

Community Grants Program Application Form

Criteria

1. Applications are due on May 1, 2024, by 4:00pm. Exemptions at the discretion of Council.
2. Applications must be submitted via email to communitygrants@thamescentre.on.ca or a hard copy dropped off at the front desk of the Municipal Office at: Municipality of Thames Centre, 4305 Hamilton Road, Dorchester, ON N0L 1G3.
3. Preference will be given to applications which meet one or more priorities set out in the Thames Centre Strategic Plan. In addition, applications should demonstrate community support, efficient use of resources and sound business practices.
4. To be eligible, applicants must provide products/services to the residents of Thames Centre.
5. Limit of one application per organization.
6. Individuals are not eligible to apply.
7. Each application must demonstrate that:
 - a. This grant is not the primary source of funding for the project
 - b. Financial assistance is needed as other sources lack adequate funding
8. The applicant organization must spend the grant funding on the sole purpose for which it was awarded within the fiscal year for which it is awarded.
9. Applicants will be deemed ineligible from future grants if they fail to provide written confirmation of how and where the grant funds awarded in previous years were expended.
10. Grants in one year or over several years don't guarantee future funding commitments
11. Payment – Successful applicants will be paid in full, however grant recipients will need to provide written confirmation of how and where the grant funds were expended by end of the year. Failure to do so may eliminate them from future grant funding consideration.
12. The maximum allowable grant is \$10,000.00,
13. Applications for “in kind” non-financial assistance will be forwarded to the respective department for review with a report to Council for consideration and approval.
14. Successful grant recipients agree to acknowledge the support of the Municipality of Thames Centre in all printed material and through other promotional means.
15. The Municipality of Thames Centre should be informed if the project is delayed or changed substantially for any reason. In the event that the project does not go forward, the application will return those funds granted for the proposed project.

Organizational Information

Name of Organization: London Regional Children's Museum

Mailing Address: 21 Wharncliffe Rd S, London ON, N6J 4G5

Contact Name: Christine Walker

Position: Director of Development

Phone: (519) 434-5726 ext. 227

Email: christine@londonchildrensmuseum.ca

Business Registration Number or Registered Charity Number if applicable: 10808 7263 RR0001

1. Provide a brief outline of your organization and indicate if it is incorporated as a non-profit organization:

The London Children's Museum (LCM) is an incorporated non-profit and a registered charitable organization. The organization curates powerful play experiences through immersive environments, authentic materials, and meaningful relationships. As a champion for children, we advocate for their unique perspectives, contributions, and ways of learning. Nine interactive exhibits, daily hands-on programs, and over 7,000 artifacts

2. What is the general objective/services of your organization:

The LCM is a community organization that fosters creative learning and discovery through immersive exhibits and hands-on educational programs. The LCM has been a trusted community resource for more than 45 years. Children who visit learn how the world works, who they are, who they might become, and how they connect with other people. Play-based learning is essential to every child's healthy social, emotional, cognitive, and

3. How many volunteers participate in your program:

The LCM is fortunate to have a team of nearly 50 volunteers who contribute over 1,500 hours annually to serving children and their families. LCM volunteers help deliver memorable learning experiences by facilitating programming, maintaining exhibits, working in administration, and more.

4. In what geographic area does your organization provide their products and/or services:

The LCM is an essential destination, acting as the children's museum and science centre for the Southwestern Ontario region and beyond. The organization reaches over 100,000 individuals per year currently and is projected to reach at least 150,000 in its first year of operation at the new location. The organization appeals to both residents and tourists,

5. Does your organization provide a service to:

- a) All citizens
- b) A specific group If so, specify: Children, youth, and their families
- c) A specific area If so, specify: _____

Categories for Funding

(indicate dollar amounts for appropriate lines)

CATEGORY	AMOUNT
Capital/Equipment	\$ 10,000
Operating Costs (staffing, utilities, materials, etc.)	\$
Insurance	\$
Other (Specify):	\$
Other (Specify):	\$
Other (Specify):	\$
TOTAL REQUEST AMOUNT (not to exceed \$10,000)	\$ 10,000

Include (attach) quotes wherever possible.

