

**MONTREAL HOLOCAUST MUSEUM
FINANCIAL STATEMENTS
MARCH 31, 2021**

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INDEPENDENT AUDITOR'S REPORT

To the Directors of
Montreal Holocaust Museum

Qualified Opinion

We have audited the financial statements of Montreal Holocaust Museum (the Museum), which comprise the statement of financial position as at March 31, 2021, and the statements of operations, changes in fund balances and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Museum as at March 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 Qualified Opinion

In common with many not-for-profit organizations, Montreal Holocaust Museum derives revenue from donations the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our audit of these revenues was limited to the amounts recorded in the accounts of the Montreal Holocaust Museum. Therefore, we were not able to determine whether any adjustments might be necessary to contributions, excess (deficiency) of revenues over expenses and cash flows for the years ended March 31, 2021 and 2020, current assets as at March 31, 2021 and 2020 and net assets as at April 1 and March 31 for both the 2021 and 2020 years. Our audit opinion on the financial statements for the year ended March 31, 2020 was modified accordingly because of the possible effects of this limitation in scope.

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 qualified audit 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 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.

FL Fuller Landau LLP

Montreal, August 20, 2021

¹ By CPA auditor, CA, public accountancy permit No. A125366



**MONTREAL HOLOCAUST MUSEUM
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2021**

	General Fund \$	Internally restricted Fund \$	Museum expansion Fund \$	2021 Total \$	2020 Total \$
ASSETS					
Current					
Cash	358,949	-	-	358,949	487,845
Cash held in trust	-	-	-	-	250,000
Marketable securities (Note 3)	-	1,789,006	1,730,133	3,519,139	3,652,925
Grants receivable (Note 4)	182,680	-	-	182,680	102,499
Sundry receivables	21,876	-	-	21,876	38,065
Investment - Fondation du Grand Montréal ("FGM") (Note 5)	17,866	-	-	17,866	19,050
Due from other funds (Note 12)	523,550	9,106	-	532,656	280,121
	1,104,921	1,798,112	1,730,133	4,633,166	4,830,505
Grants receivable (Note 4)	58,249	-	-	58,249	114,314
Capital assets (Note 6)	570,097	-	10,685,580	11,255,677	763,905
	1,733,267	1,798,112	12,415,713	15,947,092	5,708,724

**MONTREAL HOLOCAUST MUSEUM
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2021**

	General Fund \$	Internally restricted Fund \$	Museum expansion Fund \$	2021 Total \$	2020 Total \$
LIABILITIES					
Current					
Accounts payable and accrued liabilities	116,907	-	-	116,907	184,929
Deferred contributions (Note 7)	465,772	-	-	465,772	173,720
Current portion of loans payable (Note 8)	55,998	-	-	55,998	53,834
Due to other funds (Note 12)	-	-	532,656	532,656	280,121
	638,677	-	532,656	1,171,333	692,604
Loans payable (Note 8)	98,249	-	7,532,591	7,630,840	114,248
Deferred contributions - Museum, Audio Visual and Oral History (Note 9)	629,660	-	-	629,660	768,460
Deferred contributions (Note 7)	-	-	3,883,057	3,883,057	2,419,519
	1,366,586	-	11,948,304	13,314,890	3,994,831
FUND BALANCES					
General Fund	1,078,434	-	-	1,078,434	912,119
Internally restricted Fund	(859,581)	1,798,112	-	938,531	653,946
Museum expansion Fund	147,828	-	467,409	615,237	147,828
	366,681	1,798,112	467,409	2,632,202	1,713,893
	1,733,267	1,798,112	12,415,713	15,947,092	5,708,724

