

Standard Accounting Guidelines for Museums in Nova Scotia



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1.0 INTRODUCTION

The Nova Scotia Museum Act authorizes the Nova Scotia Museum’s Board of Governors to “administer grants to museums and to cooperate with other bodies engaging in museum activities.” This has resulted in the development of a network of 27 provincially-owned museums and a larger group of autonomous community museums. The province has provided operating support to community museums since the mid-1960s through, what is now known as, the Community Museum Assistance Program (CMAP).

The Standard Accounting Guidelines for Museums in Nova Scotia, in effect since September 30, 1996, is the result of collaboration of the Nova Scotia Museum (NSM) and the Grants and Audit Division of the then Department of Education and Culture. It was revised in-house in 1999 and by Leah Hamilton of Genesis Consulting in 2008. It is an integral component of CMAP and provides standardized financial reporting practices specific to museums.

It was approved by the Board of Governors of the Nova Scotia Museum and is prescribed for use in all its locations and those community museums receiving funding from the Province.

Users of this handbook are encouraged to send any suggestions for additions or revisions to:

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2.0 FINANCIAL REPORTING

This section outlines the elements of comprehensive financial reporting under generally accepted accounting principles, with consideration given to the specific reporting requirements of the Department of Tourism, Culture and Heritage.

Generally Accepted Accounting Principles (GAAP) are standardized accounting procedures and definitions of terms as codified by the Canadian Institute of Chartered Accountants (CICA). Consistent and clear standards provide assurance to readers of financial statements that the reported information fairly represents actual financial results. Standardization also ensures that financial statements are presented in a consistent manner allowing readers to make accurate comparisons among different sets of financial reports. In the not-for-profit world, statement readers are typically public and private funders, as well as the general public, who are looking to financial statements to help them assess the organization's financial health and appropriate usage of resources.

The CICA has developed a specific set of standards related to accounting and reporting procedures for Not For Profit Organizations. The most relevant of these accounting standards have been included in this guidebook. The Department of Tourism, Culture and Heritage has reporting requirements associated with its programs including the Community Museum Assistance Program (CMAP). Those requirements are also considered in this guidebook.

2.1 Financial Statement Elements

Financial statements that meet the full requirements of GAAP are often prepared by an accountant external to the organization. Nonetheless, heritage organizations should, at a minimum, understand the purpose and contents of financial statements in order to provide external accountants with the required information and be informed readers of their own financial information.

According to CICA Standards, financial statements for a not-for profit organization normally include:

- A Statement of Financial Position
- A Statement of Operations
- A Statement of Changes in Net Assets
- A Statement of Cash Flows

The terms of the four documents above are for descriptive purposes only. Organizations may use whatever titles are appropriate in the circumstances as long as each financial statement provides the information necessary to reflect GAAP. A detailed look at the requirements and contents for each of these statements is included in the following sections.

2.1.1 Balance Sheet/Statement of Financial Position

A **Statement of Financial Position**, also referred to as a **Balance Sheet**, is a one-page report that creates a snapshot of what organization *owns* less what it *owes*, resulting in a net financial position that is either an organizational surplus or deficit. This report is particularly useful to prepare at the organization's designated fiscal year end to assess the overall financial health of the organization.

2.1.1.1 Assets

Assets are what the organization *owns* and are reported in order of their "liquidity" or ability to be turned into cash to support organization's operations. Brief definitions and examples of the most commonly held assets are included below.

Cash

Cash includes amounts in all bank accounts of the organization used to support operations. Cash also can include petty cash balances and investments that can be readily converted to cash.

Accounts Receivable

Accounts receivable include amounts that are owed to the organization, which the organization has earned or is fully entitled to and is awaiting payment. According to GAAP, any amount not yet received by the organization that meets the following criteria should be recorded as an account receivable:

- The amount to be received can be reasonably estimated and
- ultimate collection is reasonably assured.

Grants that are awarded but not yet received by the organization are typically a significant account receivable recorded by heritage organizations. Pledges or bequests could also be reported as assets by the organization if they meet the two criteria above.

Inventory

Inventory includes items (typically gift shop items) that have been purchased for resale but remain unsold at any given time. Often, to obtain an accurate value of inventory, a count is made at the fiscal year end to determine which items are unsold. The counted items are then valued at their original purchase cost as identified on the original purchase invoice. However, GAAP states that items should be valued at the lower of purchase cost and the sale price. If

the sale price of an item has dropped below its original cost (i.e. in the case of damaged or old goods), this reduced sale price represents its inventory value.

Prepaid Expenses

Prepaid expenses are amounts paid in advance for a good or service that has not yet been received but will be in the short term. The prepaid amount is a deposit of sorts made in order to receive a future benefit and remains a prepaid expense until the benefit has been fully received. An example is the case of annual insurance premiums: at any given time, there will be a prepaid portion of the premium representing the number of months covered by the policy that have yet to elapse. Another example is paying for flights well in advance of a trip in which the cost of the flights is considered to be a prepaid expense until the flights have taken place.

Prepays typically represent small amounts on the balance sheet and are recorded on the books during a year-end review of accounting records.

Investments

Investments may include GICs, donated stocks, or any other interest-bearing or income-generating investment vehicle. Organizations that have endowment funds would typically have investments to report on their Balance Sheet.

Requirements for reporting investments have become quite complex under recently adopted accounting standards. Investments must be classified upon purchase as “held for trading” to generate a short-term profit, “held to maturity”, or “available for sale”. Depending on the classification, investments should either be reported at their current market or “trading” value, or at their original cost. It is recommended that organizations consult an external accountant to accurately report their investments according to GAAP.

Capital Assets

Capital assets are tangible properties owned by the heritage organization that are used to support operations, such as office equipment, computers, land and buildings. Capital assets are expected to be useful, or have a useful life, beyond one year. Expenditures incurred that act as a *betterment* of an asset, in which the useful life of the asset is extended or the asset is enhanced/improved (i.e. facility renovations) are considered to be capital expenditures.

Capital assets that have been donated to the organization should be recorded at their fair market value (i.e. current acquisition cost in the marketplace) at the time they were donated in situations where the fair market value can be reasonably estimated. If the fair market value cannot be estimated, the asset may be reported at a nominal or minimal value.

Organizations may establish a threshold below which amounts are not considered material enough to record as a capital asset. For instance, an organization may purchase a new computer for \$1500 and record it as a capital asset. Subsequently, the organization purchases new RAM to extend the capabilities of the computer. Since the RAM purchase is a betterment of the asset, the purchase could be “capitalized”; however, the RAM cost \$200 and is considered to be of sufficiently low cost to be considered insignificant to add to the capital value of the computer. Instead, the RAM may be reported as a computer repair expense on the Income Statement (see Section 2.1.2). There is no firm rule on capitalization thresholds, but organizations typically choose a purchase limit between \$500 and \$1000.

