The McCord Stewart Museum Foundation

Financial Statements
For the year ended March 31, 2025

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The McCord Stewart Museum Foundation

Table of contents

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INDEPENDENT AUDITOR'S REPORT

To the Directors of
The McCord Stewart Museum Foundation

Qualified Opinion

We have audited the financial statements of The McCord Stewart Museum Foundation (the “Foundation”), which comprise the balance sheet as at March 31, 2025, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as at March 31, 2025, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Qualified Opinion

As is the case in many charitable organizations, the Foundation receives revenue from donations, the completeness of which cannot be satisfactorily audited. Accordingly, our audit of this revenue was limited to the amounts recorded in the Foundation's accounts and we were unable to determine whether any adjustments should have been made to revenue, excess of revenue over expenses and cash flows from operating activities for the year ended March 31, 2025, assets as at March 31, 2025 and net assets as at April 1, 2024 and March 31, 2025.

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 Foundation in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Other Matter

The financial statements for the year ended March 31, 2024 were audited by another auditor who expressed an unmodified opinion on those financial statements on July 18, 2024.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

DEMERS BEAULNE, LLP
MONTREAL OFFICE
1800, AV. MCGILL COLLEGE, SUITE 600
MONTREAL (QUEBEC) H3A 3J6, CANADA
T +1 514 878.9631 F +1 514 874.0319
DEMERSBEAULNE.COM

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 Foundation's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Foundation'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 Foundation 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.

Demers Beaulne, LLP [1]

Partnership of Chartered Professional Accountants

Montreal, July 30, 2025

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[1] CPA auditor, public accountancy permit Nº A138112

Statement of Operations
For the year ended March 31, 2025

	2025	2024
	$	$
Revenue		
Fundraising		
Annual campaign	**232,851**	210,324
Major gifts	**844,827**	717,239
Centennial Fund campaign	**-**	37,500
Fundraising activities	**901,736**	539,330
Conseil des arts de Montréal	**9,172**	19,733
	1,988,586	1,524,126
Expenses		
Administration	**467,375**	498,585
Fundraising		
Annual campaign	**32,781**	13,436
Donors recognition	**38,157**	18,777
Fundraising activities	**465,784**	393,316
Marketing and communications	**12,542**	-
	1,016,639	924,114
Excess of revenue over expenses from operations before other revenue	**971,947**	600,012
Other revenue (Exhibit A)	**2,623,359**	3,980,589
Excess of revenue over expenses before contributions	**3,595,306**	4,580,601
Contributions to the McCord Stewart Museum	**(2,972,165)**	(3,004,404)
Excess of revenue over expenses	**623,141**	1,576,197

The accompanying notes are an integral part of these financial statements.

The McCord Stewart Museum Foundation

Statement of Changes in Net Assets
For the year ended March 31, 2025

	Internally restricted	Unrestricted	**2025 Total**	2024 Total
	$	$	**$**	$
Balance, beginning of year	1,837,602	30,993,044	**32,830,646**	31,254,449
Excess of revenue over expenses	-	623,141	**623,141**	1,576,197
Balance, end of year	1,837,602	31,616,185	**33,453,787**	32,830,646

The accompanying notes are an integral part of these financial statements.

The McCord Stewart Museum Foundation

Balance Sheet
As at March 31, 2025

	2025	2024
	$	$
Current assets		
Cash	**424,775**	1,136,746
Accounts receivable (Note 3)	**45,243**	32,437
Due from the McCord Stewart Museum - activities	**-**	165,207
Prepaid expenses	**136,003**	223,017
	606,021	1,557,407
Investments, at fair value (Note 4)	**33,623,868**	31,869,770
	34,229,889	33,427,177
Current liabilities		
Accounts payable and accrued liabilities	**12,779**	84,517
Deferred revenue	**172,482**	512,014
Due to the McCord Stewart Museum - activities	**590,841**	-
	776,102	596,531
Net assets		
Internally restricted	**1,837,602**	1,837,602
Unrestricted	**31,616,185**	30,993,044
	33,453,787	32,830,646
	34,229,889	33,427,177

The accompanying notes are an integral part of these financial statements.