On behalf of the Board,

_____, Director

_____, Director

**MONTREAL HOLOCAUST MUSEUM
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED MARCH 31, 2021**

	General Fund \$	Internally restricted Fund \$	Museum expansion Fund \$	2021 Total \$	2020 Total \$
Revenues					
Contributions - fundraising	315,246	-	-	315,246	375,534
Contributions from Federation CJA	26,016	-	-	26,016	359,255
Grants (Appendix A)	1,067,343	-	-	1,067,343	520,397
Museum admissions and book sales	17,307	-	-	17,307	95,007
	1,425,912	-	-	1,425,912	1,350,193
Expenses					
Administrative and general (Appendix B)	615,824	-	570	616,394	965,322
Building Capacities	-	-	-	-	100,000
Commemoration and video testimony	112,866	-	-	112,866	104,204
Educational outreach	286,074	-	-	286,074	296,711
Genocide exhibit project	-	-	-	-	30,101
Virtual museum of Canada	16,411	-	-	16,411	-
Museum activities	226,610	-	155,330	381,940	278,760
PAM - Aide aux musées	3,648	-	-	3,648	1,952
Special Project – MHM 40th Anniversary	-	-	-	-	39,385
	1,261,433	-	155,900	1,417,333	1,816,435
Excess (deficiency) of revenues over expenses before other items	164,479	-	(155,900)	8,579	(466,242)
Gain on present value of non- interest bearing long-term debt (Note 8)	-	-	467,409	467,409	-
Investment income (loss) (Note 11)	1,836	266,585	-	268,421	(14,441)
Contributions - special gifts (Note 13)	-	18,000	-	18,000	60,854
Contributions - special gifts New Museum (Note 14)	-	-	155,900	155,900	385,027
Excess (deficiency) of revenues over expenses	166,315	284,585	467,409	918,309	(34,802)

**MONTREAL HOLOCAUST MUSEUM
STATEMENT OF CHANGES IN FUND BALANCES
FOR THE YEAR ENDED MARCH 31, 2021**

	General Fund \$	Internally restricted Fund \$	Museum expansion Fund \$	2021 Total \$	2020 Total \$
Balance, beginning of year	912,119	653,946	147,828	1,713,893	1,748,695
Excess (deficiency) of revenues over expenses	166,315	284,585	467,409	918,309	(34,802)
Balance, end of year	1,078,434	938,531	615,237	2,632,202	1,713,893

**MONTREAL HOLOCAUST MUSEUM
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2021**

	2021	2020
	\$	\$
Operating activities		
Excess (deficiency) of revenues over expenses	918,309	(34,802)
Items not requiring cash		
Net amortization of museum capital assets (Note 10)	55,006	14,138
Amortization of other capital assets	-	375
Gain on present value of non-interest bearing long-term debt	(467,409)	-
Change in investments	(636,546)	(70,817)
Change in market value of investments	(194,685)	168,558
Government assistance	(20,000)	-
	(345,325)	77,452
Net change in non-cash working capital items	1,679,644	2,570,458
	1,334,319	2,647,910
Investing activities		
Acquisition of capital assets	(10,685,581)	-
Net (acquisition) proceeds from marketable securities	966,201	(2,428,283)
Cash held in trust	250,000	(50,000)
	(9,469,380)	(2,478,283)
Financing activities		
Increase in loans payable	8,060,000	-
Repayment of loans payable	(53,835)	(51,754)
	8,006,165	(51,754)
Increase (decrease) in cash and cash equivalents	(128,896)	117,873
Cash and cash equivalents, beginning of year	487,845	369,972
Cash and cash equivalents, end of year	358,949	487,845

Cash and cash equivalents consist of cash.

**MONTREAL HOLOCAUST MUSEUM
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2021**

I. Nature of operations

Montreal Holocaust Museum ("Museum") is a not-for-profit organization incorporated under Part II of the Canada Corporations Act- and continued under the Canada Not-for-Profit Corporations Act. It is a registered charity under the Income Tax Act and as such is exempt from income taxes. The Museum's mission is to educate people of all ages and backgrounds about the Holocaust while sensitizing the public to the universal perils of antisemitism, racism, hate and indifference. Through its museum, commemorative programs and educational initiatives, the Museum is committed to promoting respect for diversity and the sanctity of all human life.

The Museum's funding includes a contribution from Federation CJA, contributions through fundraising and grants. The Museum is dependent upon these sources of funding to continue operations. Montreal Holocaust Museum, a constituent agency of Federation CJA, is an independent organization with its own board of directors.

2. Significant accounting policies

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations in Part III of the CPA Canada Handbook – Accounting and include the following significant accounting policies:

Deferral method - with fund accounting

The Museum follows the deferral method of accounting for contributions.

