

ICOM MUSEUMS MUSÉES CANADA

Financial Statements

December 31, 2022

(Unaudited)

ICOM MUSEUMS MUSÉES CANADA

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Year Ended December 31, 2022

(Unaudited)

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INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Members of ICOM Museums Musées Canada

We have reviewed the accompanying financial statements of ICOM Museums Musées Canada ("ICOM") which comprise the statement of financial position as at December 31, 2022, and the statements of changes in net assets, operations and cash flows for the year then ended, and 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 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.

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.

Conclusion

Based on our review, 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 ICOM Museums Musées Canada as at December 31, 2022, 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.

Restatement of Comparative Information

Without modifying our conclusion, we draw attention to Note 3 to the financial statements, which describes that certain comparative information presented for the year ended December 31, 2021 has been restated. The financial statements for the year ended December 31, 2021 (prior to the adjustments that were applied to restate certain comparative information explained in Note 3) were reviewed by another practitioner who expressed an unmodified conclusion on those financial statements on June 29, 2022.

Hogg, Shain & Scheck PC

Toronto, Ontario
June 29, 2023

Authorized to practise public accounting by the
Chartered Professional Accountants of Ontario

ICOM MUSEUMS MUSÉES CANADA

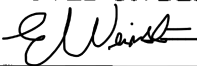
Statement of Financial Position

As at December 31, 2022

(Unaudited)

	2022	2021
ASSETS		
CURRENT		
Cash	\$ 92,375	\$ 102,846
Guaranteed Investment Certificates (Note 4)	102,497	101,035
Harmonized Sales Tax recoverable	1,988	748
Prepaid expenses	1,890	755
	<u>\$ 198,750</u>	<u>\$ 205,384</u>
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities (Note 3)	\$ 10,114	\$ 7,711
Prepaid memberships	46,692	41,273
	<u>56,806</u>	<u>48,984</u>
NET ASSETS		
UNRESTRICTED (Note 3)	<u>141,944</u>	<u>156,400</u>
	<u>\$ 198,750</u>	<u>\$ 205,384</u>

APPROVED ON BEHALF OF THE BOARD



Director



Director

See the accompanying notes to these financial statements

ICOM MUSEUMS MUSÉES CANADA

Statement of Changes in Net Assets

Year Ended December 31, 2022

(Unaudited)

	2022	2021
NET ASSETS - BEGINNING OF YEAR		
As previously reported	\$ 156,400	\$ 175,271
Prior year adjustment <i>(Note 3)</i>	<u>-</u>	<u>(4,236)</u>
As restated	156,400	171,035
Deficiency of revenues over expenses	<u>(14,456)</u>	<u>(14,635)</u>
NET ASSETS - END OF YEAR	<u>\$ 141,944</u>	<u>\$ 156,400</u>

See the accompanying notes to these financial statements

ICOM MUSEUMS MUSÉES CANADA**Statement of Operations****Year Ended December 31, 2022***(Unaudited)*

	2022	2021
REVENUES		
Memberships	\$ 106,265	\$ 64,674
Interest	2,493	1,841
Partnership	1,400	-
Donations	-	35
	<u>110,158</u>	<u>66,550</u>
EXPENSES		
Dues to International Council of Monuments and Sites	73,127	49,353
Administration and other	22,695	22,911
Advertising and promotion	16,722	-
Professional fees	4,118	3,000
Interest and bank charges	4,083	3,227
Conference	2,394	2,400
Postage and courier	886	-
Insurance	589	294
	<u>124,614</u>	<u>81,185</u>
DEFICIENCY OF REVENUES OVER EXPENSES	<u>\$ (14,456)</u>	<u>\$ (14,635)</u>

See the accompanying notes to these financial statements

ICOM MUSEUMS MUSÉES CANADA**Statement of Cash Flows
Year Ended December 31, 2022***(Unaudited)*

