report (Page 6)**
- 6. Development Officer Report (Page 10)**
- 7. Financial Report (Page 16)**
- 8. Committee Updates**
 - A) Governance Committee**
 - B) Fundraising Committee**
- 9. New Business**
- 10. Next Meeting Date**

The next meeting of the Varley McKay Art Foundation of Markham will be held on June 9, 2025, at 6:00 PM.

- 10. Adjournment**



Minutes

Varley-McKay Art Foundation of Markham

Monday, March 10, 2025

6:00 p.m.

Art Gallery

Attendance

Board of Directors Present: Jim Schmidt (Chair), Craig McOuat (Vice-Chair), Connie Leclair (Governance Chair), Amin Giga (Treasurer), Nik Mracic, Paul Cicchini, and Sophia Sun

Staff Present: Niamh O’Laoghaire, Director, Varley Art Gallery; Francesca Dauphinais, Foundation Cultural Development Officer, Laura Gold, Clerk

Regrets: Councillor Reid McAlpine, Josy Jamieson, and Arpita Surana

| Agenda Item | Discussion | Action Item |
|---|--|-------------|
| 1. Call to Order | The Varley-McKay Art Foundation of Markham meeting convened at 6:10 PM with Jim Schmidt in the Chair. | |
| 2. Disclosure of Pecuniary Interests | There was no disclosure of pecuniary interests. | |
| 3. Review of Minutes of Board Meeting held on September 9, and June 10, 2024 | <p>Moved by Craig McOuat Seconded by Nic Mracic</p> <p>That the February 10, 2025, Varley-McKay Art Foundation of Markham Minutes be approved as presented.</p> <p style="text-align: right;">Carried</p> | |

| | | |
|--|---|--|
| <p>4. Business Arising from the Minutes</p> | <p>There was no business arising from the minutes.</p> | |
| <p>5. Destination Markham</p> | <p>Nik Mracic introduced Andrew Baldwin, Acting Director of Culture and Economic Development, and Destination Markham.</p> <p>Mr. Baldwin spoke about ways to promote awareness of the Varley and also about Destination Markham grants that the Foundation can apply to. Some of Mr. Baldwin's suggestions included: combining the promotion of the Varley with the promotion of Main Street Unionville; ensuring there is effective wayfinding signs guiding patrons to the Gallery; using mobile signs to promote the Gallery and Main Street Unionville; promoting the Varley's summer hours; promoting the Varley at the theatre and museum and vice versa; promoting the Varley in the Destination Markham booklet created quarterly; continuing to use volunteers to help support the operations of the Gallery; and holding staff meetings or an open house to introduce City staff to the Gallery.</p> <p>The Directors briefly discussed the Municipal Accommodation Tax and Foundation's annual fundraising event "Glitter and Gold".</p> <p>Nik Mracic explained that the Charter the Foundation has created combines key documents into one simplified document.</p> | |
| <p>6. Directors Report</p> | <p>Niamh O'Laoghaire, Director of the Gallery, provided her Directors Report. Some of the highlights of the report included:</p> <ul style="list-style-type: none"> • An updated Art Gallery 2025 request to the Foundation. • Visitors Statistics since 1997. • An overview of the 2025 exhibitions. • An overview of the Varley's spring/summer public programs. • An update on rentals and community partnerships. • An update on facilities. | |

| | | |
|--------------------------------------|--|--|
| 7. Development Officer Report | <p>Francesca Dauphinais, Foundation Cultural Development Officer, presented the Development Officer Report. The report provided an update on grants, corporate sponsorship, special events, volunteer programs, the Wallace Joyce Scholarship, and William J. Withrow School Visits Bursary. Some of the highlights of the report included:</p> <ul style="list-style-type: none">• A grant submitted to the Gay Lea Foundation in hope to launch a Creative Minds: Art Therapy for Youth Wellness at the Gallery.• Grants in progress, including applications to Stantec, and Honda Canada for exhibition support and technology to support the Gallery’s educational programs.• An update on corporate sponsorship received.• The tentative date of the Glitter and Gold Event - October 2, 2025.• A reminder of the third party Wine Tasting Event to be held at the Gallery on March 27, 2024.• That recruitment for Spring volunteer opportunities is now underway. <p>Amin Giga, Treasurer, encouraged all Directors to purchase a ticket for \$95 to the third party Wine Tasting event being held on March 27, 2024.</p> <p>The Development Officer reminded the Directors to submit their director profiles prior to the deadline.</p> | |
| 8. Financial Report | <p>Amin Giga, Treasurer, presented the Draft 2024 Financial Statements, and the proposed 2025 Budget for the Foundation. The goal is to approve the final audited 2024 Financial Statements at the next meeting. The proposed 2025 Budget was presented as conservative and attainable. The 2025 Budget included a \$40K transfer to the Gallery.</p> <p>That the Board approved the following motions:</p> <p>Moved by Connie Leclair Seconded by Craig</p> | |