Fund accounting

The General Fund reports the assets, liabilities, revenues and expenses related to programming and administrative activities.

The internally restricted Fund reports the assets, liabilities, revenues and expenses related to a reserve established by the Board of Directors of the Museum to provide for the replacement and updating of Museum equipment and the exhibits and other elements of the Museum's Action Plan. Also included are funds invested through the Jewish Community Foundation of Montreal's investment funds.

The Museum expansion Fund reports the assets, liabilities, revenues and expenses related to the expansion of a new museum.

**MONTREAL HOLOCAUST MUSEUM
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2021**

2. Significant accounting policies (continued)

Revenue recognition

Restricted contributions, government and other grants are recognized as revenue in the appropriate Fund in the year in which the related expenses are incurred.

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

Endowment contributions are recognized as direct increases in net assets.

Investment income is recognized as revenue on an accrual basis. Income earned is recognized in the internally restricted Fund, except for investment income earned on the marketable securities held for the Museum expansion Fund. This investment income is recognized in the deferred contributions of the Museum expansion Fund.

Museum admission fees and book sales are recognized as revenue in the General Fund when earned and the goods are provided.

Capital assets

Capital assets are accounted for at cost. Amortization is calculated on their respective estimated useful lives using the straight-line method over the following periods:

	<u>Periods</u>
Leasehold improvements	20 years
Exhibits	10 years
Audiovisual equipment	3-5 years

Impairment of long-lived assets

Capital assets subject to amortization are tested for recoverability whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. An impairment loss is recognized when the carrying amount of the asset exceeds the sum of the undiscounted cash flows resulting from its use and eventual disposition. The impairment loss is measured as the amount by which the carrying amount of the long-lived asset exceeds its fair value.

Government assistance

Government assistance in the form of government grants and subsidies are accrued when earned and when there is also reasonable assurance that they will be realized.

Government grants relating to qualifying expenses are presented as an increase in revenues.

**MONTREAL HOLOCAUST MUSEUM
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2021**

2. Significant accounting policies (continued)

Documentaries and promotional literature

Costs to produce documentaries and all promotional literature are expensed as incurred.

Financial instruments

Measurement of financial instruments

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

The Museum 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 and investments for which the Museum chose to designate to be measured at fair value. Changes in fair value are recognized in the statement of operations.

Financial assets measured at amortized cost include cash and cash equivalents and sundry receivables.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities and loans payable.

Financial assets measured at fair value include marketable securities and investment - Fondation du Grand Montréal.

Impairment

Financial assets measured at cost are tested for impairment when there are indicators of possible impairment. The Museum determines whether a significant adverse change has occurred in the expected timing or amount of future cash flows from the financial asset. If this is the case, the carrying amount of the asset is reduced directly to the higher of the present value of the cash flows expected to be generated by holding the asset, and the amount that could be realized by selling the asset at the statement of financial position date. The amount of the write-down is recognized in the Statement of Operations. The previously recognized impairment loss may be reversed to the extent of the improvement, provided it is no 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 the Statement of Operations.

Contributed services

The Museum benefits from substantial services in the form of volunteer time. Due to the difficulty in determining their fair value, volunteer services are not recorded in the financial statements.

Federation CJA provides administrative services and office space and manages a pension plan for the Museum. These services provided by Federation CJA are not recognized as contributed services by the Museum.

**MONTREAL HOLOCAUST MUSEUM
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2021**

2. Significant accounting policies (continued)

Use of estimates

The preparation of these 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, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. These estimates are reviewed periodically and adjustments are made to income as appropriate in the year they become known.

Cash and cash equivalents

The Museum's policy is to present bank balances, including bank overdrafts with balances that fluctuate frequently from being positive to overdrawn, under cash.

3. Marketable securities

Marketable securities consist of funds invested through the Jewish Community Foundation of Montreal's ("JCF") investment funds. One of the JCF funds invests in government and corporate bonds which are fixed-rate instruments and have various terms of maturity. The other JCF fund invests in equity instruments that are quoted in an active market and are subject to fluctuations in fair value. The marketable securities are accounted for at fair market value.

