

**ALBERTA MUSEUMS ASSOCIATION**  
**Financial Statements**  
**Year Ended March 31, 2023**

**ALBERTA MUSEUMS ASSOCIATION**  
**Index to Financial Statements**  
**Year Ended March 31, 2023**

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July 24, 2023  
Edmonton, Alberta

## INDEPENDENT AUDITOR'S REPORT

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To the Members of Alberta Museums Association

### Opinion

We have audited the financial statements of Alberta Museums Association (the Association), which comprise the statement of financial position as at March 31, 2023, and the statements of operations, changes in net assets and cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Association as at March 31, 2023, and the results of its operations and cash flow for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

### Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Association in accordance with 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 opinion.

### Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with ASNPO, 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 Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

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

### Auditor's 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 auditor's 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.

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Independent Auditor's Report to the Members of Alberta Museums Association  
(continued)

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 Association'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 Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's 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 auditor's report. However, future events or conditions may cause the Association 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.


  


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**Kingston Ross Pasnak LLP**  
Chartered Professional Accountants

**ALBERTA MUSEUMS ASSOCIATION**  
**Statement of Financial Position**  
**March 31, 2023**

	Unrestricted (Note 2) General Fund	Internally Restricted (Note 2) Capital Assets Fund	Internally Restricted (Note 2) Contingency Fund	Externally Restricted (Note 2, 3)	Total  2023	Total  2022
<b>ASSETS</b>						
<b>CURRENT</b>						
Cash	\$ 943,854	\$ -	\$ 230,939	\$ 1,493	\$ 1,176,286	\$ 1,143,222
Accounts receivable	-	-	-	-	-	66,751
Goods and Services Tax receivable	4,349	-	-	-	4,349	6,051
Inventory	24,163	-	-	-	24,163	31,019
Prepaid expenses	9,811	-	-	-	9,811	9,969
	982,177	-	230,939	1,493	1,214,609	1,257,012
PROPERTY AND EQUIPMENT (Note 3)	-	16,931	-	-	16,931	21,599
INTANGIBLE ASSETS (Note 4)	-	13,642	-	-	13,642	30,316
	\$ 982,177	\$ 30,573	\$ 230,939	\$ 1,493	\$ 1,245,182	\$ 1,308,927
<b>LIABILITIES AND NET ASSETS</b>						
<b>CURRENT</b>						
Accounts payable and accrued liabilities	\$ 78,932	\$ -	\$ -	\$ -	\$ 78,932	\$ 83,110
Bonus payable	9,200	-	-	-	9,200	-
Overtime and vacation payable	15,704	-	-	-	15,704	15,574
Employee withholdings payable	10,553	-	-	-	10,553	12,788
Grants payable	21,155	-	-	-	21,155	19,108
Deferred revenue (Note 5)	-	-	-	1,493	1,493	14,624
Canada Emergency Business Account loan (Note 6)	30,000	-	-	-	30,000	-
	165,544	-	-	1,493	167,037	145,204
CANADA EMERGENCY BUSINESS ACCOUNT LOAN (Note 6)	-	-	-	-	-	30,000
	165,544	-	-	1,493	167,037	175,204
<b>COMMITMENTS (Note 7)</b>						
UNRESTRICTED NET ASSETS INVESTMENT IN CAPITAL ASSETS	816,633	-	-	-	816,633	868,079
CONTINGENCY FUND	-	30,573	-	-	30,573	51,915
	-	-	230,939	-	230,939	213,729
	816,633	30,573	230,939	-	1,078,145	1,133,723
	\$ 982,177	\$ 30,573	\$ 230,939	\$ 1,493	\$ 1,245,182	\$ 1,308,927