| | | |
|------------------------------|--|--|
| | <p>That the 2025 Varley-McKay Art Foundation of Markham Budget be approved as presented.</p> <p style="text-align: right;">Carried</p> <p>Moved by Jim Schmidt Seconded by Paul Cicchini</p> <p>That the Varley-McKay Art Foundation of Markham approve that transfer of \$40K from the Foundation to the Gallery.</p> <p style="text-align: right;">Carried</p> | |
| 9. Committee Updates | <p>A) Governance Committee</p> <p>Connie Leclair provided an update on the Business Plan. Directors were thanked for attending a business planning session on February 22nd. A high-level timeline for the creation of the business plan was presented to the Board. A second business planning session was proposed to be held in May 2025.</p> <p>Niamh O’Laoghaire, Director, Varley Art Gallery, advised that she is in the process of updating the Directors onboarding manual. An updated version of the manual will be provided to the Directors at a future meeting.</p> <p>B) Fundraising Committee</p> <p>Sophia Sun advised that she will donate a cheque in the amount \$2,000 to the Varley-McKay Art Foundation at her March 28 Phoenix Financial Gala.</p> <p>The Board discussed possibly having an open house at the Gallery for City staff or for Members of Council.</p> | |
| 10. New Business | The next meeting of the Varley McKay Art Foundation of Markham will be held on April 14, 2025, at 6:00 PM. | |
| 11. Next Meeting Date | There was no new business. | |
| 12. Adjournment | The Varley-McKay Art Foundation of Markham adjourned at 8:06 PM. | |



SUMMARY

- Thank you to Sonia Sun
- Thank you to Santo Natale
- Thank you to Board Chair Jim Schmidt
- 2025 Board Packages Completed
- 2024 Varley Art Gallery Annual Report
- Grant Updates
- 2025 Exhibitions
- Public Programs Updates
- Rentals/Community Partnerships
- Upcoming Events
- Facilities updates

THANK YOU TO SONIA SUN

I would like to extend thanks to Sonia Sun on her generous donation of \$2,000 to the Varley-McKay Art Foundation of Markham. Francesca Dauphinais and I were delighted to receive the cheque at a ceremony during the glittering March 28, 20th Anniversary Phoenix Financial Annual Gala.



THANK YOU TO SANTO NATALE

I extend thanks also to Santo Natale for his fundraising event at the Gallery on March 28. I also thank Art Gallery Coordinator, Doriana Cabeceiras, and the Foundation's Francesca Dauphinais for going above and beyond their required duties in order to make the event a success. We're very glad that the attendees appeared to enjoy themselves so much.

THANK YOU TO BOARD CHAIR JIM SCHMIDT

Once again the Varley staff express their appreciation to Foundation Board Chair Jim Schmidt for his continuing support of printing costs. Our 2025 Summer Exhibitions, Programs and Events brochure will be ready in time for the launch of our Summer Exhibitions on May 24. We are very grateful for Jim's generosity.

2025 BOARD PACKAGES

As indicated at the March 10 meeting, the Varley Art Gallery's Board Package has been updated and printed out. Copies are now available for all members of the Varley-McKay Art Foundation.

2024 ANNUAL REPORT

We are in the process of producing our first Varley Art Gallery Annual Report. Many staff members are contributing content and texts. Communications Assistant Jessica Li is executing its design. It will be ready by the May 24 opening. It will be a digital document only.

