

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

**Financial Statements
For the year ended December 31, 2019**

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

Financial Statements
For the year ended December 31, 2019

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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, 2019, 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 operating as Le Musée de Saint-Boniface Museum as at December 31, 2019, 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
June 25, 2020

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

As at December 31 **2019** **2018**

Assets

Current Assets

Cash and bank	\$ 81,019	\$ 65,055
Grants and accounts receivable	21,153	42,745
Prepays	-	885
Gift shop inventory	62,456	58,003
	<u>164,628</u>	<u>166,688</u>

Capital assets (Note 4)

28,427 25,547

\$ 193,055 \$ 192,235

Liabilities and Net Assets

Current Liabilities

Accounts payable and accrued liabilities (Note 5)	\$ 69,050	\$ 90,885
Deferred revenue (Note 6)	32,144	36,309
	<u>101,194</u>	<u>127,194</u>

Deferred contributions related to capital assets (Note 7)

19,607 22,409

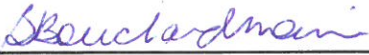
120,801 149,603

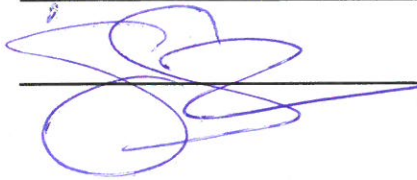
Net Assets

Unrestricted	43,434	19,494
Internally restricted for major repairs (Note 9)	20,000	20,000
Invested in capital assets	8,820	3,138
	<u>72,254</u>	<u>42,632</u>

\$ 193,055 \$ 192,235

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, 2019

	2019			2018	
	Unrestricted	Internally Restricted for Major Repairs	Invested in Capital Assets	Total	Total
Balance, beginning of year	\$ 19,494	\$ 20,000	\$ 3,138	\$ 42,632	18,412
Excess (deficiency) of revenue over expenses for the year	31,377	-	(1,755)	29,622	24,220
Interfund transfers					
Acquisition of capital assets	(7,437)	-	7,437	-	-
Balance, end of year	\$ 43,434	\$ 20,000	\$ 8,820	\$ 72,254	42,632

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, 2019

	2019		2018	
	Operating Fund	Projects Fund	Total	Total
Revenue				
Grants				
City of Winnipeg				
Operating	\$ 450,000	\$ -	\$ 450,000	\$ 450,000
Province of Manitoba	3,200	55,800	59,000	59,530
Government of Canada	36,905	-	36,905	36,124
Admissions and program fees	53,994	-	53,994	57,863
Gift shop sales	62,673	-	62,673	51,101
Sponsorships	3,000	-	3,000	3,000
Other	33,847	7,897	41,744	27,634
	643,619	63,697	707,316	685,252
Deferred revenue, beginning of year (Note 6)	-	36,309	36,309	64,494
Acquisition of capital assets financed by deferred contributions (Note 7)	-	(5,280)	(5,280)	-
Amortization of deferred contributions related to capital assets (Note 7)	8,082	-	8,082	9,389
Deferred revenue, end of year (Note 6)	-	(32,144)	(32,144)	(36,309)
	651,701	62,582	714,283	722,826
Expenses				
Advertising	2,087	21,301	23,388	27,291
Amortization	9,837	-	9,837	10,251
Artifact and curatorial	12,145	-	12,145	842
Bank charges and payroll fees	2,812	-	2,812	4,244
Conference and training	1,832	5,196	7,028	3,909
Gift shop	39,710	-	39,710	40,974
Insurance	1,375	-	1,375	1,620
Maintenance	41,590	-	41,590	52,198
Office and technology	16,793	1,050	17,843	12,069
Other	559	-	559	1,649
Payroll tax	7,495	-	7,495	8,228
Printing	5,179	313	5,492	5,448
Professional fees	4,505	10,725	15,230	27,190
Programming and visitor services	7,082	19,227	26,309	22,318
Salaries and benefits	407,981	4,770	412,751	422,450
Storage	40,243	-	40,243	39,119
Utilities	20,854	-	20,854	18,806
	622,079	62,582	684,661	698,606
Excess of revenue over expenses for the year	\$ 29,622	\$ -	\$ 29,622	\$ 24,220

