

REVIEW ENGAGEMENT REPORT

**TO THE BOARD OF DIRECTORS,
MANITOBA CRAFTS MUSEUM AND LIBRARY INC.**

I have reviewed the Statement of Financial Position of Manitoba Crafts Museum and Library Inc. as at December 31, 2016 and the Statements of Operations and Cash Flows for the year then ended.

My review was made in accordance with Canadian generally accepted standards for review engagements and accordingly consisted primarily of enquiry, analytical procedures and discussion related to information supplied to me by the organization.

A review does not constitute an audit and consequently I do not express an audit opinion on these financial statements.

Based on my review, nothing has come to my attention that causes me to believe that these financial statements are not, in all material respects, in accordance with Canadian accounting standards for not-for-profit organizations.

**WINNIPEG, MANITOBA
MARCH 13, 2017**



**TOM W. BOBBY
CHARTERED PROFESSIONAL ACCOUNTANT**

MANITOBA CRAFTS MUSEUM AND LIBRARY INC.
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31
(UNAUDITED- SEE NOTICE TO READER)

ASSETS

	2016	2015
CURRENT ASSETS		
Chequing Account	\$100,606	\$74,514
Other Cash Equivalents	364	384
Total Cash and Equivalents	100,970	74,898
Prepaid Insurance	982	1,457
Prepaid Expenses - Other	2,906	5,404
Total Prepaid Expenses	3,888	6,861
GST Receivable	1,494	524
Accounts Receivable	4,416	2,156
Total Current Assets	110,768	84,439
Capital Assets (Note 1b)	3,956	4,396
TOTAL ASSETS	\$114,724	\$88,835

LIABILITIES & EQUITY

CURRENT LIABILITIES

Accounts Payable	\$5,761	\$816
Restricted Contributions	87,959	67,010
Vacation Payable	1,530	1,530
	95,250	69,356

EQUITY

Retained Earnings, Beginning Of Year	19,479	19,332
Net Income (Loss) For The Year	(5)	147
Retained Earnings, End Of Year	19,474	19,479
TOTAL LIABILITIES & EQUITY	\$114,724	\$88,835

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

MANITOBA CRAFTS MUSEUM AND LIBRARY INC.
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31
(UNAUDITED- SEE NOTICE TO READER)

	2016	2015
REVENUE		
GRANTS & OPERATING REVENUE		
Total Grants		
Crafts Guild of Manitoba Fund	\$35,467	\$24,423
Other	2,500	7,000
MCML Fund	5,774	5,095
Community Museums Grant	3,150	3,150
Total Grants	46,891	39,668
OPERATING REVENUES		
Bank Interest	142	162
Consignment Income	0	52
Donation Box	21	397
Donations	2,167	1,995
ILL Fee Line	0	10
Membership Dues	2,729	2,934
Other Sales	566	210
Postage	0	5
Professional Development	0	1,537
Program Fees	521	350
Internal Fundraising		
Artisan Market	2,280	1,430
Craft Stash Sale	0	852
Made By You	1,801	1,672
Raffle	740	255
Total Internal Fundraising	4,821	4,209
Gift Shop	0	865
Rental Fees	125	636
Cdn Hertg Info Ntwk Subsidy	300	300
TOTAL OPERATING REVENUES	11,392	13,662
TOTAL GRANTS & OPERATING REVENUE	\$58,283	\$53,330
SPECIAL PROJECTS		
Crafting the Future	4,255	1,830
Exhibition Planning	2,001	0
Historical Programming	3,166	0
Move/Expansion	26,179	0
Public Programming Pilot	0	2,250
Summer Student	4,881	5,533
TOTAL SPECIAL PROJECTS	40,482	9,613
TOTAL REVENUE	\$98,765	\$62,943

EXPENSES**OPERATING EXPENSES**

Accounting	\$350	\$350
Amortization	440	440
Bank Service Charges	0	6
Conservation	25	17
Consignment Fees - Gift Shop	0	336
Credit Card Fees	502	513
Education Programs	0	20
Employee Benefits	1,380	1,870
Equipment	40	0
Exhibition	0	529
Telephone	926	854
Fundraising Costs		
Artisan Market	30	70
Made By You	1,013	852
Other	20	0
Total Fundraising Costs	<u>1,063</u>	<u>922</u>
Gift Shop Expense	6	11
Insurance	2,821	2,742
Internet Services	273	261
GST Paid	1,102	617
Library Books	39	74
Membership expenses	0	51
Miscellaneous	97	152
Office Supplies	661	381
Postage	229	169
Professional Development	264	2,240
PST Paid	341	417
Publicity	476	50
Rent	27,185	20,012
Repairs & Maintenance	67	116
Curator's Salary	22,147	19,890
Security	198	198
Volunteer Costs	78	110
WCB	100	100
TOTAL OPERATING EXPENSES	<u>60,810</u>	<u>53,448</u>
SPECIAL PROJECT COSTS		
Crafting the Future	4,344	407
Exhibit Planning	2,001	0
Historical Programming	3,166	0
Move/Expansion	23,568	0
Public Programming Pilot	0	2,176
Summer Student	4,881	6,765
TOTAL SPECIAL PROJECT COSTS	<u>37,960</u>	<u>9,348</u>
TOTAL EXPENSES	<u>\$98,770</u>	<u>\$62,796</u>
NET INCOME (LOSS) FOR THE YEAR	<u>\$ (5)</u>	<u>\$ 147</u>