Details of Grant Request

1. For what specific purpose are the requested funds to be utilized?

For over 45 years, the LCM has provided children and caregivers with meaningful hands-on learning experiences. After 43 years in the same location and more than 3 million visitors, our current building at 21 Wharncliffe Road South has seen a lot of love and play. In order to expand, innovate, and remain relevant, a new location is key to our

2. Does this application include any assistance other than financial? Explain. (ie. type and estimated hours of staff support, facilities to be used, dates, etc.)

The LCM is not requesting any other assistance from Thames Centre other than financial at this time. We do, however, welcome the opportunity to partner with the Municipality in the future to develop collaborative “stay and play” packages that promote greater tourism activity in the region.

3. Does your project meet one or more of the priorities set out in the Thames Centre Strategic Plan? Explain.

Firstly, the new LCM will meet the priority regarding “Economic Development” in the Thames Centre Strategic Plan. As a part of a wider Southwestern Ontario tourism cluster, the new LCM will play a large role in bringing families to the area to not only visit the LCM but to experience other destinations in the immediate vicinity such as in

4. Briefly describe how your project benefits the community?

Today's children and families are facing heightened levels of stress, increased financial pressures, and fewer opportunities to simply play. Learning happens when children play, and it is essential to their healthy development. As a provider of play-based experiences,

5. Explain how you will make efficient use of resources and follow sound business practices.

Future organizational sustainability for the LCM was a critical factor in the decision to move locations. Significant time, effort, and energy was put into the long-term

6. Have you received funding from the Municipality in prior years? If so, please provide the amount per year.

To the best of our knowledge, the LCM has not received funding from the Municipality in recent years.

7. Has your organization requested financial assistance in the last 12 months from any other government organization or grant funding opportunity in the last 12 months? If so, please list amounts received/approved.

Of the funding secured towards the new space, over \$5.22 million has been provided by various levels of government. In just the last 12 months, the project was approved for \$2,000,000 from the Department of Canadian Heritage (the "Canada Cultural Spaces Fund") and \$200,000 from the Federal Economic Development Agency of Southern

8. What other steps are being taken to cover your costs?

The LCM has presently reached 78% (\$18M of \$23M) of the revenues needed to support the construction of the new location. This secured funding includes a combination of government support, corporate sponsorships, Foundation and individual giving, and LCM's own capital reserve fund from the sale of our current building. The quiet phase of the

9. Will this program ever be self-sufficient?

The LCM has a long-term 20-year financial plan for how the organization's programs and services will be sustained. Sustainability is a top priority for organizational leadership, so the new LCM project is rooted in cautious financial planning. With a 45-year history, the

Financial Information

1. Please attach a financial statement from your previous year for your organization. Financial statements are not required for requests under \$500. If your Organization is unable to provide financial statements, please contact the Director of Financial Services/Treasurer for more information (eschinbein@thamescentre.on.ca)

2. Please provide (attach) a letter of support from your Board or another donor/community partner to validate your company's financial stability.

3. Please provide a project budget, including the following information.

a. Revenue Sources

ITEM	AMOUNT (\$)
Applicant Contribution	\$1,100,000
Grants	\$5,219,480
Donations	\$5,218,459
Sponsorships	
Fundraising Efforts	
Other Sources	\$6,500,000
Total Revenue	\$18,037,939

b. Expenses

ITEM	AMOUNT (\$)
Advertising and Promotion	
Program Supplies	
Entertainment	
Administration	
Salaries and Wages	
Facilities Rental	
Prizes and Awards	
Other	\$23,000,000
Total Expenses	\$23,000,000



April 24, 2024

Community Grants Program
Municipality of Thames Centre
4305 Hamilton Road
Dorchester, ON N0L 1G3

RE: Financial Stability of the London Regional Children's Museum

To Whom it May Concern,

On behalf of the Board of Directors, I am writing to attest to the financial stability of the London Regional Children's Museum. This stability is the result of robust policies and procedures that are embedded into the organizational practices and governance structure. I have personally witnessed these practices in my role as Treasurer of the Board of Directors and Chair of the Finance Committee including:

- An annual budget process that ensures the organization operates at an efficient level. Cost saving methods are weighed against their impact on programming. The annual budget is reviewed by the Finance Committee and approved by the Board of Directors.
- Year to date budget and financial reporting documents are developed and monitored monthly, informing staff, the Finance Committee, and the Board of the status of revenue and expenses compared to the annual budget.
- Cash flows are closely monitored by the Controller, Executive Director, Finance Committee, and Board of Directors.
- To keep the organization on track with its mission, the team engages in a fulsome strategic planning process every three years along with annual work-planning.
- The Board of Directors engages in continuous risk management for the organization, monitoring for risk to ensure the long-term health and viability of the London Regional Children's Museum.