GRANT UPDATES

- We completed the CCA (Canada Council for the Arts) Operating Grant application on April 2, 2025. A huge thanks to Anik Glaude and Doriana Cabeceiras who together executed the majority of the work for the submission.
- We're now beginning work planning the OAC (Ontario Arts Council) grant application, due on June 4.
- The Final Report for the Ontario Seniors Community Grant Program has been completed and uploaded. We are still waiting to hear about our 2025-26 application to that program, co-written with the Markham Museum.
- We received the final tranche of the 2024-2025 YCW (Young Canada Works) grant which supported a 6-month Education Assistant position held by Sophie Erdmann from October 2024 through March 2025
- We are still waiting to hear whether or not we will receive a CSJ (Canada Summer Jobs) grant, which underwrites part of the summer camp staff pay.
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EXHIBITIONS

Our Winter exhibitions ended on May 4 and deinstallation began May 5, and is running to schedule. We are very excited for the arrival of Z'otz* Collective the week of May 12 to execute work on the gallery walls. We are also printing a mural behind the Varley front desk. Since March the 2025 summer collections exhibition has been finalized as *All Aboard!* Its description is as follows:

All Aboard! explores the transformative power of travel in shaping artistic vision and creative expression. Showcasing landscapes from our permanent collection, the exhibition follows artists on their journeys – from the 19th-century Grand Tour of Europe to 20th-century Canadian road trips and a 21st-century expedition to Tibet. Through these works, *All Aboard!* traces the evolution of travel in art, revealing how diverse landscapes and experiences continue to inspire and challenge our perceptions of the world. Visitors are invited on a visual journey, discovering how different modes of travel – from steamships to cars to airplanes – have influenced artistic interpretation and left their mark on the canvas.

PUBLIC PROGRAMS

Since the March 10 meeting of the Board we deinstalled the Lunar Lanterns in the courtyard (March 16). Over the last months along with regular school visits, adult classes and weekend children's classes, we completed: March Break Camp (March 10-14); a Main Street Unionville Public Art Program Artist Talk (March 15); a print making workshop with Karen Kar Yen Law (March 16); a St. Patrick's Day craft workshop (March 16); a hand writing class (March 30). We had an on-line Lunch and Learn talk with artist Gayle Uyagaqi Kabloona on April 9 (thanks to Anik for stepping in to host it), and another Calligraphy workshop (April 27). We ran an Upcycling for Earth month event April 5 to May 4, participated in Canadian Art Hop, May 1 to 4 with a late opening on May 2, and mounted a Curator's Corner event with Anik Glaude on May 3. May 4 also saw a very well attended "Art Battle" in the Deacon Room organized by the Markham Teen Arts Council (see image at right).



RENTALS/COMMUNITY PARTNERSHIPS

Since the last board meeting we also had the following taking place:

Rental events/Community Partnerships/Other

March 15: Meeting of Platform for Youth Creativity (PYC)

March 19: Unionville BIA Meeting

March 23: The Purple Market with Platform for Youth Creativity, with 267 attendees, (see image at right)

March 30: Baby Shower in the Deacon Room

April 6: Markham Mayor's Youth Council Amazing Race – in the courtyard

April 6: Meeting of Platform for Youth Creativity (PYC)

April 12: Meeting of Platform for Youth Creativity (PYC)

April 14: Ground breaking ceremony for the Main Street Unionville Restoration project in the courtyard

April 29 to May 5: Trinity Home Market Rental at the McKay.

May 4: Meeting of Platform for Youth Creativity (PYC)

May 10: Meeting of Platform for Youth Creativity (PYC)



Events in the next month include:

LUX: Sunday, May 18

1 to 3 PM | Free | Drop-in

Experience LUX, an afternoon of music, dance, and art presented in partnership with Platform for Youth Creativity. Connect with the community and celebrate creativity through engaging performances. (Image at right from 2022 Lux)



2025 Summer Exhibitions Opening Reception

Saturday, May 24 | 2 to 4 PM | Remarks at 2:00 PM

Free | Registration not required

Be among the first to experience our 2025 Summer Exhibitions. Explore murals by Z'otz* Collective while enjoying live Latin music, refreshments, and engaging hands-on activities for all ages. Connect with the artists during a gallery talk as they share the inspiration behind their work.

Image at right: Z'otz* Collective, *Rope of Thought* (detail), 2025 mixed media on paper, 38 × 56 cm. Courtesy of the artists.



FACILITIES

- We installed a washer and dryer in the Deacon kitchen. This allows us easy laundering of tablecloths, volunteer aprons and tee-shirts, and programs materials.
- Our outdoor courtyard furniture was put out on April 10. We will put the umbrellas out also for the Victoria Day weekend.
- We're working with purchasing on an RFQ to replace 5 humidifiers, with a new imperative to source Canadian manufactured materials.