The Community Museum Assistance Program (CMAP) of the Department of Tourism, Culture and Heritage requires annual reporting on current expenditures made for site and facility improvements, collections, furniture and equipment purchases as well as amounts received from public and private sources to support capital purchases. However, CMAP does not require organizations to report the ongoing value of all capital assets of the organization, nor does it require organizations to record depreciation expense. Depreciation, also referred to as amortization, is an annual expense recorded to reflect the gradual diminishment of the usefulness of the capital asset.

When preparing financial statements according to GAAP, organizations with budgets of \$500,000 and under *are encouraged but not required* to record capital assets and their associated annual depreciation in recognition of the limited resources of small Not For Profits. If an organization chooses not to record capital assets on the Balance Sheet, GAAP requires the organization to disclose:

- the policy they have developed with regard to accounting for capital assets;
- information about and a description of major categories of unrecorded assets;
- if they are included as an expense, the amount that has been expensed in the current period on the Income Statement.

For those who choose to record capital assets, items should be recorded at their cost in the year of purchase. The value of capital assets should then be amortized or depreciated over time to reflect the diminishing value of the asset as it ages. The organization should pick a depreciation rate that is systematic and appropriate to the nature and use of the asset. Common practice includes a straight-line depreciation (i.e. equally distributed depreciation) over 3-5 years for equipment, or straight-line depreciation of buildings over 40 years.

The nature, value and description of donated assets should be disclosed in notes to the financial statements.

CMAP requires heritage organizations to report capital grants and donations received for the purchase of capital assets. If reporting capital grants and donations on the balance sheet, they should be recorded as an offset against the cost of the asset.

Collections

It should be noted that under GAAP artifact collections *do not need to be valued and reported* in the Balance Sheet in recognition that:

- Collections are often rare and unique with significant cultural value and are thereby difficult to value;
- The cost of valuing would exceed the incremental benefit of the information gained.

Collections are not excluded from the Balance Sheet, but their inclusion is also not required.

2.1.1.2 Liabilities

Liabilities represent what the organization owes to others. Liabilities are listed in order of when they are due to be paid and may include the following:

Accounts Payable

Accounts payable include amounts owing to suppliers for which the organization has received an invoice. Amounts may include telephone bills, heating bills, inventory purchases and so on. Assessed amounts owing to the government may be included here as well.

Accrued Liabilities

Accrued liabilities generally include amounts that the organization is aware of as owing but an invoice for them has not been received. Examples include accounting fees relating to the year-end financial statement preparation, payroll amounts owing to employees that are unpaid, payroll deductions that are owing but unpaid, and utilities consumed in between billing periods.

Deferred Revenue

Grants or other contributions received in cash in the current fiscal year that are intended to support the activities of a subsequent fiscal year should be reported as deferred revenue. Deferred revenue is a liability of the organization in that it has received monies for which it has not completed its obligations, and theoretically would have to return to the source should it not meet the conditions attached to the funds. In the case of grant monies, typically the obligation is to operate the subsequent fiscal year, at which point the grant is no longer “deferred” but is “earned” and is then reported as operating revenue of the organization.

Loans Payable

Amounts that the organization has borrowed to support operations or to purchase capital assets, such as mortgages or other bank loans, should be reported as liabilities. The scheduled debt payments due for the upcoming year should be listed separately as a short-term liability.

2.1.1.3 Net Assets

The difference between the assets of the organization and its liabilities can be considered the “equity” of the organization, or the net value of what the organization owns after all financial obligations have been discharged. The term equity is associated more with the for-profit sector so GAAP refers to the equity of a not-for-profit organization as its “Net Assets”.

The financial wealth of an organization is not only represented in the net value of assets less liabilities, but also the accumulation of the organization’s operating surpluses (or deficits) since the organization was established. Therefore, another commonly used term used to refer to Net Assets is Accumulated Surplus.

Organizations may choose to (and in some cases be required to) sub-divide the Net Assets of the organization into separate fund balances. Funds may be set up when resources are restricted for specific uses either by an external donor or internally by the Board of Directors. Conversely, some or all of the organization’s net assets may not be restricted at all and are considered to be general operating or “unrestricted” funds.

Examples of funds include:

- Endowment Fund: this could be an externally restricted fund if donors gave money to the organization specifically for endowment purposes. Also, the organization could have an internally restricted endowment fund if the board approves restricting an accumulated operating surplus for endowment purposes;
- Scholarship Fund: this is similar to an endowment fund in that it can be externally restricted by the wishes of a particular donor or internally restricted from accumulated surpluses;
- Capital Assets: under GAAP, the value of capital assets is segregated into a fund referred to as an Investment in Capital Assets such that operating and capital resources are separated from each other in the Net Assets of the organization.

GAAP requires that a Balance Sheet identify the various fund balances that comprise the organization’s net assets, including the investment in capital assets, restricted assets for endowment purposes, other restricted net assets, unrestricted net assets and the total net assets of an organization.

Net assets/accumulated surplus can be one of the more complex concepts in financial reporting. The Sample Statement of Financial Position (Section 4.4) and the Sample Statement of Changes in Net Assets (Section 4.6) provide an illustration of how Net Assets can be reported.

2.1.1.4 Balance Sheet Analysis

The following are some suggestions for readers of the Statement of Financial Position as they look critically at the information presented:

- Does the organization have sufficient total assets to meet its obligations? Does it have enough “liquid” assets to meet current obligations?
- Have the bank balances listed on the balance sheet been reconciled with the latest bank statements?
- Are the accounts receivable reported likely to be received by the organization? How long have the accounts receivable been outstanding? Is the organization collecting amounts owed to it on a timely basis?
- Has inventory been counted and recorded at the lower of its original cost and sale value?
- What is the capitalization policy of the organization? Has amortization been recorded appropriately? Have donated capital assets been recorded at a reasonable amount?
- Have all liabilities of the organization been reported? Are the Receiver General remittances up to date?
- Does the organization have an accumulated surplus/net asset balance? What is the percentage of the net assets of an organization in relation to its budget? Should some of the net assets be restricted for specific uses (e.g. endowment fund, scholarship fund), particularly if net assets exceed 20% of the annual budget size?

2.1.2 Income Statement/ Statement of Operations/Profit and Loss Statement

The Income Statement, also known as the Statement of Operations or the Profit and Loss Statement, is the document that details the operating results of the organization for the fiscal year. When prepared for internal use, this statement should include various revenue and expense items that should correspond with the organization’s budget so that readers who are looking for detail (i.e. the Board of Directors) can easily compare the budgeted amounts to the actual results outlined in the Income Statement. For external use, the statement may collapse various items to make the document more concise and easy to read for those not interested in the detail. An accurately prepared Income Statement is critical for assessing the financial results of any given fiscal year.

The elements of the Income Statement outlined in the following sections correspond with the annual reporting requirements of the CMAP program.

2.1.2.1 Operating Revenue

Operating revenue includes all sources of funds that have been earned by the organization through its activities or contributed by private and public funders to support the organization's work. Revenue does not include funds that have been loaned and must be repaid.