Financial stability is further demonstrated in the enclosed financial statements. We have also developed a 20-year budget based on historical data, experience, and market research, which shows that the move to the new location will contribute towards even greater financial sustainability for the organization.

Please let us know if you have any further questions and we are happy to provide additional information to demonstrate the financial stability of the organization.

Thank you for your consideration,

A black rectangular box redacting the signature of Susan McGugan.

Susan McGugan, CPA CMA, MBA
Treasurer, London Children's Museum Board of Directors

LONDON REGIONAL CHILDREN'S MUSEUM

FINANCIAL STATEMENTS

AUGUST 31, 2023



LONDON REGIONAL CHILDREN'S MUSEUM
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AUGUST 31, 2023

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of:
London Regional Children's Museum

Qualified Opinion

We have audited the accompanying financial statements of London Regional Children's Museum, which comprise of the statement of financial position as at August 31, 2023, 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 and other explanatory information.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of London Regional Children's Museum as at August 31, 2023, and its financial performance and its cash flows for the year ended August 31, 2023 in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Qualified Opinion

In common with many not-for-profit organizations, the organization derives revenue from donations and fundraising activity, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of donation and fundraising revenues, in the fiscal year ending August 31, 2023 and the fiscal year ending August 31, 2022 was limited to the amounts recorded in the records of the organization. Accordingly, we are unable to determine whether any adjustments for unrecorded amounts might be necessary to revenues, excess of deficiency of revenues over expenditures and net assets.

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 company 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 opinion.

Responsibilities of Management and Those Charged with Governance 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.

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

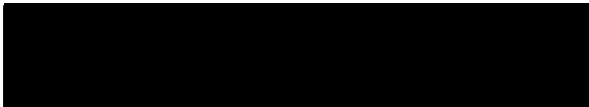
Those charged with governance are responsible for overseeing the company's financial reporting process.

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.

A further description of the auditor's responsibilities for the audit of the financial statements is located on Davis Martindale LLP's website. This description forms part of our qualified auditor's report.
https://www.davismartindale.com/auditors_report.

London, Ontario
February 7, 2023


Chartered Professional Accountants
Licensed Public Accountants



LONDON REGIONAL CHILDREN'S MUSEUM
STATEMENT OF FINANCIAL POSITION
AS AT AUGUST 31, 2023

ASSETS

	Operating Fund	Capital Fund	2023 Total	2022 Total
Current Assets				
Cash	\$ 1,340,521	\$ 519,393	\$ 1,859,914	\$ 2,518,530
Marketable securities (note 3)	1,497,608	-	1,497,608	1,380,422
Accounts receivable	198,699	-	198,699	164,242
Grants receivable (note 4)	525,178	-	525,178	60,793
HST receivable	214,484	-	214,484	5,660
Prepaid expenses	23,070	-	23,070	31,947
Inventory	<u>3,959</u>	<u>-</u>	<u>3,959</u>	<u>4,016</u>
	3,803,519	519,393	4,322,912	4,165,610
Tangible Capital Assets (note 6)	<u>-</u>	<u>3,505,067</u>	<u>3,505,067</u>	<u>1,333,493</u>
	<u>\$ 3,803,519</u>	<u>\$ 4,024,460</u>	<u>\$ 7,827,979</u>	<u>\$ 5,499,103</u>

