

FONDATION MUSÉE BYTOWN MUSEUM FOUNDATION

FINANCIAL STATEMENTS

DECEMBER 31, 2016

FONDATION MUSÉE BYTOWN MUSEUM FOUNDATION

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INDEPENDENT AUDITOR'S REPORT

To the Members of the Board of Directors of
Fondation Musée Bytown Museum Foundation

We have audited the accompanying financial statements of Fondation Musée Bytown Museum Foundation, which comprise the statement of financial position as at December 31, 2016, 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Fondation Musée Bytown Museum Foundation as at December 31, 2016, 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.

A handwritten signature in black ink, reading "Marcil Lavallée". The signature is fluid and cursive, with a long horizontal flourish extending from the bottom of the name.

Chartered Professional Accountants, Licensed Public Accountants

Ottawa, Ontario
April 25, 2017

FONDATION MUSÉE BYTOWN MUSEUM FOUNDATION

STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS

FOR THE YEAR ENDED DECEMBER 31, 2016

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	2016	2015
REVENUE		
Donations	\$ 4,144	\$ 3,778
Investment income	2,064	2,119
Other	932	542
Unrealized gain (loss) on investments	3,283	(321)
	10,423	6,118
EXPENSES		
Insurance	648	648
Exchange loss	-	130
Professional fees	2,573	9,292
Service charges	217	137
	3,438	10,207
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	6,985	(4,089)
NET ASSETS, BEGINNING OF YEAR	(1,292)	2,797
NET ASSETS, END OF YEAR	\$ 5,693	\$ (1,292)

FONDATION MUSÉE BYTOWN MUSEUM FOUNDATION

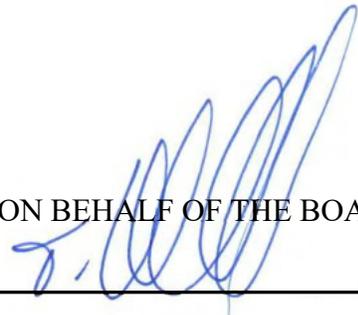
STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2016

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	2016	2015
ASSETS		
CURRENT ASSETS		
Cash	\$ 8,810	\$ 11,914
Accounts receivable	1,445	1,548
Prepaid expenses	648	-
Current portion of investments (Note 3)	22,081	32,222
	32,984	45,684
INVESTMENTS (Note 3)	94,709	75,024
	\$ 127,693	\$ 120,708
LIABILITIES		
CURRENT LIABILITY		
Accounts payable and accrued liabilities	\$ 2,000	\$ 2,000
DUE TO MUSÉE BYTOWN MUSEUM	120,000	120,000
	122,000	122,000
NET ASSETS (DEFICIENCY)		
Unrestricted	5,693	(1,292)
	\$ 127,693	\$ 120,708

ON BEHALF OF THE BOARD


_____, Director

FONDATION MUSÉE BYTOWN MUSEUM FOUNDATION

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2016

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	2016	2015
OPERATING ACTIVITIES		
Excess (deficiency) of revenue over expenses	\$ 6,985	\$ (4,089)
Adjustment for:		
Unrealized (gain) loss on investments	(3,283)	321
	3,702	(3,768)
Net change in non-cash working capital items:		
Accounts receivable	103	(1,548)
Prepaid expenses	(648)	-
	(545)	(1,548)
	3,157	(5,316)
INVESTING ACTIVITY		
Net change in investments	(6,261)	4,719
DECREASE IN CASH AND CASH EQUIVALENTS	(3,104)	(597)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	11,914	12,511
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 8,810	\$ 11,914

Cash and cash equivalents consist of cash.

FONDATION MUSÉE BYTOWN MUSEUM FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2016

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1. STATUTE AND NATURE OF OPERATIONS

Fondation Musée Bytown Museum Foundation (the Foundation) is incorporated as a not-for-profit organization under Part II of the Canada Corporations Act which was replaced by the new Canada Not-for-Profit Corporations Act. The purpose of the Foundation is to devote all or part of the monies of the corporation for charitable purposes, in particular through supporting Musée Bytown Museum in its activities and endeavours. The Foundation is a registered charity under the Income Tax Act and, as such, it is exempt from income tax.

2. SIGNIFICANT ACCOUNTING POLICIES

The Foundation applies Canadian accounting standards for not-for-profit organizations (ASNFP) in accordance with Part III of the CPA Canada Handbook – Accounting.

Revenue recognition

Interest and other revenue are recognized when earned.

Contributed services

The Foundation would not be able to carry out its activities without the services of the many volunteers who donate a considerable number of hours. Because of the difficulty in compiling these hours and establishing their value, contributed services are not recognized in the financial statements.

Cash and cash equivalents

The Foundation's policy is to disclose bank balances under cash and cash equivalents, including bank overdrafts with balances that fluctuate frequently from being positive to overdrawn and term deposits with a maturity period of three months or less from the date of acquisition.

Financial instruments

Measurement of financial instruments

The Foundation initially measures its financial assets and financial liabilities at fair value, except for certain non-arm's length transactions.

The Foundation subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in operations.

Financial assets measured at amortized cost include cash and accounts receivable. Financial assets measured at fair value include investments in mutual funds and publicly traded shares.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities and due to Musée Bytown Museum.

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NOTES TO THE FINANCIAL STATEMENTS

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3. INVESTMENTS

	2016	2015
Guaranteed investment certificates, bearing interest at rates varying between 1.7% and 1.9%, maturing between December 2017 and December 2018	\$ 55,288	\$ 53,994
Mutual funds	13,645	13,204
Publicly traded shares	47,857	40,048
	116,790	107,246
Current portion of investments	22,081	32,222
	\$ 94,709	\$ 75,024

4. ECONOMIC INTEREST

The Foundation's objective is to raise, receive, maintain and manage funds and to apply all or part of them and the income derived from them for the benefit of Musée Bytown Museum. In 2012, Musée Bytown Museum loaned an amount of \$120,000 to Fondation Musée Bytown Museum Foundation, without interest and repayment term.