Earned Revenue

Earned sources of revenue include fees that are received by the organization as a direct result of its operational activities and services. Included in this category are:

- Admission fees for entry to the museum/heritage organization
- Membership dues to the organization
- Programming fees (workshops, classes, etc)
- Gift shop /retail sales (gross sales, before expenses)
- Rental of the museum space or property
- Fee for service revenue where a staff member is paid for work outside the heritage organization such as lectures and tours
- Interest earned on bank deposits and investments is also included here¹

For the CMAP application, transfers from the organization's reserves (i.e. Net Assets/Accumulated Surplus) are also included here.

Donations and Fundraising

This category includes revenue contributed from the community, which has been donated for charitable purposes or given as part of a fundraising event.

Donations are made for philanthropic purposes only and do not require the organization to reciprocate with advertising or services of any kind. Included in this category are:

- Donations from corporations
- Donations from individuals
- Donations from foundations

Fundraising includes:

- Sponsorships from local businesses and organizations in return for logo placement and other promotional activities undertaken by the heritage organization.²

¹ While investment income is typically passive rather than earned income, it is more appropriately included here than in any other category.

² Formerly referred to as "Community Business" in the CMAP Annual Report.

- Special events such as galas, mystery weekends, cemetery tours. Special events are unique, require significant organization and are held infrequently for the purpose of supplementing the organization's revenues. Special events should not be confused with the ongoing programming of the center.
- Fundraising activities such as suppers and bake sales that support ongoing operations and are typically of a smaller scale than special events.

Public Funding

Support from the public sector through grants and rebates may include:

- Federal grants such as Young Canada Works, CHRC, or grants from the Department of Canadian Heritage
- CMAP grants
- Other provincial grants from the Department of Tourism, Culture and Heritage or other provincial departments
- Municipal grants
- HST rebate: qualifying not-for-profit organizations that are not HST-registrants are eligible for a 50% rebate of all HST spent during the fiscal year. A qualifying not-for-profit must receive 40% of its annual funding from government sources to qualify for the rebate.³

2.1.2.2 Operating Expenses

Operating expenses are expenditures on goods and services that support the activities of the organization and are intended to be consumed or used within the fiscal year.

The following expense categories reflect the annual report requirements of the CMAP program:

Interpretation and Programming

- Exhibition costs including tools, materials and services needed to prepare exhibits as well as shipping costs
- Programming costs including speaker fees, instructors, contract interpreters, and materials associated with programming activities
- Any other programming or interpretation costs not included above

³ The rebate guide and application form can be found at: <http://www.cra-arc.gc.ca/E/pub/gp/rc4034/rc4034-07e.pdf>

Collection and Access to Information Expenses

- Cataloguing supplies and expenses including measuring tapes, printing worksheets
- Preservation materials including conservation and storage materials
- Research expenses including photocopying and photography

Marketing, Fundraising and Retail Expenses

- Advertising and promotion including expenses relating to promoting the heritage organization's activities, print advertising and the cost of designing, printing and distributing print materials
- Fundraising costs including food, venue rental and other costs of events as well as fundraising cultivation costs such as printing and design of fundraising materials, postage and delivery
- Retail expenses include the cost of items purchased for resale in the gift shop that have been sold during the year (are no longer in inventory). Other retail expenses include the cost of gift shop supplies such as bags and tissue paper.

Facility Expenses

- Custodial services including contract maintenance
- Custodial supplies including cleaning supplies
- Grounds expense including site maintenance fees such as snow and garbage removal and general grounds maintenance
- Insurance including office, contents, general liability and property insurance
- Rent/lease payments related to the facility
- Repairs and maintenance of the property including ongoing maintenance expenses and minor repairs, but not including renovations that improve the facility
- Security including monitoring fees and rental of equipment
- Property taxes
- Utilities including electricity, water and heating costs
- Other facility costs not included above

Administration/Management

- Salaries and benefits of all employees including:
 - ⇒ Full-time employees- those who are working in the heritage field as a career for the foreseeable future and who generally work for 30 hours or more per week
 - ⇒ Full-time project employees- those who work a minimum of 30 hours per week who are working in the heritage field on a project or time-limited basis
 - ⇒ Part-time employees-those who work less than 30 hours per week, not including students
 - ⇒ Summer students – include all summer student salaries
 - ⇒ Benefits- include all payroll benefits for all salaries
 - ⇒ Volunteer recognition gifts, honoraria and awards for volunteers

- Office expense including:
 - ⇒ Bank charges including monthly fees, per item fees and overdraft interest
 - ⇒ Equipment charges including rental or lease fees on photocopier and other office equipment
 - ⇒ Equipment services including maintenance and upkeep on office equipment
 - ⇒ Postage and delivery including meter rental, stamps and courier services
 - ⇒ Supplies include office supplies used in day to day operations
 - ⇒ Telephone and internet including the cost of telephone charges, fax charges and internet access

- Other administrative expenses including:
 - ⇒ Credit card processing fees
 - ⇒ Memberships to other organizations and associations
 - ⇒ Professional fees paid to accountants, lawyers and consultants
 - ⇒ Training including conferences, workshops, and course fees
 - ⇒ Travel expenses for board, staff and volunteers
 - ⇒ Other expenses that do not fall under any other administrative category

2.1.2.3 Surplus or Deficit

A surplus is the positive difference between revenues and expenses. A deficit occurs when expenses exceed revenues. Each fiscal year, the annual surplus or deficit is added to the beginning accumulated surplus or deficit of an organization, resulting in a new ending accumulated surplus or deficit. This new accumulated surplus is also referred to as the Net Assets of the organization as discussed in Section 2.1.1.3.

2.1.2.4 Income Statement/Statement of Operations Analysis

The following are some suggestions for readers of Income Statements as they look critically at the information presented:

- Are there significant changes in sources of revenue or expenditures from the previous year? Can they be explained?
- Are there significant amounts in all revenue categories- earned revenue, donations/fundraising and public funding- in the financial results? What is each of those sources as a percentage of the budget? (The budget size is generally considered to be the sum of all sources of revenue). Are some sources of revenue disproportionately high or low?
- Is the relationship amongst programming, facility, marketing and administrative costs appropriate for the organization? (e.g. are administrative costs too high as a percentage of the budget?)
- What is the ratio of marketing costs to general revenue from admissions, programming and giftshop? Is the ratio appropriate? Are marketing expenditures generating sufficient earned revenue to justify the cost?
- Is there a net profit from giftshop sales? What percentage is it?
- Is there a net profit from fundraising events? What is it? Is the profit worth the time and resources to manage the events?
- Is there an organizational surplus? What percentage of the budget is it? (It depends on the size and nature of the organization, but an annual surplus of 1-5% is viewed as a reasonable target).