On behalf of the Board

_____________________________, Director

_____________________________, Director

Statement of Cash Flows
For the year ended March 31, 2025

	2025	2024
	$	$
Operating activities		
Excess of revenue over expenses	**623,141**	1,576,197
Non-cash item:		
Changes in fair value of investments	**(1,602,676)**	(3,410,185)
	(979,535)	(1,833,988)
Net change in non-cash items related to operating activities	**418,986**	135,823
	(560,549)	(1,698,165)
Investing activity		
Net disposal (acquisition) of investments	**(151,422)**	699,499
Decrease in cash and cash equivalents	**(711,971)**	(998,666)
Cash and cash equivalents, beginning of year	**1,136,746**	2,135,412
Cash and cash equivalents, end of year	**424,775**	1,136,746

Cash and cash equivalents consist of cash.

The accompanying notes are an integral part of these financial statements.

1. Incorporation and objectives of the Foundation

The McCord Stewart Museum Foundation (hereafter the "Foundation") is a not-for-profit organization incorporated on May 31, 1993 under the Canada Corporations Act. It is a registered charity organization under the Income Tax Act. As such, it is exempt from tax.

The objectives of the Foundation are to solicit, receive or otherwise collect funds through donations, legacies or other similar contributions either consisting of money, securities or other movable or immovable property for the purpose of funding or distributing funds to the McCord Stewart Museum.

2. Accounting policies

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO). ASNPO are part of Canadian GAAP.

Revenue recognition

Revenue from unrestricted donations is recorded when received. Restricted donations and contributions are deferred and recorded as revenue when the related expense is incurred. Fundraising events revenue is recognized when the events are held. Amounts received in advance of events comprise the deferred revenue balance.

Investment income is recognized as revenue when earned.

Cash and cash equivalents

Cash and cash equivalents include highly liquid cash and short-term investments that are readily convertible to known amounts of cash, with original maturities of three months or less.

Use of estimates

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

Financial instruments

Financial assets and liabilities are initially measured at fair value. Subsequently, financial assets and liabilities are measured at amortized cost, except for investments, which are measured at fair value.

3. Accounts receivable

	2025	2024
	$	$
Accounts receivable	**-**	13,580
Sales taxes receivable	**45,243**	18,857
	45,243	32,437

4. Investments

	2025	2024
	$	$
Money market funds	**2,265,400**	1,592,669
Fixed income funds	**8,706,989**	7,585,807
Canadian equity funds	**9,344,500**	8,964,652
Global equity funds	**13,306,979**	13,726,642
	33,623,868	31,869,770

As at March 31, 2025, the total cost of investments is $31,766,864 ($27,273,666 in 2024).

5. Commitments

In connection with the combination agreement signed on June 30, 2013 by the McCord Stewart Museum (the “Museum”), the Foundation has committed to fund the Museum an annual amount of at least 4.25% of its investments as well as transferring net proceeds of fundraising activities to the Museum.

During the year 2017, the Museum and the Foundation signed a funding agreement whereby the Foundation guarantees or provides a line of credit of up to $1,500,000 for the Museum as well as guarantees or provides a further $600,000 related to a separate line of credit of the Museum, none of which is drawn as at March 31, 2025 (not used in 2024).

The Foundation has an authorized unsecured line of credit of $500,000, bearing interest at the prime rate plus 1%. As at March 31, 2025, the line of credit is not used.

6. Internal allocations

The Foundation has a practice of internally restricting planned giving donations.

During the year, the Foundation has not received planned giving donations that have been transferred from the unrestricted net assets to the internally restricted net assets by the decision of the Board.

7. Contributions to the Museum

During the year, the Foundation made the following contributions to the Museum:

	2025	2024
	$	$
Restricted		
Collections	**38,639**	13,579
Exhibitions	**239,850**	174,113
Education, community engagement and cultural programs	**175,000**	176,298
New museum project	**-**	175,000
Unrestricted		
Net proceeds of fundraising activities	**302,200**	520,200
Income distribution from investments	**2,216,477**	1,945,214

In the normal course of its operations, some salary expenses are incurred by the Museum on behalf of the Foundation and are charged to the Foundation at cost.

8. Financial instruments

Financial instruments expose the Foundation to various financial risks. The significant financial risks arising from financial instruments are summarized below:

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Foundation is exposed to liquidity risk through its financial liabilities.

8. Financial instruments (continued)

Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Foundation is exposed to price risk primarily through its investments.

9. Comparative figures

Some comparative figures have been reclassified to conform with the presentation adopted in the current year.

	2025	2024
	$	$
Exhibit A - Other revenue		
Change in fair value of investments	**1,602,676**	3,211,930
Distributions	**1,140,965**	878,685
Brokerage fees	**(120,282)**	(110,026)
	2,623,359	3,980,589