  
 Executive Director

  
 President

**ALBERTA MUSEUMS ASSOCIATION**  
**Statement of Operations**  
**Year Ended March 31, 2023**

	Unrestricted	Externally Restricted	2023	2022
<b>REVENUES</b>				
Unrestricted grants	\$ 1,370,000	\$ -	\$ 1,370,000	\$ 1,370,000
Externally restricted grants	-	71,373	71,373	270,185
Membership fees	49,776	-	49,776	45,141
Interest	31,021	-	31,021	5,717
Workshops, program fees, and publication sales	26,519	-	26,519	237,357
Conference	20,065	-	20,065	19,317
Contingency fund interest income	6,406	-	6,406	1,172
Government subsidies <i>(Note 6)</i>	6,019	-	6,019	205,867
Grants recovered	5,133	-	5,133	3,245
Donations and fundraising	2,760	-	2,760	4,235
Miscellaneous income	1,076	-	1,076	200
	1,518,775	71,373	1,590,148	2,162,436
<b>EXPENSES</b>				
Grants	687,432	-	687,432	806,033
Strategic services	600,753	-	600,753	600,339
Community engagement	49,076	71,373	120,449	234,280
Governance	153,589	-	153,589	136,428
Knowledge and development <i>(Note 8)</i>	57,619	-	57,619	49,634
Organizational capacity	2,163	-	2,163	7,411
	1,550,632	71,373	1,622,005	1,834,125
<b>(DEFICIENCY) EXCESS OF REVENUES OVER EXPENSES FROM OPERATIONS</b>				
	(31,857)	-	(31,857)	328,311
<b>OTHER EXPENSES</b>				
Amortization	23,721	-	23,721	44,865
<b>(DEFICIENCY) EXCESS OF REVENUES OVER EXPENSES</b>				
	\$ (55,578)	\$ -	\$ (55,578)	\$ 283,446

**ALBERTA MUSEUMS ASSOCIATION**  
**Statement of Changes in Net Assets**  
**Year Ended March 31, 2023**

	Unrestricted Net Assets	Investment in Capital Assets	Contingency Fund	2023	2022
<b>NET ASSETS - BEGINNING OF YEAR</b>	\$ 868,079	\$ 51,915	\$ 213,729	\$ 1,133,723	\$ 850,277
(Deficiency) excess of revenues over expenses	(38,263)	(23,721)	6,406	(55,578)	283,446
Property and equipment additions	(2,379)	2,379	-	-	-
Transfer (Note 9)	(10,804)	-	10,804	-	-
<b>NET ASSETS - END OF YEAR</b>	\$ 816,633	\$ 30,573	\$ 230,939	\$ 1,078,145	\$ 1,133,723

**ALBERTA MUSEUMS ASSOCIATION**  
**Statement of Cash Flow**  
**Year Ended March 31, 2023**

	2023	2022
<b>OPERATING ACTIVITIES</b>		
(Deficiency) excess of revenues over expenses	\$ (55,578)	\$ 283,446
Item not affecting cash:		
Amortization of property and equipment	23,721	44,865
	<b>(31,857)</b>	<b>328,311</b>
Net changes in non-cash working capital:		
Accounts receivable	66,751	(56,301)
Government remittances receivable	1,702	(1,275)
Inventory	6,856	3,566
Prepaid expenses	158	(1,573)
Accounts payable and accrued liabilities	(4,178)	59,591
Bonus payable	9,200	(8,000)
Overtime and vacation payable	130	3,941
Government remittances payable	(2,235)	4,028
Grants payable	2,047	8,042
Deferred revenue	(13,131)	(41,426)
	<b>67,300</b>	<b>(29,407)</b>
Cash flow from operating activities	<b>35,443</b>	<b>298,904</b>
<b>INVESTING ACTIVITY</b>		
Purchase of equipment	(2,379)	(6,485)
<b>INCREASE IN CASH</b>	<b>33,064</b>	<b>292,419</b>
CASH - BEGINNING OF YEAR	1,143,222	850,803
<b>CASH - END OF YEAR</b>	<b>\$ 1,176,286</b>	<b>\$ 1,143,222</b>
<b>CASH CONSISTS OF:</b>		
Cash - General Fund	\$ 943,854	\$ 914,869
Cash - Contingency Fund	230,939	213,729
Cash - Restricted	1,493	14,624
	<b>\$ 1,176,286</b>	<b>\$ 1,143,222</b>



## ALBERTA MUSEUMS ASSOCIATION

### Notes to Financial Statements

Year Ended March 31, 2023

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#### 1. PURPOSE OF THE ASSOCIATION

Alberta Museums Association (the "Association") is a not-for-profit organization incorporated provincially under the Societies Act of Alberta in 1971. As a registered charity the Association is exempt from the payment of income tax under Section 149(1) of the Income Tax Act.