2.1.3 Statement of Changes in Net Assets

The Statement of Changes in Net Assets illustrates the change in the organization's accumulated surplus over the fiscal year. Additions and withdrawals from various restricted and unrestricted funds of the organization are detailed in this statement, including:

- Total purchases and sales of capital assets during the year
- Total increases to endowment funds, scholarship funds, etc, through investment income or new donations
- Total decreases in endowment funds, scholarship funds, etc, through payouts
- Total increases or decreases in unrestricted operating funds

2.1.4 Statement of Cash Flows

The statement of cash flows reports the total changes in cash balances over the course of the fiscal year. The objective of the statement of cash flows is to provide information about the sources and uses of cash by the organization in carrying out its activities. This statement is complex to prepare and is of limited value to many organizations. It is a required statement under GAAP for externally prepared financial statements and would typically be prepared by an external accountant.

2.2 Externally Prepared Financial Statements

An external accountant can provide the organization with one of three kinds of reports based on the procedures undertaken to verify financial results.

2.2.1 Audit Report

An Audit provides readers of financial statements with the highest possible level of reasonable assurance that the statements are free from material error. To provide this high level of assurance, auditors undertake statistical sampling of accounting transactions to satisfy themselves that the recording and reporting of items is accurate within reasonable standards.

Auditors also externally verify key account balances and transactions to ensure that amounts are fairly represented in the organization's accounts. Once auditors have satisfied themselves that the records are representative of actual financial results, they issue an audit opinion in the form of a one page Auditor's Report, and submit the organization's financial results as audited financial statements.

Given the level of detailed work involved, audits tend to be, by far, the most expensive set of externally prepared financial statements. Funders are increasingly requiring audits so that they are provided with as much assurance as possible as to the validity of the statements they are reviewing, particularly for organizations with large budgets.

2.2.2 Review Engagement Report

A Review Engagement Report provides readers with the second highest level of reasonable assurance about the validity of financial statements. Accountants do not undertake the statistical sampling involved in auditing, and do much less external verification. They rely on analytical review procedures and enquiry to assess the reasonableness of the information presented, and look for and research unexplained variations.

Accountants rely on their judgment and expertise when conducting a Review Engagement. When conducted properly, a Review Engagement provides readers with very solid assurance that the statements they are reading fairly represent the financial results of the organization.

Although it varies, Review Engagements are significantly less expensive than audits. Funders often accept these reports for organizations with small or mid-sized budgets.

2.2.3 Notice to Reader

A Notice to Reader provides minimal assurance to readers of financial statements. Notice to Readers often constitute a simple reproduction of the organization's internal numbers into a financial statement format without adjustments. Accountants undertake minimal procedures, looking only for the most obvious errors. Readers are given due notification of this minimal effort in the Notice To Reader report issued with these statements. Generally, this report is not sufficient for funders.

3.0 Financial Management and Planning

The following section is intended to give an overview of some key financial management and planning practices.

3.1 Record Keeping

To meet their obligations to funders and other supporters of the organization, all organizations should maintain records that are accurate and thoroughly report all transactions relating to the organization's activities.

Record keeping works on a double-entry system of "debits" and "credits". The concept behind this system, at its most basic level, is that every transaction affects an income statement account item and a balance sheet item simultaneously. As an example, receiving revenue in the organization is recorded as a "credit" to the income accounts of the organization (e.g. grant revenue, admissions), and also as a "debit" to the organization's bank balance as reported on the Balance Sheet. Also, expenses of the organization are considered to be "debits" and the resulting reduction in the bank account is a "credit". It can be counter-intuitive at first to refer to cash deposits as "debits" to the bank and withdrawals as "credits"; nonetheless, this is simply the way the terminology works.

This double entry system is fundamental to the preparation of accurate financial statements. The best way to ensure that all transactions are recorded under a double entry system is to record transactions into a computerized accounting system. Quickbooks, Simply Accounting and MYOB are three accounting software packages widely used in the non-profit sector. The advantage of using accounting software is that it is set up to automatically record information on a double-entry basis, increasing the likelihood that information is reported accurately and comprehensively. As well, internal financial statements are readily generated by the software.

Accounting software is useful for even the smallest organizations. However, in smaller organizations, spreadsheet or manual ledgers are still commonly used. While these systems are inherently less efficient than software, they can still provide accurate information depending on the knowledge of the bookkeeper.

Whether using a manual or computerized system, organizations should set up a chart of accounts. This is a list of all balance sheet and income statement accounts through which the activity of the organization is recorded. For CMAP applicants, the chart of accounts should closely resemble the line items requested in the Annual Report to simplify reporting to the CMAP program.

3.2 Internal Controls

To ensure that cash is handled properly, it is important to maintain controls over the receipt and spending of the organization's cash. Some internal control suggestions follow.

Tracking Admissions

When using a manual admissions system, provide pre-numbered receipts or tickets to each patron paying an admission fee. At the end of each day, the cash received in the cash box should be matched with the number of tickets handed out and a daily admissions report issued.

To track adult, child and group admissions, a color or number coded system could be used. A cash deposit slip should be completed that matches the day's receipts for ease of tracking the funds as they are deposited into the bank.

Separation of Functions

Whenever possible, the daily admissions report should be handed off to another individual, such as a bookkeeper or the museum's Director, who is responsible for recording the transaction and maintaining banking records. This separates the handling of cash function from the records management function.

Cash Management and Tracking

Cash management at fundraising events is often difficult; however, initiating a similar ticketing and cash flow tracking process whenever possible will increase the chances of cash being accounted for properly.

Monthly bank reconciliations should be conducted as soon as possible after the bank statements are issued. Bank reconciliations are simply a comparison of the transactions listed on bank statements with those recorded in the records of the organization. Differences between the two should be timing issues, i.e. cheques that remain uncashed at the time of issuance of the bank statement and deposits that were recorded by the organization but were not yet recorded by the bank. Otherwise, all transactions should match.

Bank reconciliations can pick up human errors made by both museum staff and the bank. As well, having up to date bank reconciliations gives the organization current and accurate information on cash balances.

To ensure the appropriate use of funds, it is common practice to require two signatures on cheques, often one staff and one board member. Board members signing cheques should be presented with the invoices to which the cheques relate.

Restricted funds should be maintained in separate bank accounts, away from general operating funds, to ensure the usage of those funds is for the purpose for which they were restricted.

3.3 Financial Planning

There are several key internal financial documents that each organization should maintain to guide financial decisions throughout the year. Some key internal financial documents include the following:

- **Annual Budget:** Prior to each fiscal year, museum staff should set an annual or projected budget for the coming year for approval by the board of directors. This budget should reflect the staff's best estimates of revenue and expenses for the year based on the results of past years and new factors anticipated for the upcoming fiscal year.
- **Revised Budget Projections:** Throughout the fiscal year, either at set intervals or after major activities or events have concluded, the estimates prepared in the budget should be revised to reflect actual results and updated information on upcoming activities. Revised Budget Projections can and should be updated several times each year.
- **Cash Flow Projections:** In concert with preparing an annual budget, organizations, particularly those without significant cash reserves, should prepare a Cash Flow Projection for the year. This projection estimates, on a month-by-month basis, when revenues will be received and when cash will be paid out. This projection will highlight for staff the times in the year when cash may be tight. For times of the year when cash is particularly tight, a week-by-week cash flow should be prepared. If a cash deficit is indicated in the cash flow projection, the organization may have to plan remedial measures to meet cash requirements such as moving the timing of fundraising events to just before the cash crunch or delaying purchases.
- **Multi-year Financial Projections:** Planning beyond one fiscal year is key to effective long-term management of the organization. For those comfortable with annual budgeting, the preparation of three-year budgets based on reasonable estimates is a very useful tool for guiding longer-term activities and decisions.

