

MUSÉE BYTOWN MUSEUM

FINANCIAL STATEMENTS

DECEMBER 31, 2021

MUSÉE BYTOWN MUSEUM

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INDEPENDENT AUDITOR'S REPORT

To the Members of
Musée Bytown Museum

Opinion

We have audited the financial statements of Musée Bytown Museum (the Museum), which comprise the statement of financial position as at December 31, 2021, and the statements of operations, changes in net assets and cash flows 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 Museum as at December 31, 2021, 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.

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 Museum in accordance with the 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.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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 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.

In preparing the financial statements, management is responsible for assessing the Museum'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 Museum or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Museum'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.

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 Museum'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 Museum'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 Museum 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.

Marcil Lavallée

Chartered Professional Accountants, Licensed Public Accountants

Ottawa, Ontario
April 26, 2022

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MUSÉE BYTOWN MUSEUM

STATEMENT OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 2021

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	2021	2020
REVENUES		
Grants and contributions (Schedule A)	\$ 584,586	\$ 582,503
Donations and fundraising activities	8,508	3,272
Investment income	1,719	3,373
Boutique and cafe sales	31	614
Admissions	-	725
Other	3,620	5,910
	598,464	596,397
EXPENSES		
Operating expenses (Schedule B)	451,176	485,498
Project expenses (Schedule C)	14,676	20,143
	465,852	505,641
EXCESS OF REVENUES OVER EXPENSES	\$ 132,612	\$ 90,756

MUSÉE BYTOWN MUSEUM

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED DECEMBER 31, 2021

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	Unrestricted	Internal restriction (Note 10)	2021 Total	2020 Total
BALANCE, BEGINNING OF YEAR	\$ 295,480	\$ 109,909	\$ 405,389	\$ 314,633
Excess of revenues over expenses	132,612	-	132,612	90,756
BALANCE, END OF YEAR	\$ 428,092	\$ 109,909	\$ 538,001	\$ 405,389

MUSÉE BYTOWN MUSEUM
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2021

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	2021	2020
ASSETS		
CURRENT ASSETS		
Cash	\$ 408,961	\$ 305,645
Accounts receivable (Note 3)	1,538	1,351
Canada Emergency Wage Subsidy receivable	-	1,803
Grants and contributions receivable	50,232	19,829
Inventories	11,094	11,256
Prepaid expenses	4,541	3,444
Guaranteed investment certificate, 0.5%, maturing March 28, 2022	111,206	111,206
	587,572	454,534
CAPITAL ASSETS (Note 4)	8,168	11,450
COLLECTIONS (Note 5)	1	1
	8,169	11,451
	\$ 595,741	\$ 465,985
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 27,113	\$ 17,510
Deferred grants and contributions (Note 6)	30,127	39,586
	57,240	57,096
DEFERRED CONTRIBUTIONS RELATED TO CAPITAL ASSETS	500	3,500
	57,740	60,596
NET ASSETS		
Internal restriction (Note 10)	109,909	109,909
Unrestricted	428,092	295,480
	538,001	405,389
	\$ 595,741	\$ 465,985

ON BEHALF OF THE BOARD



, Director



, Director

MUSÉE BYTOWN MUSEUM

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2021

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	2021	2020
OPERATING ACTIVITIES		
Excess of revenues over expenses	\$ 132,612	\$ 90,756
Adjustments for:		
Amortization of capital assets	6,238	7,882
Amortization of deferred contributions related to capital assets	(3,000)	(5,000)
	135,850	93,638
Net change in non-cash items related to operating activities (Note 8)	(29,578)	14,057
	106,272	107,695
INVESTING ACTIVITIES		
Net change in guaranteed investment certificate	-	(2,729)
Acquisition of capital assets	(2,956)	(1,080)
	(2,956)	(3,809)
INCREASE IN CASH AND CASH EQUIVALENTS	103,316	103,886
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	305,645	201,759
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 408,961	\$ 305,645

Cash and cash equivalents consist of cash.

MUSÉE BYTOWN MUSEUM

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2021

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1. STATUTE AND NATURE OF OPERATIONS

The Musée Bytown Museum (the Museum) 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 Museum is to collect, research and preserve artifacts related to the history of Bytown, the City of Ottawa and its environment. The Museum is a registered charity under the Income Tax Act and, as such, it is exempt from income tax.

The Bytown Museum is Ottawa's museum, exploring the stories and values of an evolving city and its residents from its First Peoples through the early days as Bytown to present day Ottawa. The Museum is committed to engaging our visitors and community in discovery and dialogue as we aim to deepen the many connections within and between our diverse communities.

2. SIGNIFICANT ACCOUNTING POLICIES

The Museum applies the Canadian accounting standards for not-for-profit organizations.

Use of estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the amounts recognized as revenues and expenses for the periods covered. Actual results may differ from these estimates. The main estimates relate to the net realizable value of inventory and the estimated useful life of capital assets for amortization purposes.