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

**MANITOBA CRAFTS MUSEUM AND LIBRARY INC.
STATEMENT OF CASH FLOWS
AS AT DECEMBER 31
(UNAUDITED- SEE NOTICE TO READER)**

	<u>2016</u>	<u>2015</u>
OPERATING ACTIVITIES		
Net Income (Loss) For The Year	\$ (5)	\$ 147
Net Change in Non- Cheq Working Capital	<u>26,097</u>	<u>71,861</u>
	<u>\$ 26,092</u>	<u>\$ 72,008</u>
INVESTING ACTIVITIES		
	0	(7,098)
CASH SURPLUS FOR THE YEAR	26,092	64,910
CHEQ ACCOUNT , BEGINNING OF YEAR	74,514	9,604
CHEQ ACCOUNT , END OF YEAR	<u><u>\$ 100,606</u></u>	<u><u>\$ 74,514</u></u>

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

MANITOBA CRAFTS MUSEUM AND LIBRARY INC.
NOTES TO FINANCIAL STATEMENTS
AS AT DECEMBER 31,2016
(UNAUDITED- SEE NOTICE TO READER)

MCML'S Guiding Principles

VISION:

To inspire engagement with the art of craft

MISSION:

Providing resources and a meeting place connecting people to craft

MANDATE:

To collect, preserve and present historical and contemporary crafts within the cultural mosaic of Manitoba

CORE VALUES:

Respecting the handmade
Fostering excellence
Sharing knowledge
Encouraging participation
Ensuring transparency

The organization was incorporated without share capital under the Manitoba Corporations Act. As a charity, the organization is exempt from tax under provisions of the Income Tax Act.

1. SIGNIFICANT ACCOUNTING POLICIES

(A) Revenue Recognition

MCML follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Restricted Contributions reported on the Statement of Financial Position represent monies collected but not spent at year end for the move of the operations to 1-329 Cumberland Avenue.

Gift Shop, membership fees, donations and other income are recognized as revenue when received.

(B) Capital Assets

	COST	2016 ACCUM AMORT	NET	COST	2015 ACCUM AMORT	NET
Furniture	\$8,792	\$4,836	\$3,956	\$8,792	\$4,396	\$4,396
Computer Equip	4,613	4,613	0	4,613	4,613	0
Leaseholds	1,196	1,196	0	1,196	1,196	0
Business Equip	1,480	1,480	0	1,480	1,480	0
	<u>\$16,081</u>	<u>\$12,125</u>	<u>\$3,956</u>	<u>\$16,081</u>	<u>\$11,685</u>	<u>\$4,396</u>

Capital Assets are being amortized on the following basis:

Furniture	20 Years
Computer Equipment	3 Years
Leaseholds	10 Years
Business Equipment	3 Years

(C) Financial Instruments

Financial instruments of the organization are measured at amortized cost. Financial assets measured at amortized cost consist of bank and cash equivalents and accounts receivable.

Financial liabilities measured at amortized cost consist of accounts and vacation payable.

Any impairment of a financial instrument is charged to income in the year the impairment is determined.

2. GRANT REVENUES

MCML receives two grants from the Winnipeg Foundation who administers monies that are held with the Foundation.

A) Crafts Guild of Manitoba Fund

MCML is one of several beneficiaries of this fund held at the Foundation to secure the long-term viability of the beneficiaries. These monies are not reflected in the financial statements. A percentage of the investment income earned in the fund is transferred from the Foundation to MCML quarterly.

B) MCML Fund

This is a fund held by the Foundation for the exclusive use of MCML. As at January 31, 2017, the market value of this fund was \$142,399.50. These monies are not reflected in the financial statements. A percentage of the investment income earned in the fund is transferred from the Foundation to MCML annually.

3. LEASE COMMITMENT

MCML has a multi-year agreement with Hechcorp Holdings for the lease of space at 1-329 Cumberland Avenue as follows:

January 1,2017 to June 30,2017	Base Monthly Rent-\$1,150 plus GST
July 1,2017 to June 30,2018	Base Annual Rent-\$17,794 plus GST
July 1,2018 to June 30,2019	Base Annual Rent-\$19,761 plus GST
July 1,2019 to June 30,2020	Base Annual Rent-\$20,744 plus GST
July 1,2020 to June 30,2021	Base Annual Rent-\$20,744 plus GST
July 1,2021 to June 30,2022	Base Annual Rent-\$20,744 plus GST
July 1,2022 to June 30,2023	Base Annual Rent-\$21,727 plus GST

4. CONTRIBUTED SERVICES

Volunteers contribute a significant number of hours per year to assist Manitoba Crafts Museum and Library Inc. in carrying out its activities. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.