4.0 Samples of Reports

4.1 Auditor's Report

AUDITOR'S REPORT

To the Chairperson and Members of the
Official Museum Name

I(we) have audited the balance sheets of the *Official Museum Board* as at *month, day, year* and the statement of operations for the year then ended. These financial statements are the responsibility of the Board's management. My(our) responsibility is to express an opinion on these financial statements based on my(our) audit.

I(we) conducted my(our) audit in accordance with generally accepted auditing standards. Those standards require that I(we) plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my(our) opinion, these financial statements present fairly, in all material respects, the financial position of the board as at *month, day, year*, and the results of its operations for the year then ended in accordance with generally accepted accounting principles adopted for museum boards in the Province of Nova Scotia.

Signature
Name, accounting designation
Licensed Public Accountant

Town or City, NS

Date

4.2 Review Engagement Report

REVIEW ENGAGEMENT REPORT

To the Chairperson and Members of the
Official Museum Name

I (we) have reviewed the balance sheets of the *Official Museum Name* as at *month, day, year* and the statement of operations for the year then ended. These financial statements are the responsibility of the Board's management. A review does not constitute an audit and consequently I(we) do not express an opinion on these financial statements.

My (our) review was made in accordance with generally accepted standards for review engagements and accordingly, consisted primarily of enquiry, analytical procedures and discussion related to information supplied to me(us) by the museum board.

Based on my (our) review, nothing has come to my(our) attention that causes me(us) to believe that these financial statements are not, in all material respects, in accordance with generally accepted accounting principles adopted for museum boards in the Province of Nova Scotia.

Signature
Name, accounting designation

Town or City, NS

Date

4.3 Notice to Reader Report

NOTICE TO READER

To the Chairperson and Members of the
Official Museum Name

I (we) have compiled the balance sheet of the *Official Museum Name* as at *month, day, year* and the statement of operations for the year then ended from information provided by management. I (we) have not audited, reviewed or otherwise attempted to verify the accuracy or completeness of such information. Readers are cautioned that these statements may not be appropriate for their purposes.

Signature
Name, accounting designation

Town or City, NS

Date

4.4 Sample Statement of Financial Position

Museum Name		
Statement of Financial Position		
<i>as at March 31, 2008</i>		
	2008	2007
ASSETS		
Current Assets		
Cash	\$ 15,500	\$ 10,000
Accounts receivable	5,000	3,500
Inventory	5,000	4,200
Prepaid expenses	1,500	750
	<u>27,000</u>	<u>18,450</u>
Investments	75,000	67,500
Capital Assets	54,000	56,800
	<u>\$ 156,000</u>	<u>\$ 142,750</u>
LIABILITIES		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 5,500	3,800
Deferred revenue	7,000	6,000
	<u>12,500</u>	<u>9,800</u>
NET ASSETS		
Net assets invested in capital assets	54,000	56,800
Net assets restricted for endowment	75,000	67,500
Net assets internally restricted	3,500	3,500
Unrestricted net assets	11,000	5,150
	<u>143,500</u>	<u>132,950</u>
	<u>\$ 156,000</u>	<u>\$ 142,750</u>

4.5 Sample Statement of Operations

Museum Name	Statement of Operations for the year ended March 31, 2008	
	2008	2007
Revenue		
<u>Earned</u>		
Admissions and memberships	\$ 35,500	\$ 30,500
Programming	8,300	7,500
Gift shop	20,000	18,000
Rental and fee for service revenue	3,450	2,750
Interest	100	100
	<u>67,350</u>	<u>58,850</u>
<u>Public Funding</u>		
Federal	20,500	16,000
Provincial	15,000	14,000
Municipal	2,500	3,000
Other	1,000	1,000
	<u>39,000</u>	<u>34,000</u>
Donations and fundraising	<u>16,500</u>	<u>11,800</u>
	<u>\$ 122,850</u>	<u>\$ 104,650</u>
Expenses		
<u>Collection, Interpretation and Programming</u>		
Collection and Access to Information	\$ 1,025	\$ 1,000
Interpretation/exhibits	2,500	2,250
Programming	1,650	1,550
	<u>5,175</u>	<u>4,800</u>
<u>Facility</u>		
Maintenance, repair and security	10,200	9,000
Utilities	5,650	4,500
Insurance, rent and taxes	6,775	6,000
	<u>22,625</u>	<u>19,500</u>
<u>Marketing, Fundraising and Giftshop</u>		
Marketing	4,650	4,500
Fundraising	1,350	1,200
Gift shop -cost of goods sold and supplies	10,250	9,000
	<u>16,250</u>	<u>14,700</u>
<u>Administration</u>		
Salaries and benefits	65,620	55,300
Volunteer recognition	500	500
Bank charges and interest	250	200
Credit card charges	350	300
Equipment rental and services	3,000	2,600
Membership fees	350	350
Office supplies and expenses	1,930	1,500
Professional fees	2,000	1,750
Telephone and internet	1,200	1,150
Training and travel	1,500	1,000
	<u>76,700</u>	<u>64,650</u>
	<u>\$ 120,750</u>	<u>\$ 103,650</u>
Excess of Revenue Over Expenditures	<u>\$ 2,100</u>	<u>\$ 1,000</u>

4.6 Sample Statement of Changes in Net Assets

Museum Name						
Statement of Changes in Net Assets						
as at March 31, 2008						
					2008	2007
	Invested in Capital Assets	Restricted for Endowment	Internally Restricted	Unrestricted	Total	Total
<u>Net Assets</u>						
Balance, beginning of year	\$ 56,800	\$ 67,500	\$ 3,500	\$ 5,150	\$ 132,950	\$ 124,950
Excess (deficiency) of revenues over expenses				2,100	\$ 2,100	\$ 1,000
Endowment interest transferred to operations	-	3,750		3,750	-	0
Depreciation expense	-	2,800			-\$ 2,800	3,000
Endowment Contributions/Earnings		11,250			\$ 11,250	10,000
Balance, end of year	\$ 54,000	\$ 75,000	\$ 3,500	\$ 11,000	\$ 143,500	\$ 132,950

4.7 Sample Chart of Accounts

Assets

Current Assets

Bank account #1- Operations
Bank account #2- Restricted
Accounts receivable
Inventory (gift shop)
Prepaid expenses
Investments (Endowment Fund)

Capital Assets

Building/facility
Computer equipment

Liabilities

Accounts payable
Accrued liabilities
Deferred revenue (government grants)