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	2019	2018
Cash Flows from Operating Activities		
Excess of revenue over expenses for the year	\$ 29,622	\$ 24,220
Adjustments for items not affecting cash		
Amortization of deferred contributions	(8,082)	(9,389)
Amortization of capital assets	9,837	10,251
	<u>31,377</u>	<u>25,082</u>
Changes in non-cash working capital balances		
Grants and accounts receivable	21,592	(6,868)
Gift shop inventory	(4,454)	(14,328)
Prepays	885	(885)
Accounts payable and accrued liabilities	(21,834)	10,268
Deferred revenue	(4,165)	(28,185)
	<u>23,401</u>	<u>(14,916)</u>
Cash Flows from Investing and Financing Activities		
Contributions related to capital assets	5,280	-
Acquisition of capital assets	(12,717)	(1,512)
	<u>(7,437)</u>	<u>(1,512)</u>
Net increase (decrease) in cash and bank during the year	15,964	(16,428)
Cash and bank, beginning of year	65,055	81,483
Cash and bank, end of year	\$ 81,019	\$ 65,055

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, 2019

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, 2019

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, 2019, is guaranteed by a General Security Agreement, and is unutilized at year end.

4. Capital Assets

	2019		2018	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Equipment	\$ 104,463	\$ 76,036	\$ 28,427	\$ 25,547

ST. BONIFACE MUSEUM BOARD
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Notes to Financial Statements

For the year ended December 31, 2019

5. Accounts Payable and Accrued Liabilities

	2019	2018
Government remittances	\$ 397	\$ 503
Salaries and benefits	5,666	27,536
Other payables and accrued liabilities	43,582	43,388
Vacation pay	19,405	19,458
	<u>\$ 69,050</u>	<u>\$ 90,885</u>

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 2018	Amounts Received or Receivable in 2019	Revenue Recognized Transferred in 2019	Deferred Revenue at December 31 2019
Manitoba's Trails 1885	\$ 7,500	\$ -	\$ -	\$ 7,500
Restorations	12,579	-	-	12,579
Signature Museum	12,324	55,800	60,417	7,707
Signature Museum MB Joint	3,906	7,897	7,445	4,358
	<u>\$ 36,309</u>	<u>\$ 63,697</u>	<u>\$ 67,862</u>	<u>\$ 32,144</u>

The Museum has recognized revenue in the amount of \$NIL (\$4,600 in 2018) in the Operating Fund and \$62,582 (\$88,385 in 2018) in the Project Fund for the year ended December 31, 2019.

ST. BONIFACE MUSEUM BOARD
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Notes to Financial Statements

For the year ended December 31, 2019

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:

	2019	2018
Balance, beginning of year	\$ 22,409	\$ 31,798
Grants received during the year		
Province of Manitoba - Signature Museum	5,280	-
Amount amortized to revenue during the year	(8,082)	(9,389)
Balance, end of year	\$ 19,607	\$ 22,409

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 \$2,500 expiring in July 2024.

The Museum has a five year lease agreement for Enterprise license and support for 24 monthly payments ending in January 2021. Payments totalling \$2,200 are expected in 2020.

9. Internally Restricted Net Assets

In 2019, the Board of Directors 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
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Notes to Financial Statements

For the year ended December 31, 2019

11. Economic Dependence

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

12. Subsequent event

Subsequent to year end, the impact of COVID-19 in Canada and on the global economy increased significantly. As the impacts of COVID-19 continue, there could be further impact on the Museum, its funders and donors. Management is actively monitoring the affect on its financial condition, liquidity, operations, suppliers, industry, and workforce. Given the daily evolution of the COVID-19 out break and the global responses to curb its spread, the Museum is not able to fully estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity at this time.

13. 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.