

ALBERTA MUSEUMS ASSOCIATION
Financial Statements
Year Ended March 31, 2024

ALBERTA MUSEUMS ASSOCIATION
Index to Financial Statements
Year Ended March 31, 2024

	Page
INDEPENDENT AUDITOR'S REPORT	1 - 2
FINANCIAL STATEMENTS	
Statement of Financial Position	3
Statement of Operations	4
Statement of Changes in Net Assets	5
Statement of Cash Flow	6
Notes to Financial Statements	7 - 14
Schedule of Program Expenses (<i>Schedule 1</i>)	15



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July 29, 2024
Edmonton, Alberta

INDEPENDENT AUDITOR'S REPORT

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, 2024, 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, 2024, 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.


Kingston Ross Parnak LLP
Chartered Professional Accountants

ALBERTA MUSEUMS ASSOCIATION
Statement of Financial Position
March 31, 2024

	Unrestricted General Fund	Internally Restricted Capital Assets Fund	Internally Restricted Contingency Fund	Externally Restricted Fund	Total 2024	Total 2023
ASSETS						
CURRENT						
Cash	\$ 583,275	\$ -	\$ 498,245	\$ 21,878	\$ 1,103,398	\$ 1,176,286
Accounts receivable	2,840	-	-	-	2,840	-
Goods and Services Tax receivable	5,328	-	-	-	5,328	4,349
Inventory	20,100	-	-	-	20,100	24,163
Prepaid expenses	20,336	-	-	-	20,336	9,811
	631,879	-	498,245	21,878	1,152,002	1,214,609
PROPERTY AND EQUIPMENT (Note 3)	-	14,253	-	-	14,253	16,931
INTANGIBLE ASSETS (Note 4)	-	53,469	-	-	53,469	13,642
	\$ 631,879	\$ 67,722	\$ 498,245	\$ 21,878	\$ 1,219,724	\$ 1,245,182

LIABILITIES AND NET ASSETS

CURRENT						
Accounts payable and accrued liabilities	\$ 26,837	\$ -	\$ -	\$ -	\$ 26,837	\$ 78,932
Bonus payable	4,500	-	-	-	4,500	9,200
Overtime and vacation payable	16,189	-	-	-	16,189	15,704
Employee withholdings payable	11,665	-	-	-	11,665	10,553
Grants payable	26,427	-	-	-	26,427	21,155
Deferred revenue (Note 5)	29,298	-	-	-	29,298	1,483
Canada Emergency Business Account loan (Note 6)	-	-	-	-	-	30,000
	114,916	-	-	-	114,916	167,037
COMMITMENTS (Note 7)						
UNRESTRICTED NET ASSETS	516,963	-	-	-	516,963	544,246
INVESTMENT IN CAPITAL ASSETS	-	67,722	-	-	67,722	30,573
CONTINGENCY FUND	-	-	498,245	-	498,245	486,062
EXTERNALLY RESTRICTED FUND	-	-	-	21,878	21,878	17,264
	516,963	67,722	498,245	21,878	1,104,808	1,078,145
	\$ 631,879	\$ 67,722	\$ 498,245	\$ 21,878	\$ 1,219,724	\$ 1,245,182


Executive Director


President

ALBERTA MUSEUMS ASSOCIATION
Statement of Operations
Year Ended March 31, 2024

	Unrestricted - General Fund	Internally Restricted - Contingency fund	Externally Restricted Fund	2024	2023
REVENUES					
Unrestricted grants	\$ 1,370,000	\$ -	\$ -	\$ 1,370,000	\$ 1,370,000
Externally restricted grants	-	-	55,669	55,669	71,373
Membership fees	48,337	-	-	48,337	49,776
Interest	37,298	-	-	37,298	23,510
Workshops, program fees, and publication sales	29,236	-	-	29,236	26,519
Contingency fund interest income	13,855	12,183	995	27,033	13,917
Conference	8,925	-	-	8,925	20,065
Grants recovered	5,300	-	-	5,300	5,133
Donations and fundraising	4,304	-	619	4,923	2,760
Miscellaneous income	82	-	-	82	1,076
Government subsidies	-	-	-	-	6,019
	1,517,337	12,183	57,283	1,586,803	1,590,148
EXPENSES					
Strategic services	649,572	-	-	649,572	600,753
Grants	626,607	-	-	626,607	687,432
Governance	143,939	-	-	143,939	153,589
Knowledge and development (Note 8)	28,590	-	55,669	84,259	57,619
Community engagement	21,039	-	-	21,039	120,449
Organizational capacity	3,536	-	-	3,536	2,163
	1,473,283	-	55,669	1,528,952	1,622,005
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES FROM OPERATIONS					
	44,054	12,183	1,614	57,851	(31,857)
OTHER EXPENSES					
Amortization	31,188	-	-	31,188	23,721
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES					
	\$ 12,866	\$ 12,183	\$ 1,614	\$ 26,663	\$ (55,578)