The Association works to promote understanding, access, and excellence within Alberta's museums for the benefit of society.

#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organisations. Significant accounting policies observed in the preparation of the financial statements are summarized below.

##### Cash and cash equivalents

Cash and cash equivalents consist of cash on deposit, less cheques issued and outstanding. In addition, internally and externally restricted cash, of which is available for current purposes.

##### Inventory

Inventory is valued at the lower of cost and net realizable value with the cost being determined on a first-in, first-out basis. During the year, inventory of \$6,856 (2022 - \$3,566) was expensed, included in publications, printing, and design in schedule 1 and there were no inventory write downs (2022 - \$nil).

##### Property and equipment

Property and equipment is stated at cost or deemed cost less accumulated amortization and is amortized over its estimated useful life at the following rates and methods:

Furniture and fixtures	20%	declining balance method
Computer equipment	45%	declining balance method
Leasehold improvements	10 years	straight-line method

In the year of purchase, amortization on property and equipment is pro-rated based on the available for use date.

Property and equipment acquired during the year but not placed into use are not amortized until they are available for use.

(continues)

**ALBERTA MUSEUMS ASSOCIATION**  
**Notes to Financial Statements**  
**Year Ended March 31, 2023**

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Intangible assets

The website and database are being amortized over its estimated useful life at 55% on a declining balance method.

In the year of purchase, amortization on intangible assets is taken at one half of the normal amount.

Intangibles acquired during the year are not amortized until they are available for use.

Revenue recognition

Alberta Museums Association follows the deferral method of accounting for contributions.

Externally restricted grants and related investment income are recognized as revenue in the year in which the related expenses are incurred.

Monies received in advance of services provided are recorded as deferred revenue.

Unrestricted grants are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Membership fees are recognized when payment is received.

Unrestricted investment, miscellaneous, donation and fundraising income is recognized as revenue when earned and collection has been reasonably assured.

Conference revenue is recognized as revenue when the conferences are held and payments received in advances are recognized as deferred revenue.

Workshops, Program Fees, and Publication Sales revenues are recognized at the time that the ownership of product is transferred or service is performed.

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**ALBERTA MUSEUMS ASSOCIATION**  
**Notes to Financial Statements**  
**Year Ended March 31, 2023**

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

Fund accounting

The Association maintains several funds in accordance with the principals of fund accounting.

- a) The Unrestricted Fund accounts for the Association's administration, awards, grants, board and committee activities as well as conference and seminars. Certain unrestricted research is also accounted for in this fund.
- b) The Capital Assets Fund reports the assets, liabilities, revenues and expenditures related to the Association's property and equipment.
- c) The Contingency Fund is a Board of Directors approved allocation of net assets, to be used in the event the Association does not receive sufficient funding to continue current operations; and, as a result, must restructure current operations. The Board of Directors feels that, should the Association not be able to continue to operate, the funds retained in the Contingency Fund will provide sufficient liquidity to wind up operations.
- d) The Externally Restricted Fund is used when projects are undertaken as part of an agreement with an External Funding Agency and the use of the money is restricted by the terms and conditions of the underlying agreement. These projects are referred to as Externally Restricted projects.

The Association records all expenses related to these projects in the externally restricted fund and matches these expenses against the revenue provided.

The balance of Externally Restricted projects as at March 31, 2022 is summarized in Note 3.

Allocated expenditures

Expenditures which benefit more than one program of the Association are allocated among the functions. Salaries and benefits are allocated amongst the funds based on hours spent. All other operating expenses are allocated amongst funds in accordance to the nature of each expenditure. Allocated amounts are outlined in schedule 1.

Donated services

The functions of the Association are dependent on the voluntary services of many members. The value of donated services is not recognized in these statements as the fair value of these services is difficult to determine.

Financial instruments

All arm's length financial instruments are initially measured at fair value, and, unless otherwise noted, the Association subsequently measures its financial instruments at amortized cost.

The measurement basis for related party financial instruments is disclosed in Note 8.

