

CANADIAN PEACE MUSEUM

FINANCIAL STATEMENTS

PERIOD ENDED MARCH 31, 2024

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INDEPENDENT AUDITOR'S REPORT

To the directors of
Canadian Peace Museum

Qualified Opinion

We have audited the financial statements of Canadian Peace Museum, which comprise the statement of financial position as at March 31, 2024, and the statements of operations, changes in net assets and cash flows for the period then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the financial statements present fairly, in all material respects, the financial position of Canadian Peace Museum as at March 31, 2024 and the results of its operations and its cash flows for the period then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

Basis for Qualified Opinion

In common with many not-for-profit organizations, the Organization derives revenue from donations and fundraising activities the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Organization. Therefore, we were not able to determine whether any adjustments might be necessary to fundraising revenue, excess of revenues over expenses, and cash flows from operations for the year ended March 31, 2024, current assets as at March 31, 2024, and net assets as at July 13, 2023.

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 Organization 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 directors for the Financial Statements

Management and directors are 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 and directors determine 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 and directors are responsible for assessing the Organization'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 and directors either intend to liquidate the Organization or to cease operations, or have no realistic alternative but to do so.

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

INDEPENDENT AUDITOR'S REPORT, continued

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 Organization's internal control.
- ◆ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management and directors.
- ◆ Conclude on the appropriateness of management and directors' 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 Organization'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 Organization 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.

Woodbridge, Ontario
November 20, 2024

AGT Partners LLP
AGT Partners LLP
Licensed Public Accountants

CANADIAN PEACE MUSEUM

Statement of Financial Position
March 31, 2024

ASSETS

Current

Cash	\$	6,774
Prepaid expenses		564

\$ 7,338

LIABILITY

Current

Accounts payable and accrued liabilities	\$	9,397
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NET ASSETS

General Fund		(2,059)
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\$ 7,338

ON BEHALF OF THE BOARD

_____ Director

_____ Director

CANADIAN PEACE MUSEUM

Statement of Operations

From commencement of operations on July 13, 2023 to March 31, 2024

Donations	\$ 9,359
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Expenditures	
Advertising and promotion	4,330
Professional fees	2,500
Office and general	1,978
Program and other related costs	1,934
Interest and bank charges	494
Rent	182
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	11,418
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Deficiency of donations over expenditures for the period, being Net Deficiency at March 31, 2024	\$ (2,059)

CANADIAN PEACE MUSEUM

Statement of Changes in Net Assets

From commencement of operations on July 13, 2023 to March 31, 2024

Net Assets - beginning of period	\$ -
Deficiency of donations over expenditures for the period, being net deficiency at march 31, 2024	(2,059)
Net Deficiency - end of period	\$ (2,059)

CANADIAN PEACE MUSEUM

Statement of Cash Flows

March 31, 2024

Cash flows from operating activities	
Deficiency of donations over expenditures	\$ (2,059)
Change in non-cash working capital items	
Prepaid expenses	(564)
Accounts payable and accrued liabilities	9,397
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Increase in cash and cash at March 31, 2024	\$ 6,774

CANADIAN PEACE MUSEUM

Notes to the Financial Statements

March 31, 2024

1. Nature of Operations

Canadian Peace Museum was incorporated under the Canadian Not-for-profit Corporations Act on July 13, 2023.

The Organization's purpose is to operate a museum and associated website that promotes and educate the public about peace, equity, art, activism, environmentalism, and community harmony.

The Organization is exempt from income tax under the Canadian Income Tax Act. The Organization is a registered charitable organization and received its charity status on January 11, 2024. This is the first year of operations, therefore, there are no comparatives.

2. Summary of Significant Accounting Policies

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations. The significant accounting policies are detailed as follows:

(a) *Revenue recognition*

The Organization 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 contributions are recognized as direct increases in net assets.

Restricted investment income is recognized as revenue in the year in which the related expenses are incurred. Unrestricted investment income is recognized as revenue when earned.

(b) *Financial instruments*

The Organization initially measures its financial assets and liabilities at fair value, except for certain non-arm's length transactions. The Organization subsequently measures its financial assets and financial liabilities at amortized cost, except for securities quoted in an active market, which are measured at fair value.

Financial assets measured at amortized cost includes cash. Financial liabilities measured at amortized cost includes accounts payable and accrued liabilities.

CANADIAN PEACE MUSEUM

Notes to the Financial Statements

March 31, 2024

2. Summary of Significant Accounting Policies, continued

(c) *Financial asset impairment*

Financial assets measured at amortized cost are tested for impairment when there are indicators of possible impairment. When a significant adverse change has occurred during the period in the expected timing or amount of future cash flows from the financial asset or group of assets, a write-down is recognized in net income. The write-down reflects the difference between the carrying amount and the higher of:

- i) The present value of the future cash flows expected to be generated by the asset or group of assets, discounted using a current market rate of interest;
- ii) The amount that could be realized by selling the asset or group of assets;
- iii) The net realizable value of any collateral held to secure repayment of the asset or group of assets.

When events occurring after the impairment confirm that a reversal is necessary, the reversal is recognized in net income up to the amount of the previously recognized impairment.

(d) *Contributed services*

Directors and volunteers contribute a significant amount of time each year in carrying out the Organization's activities, however, the value of their time is not recognized in these financial statements as fair market value cannot be reasonably determined.

(e) *Use of estimates*

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

3. Financial Instruments

Unless otherwise noted, it is management's opinion that the Organization is not exposed to significant interest, currency, liquidity, market or credit risks arising from its financial instruments.

(a) *Liquidity risk*

Liquidity risk is the risk the organization may not be able to meet its obligations. The Organization has a comprehensive plan in place to meet their obligations as they come due which is primarily from cash flow from operations. The Organization reduces its exposure to liquidity risk by ensuring that it documents when authorized payments become due. In the opinion of management the liquidity risk exposure to the Organization is low and is not material.

CANADIAN PEACE MUSEUM

Notes to the Financial Statements

March 31, 2024

3. Financial Instruments, continued

(b) Credit risk

Credit risk is the risk that one party to a transaction will fail to discharge its obligation and cause the other party to incur a financial loss. The Organization reduces its exposure to credit risk by constantly reviewing the receivable aging and creating an allowance for bad debts when applicable. The Organization maintains strict credit policies and limits in respect to counterparties. In the opinion of management the credit risk exposure to the Organization is low and is not material.

The Organization's cash is also subject to credit risk. The Organization minimizes its risk by maintaining cash with one of the major financial institutions.

4. Other accounting policies and Notes

Due to the very limited number of transactions since the start of operations to the date of these financial statements, no additional accounting policies or notes are provided as they would not provide any meaningful information.

5. Comparative Amounts

No comparative information has been provided as this is the Organization's first period of operation since incorporation.