

Financial Statements of  
**THE FRIENDS OF MARKHAM MUSEUM**  
December 31, 2016

**THE FRIENDS OF MARKHAM MUSEUM**  
**Statement of Financial Position**  
**December 31, 2016 with comparative figures for 2015**

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	<u>2016</u>	<u>2015</u>
<b>ASSETS</b>		
Cash	\$ 68,872	\$ 66,199
Accounts Receivable from the City of Markham	50	50
Other receivable	94	123
	<hr/> <b>\$ 69,016</b>	<hr/> <b>\$ 66,372</b>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	\$ -	\$ 549
<b>FUND BALANCES</b>		
General Fund	69,016	65,823
	<hr/> <b>\$ 69,016</b>	<hr/> <b>\$ 66,372</b>

Approved by Board

**THE FRIENDS OF MARKHAM MUSEUM**  
**Statement of Operations**  
**For the year ended December 31, 2016 with comparative figures for 2015**

	<u>2016</u>	<u>2015</u>
<b>REVENUES</b>		
Donations	\$ 3,867	\$ 9,676
Interest income	687	813
Fundraising	1,762	6,227
	<u>6,316</u>	<u>16,716</u>
<b>EXPENSES</b>		
Exhibitions	\$ -	\$ 18,317
Professional Fees	1,850	1,850
Miscellaneous	51	892
Catering	353	747
Fundraising	869	487
	<u>3,123</u>	<u>22,293</u>
Excess/ (deficiency) of Revenues Over Expenses	3,193	(5,577)
Fund Balance at the Beginning of Year	65,823	71,400
Fund Balance at the End of Year	\$ 69,016	\$ 65,823

**THE FRIENDS OF MARKHAM MUSEUM**  
**Statement of Cash Flows**  
**For the year ended December 31, 2016 with comparative figures for 2015**

	<u>2016</u>	<u>2015</u>
<b>CASH PROVIDED BY (USED IN):</b>		
<b>Operating activities:</b>		
Excess (deficiency) of Revenue over Expenses	\$ 3,193	\$ (5,577)
<b>Changes in non-cash working capital items</b>		
Accounts Receivable from the City of Markham	-	(50)
Other receivable	29	184
Accounts payable and accrued liabilities	(549)	549
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<b>INCREASE IN CASH</b>	<b>2,673</b>	<b>(4,894)</b>
<b>CASH, BEGINNING OF YEAR</b>	<b>66,199</b>	<b>71,093</b>
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<b>CASH, END OF YEAR</b>	<b>\$ 68,872</b>	<b>\$ 66,199</b>
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**Supplemental cash flow information:**

Interest Received	691	829
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## **1. Description of organization**

The Friends of the Markham Museum is a charitable organization incorporated without share capital on October 3, 2008. The purpose of the organization is as follows:

- to support and promote the objectives of the Museum to collect, document, preserve, study, display and interpret the archival and material heritage of what is today the City of Markham;
- to receive and maintain funds for the benefit of supporting the Markham Museum;
- to assist the Museum with its programs.

The purposes above are carried out through the establishment and operation of the Markham Museum.

The Foundation is a Registered Charity under the Income Tax Act and is not subject to income taxes.

The Foundation is considered a local board of the City of Markham under the Municipal Act, 2001 and is subject to a degree of control by the City of Markham. A Memorandum of Understanding, dated April 24, 2007 between the City of Markham and the Friends of the Markham Museum outlines the roles, responsibilities and terms of reference for each organization.

## **2. Significant Accounting policies**

The statements have been prepared in accordance with the accounting standards for not-for-profit organizations published by the Chartered Professional Accountants of Canada.

### **(a) Revenue recognition**

Cash donations are recognized when received. Income from fundraising activities is recorded when received.

### **(b) Donated services**

The Foundation benefits from the services of volunteers, the fair value of which has not been reflected in these financial statements.

### **(c) Financial instruments**

Financial instruments are recorded at fair value on initial recognition. All other financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. The Foundation has not elected to carry any such financial instruments at fair value.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the Foundation determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the Foundation expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

(d) Use of estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amount of assets, liabilities and the disclosure of contingent liabilities at the date of the financial statements, and the reported amounts of revenue and expenditures during the period. Actual results could differ from those estimates.

**3. Fundraising Activities**

Fundraising activities include sponsorships and donations received from various organizations and cash donations made by individuals.

**4. Government remittances**

There are no government remittances included in Accounts payable.

**5. Comparative figures**

Certain comparative figures have been reclassified to conform to the financial statement presentation adopted in the current year.