(*continues*)

**ALBERTA MUSEUMS ASSOCIATION**  
**Notes to Financial Statements**  
**Year Ended March 31, 2023**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Measurement uncertainty

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 amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the period. The following amounts are subject to measurement uncertainty: useful life of property and equipment, intangibles and accrual of liabilities. These estimates are periodically reviewed and any necessary adjustments are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

3. PROPERTY AND EQUIPMENT

	Cost	Accumulated amortization	2023 Net book value	2022 Net book value
Furniture and fixtures	\$ 70,867	\$ 62,986	\$ 7,881	\$ 9,851
Computer equipment	55,898	48,886	7,012	9,396
Leasehold improvements	3,136	1,098	2,038	2,352
	<b>\$ 129,901</b>	<b>\$ 112,970</b>	<b>\$ 16,931</b>	<b>\$ 21,599</b>

4. INTANGIBLE ASSETS

	2023	2022
Website and database	\$ 392,947	\$ 392,947
Accumulated amortization	(379,305)	(362,631)
	<b>\$ 13,642</b>	<b>\$ 30,316</b>

5. EXTERNALLY RESTRICTED FUNDS

The balance of Externally Restricted projects at March 31, 2023 and 2022 is summarized below:

	2023	2022
Environmental programming - opening balance	\$ 2,518	\$ 3,953
City of Edmonton CCLP	700	700
Grant revenues recognized	(700)	(700)
Carbon Reduction rebate	(1,025)	(1,435)
Subtotal	<b>1,493</b>	<b>2,518</b>

*(continues)*

**ALBERTA MUSEUMS ASSOCIATION**  
**Notes to Financial Statements**  
**Year Ended March 31, 2023**

5. EXTERNALLY RESTRICTED FUNDS *(continued)*

Environmental Programming contributions are restricted by the Edmonton Community Foundation for the production of education and awareness tools to assist museums in implementing and pursuing more environmentally sustainable practices.

	2023	2022
Strategic Initiatives Component of the Canada Cultural Investment Fund - opening balance	-	38,685
Grant funds received	56,542	90,020
Grant funds receivable	-	42,993
Grant revenues recognized	(56,542)	(171,698)
Subtotal	-	-

The contributions from the Reconsidering Museums program, within the Strategic Initiatives Component of the Canada Cultural Investment Fund, are restricted by the Minister of Canadian Heritage for the rebranding project which will help the national museum community better understand the public's perception of the value of museums, and to develop a clear articulation of the social significance of museums.

	2023	2022
Community Initiatives Program (CIP) - Alberta Culture, Multiculturalism and Status of Women - opening balance	-	-
Grant funds received	-	45,258
Grant revenues recognized	-	(45,258)
Subtotal	-	-

Multiculturalism and Status of Women contributions are restricted by the Government of Alberta, Minister of Culture, for the reconsidering museums phase 2: rebrand development initiative.

*(continues)*

**ALBERTA MUSEUMS ASSOCIATION**  
**Notes to Financial Statements**  
**Year Ended March 31, 2023**

5. EXTERNALLY RESTRICTED FUNDS *(continued)*

	2023	2022
Museum Assistance Program (MAP), Canadian Heritage Learning and Digitization - opening balance	12,106	-
Grant funds received	-	46,950
Grant revenues recognized	<b>(12,106)</b>	<b>(34,844)</b>
Subtotal	-	12,106
<p>Canadian Heritage Learning and Digitization contributions are restricted by the Minister of Canadian Heritage for the development of tools and documents to assist museum workers and to strengthen their knowledge, skills and practices with respect to key museum functions.</p>		
	2023	2022
Alberta Jobs Now - opening balance	-	-
Grant funds received	1,000	16,250
Grant revenues recognized	<b>(1,000)</b>	<b>(16,250)</b>
Subtotal	-	-
<p>Alberta Jobs Now contributions are restricted by Alberta Labour and Immigration to hire new staff.</p>		
Grand total	<b>\$ 1,493</b>	<b>\$ 14,624</b>

6. GOVERNMENT ASSISTANCE

In the prior year, the Government of Canada passed legislation offering wage cost subsidies to employers to help support businesses during the COVID-19 pandemic. The Association benefited from the Canada Wage Subsidy (CEWS) in the amount of \$6,019 (2022 - \$205,867), which is included in government subsidies.

