

ICOM MUSEUMS MUSÉES CANADA

Financial Statements

December 31, 2023

(Unaudited)

ICOM MUSEUMS MUSÉES CANADA

Index to Financial Statements

Year Ended December 31, 2023

(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, 2023, and the statements of operations and changes in net assets 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, 2023, 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.

Hogg, Shain & Scheck PC

Toronto, Ontario
April 15, 2024

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

ICOM MUSEUMS MUSÉES CANADA

Statement of Financial Position

As at December 31, 2023

(Unaudited)

	2023	2022
ASSETS		
CURRENT		
Cash	\$ 71,141	\$ 92,375
Short term investments (Note 3)	41,462	102,497
Accounts receivable	3,431	-
Harmonized Sales Tax recoverable	1,064	1,988
Prepaid expenses	1,074	1,890
	<u>118,172</u>	<u>198,750</u>
LONG TERM INVESTMENTS (Note 3)	<u>61,319</u>	<u>-</u>
	<u>\$ 179,491</u>	<u>\$ 198,750</u>
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 8,531	\$ 10,114
Prepaid memberships	45,704	46,692
	<u>54,235</u>	<u>56,806</u>
NET ASSETS		
NET ASSETS	<u>125,256</u>	<u>141,944</u>
	<u>\$ 179,491</u>	<u>\$ 198,750</u>

APPROVED ON BEHALF OF THE BOARD

_____ Director

_____ Director

See the accompanying notes to these financial statements

ICOM MUSEUMS MUSÉES CANADA
Statement of Operations and Changes in Net Assets
Year Ended December 31, 2023
(Unaudited)

	2023	2022
REVENUES		
Memberships	\$ 122,759	\$ 106,265
Interest	3,502	2,493
Grant <i>(Note 4)</i>	2,700	-
Partnership	-	1,400
	128,961	110,158
EXPENSES		
Dues to International Council of Museums	96,969	73,127
Administration and other	27,420	22,695
Advertising and promotion	9,090	16,722
Interest and bank charges	4,754	4,083
Professional fees	4,533	4,118
Conference	1,200	2,394
Postage and courier	1,094	886
Insurance	589	589
	145,649	124,614
DEFICIENCY OF REVENUES OVER EXPENSES	(16,688)	(14,456)
NET ASSETS - BEGINNING OF YEAR	141,944	156,400
NET ASSETS - END OF YEAR	\$ 125,256	\$ 141,944

See the accompanying notes to these financial statements

ICOM MUSEUMS MUSÉES CANADA**Statement of Cash Flows
Year Ended December 31, 2023***(Unaudited)*

	2023	2022
OPERATING ACTIVITIES		
Deficiency of revenues over expenses	<u>\$ (16,688)</u>	<u>\$ (14,456)</u>
Changes in non-cash working capital:		
Accounts receivable	(3,431)	-
Harmonized Sales Tax recoverable	924	(1,240)
Prepaid expenses	816	(1,135)
Accounts payable and accrued liabilities	(1,583)	2,403
Prepaid memberships	<u>(988)</u>	<u>5,419</u>
	<u>(4,262)</u>	<u>5,447</u>
Cash flows used by operating activities	<u>(20,950)</u>	<u>(9,009)</u>
INVESTING ACTIVITY		
Increase in Guaranteed Investment Certificates	<u>(284)</u>	<u>(1,462)</u>
DECREASE IN CASH	(21,234)	(10,471)
CASH - BEGINNING OF YEAR	<u>92,375</u>	<u>102,846</u>
CASH - END OF YEAR	<u>\$ 71,141</u>	<u>\$ 92,375</u>

See the accompanying notes to these financial statements

ICOM MUSEUMS MUSÉES CANADA

Notes to Financial Statements

Year Ended December 31, 2023

(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, including grants, 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. The amount of an impairment loss is measured as the difference between the carrying value and 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, 2023

(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. FINANCIAL INSTRUMENTS

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

Short term and long term investments consist of Guaranteed Investment Certificates ("GICs") issued by a major Canadian chartered bank. The investments earn interest at 4% to 5.3% (2022 - 3%), with maturity dates between October 2024 to November 2025 (2022 - October 2023).

4. GRANT REVENUE

In fiscal 2023, ICOM received and recognized a grant in the amount of \$2,700 (2022 - \$nil) from International Council of Museums, for the Youth in Heritage program.
