

**ST. BONIFACE MUSEUM BOARD
operating as LE MUSÉE DE
SAINT-BONIFACE MUSEUM**

Financial Statements
For the year ended December 31, 2018

ST. BONIFACE MUSEUM BOARD
operating as LE MUSÉE DE SAINT-BONIFACE MUSEUM

Financial Statements
For the year ended December 31, 2018

Contents

Independent Auditor's Report	2
Financial Statements	
Statement of Financial Position	4
Statement of Changes in Net Assets	5
Statement of Operations	6
Statement of Cash Flows	7
Notes to Financial Statements	8



Tel: 204-956-7200
Fax: 204-926-7201
Toll-Free: 866-863-6601
www.bdo.ca

BDO Canada LLP
700 - 200 Graham Avenue
Winnipeg MB R3C 4L5 Canada

Independent Auditor's Report

To the Board of Directors of St. Boniface Museum Board operating as Le Musée de Saint-Boniface Museum

Opinion

We have audited the financial statements of **St. Boniface Museum Board operating as Le Musée de Saint-Boniface Museum** (the "Museum"), which comprise the statement of financial position as at December 31, 2018, and the statements of operations, changes in net assets, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of **St. Boniface Museum Board exerçant ses activités sous Le Musée de Saint-Boniface Museum** as at December 31, 2018, and the results of its operations and its cash flows for the year then ended with accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Museum in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our 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 public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Museum's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Museum or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Museum's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Museum's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Museum to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

BDO Canada LLP

Chartered Professional Accountants

Winnipeg, Manitoba
March 25, 2019

ST. BONIFACE MUSEUM BOARD
operating as LE MUSÉE DE SAINT-BONIFACE MUSEUM
Statement of Financial Position

As at December 31 **2018** 2017

Assets

Current Assets

Cash and bank	\$ 65,055	\$ 81,483
Grants and accounts receivable	42,745	35,877
Prepays	885	-
Gift shop inventory	58,003	43,675
	<u>166,688</u>	<u>161,035</u>

Capital assets (Note 4)	<u>25,547</u>	<u>34,286</u>
--------------------------------	---------------	---------------

	<u>\$ 192,235</u>	<u>\$ 195,321</u>
--	-------------------	-------------------

Liabilities and Net Assets

Current Liabilities

Accounts payable and accrued liabilities (Note 5)	\$ 90,885	\$ 80,617
Deferred revenue (Note 6)	36,309	64,494
	<u>127,194</u>	<u>145,111</u>

Deferred contributions related to capital assets (Note 7)	<u>22,409</u>	<u>31,798</u>
--	---------------	---------------

	<u>149,603</u>	<u>176,909</u>
--	----------------	----------------

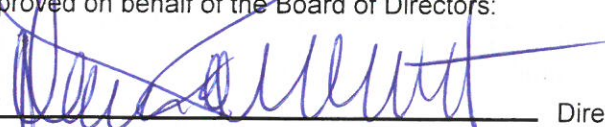
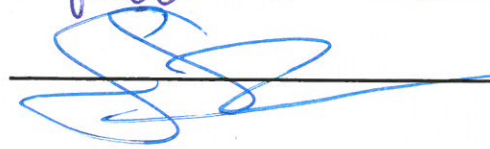
Net Assets

Unrestricted	19,494	15,924
Internally restricted for major repairs (Note 9)	20,000	-
Invested in capital assets	3,138	2,488

	<u>42,632</u>	<u>18,412</u>
--	---------------	---------------

	<u>\$ 192,235</u>	<u>\$ 195,321</u>
--	-------------------	-------------------

Approved on behalf of the Board of Directors:

	Director
	Director

ST. BONIFACE MUSEUM BOARD
operating as LE MUSÉE DE SAINT-BONIFACE MUSEUM
Statement of Changes in Net Assets

For the year ended December 31, 2018

	Unrestricted	Internally Restricted for Major Repairs	Invested in Capital Assets	Total 2018	Total 2017
Balance, beginning of year	\$ 15,924	\$ -	\$ 2,488	\$ 18,412	18,267
Excess (deficiency) of revenue over expenses for the year	25,082	-	(862)	24,220	26,237
Interfund transfers					
Appropriation (Note 9)	(20,000)	20,000	-	-	-
Acquisition of capital assets	(1,512)	-	1,512	-	-
Balance, end of year	\$ 19,494	\$ 20,000	\$ 3,138	\$ 42,632	18,412

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

ST. BONIFACE MUSEUM BOARD
operating as LE MUSÉE DE SAINT-BONIFACE MUSEUM
Statement of Operations