In 2021, the Association received a Canada Emergency Business Account loan (CEBA) in the amount of \$40,000, which bears no interest and is forgivable in the amount of \$10,000 if repaid by December 31, 2023. If the loan is not repaid by December 31, 2023, the loan will bear interest at 5% annually as of January 1, 2024 with the full amount due no later than December 31, 2025. The Association expects to comply with the terms for forgiveness.

## ALBERTA MUSEUMS ASSOCIATION

### Notes to Financial Statements

Year Ended March 31, 2023

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#### 7. COMMITMENTS

The Association has a long term lease with respect to its premises and equipment. The lease contains renewal options and provides for payment of utilities and maintenance costs and expire March 31, 2030 and December 31, 2026 respectfully. Future minimum lease payments as at March 31, 2023, are as follows:

2024	\$	44,508
2025		45,914
2026		46,170
2027		48,237
2028		46,261
Thereafter		<u>94,055</u>
	\$	<u>325,145</u>

#### 8. RELATED PARTY TRANSACTIONS

During the year, \$10,092 (2022 - \$1,250) included in knowledge development as program costs was paid to Board Members for instructing services, peer reviews and travel.

The transactions with related parties are measured at cost, which is equal to the undiscounted cash flows received, or expected to be received, not including expected interest and dividends, less any previously recognized impairment losses.

#### 9. TRANSFER OF CASH

During the year, the Board approved a transfer of \$10,803 from the Operating Fund to the Contingency Fund.

#### 10. ROBERT R. JANES AWARD

Robert R. Janes Award for Social Responsibility was established with funding donated from an individual member, and additional donations from individuals. The award is administered by the Association and paid out in eligible amounts of \$3,000 per year. The award is currently funded to run until the end of 2026 after which time the Association will evaluate the continuation of this award initiative. During the year, \$3,000 (2022 - \$3,000) was paid out.

#### 11. DISBURSEMENT QUOTA

The calculated disbursement quota for 2023 is \$26,175; (2022 - \$22,225). The quota is based on a 24 month average of the assets not directly used in charitable activities or administration multiplied by the required disbursement quota rate of 3.5%.

**ALBERTA MUSEUMS ASSOCIATION**  
**Notes to Financial Statements**  
**Year Ended March 31, 2023**

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12. ECONOMIC DEPENDENCE

The Association receives the majority of its funding from the Ministry of Culture. A loss of this funding could have a material impact on the Association's operations. Management expects the grant to be maintained in the future.



**ALBERTA MUSEUMS ASSOCIATION**  
**Schedule of Program Expenses**  
**Year Ended March 31, 2023**

	Grants	Strategic Services	Knowledge Development	Governance	Organizational Capacity	Community Engagement	2023	2022
<b>Expenditures</b>								
Grants	\$ 685,722	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 685,722	\$ 803,741
Salaries and benefits	-	364,203	-	108,739	-	-	472,942	501,926
Program costs	1,550	69,830	57,053	-	2,000	102,122	232,555	329,750
Rent	-	85,379	-	-	-	-	85,379	90,605
Travel and hospitality	-	13,165	-	17,763	-	-	30,928	(521)
Office expenses	160	13,727	566	36	163	37	14,689	47,582
Supplies and services	-	17,384	-	-	-	-	17,384	9,930
Professional	-	14,068	-	16,708	-	-	30,776	12,007
Publications, printing & design	-	-	-	-	-	18,290	18,290	13,391
Equipment	-	5,436	-	-	-	-	5,436	7,048
Professional development	-	3,816	-	4,238	-	-	8,054	5,813
Bank charges and interest	-	7,115	-	6,105	-	-	13,220	5,012
Insurance	-	1,417	-	-	-	-	1,417	4,943
Memberships and subscriptions	-	5,213	-	-	-	-	5,213	2,898
	\$ 687,432	\$ 600,753	\$ 57,619	\$ 153,589	\$ 2,163	\$ 120,449	\$ 1,622,005	\$ 1,834,125