	2022	2021
OPERATING ACTIVITIES		
Deficiency of revenues over expenses	<u>\$ (14,456)</u>	<u>\$ (14,635)</u>
Changes in non-cash working capital:		
Harmonized Sales Tax recoverable	(1,240)	(373)
Prepaid expenses	(1,135)	(327)
Accounts payable and accrued liabilities	2,403	(4,784)
Prepaid memberships	<u>5,419</u>	<u>22,418</u>
	<u>5,447</u>	<u>16,934</u>
Cash flows from (used by) operating activities	<u>(9,009)</u>	<u>2,299</u>
INVESTING ACTIVITY		
Decrease (increase) in Guaranteed Investment Certificates	<u>(1,462)</u>	<u>37,638</u>
INCREASE (DECREASE) IN CASH	(10,471)	39,937
CASH - BEGINNING OF YEAR	<u>102,846</u>	<u>62,909</u>
CASH - END OF YEAR	<u>\$ 92,375</u>	<u>\$ 102,846</u>

See the accompanying notes to these financial statements

ICOM MUSEUMS MUSÉES CANADA

Notes to Financial Statements

Year Ended December 31, 2022

(Unaudited)

1. NATURE AND PURPOSE OF THE ORGANIZATION

ICOM Museums Musées Canada ("ICOM") is incorporated as a non-profit organization under Part II of the Canada Business Corporations Act, and its main objective is to emphasize the importance of the museums' role in the promotion of a greater knowledge and understanding of cultural, social and educative knowledge.

ICOM is exempt from income tax in Canada as a registered charity under subsection 149(l) of the Income Tax Act (Canada).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

These financial statements are the representation of management and have been prepared in accordance with Canadian accounting standards for not-for-profit organizations in Part III of the CPA Canada Handbook.

Revenue recognition

ICOM follows the deferral method of accounting for revenues. Restricted contributions are deferred and recognized as revenues in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenues when received or receivable, if the amount to be received can be reasonably estimated and collection is reasonably assured.

Membership fees are recognized on a monthly basis as received. Fees received during the last quarter of each year are reported as prepaid membership liabilities and reflect amounts to be earned in the subsequent year.

Interest is recognized on an accrual basis based on interest rates agreed upon with Guaranteed Investment Certificates purchased.

Financial instruments

ICOM initially measures its financial assets and financial liabilities at fair value and subsequently at amortized cost. The financial assets and liabilities subsequently measured at amortized cost include cash and accounts payable.

Impairment of financial instruments

Financial assets measured at cost or amortized cost are tested for impairment if there are indications of possible impairment. Impairment losses are equal to the excess of carrying value over the expected recoverable amount. A previously recognized impairment loss may be reversed to the extent of the improvement, either directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal, had the impairment loss not been recognized previously. The amount of the write down or reversal is recognized in deficiency of revenues over expenses.

Contributed services

ICOM's operations depend on the contribution of time by volunteers. The fair value of these services cannot be reasonably determined and are therefore not reflected in these financial statements.

(continues)

ICOM MUSEUMS MUSÉES CANADA

Notes to Financial Statements

Year Ended December 31, 2022

(Unaudited)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Use of estimates

The presentation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Significant estimates incorporated into ICOM's financial statements include year end accrued liabilities. These estimates are reviewed periodically and adjustments are made to revenues and expenses as appropriate in the year they become known.

3. PRIOR YEAR ADJUSTMENT

During 2022, ICOM received a professional fee invoice dated December 31, 2020 which had not previously been reported in the financial statements, nor paid. This transaction has been treated as a prior year adjustment as services had been rendered in 2020. The following summary reflects the effect on the statement of financial position at December 31, 2021 and the statement of cash flows for the year then ended. There was no change to the statement of operations or statement of cash flows at December 31, 2021.

Statement of Financial Position:

	As previously stated	Adjustment	Restated
As at January 1, 2021:			
Net assets, beginning of the year	\$ 175,271	\$ (4,236)	\$ 171,035
Accounts payable and accrued liabilities	\$ 8,259	\$ 4,236	\$ 12,495
As at December 31, 2021:			
Net assets, end of the year	\$ 160,636	\$ (4,236)	\$ 156,400
Accounts payable and accrued liabilities	\$ 3,475	\$ 4,236	\$ 7,711

4. FINANCIAL INSTRUMENTS

ICOM is exposed to various risks through its financial instruments. It is management's opinion that the Organization is not exposed to significant interest rate, liquidity or credit risks or any significant concentrations of risk arising from its financial instruments.

Guaranteed Investment Certificates ("GICs") are issued by a major Canadian chartered bank. The investments earn interest at 3%, maturing October 2023.