LIABILITIES AND FUND BALANCES

Current Liabilities				
Accounts payable and accrued liabilities	\$ 1,065,426	\$ -	\$ 1,065,426	\$ 31,583
Government remittances payable	26,969	-	26,969	26,418
Deferred contributions (note 8)	<u>2,331,633</u>	<u>-</u>	<u>2,331,633</u>	<u>1,760,262</u>
	3,424,028	-	3,424,028	1,818,263
Deferred Contributions Related to Tangible Capital Assets (note 9)	<u>-</u>	<u>3,368,704</u>	<u>3,368,704</u>	<u>2,708,404</u>
	3,424,028	3,368,704	6,792,732	4,526,667
Commitments (note 10)				
Fund Balances	<u>379,491</u>	<u>655,756</u>	<u>1,035,247</u>	<u>972,436</u>
	<u>\$ 3,803,519</u>	<u>\$ 4,024,460</u>	<u>\$ 7,827,979</u>	<u>\$ 5,499,103</u>

Approved on Behalf of the Board

 Director

*The attached Independent Auditor's Report and notes
 form an integral part of these audited financial statements.*



LONDON REGIONAL CHILDREN'S MUSEUM
STATEMENT OF CHANGES IN FUND BALANCES
FOR THE YEAR ENDED AUGUST 31, 2023

	Operating Fund	Capital Fund	2023 Total	2022 Total
Fund Balance, Beginning of Year	\$ 1,846,311	\$ (873,875)	\$ 972,436	\$ 852,213
Excess (deficiency) of revenues over expenses	57,346	5,465	62,811	120,223
Interfund transfers (note 11)	<u>(1,524,166)</u>	<u>1,524,166</u>	<u>-</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 379,491</u>	<u>\$ 655,756</u>	<u>\$ 1,035,247</u>	<u>\$ 972,436</u>

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LONDON REGIONAL CHILDREN'S MUSEUM
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED AUGUST 31, 2023

	Operating Fund	Capital Fund	2023 Total	2022 Total
Revenues				
Admissions and programs	\$ 854,004	\$ -	\$ 854,004	\$ 530,418
Capital campaign operations	-	539,229	539,229	162,851
Donations	418,645	-	418,645	316,914
Grants (note 12)	382,390	-	382,390	684,853
Memberships	99,832	-	99,832	72,206
Shop	90,930	-	90,930	49,524
Interest and sundry	19,479	-	19,479	4,742
Amortization of deferred contributions (note 9)	-	9,200	9,200	9,200
Non-recoverable HST	<u>39,067</u>	<u>-</u>	<u>39,067</u>	<u>25,266</u>
	1,904,347	548,429	2,452,776	1,855,974
Expenses				
Salaries and benefits	897,669	-	897,669	1,014,344
Occupancy costs	557,082	-	557,082	284,480
Capital campaign operations (note 13)	-	527,018	527,018	162,851
Administration	161,850	-	161,850	157,219
Programs and activities	84,680	-	84,680	57,834
Maintenance and utilities	75,927	-	75,927	62,923
Cost of sales-shop	46,205	-	46,205	27,992
Exhibit, curatorial and conservation	17,325	-	17,325	14,643
Advertising and public relations	15,755	-	15,755	7,012
Marketing	8,067	-	8,067	12,064
Amortization of tangible capital assets	-	15,946	15,946	18,624
Non-recoverable HST	<u>39,854</u>	<u>-</u>	<u>39,854</u>	<u>27,902</u>
	<u>1,904,414</u>	<u>542,964</u>	<u>2,447,378</u>	<u>1,847,888</u>
Excess (Deficiency) of Revenues over Expenses from Operations	(67)	5,465	5,398	8,086
Other Income (Expenses)				
Government subsidies (note 14)	-	-	-	126,811
Investment income	45,402	-	45,402	10,994
Unrealized gain on foreign exchange	124	-	124	5,511
Realized loss on foreign exchange	(159)	-	(159)	(478)
Unrealized gain (loss) on sale of investments	2,208	-	2,208	(30,701)
Realized gain on investments	<u>9,838</u>	<u>-</u>	<u>9,838</u>	<u>-</u>
	<u>57,413</u>	<u>-</u>	<u>57,413</u>	<u>112,137</u>
Excess of Revenues over Expenses	<u>\$ 57,346</u>	<u>\$ 5,465</u>	<u>\$ 62,811</u>	<u>\$ 120,223</u>

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LONDON REGIONAL CHILDREN'S MUSEUM
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED AUGUST 31, 2023