DEVELOPMENT OFFICER'S REPORT

2025
10

APRIL 14

GRANT FUNDING

On April 3, we received confirmation from the Federal Government regarding our Canada Summer Jobs (CSJ) funding request. Our application requested support for two Gallery Animateurs to work 35 hours per week for 16 weeks each, and one Summer Volunteer Supervisor to work 35 hours per week for 10 weeks, all at a rate of \$20/hour.

The approved CSJ funding covers one Gallery Animateur and the Summer Volunteer Supervisor, both for 8 weeks, at the proposed rate of pay. As a registered charity, we qualify for full reimbursement of the provincial minimum wage for these positions, along with the associated Mandatory Employment Related Costs (MERCs at 13.30%) based on that wage.

Without additional funding to support a second Gallery Animateur, we will be required to reduce our summer programming schedule significantly. This will limit our ability to offer consistent engagement for families, children, and community members during one of the Varley's busiest periods.

To maintain the full schedule and maximize our impact this summer, I seek board support to fund a second Animateur. The cost to support this role for 8 weeks at 35 hours per week, at \$20/hour plus MERCs, is approximately \$6,500.

This investment will help us sustain a high-quality visitor experience, ensure adequate staff coverage, and continue delivering meaningful art education opportunities for the public.

Othewise, the single Animateur will work the following schedule:

| | | |
|-----------|-----------------|-----|
| Sunday | 10 AM - 5 PM | 6.5 |
| Monday | OFF | 0 |
| Tuesday | OFF | 0 |
| Wednesday | 9 AM - 4:30 PM | 7 |
| Thursday | 9 AM - 4:30 PM | 7 |
| Friday | 11:30 AM - 8 PM | 8 |
| Saturday | 10 AM - 5 PM | 6.5 |
| | | 35 |

We continue to explore private foundation opportunities that align with both our organizational mission and the priorities of the Varley Art Gallery. Funding proposals are developed in close collaboration with relevant Gallery staff to ensure alignment with current and upcoming projects. Recent proposals include:

| Project Title/Focus | Funder | Amount | Status |
|--|------------------------------------|---------------|---|
| Education Programs Technology Support | Honda Canada Foundation | \$16,000 | Submitted April 1. Funding decision within 90 days. |
| Glitter and Gold Event Support | Destination Markham Corporation | \$3,000 | Submitted April 2. Funding decision early May. |
| Exhibition Support 2025 - 2026 | Stantec | \$40,000 | Draft - will speak to Amin regarding some financial questions. |

SPECIAL EVENTS

Glitter and Gold

Note change of date to **Thursday, October 16, 2025**. More details will come in the upcoming months, following a meeting with the Fundraising Committee.

Thank you to Santo Natale and Sophia Sun

We extend our heartfelt thanks to Santo Natale for hosting a wonderful wine tasting event on March 27 in support of the Varley Art Gallery. The evening was a great success, bringing together community members in celebration of art, culture, and connection. We are deeply grateful to Santo for his generosity and commitment to the Gallery. We are pleased to share that the event raised \$5,255.

Sincere thanks also to board member Sophia Sun and her team for hosting Niamh and myself at the Phoenix Financial 20th anniversary gala. We are extremely grateful for Sophia's generous donation of \$2,000, and her continued leadership and advocacy of the arts in Markham.



VOLUNTEER PROGRAM

Volunteer scheduling has been finalized for our Spring Programs, which officially launched on April 12 and will continue through to June 15. Our dedicated volunteers are supporting a range of art classes and workshops, helping to ensure a welcoming, well-organized experience for participants of all ages.

We are grateful for the continued enthusiasm and reliability of our volunteer team, who play an essential role in supporting high-quality art programming to the community.

Volunteer interviews with the Culture team are scheduled for Monday, April 14 at the Markham Museum, and Tuesday, May 6 at the Markham Civic Centre (led by the Flato Markham Theatre).

Financial Statements of

**VARLEY-McKAY ART FOUNDATION OF
MARKHAM**

December 31, 2024

KPMG Report

VARLEY-McKAY ART FOUNDATION OF MARKHAM

STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2024 WITH COMPARATIVE FIGURES FOR 2023

| | Note | 2024 | 2023 |
|--------------------------------------|------|------------------|------------------|
| ASSETS | | | |
| Cash | | \$233,076 | \$332,438 |
| Accounts Receivable | | 42,071 | 3,587 |
| Investment Income Receivable | 3 | 7,199 | 4,592 |
| | | \$282,346 | \$340,617 |
| LIABILITIES AND FUND BALANCES | | | |
| LIABILITIES | | | |
| Accounts Payable | | \$6,210 | \$6,236 |
| Due to City of Markham | 5 | 642 | 1,269 |
| Deferred Revenue | | - | 67,074 |
| | | 6,852 | 74,579 |
| FUND BALANCES | | | |
| Restricted Designated Fund (McKay) | 3 | 89,794 | 141,722 |
| Unrestricted General Fund | | 185,700 | 124,316 |
| | | 275,494 | 266,038 |
| | | \$282,346 | \$340,617 |