4. Grants receivable

Included in grants receivable are amounts receivable from the Government of Quebec, a wage subsidy from the Government of Canada, as well as other grants for current projects.

The grants from the Government of Quebec are to fund the costs incurred with respect to the museum renovations and exhibits. The government has made arrangements for the Museum to receive the full amount of the grants as loans from the Caisse Desjardins (see Note 8). As the government repays the loans directly to Caisse Desjardins, subject to grant conditions, the Museum records the receipt of the funds as a decrease of the grant receivable from the Government of Quebec.

**MONTREAL HOLOCAUST MUSEUM
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2021**

5. Investment - Fondation du Grand Montréal ("FGM")

In 2015, the Museum received a grant from the Mécénat Placements Culture program amounting to \$51,693. This grant was received in relation to contributions raised of \$34,462 in prior years, in conjunction with the Museum's admittance to the Conseil des arts et des lettres du Québec's program, Mécénat Placements Culture. The program matches contributions received in the form of donations from the Museum's capital campaign to the extent of \$250,000 or 150% of contributions collected. These funds raised were entrusted to the Fondation du Grand Montréal ("FGM") and have been invested by the Foundation for a period of 10 years.

The program also requires that \$36,185 of the grant be invested by FGM for a 10 year period. This amount can only be recognized in the Museum's accounts at the end of the 10 year period in 2025. The investment income related to this portion amounting to \$3,020 has been recognized in the statement of operations (Note 11). The fair value of this investment along with the initial contributions of \$34,462 as at March 31, 2021 was \$85,995 (2020, \$72,760).

The program also requires that the balance of the grant amounting to \$15,508 be invested for a 2 year period with FGM. The investment on the statement of financial position also includes the change in the market value of the funds invested. This year's investment income amounting to \$1,536 (2020, \$650) has been recognized in the statement of operations (Note 11). The fair value of this investment as at March 31, 2021 was \$17,866 (2020, \$19,050).

The Museum is required to comply with ongoing eligibility criteria, which were all met as at March 31, 2021.

MONTREAL HOLOCAUST MUSEUM
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2021

6. Capital assets

	Cost \$	Accumulated amortization \$	Net Book Value 2021 \$
Museum:			
Leasehold improvements	2,199,400	1,951,977	247,424
Exhibits	3,710,693	3,388,020	322,673
Audiovisual equipment	261,958	261,958	-
Buildings	1,706,879	-	1,706,879
Land	8,978,701	-	8,978,701
	16,857,631	5,601,955	11,255,677

Other:

Leasehold improvements	8,063	8,063	-
	16,865,694	5,610,018	11,255,677

	Cost \$	Accumulated amortization \$	Net Book Value 2020 \$
Museum:			
Leasehold improvements	2,199,400	1,842,005	357,395
Exhibits	3,710,693	3,304,183	406,510
Audiovisual equipment	261,958	261,958	-
	6,172,051	5,408,146	763,905

Other:

Leasehold improvements	8,063	8,063	-
	6,180,114	5,416,209	763,905

The buildings will be amortized once the assets will be in use.

**MONTREAL HOLOCAUST MUSEUM
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2021**

7. Deferred contributions

The deferred contributions are for current museum projects which are to be completed within the next year when the related expense will be incurred.

	2021	2020
	\$	\$
Balance, beginning of year	2,593,239	156,572
Amount received and deferred during the year	1,949,965	2,593,239
Amount recognized as revenue during the year	(194,375)	(156,572)
Balance, end of year	4,348,829	2,593,239

The funds were received from the following:

	2021	2020
	\$	\$
La Fondation Alexander et Ruth Dworkin	205,733	125,733
Quebec Israel Project	7,000	-
Programme Aide au Fonctionnement pour les Institutions Muséales	180,729	-
President's Circle	42,800	5,000
PAM - Aide aux musées	9,856	13,505
Virtual Museum of Canada	19,654	29,482
Various donors	3,883,057	2,419,519
	4,348,829	2,593,239