Revenue recognition

The Museum follows the deferral method of accounting for grants and contributions. Restricted grants and contributions are recognized as revenue in the year in which the related expenses are incurred.

Boutique and cafe sales and admissions are recognized as revenue when received or receivable if the amount can be reasonably estimated and collection is reasonably assured.

Donations and fundraising activities are recognized when received.

Other revenue and interest are recognized when earned.

Contributed services

The Museum 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 inherent difficulty in compiling these hours and establishing their value, contributed services are not recognized in the financial statements.

MUSÉE BYTOWN MUSEUM

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2021

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2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash and cash equivalents

The Museum's policy is to present bank balances, including bank indebtedness with balances that can fluctuate from being positive to overdrawn, under cash and cash equivalents.

Contributions receivable

A contribution receivable is recognized as an asset when the amount to be received can be reasonably estimated and ultimate collection is reasonably assured.

Inventories

Inventories are measured at the lower of cost and net realizable value, with cost being determined using the specific identification method. Net realizable value is the estimated selling price in the ordinary course of operations, less any applicable variable selling costs.

Capital assets

Capital assets are accounted for at cost. Amortization is calculated on their respective estimated useful life using the following methods, rate and periods:

	Methods	Rate and periods
Equipment	Diminishing balance	20%
Equipment	Straight-line	5 years
Computer equipment	Straight-line	3 years
Leasehold improvements	Straight-line	5 years

Write-down of capital assets

When a capital asset no longer contributes to the Museum's ability to provide services, its carrying amount is written down to residual value, if any. The excess of its net carrying amount over any residual value is recognized as an expense in the statement of operations.

Collections

The Museum's collection consists of photographs, artwork, furniture, household, military items and other. The collection is comprised of nearly 10,000 items. The Museum's collection has been recognized as an asset in the statement of financial position at a symbolic value.

MUSÉE BYTOWN MUSEUM

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2021

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2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments

Initial measurement

The Museum initially measures its financial assets and liabilities originated or exchanged in arm's length transactions at fair value. Financial assets and liabilities originated or exchanged in related party transactions, except for those that involve parties whose sole relationship with the Museum is in the capacity of management, are initially measured at cost.

Subsequent measurement

The Museum subsequently measures all its financial assets and liabilities at amortized cost.

Financial assets measured at amortized cost include cash, accounts receivable, Canada Emergency Wages Subsidy receivable, grants and contributions receivable and guaranteed investment certificate.

Impairment

For financial assets measured at amortized cost, the Museum determines whether there are indications of possible impairment. When there are, and the Museum determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows, a write-down is recognized in operations. If the indicators of impairment have decreased or no longer exist, the previously recognized impairment loss may be reversed to the extent of the improvement. The carrying amount of the financial asset may not be greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in operations.

Transaction costs

Transaction costs attributable to financial instruments subsequently measured at fair value and to those originated or exchanged in a related party transaction are recognized in operations in the period incurred. Transaction costs related to financial instruments originated or exchanged in an arm's length transaction that are subsequently measured at amortized cost are recognized in the original cost of the instrument. When the instrument is measured at amortized cost, transaction costs are recognized in operations over the life of the instrument using the straight-line method.

3. ACCOUNTS RECEIVABLE

	2021		2020	
Trade accounts	\$	-	\$	235
HST receivable		1,538		1,116
	\$	1,538	\$	1,351

MUSÉE BYTOWN MUSEUM

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2021

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4. CAPITAL ASSETS

	2021			2020	
	Cost	Accumulated amortization	Net book value	Net book value	
Equipment	\$ 42,964	\$ 37,894	\$ 5,070	\$ 8,338	
Computer equipment	18,496	15,398	3,098	3,112	
Leasehold improvements	12,546	12,546	-	-	
	\$ 74,006	\$ 65,838	\$ 8,168	\$ 11,450	

5. COLLECTIONS

The Museum's collection consists of photographs, artwork, furniture, household, military items and other. The collection is comprised of nearly 10,000 items. The Museum's important artifact collection has been built on the generous donations of the community from 1898 to present. The fair market value of items within the collection cannot be determined. A symbolic value of \$1 has been attributed for the purposes of the financial statements. The collection is of invaluable historical value to the story of our community.