VARLEY-McKAY ART FOUNDATION OF MARKHAM

STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCES FOR THE YEAR ENDED DECEMBER 31, 2024 WITH COMPARATIVE FIGURES FOR 2023

| 2024 | | | | | | 2023 |
|---|--------------------------|---------------|--------------------------|--------------|-----------|-----------|
| Note | Designated Fund (McKay) | | Total | Unrestricted | Total | Total |
| | Education & Conservation | Art Purchases | Restricted Fund Balances | General Fund | | |
| REVENUES | | | | | | |
| Technology Improvement Project | | \$ - | \$ - | \$ - | \$66,209 | \$32,926 |
| Investment Income | 3 | 19,285 | 19,285 | 38,570 | 14,626 | 48,522 |
| Contribution from City of Markham | | - | - | - | 40,000 | |
| Sponsorships and Other Income | | - | - | - | 30,000 | 40,000 |
| Fundraising Activities | 4 | - | - | - | 24,219 | 25,335 |
| Donations | | - | - | - | 11,991 | 709 |
| Funding from Foundations/Groups | | - | - | - | 5,000 | - |
| Copyright Revenue | 3 | 176 | 176 | 352 | - | - |
| | | 19,461 | 19,461 | 38,922 | 192,045 | 147,492 |
| EXPENDITURES | | | | | | |
| Salaries | | 39,075 | - | 30,975 | 39,075 | 89,494 |
| Technology Improvement Project | | - | - | - | 67,480 | 7,701 |
| Contributions to Art Gallery | | 35,000 | - | 35,000 | - | 35,000 |
| Education and Conservation | | 10,868 | - | 10,868 | 734 | 4,219 |
| Summer fundraising expense | | - | - | - | 8,928 | - |
| Fundraising Activities | 4 | - | - | - | 8,347 | 4,914 |
| Administration | | - | - | - | 5,421 | 5,168 |
| Art Purchases | | - | 4,920 | 4,920 | - | 7,068 |
| Art Acquisition Cost | | 987 | - | 987 | - | 1,871 |
| Other Expenses | | - | - | - | 676 | 5,304 |
| | | 85,930 | 4,920 | 90,850 | 130,661 | 160,739 |
| Excess/(deficiency) of Revenues Over Expenditures | | | | | | |
| | | (66,469) | 14,541 | (51,928) | 61,384 | (13,247) |
| Fund Balance at the Beginning of Year | | | | | | |
| | | 76,766 | 64,956 | 141,722 | 124,316 | 279,285 |
| Fund Balance at the End of Year | | | | | | |
| | | \$10,297 | \$79,497 | \$89,794 | \$185,700 | \$266,038 |

VARLEY-McKAY ART FOUNDATION OF MARKHAM

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2024 WITH COMPARATIVE FIGURES FOR 2023

| | 2024 | 2023 |
|---|------------------|------------------|
| NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES | | |
| Operating | | |
| Excess (deficiency) of revenues over expenditures | \$9,456 | (\$13,247) |
| Changes in non-cash working capital items | | |
| Accounts receivable | (38,484) | 3,715 |
| Investment income receivable | (2,607) | 19,652 |
| Accounts payable | (26) | (3,465) |
| Due to City of Markham | (627) | (56,024) |
| Deferred revenue | (67,074) | 67,074 |
| Increase (decrease in CcashDECREASE IN CASH | (99,362) | 17,705 |
| Cash, beginning of year | 332,438 | 314,733 |
| Cash, end of year | \$233,076 | \$332,438 |

VARLEY-McKAY ART FOUNDATION OF MARKHAM

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

1. Description of organization

The Varley-McKay Art Foundation of Markham (the "Foundation") is a charitable organization incorporated without share capital on February 13, 1992. The purpose of the organization is as follows:

- to educate and promote the public's appreciation of the fine arts in the City of Markham (the "City") by the establishment of an art centre;
- to acquire a collection of art works, objects and documentary material in respect of the collection; and
- to preserve and exhibit the collection.