8. Loans payable

	2021	2020
	\$	\$
Loan bearing interest at 3.98% per annum, repayable in bi-annual blended instalments of \$29,997 and maturing in 2023. The loan is secured by the museum leasehold improvements with a carrying value of \$247,424. The loan is repaid by the Government of Quebec in accordance with the grant agreement described in Note 4 and includes interest received in the amount of \$6,159 (2020, \$8,240).	114,247	168,082
Balance to carry forward	114,247	168,082

**MONTREAL HOLOCAUST MUSEUM
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2021**

8. Loans payable (continued)

	2021 \$	2020 \$
Balance carried forward	114,247	168,082
During the year, the Museum obtained a \$60,000 loan under the Canada Emergency Business Account Program. If the Museum repays \$40,000 by December 31, 2022, the \$20,000 balance will be forgiven. Otherwise, an interest rate of 5% will apply to the balance, which will be repayable in 36 monthly blended instalments. Since there is reasonable assurance that the Museum will repay \$40,000 by December 31, 2022, the Museum recognized \$20,000 of government assistance when the loan was granted, which is presented in the Statement of Operations.	40,000	-
Loan, non-interest bearing, with no payment required until its maturity in December 2023, secured by a second-ranking hypothec on the land and buildings with a net carrying value of \$10,685,581. If certain museum construction project conditions have been achieved by maturity date, the lender shall convert the loan to a donation.	8,000,000	-
Discount on non-interest bearing long-term debt	(467,409)	-
	7,686,838	168,082
Current portion of loan payable	55,998	53,834
	7,630,840	114,248

Loan payable principle repayments over the next three years are the following:

	\$
2022	55,998
2023	98,249
2024	7,532,591

Since the loan is non-interest bearing, the Museum discounted the financing at fair value. The resulted discount of \$467,409 was accounted for as a gain on present value of non-interest bearing long-term debt in the statement of earnings. Subsequently, the amount will be amortized over the life of the debt and accounted for as interest expenses.

**MONTREAL HOLOCAUST MUSEUM
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2021**

9. Deferred Contributions - Museum, Audio Visual and Oral History

	Museum \$	Audio Visual \$	Oral History \$	2021 \$
Balance, beginning of year	54,667	126,845	586,948	768,460
Less: amortization	(54,667)	(1,535)	(82,598)	(138,800)
Balance, end of year	-	125,310	504,350	629,660

	Museum \$	Audio Visual \$	Oral History \$	2020 \$
Balance, beginning of year	172,438	128,380	669,546	970,364
Less: amortization	(117,771)	(1,535)	(82,598)	(201,904)
Balance, end of year	54,667	126,845	586,948	768,460

Deferred contributions - museum represent amounts received from fundraising and scheduled grants receivable in respect of the current museum. Amortization of the deferred contribution balance is calculated on the same basis as the related amortization on museum leasehold improvements and exhibits.

Deferred contributions - audio visual represent grants received from Ministère de la Culture, des Communications et de la Condition Féminine - Soutien aux expositions permanentes for the development and implementation of interactive multimedia guides used to enhance the visitors' experience at the Museum. Costs related to this project have been capitalized and are included in audio visual equipment. Amortization of the deferred contribution balance is calculated on the same basis as the related amortization on the audio visual equipment.

Deferred Contributions Oral History represents grants and donations received from CIC Canada, InterAction, The Azrieli Foundation and from Power Corp to assure the digitisation, perpetual preservation, cataloguing and access and educational use of video testimonies or survivor oral history from collections across Canada. In partnership with the Toronto Neuberger Holocaust Education Centre, an agreement has been signed with the USC Shoah Foundation to undertake digitisation, preservation and cataloguing to enable access to these collections in the future for use in the Museum, educational initiatives and research. Costs related to this project have been capitalized. Amortization of the deferred contribution balance is calculated on the same basis as the related amortization on the exhibits.

**MONTREAL HOLOCAUST MUSEUM
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2021**

10. Amortization of museum capital assets

Amortization of the museum capital assets comprises the following:

	2021	2020
	\$	\$
Amortization of museum capital assets	193,806	216,042
Less: amortization of deferred contributions (Note 9)	(138,800)	(201,904)
Net amortization for the year	55,006	14,138

11. Investment income

Investment income includes the following:

	2021	2020
	\$	\$
Investment income - marketable securities	69,180	149,557
Investment income - FGM (Note 5)	4,556	4,560
Change in market value - marketable securities	197,405	(167,005)
Change in market value - investment FGM	(2,720)	(1,553)
	268,421	(14,441)

12. Interfund loans

The due to/from funds have no specific terms of repayment, are unsecured and non-interest bearing.