See notes to financial statements
 Alberta Museums Association

ALBERTA MUSEUMS ASSOCIATION
Statement of Changes in Net Assets
Year Ended March 31, 2024

	Unrestricted General Fund	Investment in Capital Assets	Contingency Fund	Externally Restricted Fund	2024	2023
NET ASSETS - BEGINNING OF YEAR	\$ 544,246	\$ 30,573	\$ 486,062	\$ 17,264	\$ 1,078,145	\$ 1,133,723
Excess (deficiency) of revenues over expenses	44,054	(31,188)	12,183	1,614	26,663	(55,578)
Property and equipment additions	(68,337)	68,337	-	-	-	-
Transfer	(3,000)	-	-	3,000	-	-
NET ASSETS - END OF YEAR	\$ 516,963	\$ 67,722	\$ 498,245	\$ 21,878	\$ 1,104,808	\$ 1,078,145

ALBERTA MUSEUMS ASSOCIATION
Statement of Cash Flow
Year Ended March 31, 2024

	2024	2023
OPERATING ACTIVITIES		
Excess (deficiency) of revenues over expenses	\$ 26,663	\$ (55,578)
Item not affecting cash:		
Amortization of property and equipment	31,188	23,721
	57,851	(31,857)
Net changes in non-cash working capital:		
Accounts receivable	(2,840)	66,751
Government remittances receivable	(979)	1,702
Inventory	4,063	6,856
Prepaid expenses	(10,525)	158
Accounts payable and accrued liabilities	(52,099)	(4,179)
Bonus payable	(4,700)	9,200
Overtime and vacation payable	485	130
Government remittances payable	1,112	(2,235)
Grants payable	5,272	2,047
Deferred revenue	27,805	(13,131)
	(32,406)	67,299
Cash flow from operating activities	25,445	35,442
INVESTING ACTIVITY		
Purchase of equipment and intangible assets	(68,333)	(2,378)
FINANCING ACTIVITY		
Repayment of the Canada Emergency Business Account Loan	(30,000)	-
Cash flow used by financing activity	(30,000)	-
(DECREASE) INCREASE IN CASH	(72,888)	33,064
CASH - BEGINNING OF YEAR	1,176,286	1,143,222
CASH - END OF YEAR	\$ 1,103,398	\$ 1,176,286
CASH CONSISTS OF:		
Cash - General Fund	\$ 583,275	\$ 671,468
Cash - Contingency Fund	498,245	486,062
Cash - Restricted	21,878	18,756
	\$ 1,103,398	\$ 1,176,286

ALBERTA MUSEUMS ASSOCIATION

Notes to Financial Statements

Year Ended March 31, 2024

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 \$4,063 (2023 - \$6,856) was expensed, included in publications, printing, and design in Schedule 1 and there were no inventory write downs (2023 - \$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 taken at one half of the normal amount.

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

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ALBERTA MUSEUMS ASSOCIATION
Notes to Financial Statements
Year Ended March 31, 2024

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 but not available for use 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, 2024

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, 2024 is summarized in Note 5.

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.

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ALBERTA MUSEUMS ASSOCIATION

Notes to Financial Statements

Year Ended March 31, 2024

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: collectability of accounts receivable, useful life of property, equipment and 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	2024 Net book value	2023 Net book value
Furniture and fixtures	\$ 70,867	\$ 64,562	\$ 6,305	\$ 7,881
Computer equipment	58,953	52,729	6,224	7,012
Leasehold improvements	3,134	1,410	1,724	2,038
	\$ 132,954	\$ 118,701	\$ 14,253	\$ 16,931

4. INTANGIBLE ASSETS

	2024	2023
Website and database	\$ 458,229	\$ 392,947
Accumulated amortization	(404,760)	(379,305)
	\$ 53,469	\$ 13,642

ALBERTA MUSEUMS ASSOCIATION
Notes to Financial Statements
Year Ended March 31, 2024

5. EXTERNALLY RESTRICTED FUNDS

The balance of Externally Restricted projects at March 31, 2024 and 2023 is summarized below:

	2024	2023
Environmental programming - opening balance	\$ 1,493	\$ 2,518
City of Edmonton CCLP	-	700
Grant revenues recognized	(1,493)	(700)
Carbon Reduction rebate	-	(1,025)
Subtotal	-	1,493

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.