Net Assets

Unrestricted/operating surplus
Restricted net assets- endowment fund
Restricted- net asset- capital assets

Revenue

Earned

Admissions- general
Memberships
Programming- Workshops
Programming- Walking Tours
Programming- Craft courses
Gift shop sales
Rental- board room
Rental- programming room
Fee for service revenue
Interest from Endowment Fund
Interest from operating account

Donations & Fundraising

Donations- individuals
Donations- corporations
Donations- foundations
Sponsorships from businesses
Fundraising - major event
Fundraising activities

Public Funding

Federal- YCW
Federal- CHRC
Federal- DCH
Federal- Other
Provincial- CMAP
Provincial- other funding
Municipal grants
HST rebate

Expenses

Interpretation and Programming

Exhibition maintenance- permanent collections
Exhibition expense- temporary collections
Programming materials
Programming instructors
Other interpretation and programming costs

Collection and Access to Information

Cataloguing supplies
Cataloguing expenses
Preservation materials
Research expenses

Marketing Fundraising and Retail

Advertising- print
Advertising - other
Print materials-design
Print materials-copying
Print materials- distribution
Other marketing
Fundraising event costs
Fundraising expenses (printing, design, mailings)
Cost of goods sold in the gift shop
Gift shop supplies

Facility

Custodial services
Custodial supplies
Grounds maintenance
Insurance- office and property
Rent- additional storage
Repairs and maintenance
Security
Property taxes
Utilities- Oil
Utilities- Water
Utilities- Electricity
Misc facilities expense

Administration/Management

Salaries- Full time employees
Salaries- Fulltime project employees
Salaries- Parttime employees
Salaries- Summer Students
Benefits
Volunteer recognition expenses
Bank charges
Interest expense
Equipment rental
Equipment services/maintenance
Postage and delivery
Office supplies and expenses
Telephone/internet/fax
Credit card fees
Memberships
Professional fees
Training
Travel
Other administrative expenses

4.8 Sample Budget Template

Museum Name

Budget Template: 2008/09 Sample Year

	2008/09 Budget	2007/08	2006/07
Revenue			
<u>Earned</u>			
Admissions- general	36,500	35,000	30,000
Memberships	750	500	500
Programming- Workshops	5,000	5,000	4,950
Programming- Walking Tours	1,000	500	200
Programming- Craft courses	3,000	2,800	2,350
Gift shop sales	24,000	20,000	18,000
Rental- board room	1,000	1,000	750
Rental- programming room	1,500	1,450	1,000
Fee for service revenue	1,000	1,000	1,000
Interest from operating account	150	100	100
	73,900	67,350	58,850
<u>Donations & Fundraising</u>			
Donations- individuals	3,000	3,000	800
Donations- corporations	500	500	500
Donations- foundations	3,000	2,500	1,500
Sponsorships from businesses	500	500	-
Fundraising - major event	7,000	6,500	6,000
Fundraising activities	3,500	3,500	3,000
	17,500	16,500	11,800
<u>Public Funding</u>			
Federal- YCW	12,000	12,000	12,500
Federal- CHRC	2,500	2,500	2,500
Federal- DCH	1,000	6,000	1,000
Federal- Other	-	-	-
Provincial- CMAP	16,000	15,000	14,000
Provincial- other	7,000	-	-
Municipal grants	3,000	2,500	3,000
HST rebate	1,000	1,000	1,000
	42,500	39,000	34,000
	\$ 133,900	\$ 122,850	\$ 104,650

Standard Accounting Guidelines for Museums in Nova Scotia

Museum Name
Budget Template: 2008/09 Sample Year

	2008/09 Budget	2007/08	2006/07
Expenses			
<u>Interpretation and Programming</u>			
Exhibition maintenance- permanent collections	2,000	1,000	800
Exhibition expense- temporary collections	2,000	1,500	1,450
Programming materials	400	400	350
Programming instructors	2,000	1,000	950
Other interpretation and programming costs	500	250	250
	6,900	4,150	3,800
<u>Collection and Access to Information</u>			
Cataloguing supplies	350	250	250
Cataloguing expenses	300	200	200
Preservation materials	500	450	450
Research expenses	500	125	100
	1,650	1,025	1,000
<u>Marketing, Giftshop and Fundraising</u>			
Advertising- print	1,500	1,500	1,500
Advertising - other	400	400	400
Print materials-design	800	750	700
Print materials-copying	1,450	1,400	1,400
Print materials- distribution	350	350	300
Other marketing	250	250	200
Fundraising event costs	1,500	1,000	1,000
Fundraising expenses (printing, design, mailings)	350	350	200
Cost of goods sold -gift shop	12,500	10,000	8,800
Gift shop supplies	300	250	200
	19,400	16,250	14,700
<u>Facility</u>			
Custodial services	4,200	4,000	4,000
Custodial supplies	1,100	1,000	850
Grounds maintenance	1,500	1,500	1,750
Insurance- office and property	5,500	5,000	4,300
Rent- additional storage	500	500	500
Repairs and maintenance	2,500	2,250	2,000
Security	1,100	1,100	400
Property taxes	1,275	1,275	1,200
Utilities- Oil	4,500	3,500	3,000
Utilities- Water	650	650	500
Utilities- Electricity	1,575	1,500	1,000
Misc facilities expense	350	350	-
	24,750	22,625	19,500
<u>Administration/Management</u>			
Salaries- Full time employees	34,000	32,500	31,300
Salaries- Full time project employees	5,000	5,000	3,000
Salaries- Parttime employees	19,000	19,200	13,000
Salaries- Summer students	3,500	3,250	3,000
Benefits	6,150	5,670	5,000
Volunteer recognition expenses	500	500	500
Bank charges	250	250	200
Interest expense	-	-	-
Equipment rental	1,800	1,800	1,450
Equipment services/maintenance	1,200	1,200	1,150
Postage and delivery	400	400	200
Office supplies and expenses	1,200	1,200	1,300
Telephone/internet/fax	1,300	1,200	1,150
Credit card fees	375	350	300
Memberships	350	350	350
Professional fees	2,000	2,000	1,750
Training	1,250	1,000	500
Travel	500	500	500
Other administrative expenses	300	330	-
	79,075	76,700	64,650
Total Expenses	131,775	120,750	103,650
Budgeted Surplus	2,125	2,100	1,000
Fund Transfers			
Endowment Fund Interest	4,000	3,750	3,500
Depreciation Expense	2,500	2,800	3,000