13. Contributions - special gifts

Contributions - special gifts is composed of one-time gifts, generally donated in tribute or memory of an individual or family, as testamentary gifts, or as designated gifts. The Board of Directors has decided that donations of \$5,000 and over, which are attributed to a plaque on the Wall of Remembrance in the Museum, be considered long-term gifts and attributed to the Museum's internally restricted fund at the JCF, as long as this is in keeping with the donor's wishes.

**MONTREAL HOLOCAUST MUSEUM
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2021**

14. Contributions - special gifts New Museum

Contributions - special gifts Museum is composed of donations or contributions that are restricted for the specific use to spend on the expansion of the new museum.

15. Contributed services

The Museum receives free rental of office space from Federation CJA, valued to be \$83,447 (2020, \$86,735) based on the cost per square foot of the total occupied space by the Museum.

In addition, Federation CJA provides administration services for its family of agencies which includes the Museum. The share of these services incurred by Federation on the Organization's behalf was \$46,291 (2020, \$53,947).

Federation CJA administers a defined benefit pension plan on behalf of its agencies and the Museum's share of the plan's liability is \$13 (2020, \$43).

The value of these contributed services, as determined by Federation CJA, has not been recognized in the statement of operations.

16. Financial instruments

Risks and concentration

The Museum is exposed to various risks through its financial instruments, without being exposed to concentrations of risk. The following analysis provides a measure of the Museum's risk exposure at the date of the statement of financial position.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Museum is exposed to this risk mainly in respect of its accounts payable and accrued liabilities and loans payable.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The Museum is mainly exposed to interest rate risk and other price risk.

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16. Financial instruments (continued)

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Museum is exposed to interest rate risk on its marketable securities and investment - FGM invested in fixed-rate instruments and its loan payable that bears interest at a fixed rate.

Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instruments or its issuer, or factors affecting all similar financial instruments traded in the market. The Museum is exposed to other price risk through its marketable securities and investment - FGM.

17. Comparative figures

Certain figures for 2020 have been reclassified to make their presentation identical to that adopted in 2021.

**MONTREAL HOLOCAUST MUSEUM
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	General Fund \$	Internally restricted Fund \$	Museum expansion Fund \$	2021 Total \$	2020 Total \$
Appendix A					
Grants					
Alexander and Ruth Dworkin Foundation	20,000	-	-	20,000	45,971
Building Capacities	-	-	-	-	100,000
Genocide Exhibit grant - Alexander and Ruth Dworkin Foundation	-	-	-	-	30,101
Government assistance	656,001	-	-	656,001	20,111
Human Ressource Development Canada	19,073	-	-	19,073	27,107
PAM - Aide aux musées	3,648	-	-	3,648	1,952
Programme Aide au Fonctionnement pour les Institutions Muséales	354,973	-	-	354,973	253,277
Special Project – MHM 40th Anniversary	-	-	-	-	28,655
Virtual Museum of Canada	9,827	-	-	9,827	9,827
Young Canada Works (CMA)	3,821	-	-	3,821	3,396
	1,067,343	-	-	1,067,343	520,397

**MONTREAL HOLOCAUST MUSEUM
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	General Fund \$	Internally restricted Fund \$	Museum expansion Fund \$	2021 Total \$	2020 Total \$
Appendix B					
Administrative and general					
Amortization of museum capital assets (Note 10)	55,006	-	-	55,006	14,138
Amortization of other capital assets	-	-	-	-	375
Fundraising events	-	-	-	-	54,570
Membership dues, conferences and meetings	3,796	-	-	3,796	7,141
Office and administrative expenses	82,904	-	570	83,474	97,180
Professional development	-	-	-	-	4,232
Professional fees	51,938	-	-	51,938	385,672
Salaries and fringe benefits	420,159	-	-	420,159	382,233
Website and communications	2,021	-	-	2,021	19,781
	615,824	-	570	616,394	965,322