	2023	2022
Cash Flows from Operating Activities		
Excess of revenues over expenses	\$ 62,811	\$ 120,223
Adjustments for:		
Amortization of tangible capital assets	15,946	18,624
Amortization of deferred revenue	<u>(9,200)</u>	<u>(9,200)</u>
	69,557	129,647
Change in non-cash operating activities:		
Accounts receivable	(34,457)	(9,940)
Grants receivable	(464,385)	8,203
Inventory	57	1,621
Prepaid expenses	8,877	6,044
HST receivable	(208,824)	5,733
Accounts payable and accrued liabilities	1,033,844	(105,543)
Government remittances payable	551	7,862
Deferred contributions	571,371	1,050,677
Government subsidies receivable	<u>-</u>	<u>233,494</u>
	<u>907,034</u>	<u>1,198,151</u>
Net Cash Provided by Operating Activities	976,591	1,327,798
Cash Flows from Investing Activities		
Additions to tangible capital assets	(2,187,521)	(63,376)
Cash Flows from Financing Activities		
Contributions received related to tangible capital assets	669,500	688,601
Increase in investments	<u>(117,186)</u>	<u>(594,277)</u>
Net Cash Provided by Financing Activities	<u>552,314</u>	<u>94,324</u>
Net Increase (Decrease) in Cash	(658,616)	1,358,746
Cash, Beginning of Year	<u>2,518,530</u>	<u>1,159,784</u>
Cash, End of Year	<u>\$ 1,859,914</u>	<u>\$ 2,518,530</u>

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LONDON REGIONAL CHILDREN'S MUSEUM

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED AUGUST 31, 2023

1. Nature of the Organization

London Regional Children's Museum (the "Museum") contributes to the development of children by encouraging participation in innovative exhibits and creative programming that invite cultural and scientific exploration of our world; past, present and future. London Regional Children's Museum is incorporated under the Corporations Act of Ontario as a not-for-profit organization and is a registered charity under the Income Tax Act.

2. Significant Accounting Policies

The financial statements of the Museum have been prepared by management in accordance with accounting standards for not-for-profit organizations. Those policies that are considered to be particularly significant are outlined below:

a) Tangible Capital Assets

Tangible capital assets are recorded at cost. Contributed tangible capital assets are recorded at fair value at the date of contribution. Amortization is provided as follows:

Galleries	10-year, straight line
Computer equipment	5-year, straight line
Computer equipment under capital lease	5-year, straight line

The artifacts and kits collection are not amortized in accordance with accounting standards for not-for-profit organizations.

b) Impairment of Long-lived Assets

Long-lived assets are tested for recoverability when events or changes in circumstances indicate that their carrying value may not be recoverable. An impairment loss is recognized when the carrying value exceeds the total undiscounted cash flows expected from their use and eventual disposition. The amount of the impairment loss is determined as the excess of the carrying value of the asset over its fair value.

c) Inventory

Inventory is recorded at the lower of cost and net realizable value, with cost being determined on a weighted average cost basis.

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LONDON REGIONAL CHILDREN'S MUSEUM
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2023

2. Significant Accounting Policies (continued)

d) Revenue Recognition

The Museum follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Endowment revenue is recognized as received and reported as direct increases in net assets. Details of these policies as they apply to operating, capital, and endowment funds are as follows:

Operating Fund

Fundraising and admission revenues are recognized as received except in the case of grants which are recognized when the conditions attached to the grants are satisfied.

Capital Fund

Unrestricted capital donations are recognized as income when received. Where the donations are for specific capital projects or restricted in use, the donation is deferred and the revenue is recognized on a basis consistent with the amortization of the asset. Grant revenue is recognized when the conditions attached to the grant is satisfied.

Endowment Fund

The Carol Johnston Founder's Fund was established in 1990 for capital improvements and enhancements to the building and permanent exhibits. In 1997, the Museum transferred the existing fund balance of \$27,361 for the establishment of a permanent endowment fund. This endowment fund was transferred as described in note 5.

Pledges for Contributions

Pledged contributions are recognized when the pledged assets have been received.

Contributed Materials and Services

Items of a capital nature which are donated to the organization are capitalized in an amount equal to the estimated fair market value of the property and recorded as donation revenue in the capital fund.

Volunteers contribute a significant amount of hours during the year to the Museum. Because of the difficulty of determining fair value, contributed services are not recognized in the financial statements.