4.9 Sample Cash Flow Projection

Museum Name
Monthly Cash Flow Template
2008/09 Sample

	April	May	June	July	August	Sept	Oct	Nov	Dec	Jan	Feb	March	Total
OPENING BANK BALANCE	15,500	23,151	16,681	16,257	24,603	37,618	45,457	43,507	37,396	33,566	30,346	27,315	15,500
CASH IN: Revenue Sources													
Admissions- general	-	500	4,000	9,500	12,000	8,000	2,500	-	-	-	-	-	36,500
Memberships	250	250	250	-	-	-	-	-	-	-	-	-	750
Programming- Workshops	-	500	1,000	1,000	1,000	1,000	500	-	-	-	-	-	5,000
Programming- Walking Tours	-	-	250	250	250	250	-	-	-	-	-	-	1,000
Programming- Craft courses	-	500	1,000	-	1,000	500	-	-	-	-	-	-	3,000
Gift shop sales	-	1,000	3,000	7,000	8,000	4,000	1,000	-	-	-	-	-	24,000
Rental- board room	-	200	200	-	-	-	300	200	-	-	-	100	1,000
Rental- programming room	-	100	-	-	-	500	500	200	-	-	-	200	1,500
Fee for service revenue	1,000	-	-	-	-	-	-	-	-	-	-	-	1,000
Interest from operating account	10	10	15	15	15	15	15	15	10	10	10	10	150
Donations- individuals	-	-	-	-	-	-	500	500	2,000	-	-	-	3,000
Donations- corporations	500	-	-	-	-	-	-	-	-	-	-	-	500
Donations- foundations	2,000	-	-	-	-	-	-	-	-	-	1,000	-	3,000
Sponsorships from businesses	-	500	-	-	-	-	-	-	-	-	-	-	500
Fundraising - major event	-	-	-	-	-	-	-	-	7,000	-	-	-	7,000
Fundraising activities	1,000	500	1,000	-	-	-	-	-	-	-	1,000	-	3,500
Federal- YCW	-	1,000	3,000	3,000	3,000	2,000	-	-	-	-	-	-	12,000
Federal- CHRC	-	500	1,000	1,000	-	-	-	-	-	-	-	-	2,500
Federal- DCH	-	-	-	-	-	-	-	-	-	-	1,000	-	1,000
Federal- Other	-	-	-	-	-	-	-	-	-	-	-	-	-
Provincial- CMAP	16,000	-	-	-	-	-	-	-	-	-	-	-	16,000
Provincial- Other	-	-	-	-	-	-	-	-	-	-	-	7,000	7,000
Municipal grants	-	-	-	-	-	-	-	-	-	3,000	-	-	3,000
HST rebate	-	-	-	-	-	-	-	1,000	-	-	-	-	1,000
Other Cash Sources:													
Prior Year Accounts Receivable Collected	4,000	1,000	-	-	-	-	-	-	-	-	-	-	5,000
Transfer from Endowment Fund	-	4,000	-	-	-	-	-	-	-	-	-	-	4,000
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL CASH AVAILABLE FOR USE:	40,260	33,711	31,396	38,022	49,868	53,883	50,772	45,422	46,406	36,576	33,356	34,625	142,900

Standard Accounting Guidelines for Museums in Nova Scotia

Museum Name
Monthly Cash Flow Template
2008/09 Sample

	April	May	June	July	August	Sept	Oct	Nov	Dec	Jan	Feb	March	Total
Expenditures													
Exhibition maintenance- permanent	2,000	-	-	-	-	-	-	-	-	-	-	-	2,000
Exhibition expense- temporary	1,000	1,000	-	-	-	-	-	-	-	-	-	-	2,000
Programming materials	-	100	100	100	100	-	-	-	-	-	-	-	400
Programming instructors	-	-	500	750	750	-	-	-	-	-	-	-	2,000
Other interpretation and programming costs	-	75	75	100	100	75	75	-	-	-	-	-	500
Cataloguing supplies	-	50	50	50	50	50	50	50	-	-	-	-	350
Cataloguing expenses	-	100	-	100	-	100	-	-	-	-	-	-	300
Preservation materials	-	-	-	-	-	-	-	500	-	-	-	-	500
Research expenses	-	50	50	50	50	50	50	50	50	50	50	-	500
Advertising- print	-	-	500	500	500	-	-	-	-	-	-	-	1,500
Advertising - other	-	40	40	40	40	40	40	40	40	40	40	-	400
Print materials-design	800	-	-	-	-	-	-	-	-	-	-	-	800
Print materials-copying	-	1,450	-	-	-	-	-	-	-	-	-	-	1,450
Print materials- distribution	-	350	-	-	-	-	-	-	-	-	-	-	350
Other marketing	-	-	100	100	50	-	-	-	-	-	-	-	250
Fundraising event costs	-	-	-	-	-	-	-	750	750	-	-	-	1,500
Fundraising expenses	350	-	-	-	-	-	-	-	-	-	-	-	350
Gift shop purchases	3,000	5,000	1,500	1,500	1,000	500	-	-	-	-	-	-	12,500
Gift shop supplies	300	-	-	-	-	-	-	-	-	-	-	-	300
Custodial services	200	600	600	800	800	600	600	-	-	-	-	-	4,200
Custodial supplies	75	100	150	150	150	150	75	50	50	50	50	50	1,100
Grounds maintenance	-	250	250	250	250	250	250	-	-	-	-	-	1,500
Insurance- office and property	-	-	-	-	-	-	-	-	5,500	-	-	-	5,500
Rent- additional storage	-	500	-	-	-	-	-	-	-	-	-	-	500
Repairs and maintenance	200	200	200	250	250	200	200	200	200	200	200	200	2,500
Security	90	90	90	90	90	90	90	90	90	90	100	100	1,100
Property taxes	625	-	-	-	-	650	-	-	-	-	-	-	1,275
Utilities- Oil	450	450	450	-	-	450	450	450	450	450	450	450	4,500
Utilities- Water	-	-	225	-	-	-	225	-	-	200	-	-	650
Utilities- Electricity	130	130	130	130	130	130	130	130	130	130	130	145	1,575
Misc facilities expense	30	30	30	30	30	30	30	30	30	30	30	20	350
Salaries- Full time employees	2,833	2,833	2,833	2,833	2,833	2,833	2,833	2,833	2,833	2,833	2,833	2,833	34,000
Salaries- Full time project employees	416	416	416	416	417	417	417	417	417	417	417	417	5,000
Salaries- Part time employees	800	3,150	3,150	3,150	3,150	800	800	800	800	800	800	800	19,000
Salaries- Summer Students	-	-	1,000	1,500	1,000	-	-	-	-	-	-	-	3,500
Benefits	405	640	740	790	740	405	405	405	405	405	405	405	6,150
Volunteer recognition expenses	-	-	-	-	-	-	-	-	500	-	-	-	500
Bank charges	20	20	20	20	25	25	20	20	20	20	20	20	250
Interest expense	-	-	-	-	-	-	-	-	-	-	-	-	-
Equipment rental	150	150	150	150	150	150	150	150	150	150	150	150	1,800
Equipment services/maintenance	100	100	100	100	100	100	100	100	100	100	100	100	1,200
Postage and delivery	-	40	40	40	40	40	40	40	40	40	40	-	400
Office supplies and expenses	100	100	100	100	100	100	100	100	100	100	100	100	1,200
Telephone/internet/fax	110	110	110	110	110	110	110	110	110	100	100	110	1,300
Credit card charges	-	5	40	95	120	80	25	10	-	-	-	-	375
Memberships	350	-	-	-	-	-	-	-	-	-	-	-	350
Professional fees	-	-	2,000	-	-	-	-	-	-	-	-	-	2,000
Training	-	-	-	-	-	-	-	625	-	-	-	625	1,250
Travel	50	50	50	50	50	50	50	50	50	-	-	50	500
Other administrative expenses	25	25	25	25	25	25	25	25	25	25	25	25	300
Other Uses of Cash:													
Payment of previous year's accounts payable	5,500	-	-	-	-	-	-	-	-	-	-	-	5,500
Total Cash Out:	20,109	18,204	15,814	14,369	13,200	8,500	7,340	8,025	12,840	6,230	6,040	6,600	137,275
Net Cash Surplus(deficit)	20,151	12,506	11,407	18,803	30,868	38,632	36,607	30,496	26,666	23,446	20,415	21,125	21,125