	2024	2023
Strategic Initiatives Component of the Canada Cultural Investment Fund - opening balance	-	-
Grant funds received	-	56,542
Grant revenues recognized	-	(56,542)
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.

	2024	2023
Virtual Adaptation of Best Practice Learning Offerings - opening balance	-	-
Grant funds received	50,000	-
Grant revenues recognized	(50,000)	-
Subtotal	-	-

The Virtual Adaptation of Best Practice Learning Offerings grant is restricted to updating and performing museum services in an online space.

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ALBERTA MUSEUMS ASSOCIATION
Notes to Financial Statements
Year Ended March 31, 2024

5. EXTERNALLY RESTRICTED FUNDS *(continued)*

	2024	2023
Museum Assistance Program (MAP), Canadian Heritage Learning and Digitization - opening balance	-	12,106
Grant revenues recognized	-	(12,106)
Subtotal	-	-

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.

	2024	2023
Alberta Jobs Now - opening balance	-	-
Grant funds received	1,200	1,000
Grant revenues recognized	(1,200)	(1,000)
Subtotal	-	-

Alberta Jobs Now contributions are restricted by Alberta Labour and Immigration to hire new staff and for eligible training costs.

	2024	2023
Spring Symposium conference deposits - opening balance	-	-
Conference deposits received	29,298	-
Subtotal	29,298	-

Spring Symposium conference deposits are restricted until the conference takes place subsequent to year end.

Grand total	\$ 29,298	\$ 1,493
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6. GOVERNMENT ASSISTANCE

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. The Association expects to comply with the terms for forgiveness. In the 2024 fiscal year the Association repaid the outstanding balance of 30,000.

ALBERTA MUSEUMS ASSOCIATION
Notes to Financial Statements
Year Ended March 31, 2024

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, 2024, are as follows:

2025	\$	45,914
2026		46,170
2027		48,237
2028		46,261
2029		49,072
Thereafter		<u>44,983</u>
	\$	<u>280,637</u>

8. RELATED PARTY TRANSACTIONS

During the year, \$11,428 (2023 - \$10,092) 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, there was a transfer of \$3,000 (2023 - \$10,803) from the Operating Fund to the Robert Janes Fund (2023 - 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 2028 after which time the Association will evaluate the continuation of this award initiative. During the year, \$3,000 (2023 - \$3,000) was paid out.

11. DISBURSEMENT QUOTA

The calculated disbursement quota for 2024 is \$33,893 (2023 - \$33,826). 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, 2024

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.

13. COMPARATIVE FIGURES

Comparative figures of cash and net assets for unrestricted general fund, internally restricted contingency fund and externally restricted fund have been reclassified due to restrictions on spending. In addition some of the comparative figures have been reclassified to conform to the current year's presentation.

ALBERTA MUSEUMS ASSOCIATION
Schedule of Program Expenses
Year Ended March 31, 2024

	Grants	Strategic Services	Knowledge Development	Governance	Organizational Capacity	Community Engagement	2024	2023
Expenditures								
Grants	\$ 624,906	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 624,906	\$ 685,722
Salaries and benefits	-	394,288	-	-	-	-	394,288	472,942
Program costs	1,550	68,840	83,352	105,183	1,800	9,145	269,870	232,555
Rent	-	90,422	-	-	-	-	90,422	85,379
Professional fees	-	19,002	-	17,424	-	-	36,426	30,776
Travel and hospitality	-	16,296	-	11,428	-	-	27,724	30,928
Office expenses	151	16,704	905	453	1,738	103	20,054	14,689
Supplies and services	-	17,619	-	-	-	-	17,619	17,384
Publications, printing & design	-	-	-	-	-	11,791	11,791	18,290
Professional development	-	7,361	-	2,883	-	-	10,244	8,054
Insurance	-	1,917	-	6,568	-	-	8,485	1,417
Bank charges and interest	-	6,902	-	-	-	-	6,902	13,220
Equipment	-	5,436	-	-	-	-	5,436	5,436
Memberships and subscriptions	-	4,785	-	-	-	-	4,785	5,213
	\$ 626,607	\$ 649,572	\$ 84,257	\$ 143,939	\$ 3,538	\$ 21,039	\$ 1,528,952	\$ 1,622,005