Government assistance is recognized in the financial statements when eligibility criteria are met and a reasonable estimate of the amount can be made for all periods that pertain to the fiscal year.

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LONDON REGIONAL CHILDREN'S MUSEUM
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2023

2. Significant Accounting Policies (continued)

e) Use of Estimates

The preparation of financial statements of the museum in conformity with accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the statement of financial position date and the reported amount of revenues and expenses during the reported period. Actual results could differ from these estimates.

f) Financial Instruments

The Museum's financial instruments consist of cash, marketable securities, accounts receivable, grants receivable, HST receivable, accounts payable and accrued liabilities, and government remittances payable. The Museum initially recognizes these financial instruments at fair value and subsequently at amortized cost, except for marketable securities. Marketable securities are subsequently measured at fair value. Changes in fair value are recognized in net income.

3. Marketable Securities

Marketable securities consist of mutual funds.

4. Grants Receivable

The amounts included in current grants receivable are the following

	2023	2022
Tourism Relief Fund	\$ 489,496	\$ -
Ontario Trillium Foundation	15,000	25,000
Canada Summer Jobs	10,180	10,846
Canadian Space Agency	6,746	5,000
Canadian Museum Association	<u>3,756</u>	<u>19,947</u>
	<u>\$ 525,178</u>	<u>\$ 60,793</u>

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LONDON REGIONAL CHILDREN'S MUSEUM

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED AUGUST 31, 2023

5. Founders' Fund - Endowment

On May 12, 1997, the Museum entered into an agreement with the London Community Foundation ("LCF") for the establishment of a permanent charitable endowment fund known as the London Regional Children's Museum Founders' Fund. Under the terms of the agreement, the LCF matched \$1 for every \$3 that the Museum contributed to the endowment fund. The Museum transferred the existing Founder's Fund balance of \$27,361 to the fund and that contribution was matched by a contribution in the amount of \$9,120 from the LCF. The Museum no longer has control over the asset; however it is entitled to receive net investment income earned by the endowment fund. There are no restrictions imposed by the endowment on usage of the distributions received, as such distributions received by the Museum are included in the operations fund as part of general donations received. Changes in the balance of the fund are as follows:

	2023	2022
Balance, beginning of year	\$ 57,988	\$ 64,637
Interest and dividends earned	1,579	1,424
Realized loss	(202)	(204)
Unrealized gain (loss)	4,187	(4,950)
Administrative fees and donations	<u>(603)</u>	<u>(619)</u>
	62,949	60,288
Distributions received by the Museum	<u>(1,500)</u>	<u>(2,300)</u>
Balance, end of year	<u>\$ 61,449</u>	<u>\$ 57,988</u>

6. Tangible Capital Assets

	Cost	Accumulated Amortization	Net 2023	Net 2022
Artifacts and kits	\$ 93,909	\$ -	\$ 93,909	\$ 93,909
Development and planning	3,350,334	-	3,350,334	1,175,024
Computer equipment	196,328	175,637	20,691	20,749
Galleries	<u>1,774,934</u>	<u>1,734,801</u>	<u>40,133</u>	<u>43,811</u>
	<u>\$ 5,415,505</u>	<u>\$ 1,910,438</u>	<u>\$ 3,505,067</u>	<u>\$ 1,333,493</u>

As at August 31, 2023, \$3,350,334 (2022 - \$1,175,024) worth of tangible capital assets are not being amortized because they are assets under development in relation to the new building they will occupy in a subsequent year.

*The attached Independent Auditor's Report and notes
form an integral part of these audited financial statements.*



LONDON REGIONAL CHILDREN'S MUSEUM

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED AUGUST 31, 2023

7. Bank Loan

The Museum has an operating line of credit with a Canadian bank of \$500,000. As at August 31, 2023, \$NIL is outstanding (2022 - \$NIL). The line of credit carries an interest rate of the bank's prime rate. A general security agreement covering all current and future acquired property have been pledged as security.