For the year ended December 31, 2018

	Operating Fund	Projects Fund	2018 Total	2017 Total
Revenue				
Grants				
City of Winnipeg				
Operating	\$ 450,000	\$ -	\$ 450,000	\$ 450,000
Province of Manitoba	8,330	51,200	59,530	55,956
Government of Canada	36,124	-	36,124	73,348
Admissions and program fees	57,863	-	57,863	49,731
Gift shop sales	51,101	-	51,101	53,056
Sponsorships	3,000	-	3,000	4,750
Other	18,634	9,000	27,634	39,049
	625,052	60,200	685,252	725,890
Deferred revenue, beginning of year (Note 6)	-	64,494	64,494	66,534
Amortization of deferred contributions related to capital assets (Note 7)	9,389	-	9,389	6,641
Deferred revenue, end of year (Note 6)	-	(36,309)	(36,309)	(64,494)
	634,441	88,385	722,826	734,571
Expenses				
Advertising	3,077	24,214	27,291	14,866
Amortization	10,251	-	10,251	7,603
Artifact and curatorial	842	-	842	2,746
Bank charges and payroll fees	4,244	-	4,244	4,522
Conference and training	551	3,358	3,909	5,804
Gift shop	40,974	-	40,974	37,688
Insurance	1,620	-	1,620	1,792
Maintenance	51,759	439	52,198	22,037
Office and technology	9,756	2,313	12,069	28,227
Other	1,649	-	1,649	4,520
Payroll tax	8,228	-	8,228	8,979
Printing	4,444	1,004	5,448	5,276
Professional fees	3,111	24,079	27,190	23,481
Programming and visitor services	7,413	14,905	22,318	19,554
Salaries and benefits	404,377	18,073	422,450	468,676
Storage	39,119	-	39,119	36,954
Utilities	18,806	-	18,806	15,609
	610,221	88,385	698,606	708,334
Excess of revenue over expenses for the year	\$ 24,220	\$ -	\$ 24,220	\$ 26,237

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

ST. BONIFACE MUSEUM BOARD
operating as LE MUSÉE DE SAINT-BONIFACE MUSEUM
Statement of Cash Flows

For the year ended December 31	2018	2017
Cash Flows from Operating Activities		
Excess of revenue over expenses for the year	\$ 24,220	\$ 26,237
Adjustments for items not affecting cash		
Amortization of deferred contributions	(9,389)	(6,641)
Amortization of capital assets	10,251	7,603
	<u>25,082</u>	<u>27,199</u>
Changes in non-cash working capital balances		
Grants and accounts receivable	(6,868)	(12,967)
Gift shop inventory	(14,328)	(4,679)
Prepays	(885)	-
Accounts payable and accrued liabilities	10,268	(5,746)
Deferred revenue	(28,185)	(2,040)
	<u>(14,916)</u>	<u>1,767</u>
Cash Flows from Investing and Financing Activities		
Contributions related to capital assets	-	29,710
Acquisition of capital assets	(1,512)	(29,710)
	<u>(1,512)</u>	<u>-</u>
Net increase (decrease) in cash and bank during the year	(16,428)	1,767
Cash and bank, beginning of year	81,483	79,716
Cash and bank, end of year	\$ 65,055	\$ 81,483

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

ST. BONIFACE MUSEUM BOARD
operating as LE MUSÉE DE SAINT-BONIFACE MUSEUM
Notes to Financial Statements

For the year ended December 31, 2018

1. Nature of Operations

St. Boniface Museum Board operating as Le Musée de Saint-Boniface Museum ("Museum") collects, preserves, researches, and interprets a collection of artifacts relating to Western Canada's French-Canadian and Métis heritage, while acknowledging the historical contributions of the First Nations and the religious communities.

First established by the City of Saint-Boniface in 1959, the Museum now functions under the authority of the City of Winnipeg. Under The Saint-Boniface Museum by-law no. 4824/88, the Board of Directors manages, controls and operates the Saint-Boniface Museum.

2. Summary of Significant Accounting Policies

a. Basis of Accounting and Management Responsibility for the Financial Statements

The financial statements are the responsibility of management. They have been prepared in accordance with Canadian public sector accounting standards for government not-for-profit organizations as established by the Public Sector Accounting Board.

b. Revenue Recognition

The Museum follows the deferral method of accounting for contributions that include donations and grants. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions, which consist of revenue derived from merchandise sales and admissions, are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

c. Gift Shop Inventory

Cost is generally determined on the first-in, first-out basis. Inventory is stated at the lower of cost and net realizable value.

d. Capital Assets

Capital assets are stated at their acquisition cost less accumulated amortization. Amortization is provided on a straight-line basis over the assets' estimated useful lives, which for equipment is 5 years.