The purposes above are carried out through the support of the operations of an Art Centre/Art Gallery.

The Foundation is a Registered Charity under the Income Tax Act and is not subject to income taxes.

The organization is considered a local board of the City under the Municipal Act, 2001 and is subject to a degree of control by the City. A Memorandum of Understanding, dated March 27, 2006 between the City and the Foundation outlines the roles, responsibilities and terms of reference for each organization.

2. Significant Accounting policies

The statements have been prepared in accordance with the accounting standards for not-for-profit organizations published by the Chartered Professional Accountants of Canada, using the restricted fund method of reporting restricted contributions.

(a) Fund accounting

The financial statements separately disclose the activities of the following funds maintained by the Foundation.

(i) Designated Fund

This fund represents resources that are to be used for specific purposes, as specified by the donor.

(ii) Designated Fund (McKay)

The City has received an endowment from the Estate of Kathleen G. McKay. By agreement with the City, the investment income from the endowment is allocated to the Foundation. Up to 50% of the income from the endowment can be used for education and artistic programs and for conservation of the permanent collection of the Frederick Horsman Varley Art Gallery of Markham (the "Art Gallery"). The balance of the income from the endowment can be used for the purchase of art.

(iii) Unrestricted General Fund

This fund represents the Foundation's unrestricted revenue that supports the programs, services and research of the Foundation and the Art Gallery along with the administration of the Foundation.

(b) Revenue recognition

Cash donations are recognized when received. Pledges are recognized as revenue if the amount can be reasonably estimated and collection is reasonably assured. Income from fundraising activities is recorded when received. Income from investments is recorded on the accrual basis.

VARLEY-McKAY ART FOUNDATION OF MARKHAM

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

2. Significant Accounting policies (continued)

(c) Art collection

The art purchases by the Foundation are for the permanent collection of the Art Gallery. Art purchases for the collection are expenses in the period in which the art is acquired. Contributions of art are recorded as revenue and expenses at their fair value, if determinable.

(d) Donated services

The Foundation benefits from the services of volunteers, the fair value of which has not been reflected in these financial statements.

(e) Financial instruments

Financial instruments are recorded at fair value on initial recognition. All other financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. The Foundation has not elected to carry any such financial instruments at fair value.

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 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 Foundation 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 Foundation 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 impairment charge.

(f) Use of estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amount of assets, liabilities and the disclosure of contingent liabilities at the date of the financial statements, and the reported amounts of revenue and expenditures during the period. Actual results could differ from those estimates.

(g) Copyright revenue

The foundation holds the copyright to Frederick Horsman Varley's artwork. A copyright revenue is received by the foundation when F.H. Varley's artwork is reproduced in publications, print and digital marketing, posters, postcards, calendars, and other gift.

3. Investment and copyright income

The last Will and Testament of the late Kathleen G. McKay bequeathed funds to the City to support the operation of the Art Gallery. Capital funds and accumulated income in the amount of \$1,565,392 was received from the Estate on December 31, 2000. By agreement with the City, the investment income from the endowment capital amount of \$1,298,804 held by the City's Trust Funds, as well as the copyright income is to be allocated to the Foundation. Up to 50% of the income earned from the endowment of these funds is to be used to fund art education and conservation of the permanent collection of the Art Gallery. The balance of the income earned is to be used to fund the purchase of additional art for the collection (see note 2 (c)). Investment income earned on amounts held in cash are allocated to the General Fund. At the end of 2024 an amount of \$7,199 (2023 - \$4,592) was interest receivable from City.

VARLEY-McKAY ART FOUNDATION OF MARKHAM

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

4. Fundraising Activities

The Foundation held two fundraising events in 2024, namely Voyages to the Varley and the Gold & Glitter- A night at the gallery.

5. Due to City of Markham

There are no specific terms of repayment for the amount payable to the City.

6. Financial risk management

a) *Credit risk*

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in a financial loss. The Foundation deals with creditworthy counterparties to mitigate the risk of financial loss from defaults. The Foundation monitors the credit risk of customers through credit rating reviews.

b) *Liquidity risk*

Liquidity risk is the risk that the Foundation will be unable to fulfil its obligations on a timely basis or at a reasonable cost. The Foundation manages its liquidity by monitoring its operating requirements. There has been no change to the risk exposure from 2023.

Varley McKay Art Foundation of Markham

May 12, 2025

6:00 pm

Varley Art Gallery

Pages