8. Deferred Contributions

Deferred contributions represent unspent resources externally restricted for future operating fund expenditures. Restricted operating funds received in the current year that relate to the next fiscal year are deferred. The balance of deferred contributions consists of the following amounts:

	2023	2022
<u>Operating</u>		
Services	\$ 2,313,281	\$ 1,671,582
City of London operating grant	13,459	12,220
Canadian Space Agency	3,464	25,000
GenAction	1,429	3,251
Museum assistance program - collections management component	-	35,960
YCW - Bi-lingual	-	11,162
YCW - Heritage	-	1,087
	<u>\$ 2,331,633</u>	<u>\$ 1,760,262</u>

9. Deferred Contributions Related to Tangible Capital Assets

Deferred contributions represent contributed tangible capital assets, restricted contributions with which the organization's galleries were acquired and contributions received to relocate the museum. These contributions are being amortized into income on the same basis as the related tangible capital assets. The changes in the deferred capital contributions balance for the year are as follows:

	2023	2022
Balance, beginning of year	\$ 2,708,404	\$ 2,029,003
Add: current contributions and acquisition	669,500	688,601
Less: amounts amortized to revenue in the Capital Fund	<u>(9,200)</u>	<u>(9,200)</u>
	<u>\$ 3,368,704</u>	<u>\$ 2,708,404</u>
Balance represented by:		
Unamortized contributions	<u>\$ 3,368,704</u>	<u>\$ 2,708,404</u>

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LONDON REGIONAL CHILDREN'S MUSEUM
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2023

10. Commitments

The Museum has entered into a lease agreement for the office equipment used, and the land and building they occupy. The two leases for land and building expire in August 2027 and May 2038. Under the terms of the lease for the land and building, the Museum pays insurance, property taxes, repairs and maintenance, utilities and other like costs in addition to the lease payments. The office equipment lease expires on September 2024. The annual lease payments are as follows:

Year ending August 31, 2024	\$ 654,149
August 31, 2025	653,784
August 31, 2026	653,784
August 31, 2027	653,784
August 31, 2028	<u>131,900</u>
	<u>\$ 2,747,401</u>

11. Interfund Transfers

During the year, the Museum transferred \$1,524,166 from the operating fund to the capital fund.

12. Grant Revenue

	2023	2022
Municipal	\$ 156,452	\$ 151,582
Federal	146,914	204,247
Provincial	<u>79,024</u>	<u>329,024</u>
	<u>\$ 382,390</u>	<u>\$ 684,853</u>

13. Capital Campaign Expenses

	2023	2022
Occupancy costs	\$ 155,990	\$ 155,990
Administration	<u>371,028</u>	<u>6,861</u>
	<u>\$ 527,018</u>	<u>\$ 162,851</u>

The Museum has entered into a Capital Campaign to raise \$20.6 million to fund the complete re-imagining of the museum at its new location at 100 Kellogg Lane. It is expected that half of these funds will come from the private sector and the other half from the public sector. A Museum Master Plan will inform the detailed architectural plan, space plan, as well as exhibit design and fabrication. During this transitional period, the Museum will continue to provide the same programs and services at its current location at 21 Wharncliffe Road South.

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LONDON REGIONAL CHILDREN'S MUSEUM
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2023

14. Government Assistance

In the current year, the Museum did not apply for any government assistance. In the prior year, the Museum applied for and received \$83,634 of the Canadian Emergency Wage Subsidy and \$43,177 of the Canadian Emergency Rent Subsidy. All these amounts are based on management's calculations and are therefore subject to the conditions disclosed in note 2(f) above. The subsidies claimed may be subject to an adjustment by the Canada Revenue Agency upon their review. Any such adjustments will be reflected in the period that they become known.

15. Financial Instruments

Credit Risk

The Museum is exposed to credit risk on its accounts receivable balances. The Museum determines, on a continuing basis, the probable uncollectible amounts and sets up provisions for these debts based on estimated realizable value. Management does not anticipate significant loss for non-performance.

Market Risk

The Museum's marketable securities expose the Museum to price risks as equity investments are subject to price changes in an open market. The Museum does not use derivative financial instruments to alter the effects of this risk.

Interest Rate Risk

A portion of the company's long-term debt has a variable interest rate. Changes in the bank's prime lending rate can cause fluctuations in interest payments and cash flows. The company does not use derivative financial instruments to alter the effects of this risk. Additionally, there is a foreign exchange risk on the investments.

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