ST. BONIFACE MUSEUM BOARD
operating as LE MUSÉE DE SAINT-BONIFACE MUSEUM
Notes to Financial Statements

For the year ended December 31, 2018

2. Summary of Significant Accounting Policies (continued)

e. Financial Instruments

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, equities traded in an active market are reported at fair value, with any unrealized gains and losses reported in operations. All other financial instruments are reported at cost or amortized cost less impairment. Financial assets are tested for impairment when changes in circumstances indicate the asset could be impaired. Transaction costs on the acquisition, sale or issue of financial instruments are expensed for those items remeasured at fair value at each statement of financial position date and charged to the financial instrument for those measured at amortized cost.

f. Use of Estimates

The preparation of financial statements in accordance with Canadian public sector accounting standards for government not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from management's best estimates.

3. Line of Credit

The Museum has an agreement for a line of credit with a maximum of \$20,000. The line of credit bears interest at the bank's prime rate plus 1% which is 4.95% at December 31, 2018, is guaranteed by a General Security Agreement, and is unutilized at year end.

4. Capital Assets

	<u>2018</u>		<u>2017</u>	
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
Equipment	\$ 91,747	\$ 66,200	\$ 25,547	\$ 34,286

ST. BONIFACE MUSEUM BOARD
operating as LE MUSÉE DE SAINT-BONIFACE MUSEUM
Notes to Financial Statements

For the year ended December 31, 2018

5. Accounts Payable and Accrued Liabilities

	2018	2017
Government remittances	\$ 503	\$ 986
Salaries and benefits	27,536	17,713
Other payables and accrued liabilities	43,388	37,557
Vacation pay	19,458	24,361
	\$ 90,885	\$ 80,617

6. Deferred Revenue

A portion of specific grants and donations received has been deferred since the related projects have not been completed during the current year. A summary of the transactions for the year is as follows:

	Deferred Revenue at December 31 2017	Amounts Received or Receivable in 2018	Revenue Recognized Transferred in 2018	Deferred Revenue at December 31 2018
Artisanal workshops	\$ 900	\$ -	\$ 900	\$ -
Database	5,976	-	5,976	-
Manitoba's Trails 1885	7,500	-	-	7,500
Restorations	12,579	-	-	12,579
Signature Museum	30,379	55,800	73,855	12,324
Signature Museum MB Joint	2,434	9,000	7,528	3,906
Turenne	4,726	-	4,726	-
	\$ 64,494	\$ 64,800	\$ 92,985	\$ 36,309

The Museum has recognized revenue in the amount of \$4,600 in the Operating Fund and \$88,385 in the Project Fund for the year ended December 31, 2018.

ST. BONIFACE MUSEUM BOARD
operating as LE MUSÉE DE SAINT-BONIFACE MUSEUM
Notes to Financial Statements

For the year ended December 31, 2018

7. Deferred Contributions Related to Capital Assets

Deferred contributions related to capital assets represent the unamortized portion of grants and donations received with which capital assets have been purchased.

Changes in deferred contributions related to capital assets are as follows:

	<u>2018</u>	<u>2017</u>
Balance, beginning of year	\$ 31,798	\$ 8,729
Grants received during the year		
Government of Canada		
Database	-	16,830
Turenne	-	3,354
Province of Manitoba		
Revision to conservation practices	-	3,631
Signature Museum MB Joint	-	5,895
Amount amortized to revenue during the year	<u>(9,389)</u>	<u>(6,641)</u>
Balance, end of year	<u>\$ 22,409</u>	<u>\$ 31,798</u>

8. Commitment

The Museum has a lease agreement for storage with annual lease payments of \$24,000 plus common area costs estimated at \$12,700 expiring in May 2020.

The Museum has a lease agreement for computer equipment with annual lease payments of \$3,200 expiring in February 2020.

9. Internally Restricted Net Assets

During the year, the Board of Directors has restricted \$20,000 for major repairs.

10. Collection

The collection consists primarily of artifacts received by way of donations, loans and purchases. The collection is held in public trust for conservation and display by the Museum. The collection is not recorded in the statement of financial position.

ST. BONIFACE MUSEUM BOARD
operating as LE MUSÉE DE SAINT-BONIFACE MUSEUM
Notes to Financial Statements

For the year ended December 31, 2018

11. Economic Dependence

The Museum is economically dependent for funding from the City of Winnipeg and other government bodies for its continued operations.

12. Financial Instrument Risk Management

The Museum, through its financial assets and liabilities, is exposed to various risks in the normal course of operations. The Museum's objective in risk management is to optimize the risk return trade-off, within set limits, by applying integrated risk management and control strategies, policies and procedures throughout the organization's activities. The following analysis provides a measurement of those risks at year end.

Credit Risk

Credit risk is the risk that the organization will incur a loss due to the failure by its debtors to meet their contractual obligations. Financial instruments that potentially subject the organization to significant concentrations of credit risk consist primarily of grants and accounts receivable. The Museum is not exposed to significant credit risk as the grants are primarily due from governments that pay in accordance to the funding agreements.

Liquidity Risk

Liquidity risk is the risk that the Museum will not be able to meet its obligations as they fall due. The Museum maintains adequate levels of working capital to ensure all its obligations can be met when they fall due.