6. DEFERRED GRANTS AND CONTRIBUTIONS

	2021		2020	
Balance, beginning of year	\$ 39,586	\$ 10,377		
Plus: Amounts received during the year	575,127	611,712		
Less: Amounts recognized as revenue during the year	(584,586)	(582,503)		
Balance, end of year	\$ 30,127	\$ 39,586		

The ending balance of deferred grants and contributions is represented as follows:

	2021		2020	
MSP Translation Funds	\$ 13,967	\$ 9,934		
Community Foundation of Ottawa	10,000	-		
Strategic and Business Plan Development	4,536	4,536		
Ontario Trillium Foundation	1,624	-		
Emergency Museums Assistance Program Grant	-	25,116		
	\$ 30,127	\$ 39,586		

MUSÉE BYTOWN MUSEUM

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2021

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7. DEFERRED CONTRIBUTIONS RELATED TO CAPITAL ASSETS

	2021		2020
Balance, beginning of year	\$ 3,500	\$	8,500
Less: Amounts recognized as revenue during the year	(3,000)		(5,000)
Balance, end of year	\$ 500	\$	3,500

8. NET CHANGE IN NON-CASH ITEMS RELATED TO OPERATING ACTIVITIES

	2021		2020
Accounts receivable	\$ (187)	\$	906
Canada Emergency Wage Subsidy receivable	1,803		(1,803)
Grants and contributions receivable	(30,403)		(19,829)
Inventories	162		2,409
Prepaid expenses	(1,097)		4,985
Accounts payable and accrued liabilities	9,603		(1,820)
Deferred grants and contributions	(9,459)		29,209
	\$ (29,578)	\$	14,057

9. ECONOMIC DEPENDENCE

During the year, the Museum has received \$332,073 in grants and contributions (2020: \$333,013) from the City of Ottawa. This source of revenue represents 55% (2020: 56%) of the Museum's total revenue. Economic dependence arises from the fact that the viability of the Museum would be affected by the loss of this revenue.

10. INTERNAL RESTRICTION

Following the transfer of the investments held by Fondation Musée Bytown Museum Foundation to the Museum in 2017 and the closure of the investment accounts in 2019, the Board of directors established an internally restricted fund. An amount of \$109,909 was set aside in 2020 for emergencies, maintenance, repairs and betterment of the Museum.

11. COMMITMENTS

The commitment of the Museum under a lease agreement aggregates to \$14,260. The instalment over the next year is the following:

2022	\$	14,260
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MUSÉE BYTOWN MUSEUM

NOTES TO THE FINANCIAL STATEMENTS

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12. CONTINGENCIES

Other indemnification agreements

In the normal course of operations, the Museum signs agreements whereby funds are provided for the execution of projects which are subject to restrictions as to the use of the funds. The sponsors of these projects can execute an audit of the financial records of the Museum to ensure compliance with the project requirements. In the event that amounts to be reimbursed to the sponsor of a project are identified, the necessary adjustments will be recognized in the year they are identified.

13. CORONAVIRUS PANDEMIC

The coronavirus pandemic (COVID-19) has spread across the globe and is impacting worldwide economic activity. Conditions surrounding the coronavirus continue to rapidly evolve and government authorities have implemented emergency measures to mitigate the spread of the virus. As at the date of approval of the financial statements, this situation had the following impacts on the Museum's operations, namely: temporary closure and decrease of the self generated revenue. The financial impact on the Museum is dependent on the future course of events, including the duration of interruptions and trade restrictions imposed by the government, the rollout of the vaccination program among the general public and the effectiveness of measures taken in Canada and other countries to combat the virus. These events are highly uncertain and, as such, the Museum cannot determine the ultimate financial impacts at this time.

MUSÉE BYTOWN MUSEUM

ADDITIONAL INFORMATION

FOR THE YEAR ENDED DECEMBER 31, 2021

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	2021	2020
SCHEDULE A - GRANTS AND CONTRIBUTIONS		
Heritage Funding Program	\$ 328,440	\$ 328,440
Emergency Museums Assistance Program Grant	75,348	41,860
Young Canada Works	47,330	33,968
Community Museum Operating Grant	43,368	26,317
Canada Emergency Wage Subsidy	42,277	104,106
Summer Career Placement Program	17,164	19,829
Resilient Communities Fund Grant (Ontario Trillium Foundation)	14,676	-
Canadian Heritage	10,350	3,450
Amortization of deferred contributions related to capital assets (Ontario Trillium Foundation) and Cultural Facilities Funding Program	3,000	5,000
MSP Translation funds	2,633	3,398
Community Foundation of Ottawa	-	10,000
ACFO Bilingual Grant	-	5,960
Strategic and Business Plan Development	-	175
	\$ 584,586	\$ 582,503

SCHEDULE B - OPERATING EXPENSES

Wages and benefits	\$ 349,000	\$ 359,480
Administration	51,402	52,706
Maintenance	16,989	23,807
Rent	14,260	14,260
Collection management	6,567	3,914
Interpretation, marketing and special events	6,558	20,171
Boutique and cafe purchases	162	3,278
Amortization of capital assets	6,238	7,882
	\$ 451,176	\$ 485,498

SCHEDULE C - PROJECT EXPENSES

Ontario Trillium Foundation	\$ 14,676	\$ -
Community Foundation of Ottawa	-	10,000
ACFO Bilingual Grant	-	6,537
Canadian Heritage	-	3,431
Strategic and Business Plan Development	-	175
	\$ 14,676	\$ 20,143