4.10 Sample Multi-Year Financial Projection

Museum Name Multi-Year Projection

	2008/09 Budget	2009/2010	2010/2011	2007/08 Comparison Year
Revenue				
<u>Earned</u>				
Admissions- general	36,500	38,000	39,000	35,000
Memberships	750	1,000	1,250	500
Programming- Workshops	5,000	5,200	5,400	5,000
Programming- Walking Tours	1,000	1,000	1,200	500
Programming- Craft courses	3,000	3,200	3,300	2,800
Gift shop sales	25,000	27,500	30,000	20,000
Rental- board room	1,000	1,000	1,000	1,000
Rental- programming room	500	500	500	1,450
Fee for service revenue	1,000	1,000	1,000	1,000
Interest from operating account	150	200	225	100
	<u>73,900</u>	<u>78,600</u>	<u>82,875</u>	<u>67,350</u>
<u>Donations & Fundraising</u>				
Donations- individuals	3,000	3,500	4,000	3,000
Donations- corporations	500	1,000	1,000	500
Donations- foundations	3,000	3,000	3,500	2,500
Sponsorships from businesses	500	1,000	1,000	500
Fundraising - major event	7,000	7,500	8,000	6,500
Fundraising activities	3,500	3,500	4,000	3,500
	<u>17,500</u>	<u>19,500</u>	<u>21,500</u>	<u>16,500</u>
<u>Public Funding</u>				
Federal- YCW	12,000	12,000	13,000	12,000
Federal- CHRC	2,500	3,000	3,000	2,500
Federal- DCH	1,000	2,000	2,000	6,000
Federal- Other	-	500	500	-
Provincial- CMAP	16,000	18,000	18,000	15,000
Provincial-Other	7,000	2,000	2,000	-
Municipal grants	3,000	3,000	3,500	2,500
HST rebate	1,000	1,250	1,500	1,000
	<u>42,500</u>	<u>41,750</u>	<u>43,500</u>	<u>39,000</u>
	<u>\$ 133,900</u>	<u>\$ 139,850</u>	<u>\$ 147,875</u>	<u>\$ 122,850</u>

Standard Accounting Guidelines for Museums in Nova Scotia

Museum Name
Multi-Year Projection

	2008/09 Budget	2009/2010	2010/2011	2007/08 Comparison Year
Expenses				
<u>Interpretation and Programming</u>				
Exhibition maintenance- permanent collections	2,000	2,500	3,000	1,000
Exhibition expense- temporary collections	2,000	2,500	3,000	1,500
Programming materials	400	500	500	400
Programming instructors	2,000	2,000	2,500	1,000
Other interpretation and programming costs	500	500	500	250
	<u>6,900</u>	<u>8,000</u>	<u>9,500</u>	<u>4,150</u>
<u>Collections & Access to Information</u>				
Cataloguing supplies	350	500	500	250
Cataloguing expenses	300	500	500	200
Preservation materials	500	1,000	1,000	450
Research expenses	500	1,000	1,000	125
	<u>1,650</u>	<u>3,000</u>	<u>3,000</u>	<u>1,025</u>
<u>Marketing, Fundraising and Retail</u>				
Advertising- print	1,500	1,600	1,700	1,500
Advertising - other	400	500	500	400
Print materials-design	800	1,000	1,000	750
Print materials-copying	1,450	1,500	1,500	1,400
Print materials- distribution	350	400	400	350
Other marketing	250	300	300	250
Fundraising event costs	1,500	1,500	1,750	1,000
Fundraising expenses	350	350	400	350
Cost of goods sold -gift shop	12,500	13,750	15,000	10,000
Gift shop supplies	300	400	500	250
	<u>19,400</u>	<u>21,300</u>	<u>23,050</u>	<u>16,250</u>
<u>Facility</u>				
Custodial services	4,200	4,200	4,300	4,000
Custodial supplies	1,100	1,200	1,300	1,000
Grounds maintenance	1,500	1,750	2,000	1,500
Insurance- office and property	5,500	6,000	6,500	5,000
Rent- additional storage	500	500	550	500
Repairs and maintenance	2,500	3,000	3,500	2,250
Security	1,100	1,200	1,300	1,100
Property taxes	1,275	1,300	1,300	1,275
Utilities- Oil	4,500	5,000	5,500	3,500
Utilities- Water	650	675	700	650
Utilities- Electricity	1,575	1,650	1,700	1,500
Misc facilities expense	350	350	350	350
	<u>24,750</u>	<u>26,825</u>	<u>29,000</u>	<u>22,625</u>
<u>Administration/Management</u>				
Salaries- Full time employees	34,000	35,000	36,000	32,500
Salaries- Full time project employees	5,000	-	-	5,000
Salaries- Partime employees	19,000	21,000	21,000	19,200
Salaries- Summer students	3,500	4,000	4,500	3,250
Benefits	6,150	6,000	6,250	5,670
Volunteer recognition expenses	500	750	1,000	500
Bank charges	250	250	250	250
Equipment rental	1,800	1,900	2,000	1,800
Equipment services/maintenance	1,200	1,400	1,600	1,200
Postage and delivery	400	500	600	400
Office supplies and expenses	1,200	1,300	1,400	1,200
Telephone/internet/fax	1,300	1,400	1,500	1,200
Credit card fees	375	400	400	350
Memberships	350	400	400	350
Professional fees	2,000	2,200	2,200	2,000
Training	1,250	1,250	1,500	1,000
Travel	500	500	600	500
Other administrative expenses	300	300	300	330
	<u>79,075</u>	<u>78,550</u>	<u>81,500</u>	<u>76,700</u>
Total Expenses	<u>131,775</u>	<u>137,675</u>	<u>146,050</u>	<u>120,750</u>
Budgeted Surplus	\$ 2,125	\$ 2,175	\$ 1,825	\$ 2,100
Fund Transfers				
Endowment Fund Interest	\$ 4,000	\$ 4,250	\$ 4,500	\$ 3,750
Depreciation Expense	-\$ 2,500	-\$ 2,250	-\$ 2,000	-\$ 2,800