

**MANITOBA CRAFTS MUSEUM
AND LIBRARY INC.**

FINANCIAL STATEMENTS
(Unaudited)

December 31, 2019

MANITOBA CRAFTS MUSEUM AND LIBRARY INC.

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(Unaudited)

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INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Directors of
Manitoba Crafts Museum and Library Inc.

We have reviewed the accompanying financial statements of Manitoba Crafts Museum and Library Inc. that comprise the statement of financial position as at December 31, 2019, and the statements of operations and , changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

Practitioner's Responsibility

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of Manitoba Crafts Museum and Library Inc. as at December 31, 2019, 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.

FPLS Accounting Group

**FPLS ACCOUNTING GROUP
CHARTERED PROFESSIONAL ACCOUNTANTS**

Winnipeg, Manitoba
March 4, 2020

MANITOBA CRAFTS MUSEUM AND LIBRARY INC.
STATEMENT OF OPERATIONS

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For the year ended December 31, 2019
(Unaudited)

	2019	2018
Revenue		
Community Museums Fund	\$ 3,150	\$ 3,150
Crafts Guild of Manitoba Fund	35,400	33,610
Grant revenue	12,228	20,000
MCML Fund	7,545	6,832
Operating revenue - Page 9	49,397	41,467
Special project revenue - Page 10	26,852	47,184
	<hr/> 134,572	<hr/> 152,243
Expenditures		
Operating expenses - Page 11	105,960	100,784
Special project expenses - Page 12	27,400	47,361
	<hr/> 133,360	<hr/> 148,145
Excess of revenue over expenditures for the year	\$ 1,212	\$ 4,098

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

FPLS ACCOUNTING GROUP

MANITOBA CRAFTS MUSEUM AND LIBRARY INC.
STATEMENT OF CHANGES IN NET ASSETS

For the year ended December 31, 2019
(Unaudited)

	2019	2018
Net assets, beginning of year	\$ 25,193	\$ 21,095
Excess of revenue over expenditures for the year	1,212	4,098
Net assets, end of year	\$ 26,405	\$ 25,193

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

MANITOBA CRAFTS MUSEUM AND LIBRARY INC.
STATEMENT OF FINANCIAL POSITION

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December 31, 2019
(Unaudited)

	2019	2018
ASSETS		
Current		
Cash	\$ 27,161	\$ 23,485
Accounts receivable - note 2	4,749	3,849
Due from government agencies	1,189	863
Prepaid expenses	4,439	4,580
	37,538	32,777
Property, plant and equipment - note 3	184,787	210,359
	\$ 222,325	\$ 243,136
LIABILITIES AND FUND BALANCES		
Current		
Accounts payable and accrued liabilities	\$ 4,120	\$ 6,290
Deferred contributions - note 4	191,800	211,653
	195,920	217,943
Fund balances		
Net assets	26,405	25,193
	\$ 222,325	\$ 243,136

Approved on behalf of the board:

_____ Chair

_____ Treasurer

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

FPLS ACCOUNTING GROUP

MANITOBA CRAFTS MUSEUM AND LIBRARY INC.
STATEMENT OF CASH FLOWS

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For the year ended December 31, 2019
(Unaudited)

	2019	2018
Operating activities		
Excess of revenue over expenditures	\$ 1,212	\$ 4,098
Adjustment for Amortization	26,285	25,786
	27,497	29,884
Change in non-cash working capital items		
Accounts receivable	(900)	106
Government remittances receivable	(326)	6,481
Decrease in prepaid expenses	141	407
Accounts payable and accrued liabilities	(2,170)	(7,408)
	4,389	(10,430)
Investing activity		
Purchase of property, plant and equipment	(713)	-
Increase (decrease) in cash	3,676	(10,430)
Cash, beginning of year	23,485	33,915
Cash, end of year	\$ 27,161	\$ 23,485

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

FPLS ACCOUNTING GROUP

December 31, 2019
(Unaudited)

NATURE OF OPERATIONS

Manitoba Crafts Museum and Library Inc. is incorporated without share capital under The Corporations Act of Manitoba and is a registered charity under The Income Tax Act. The organization is engaged to provide resources and a meeting place connecting people to the art of craft.

1. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of accounting

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO").

(b) Revenue recognition

The organization 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.

Membership fees, donations and other income are recognized as revenue when received.

(c) Property, plant and equipment

Capital assets are recorded at cost less accumulated amortization. Amortization is provided on a straight-line basis over the estimated useful life of the assets as follows:

Computer equipment	3 years
Furniture & fixtures	20 years
Leasehold improvements	10 years

(d) Financial Instruments

The company's financial instruments are recorded at fair value when acquired or issued. In subsequent periods, equities traded in an active market and derivatives are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at cost or amortized cost less impairment, if applicable. 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 balance sheet date and charged to the financial instrument for those measured at amortized cost.

(e) Income taxes

The corporation is non-taxable under paragraph 149(1)(i) of the Income Tax Act.

December 31, 2019
(Unaudited)

2. ACCOUNTS RECEIVABLE

	2019	2018
Grant receivables	\$ 3,913	\$ 3,500
Trade receivables	836	349
	\$ 4,749	\$ 3,849

3. PROPERTY, PLANT AND EQUIPMENT

	2019		2018	
	Cost	Accumulated amortization	Net	Net
Furniture and equipment	\$ 10,922	\$ 6,381	\$ 4,541	\$ 4,398
Leasehold improvements	246,305	66,755	179,550	204,061
Computer hardware	8,225	7,529	696	1,900
	\$ 265,452	\$ 80,665	\$ 184,787	\$ 210,359

4. DEFERRED CONTRIBUTIONS

	2019	2018
Canadian Museums Association	\$ 2,730	\$ 4,188
Deferred Capital Contributions	181,711	207,283
Manitoba Crafts Council	-	182
Winnipeg Foundation	7,359	-
	\$ 191,800	\$ 211,653

These contributions represent unspent funding received in the current period that are related to the subsequent period.

Deferred capital contributions represent capital assets purchased and amortized over the useful life of the asset. These purchases must be deferred and recognized as revenue on the same basis as the amortization expense.

December 31, 2019
(Unaudited)

5. LEASE COMMITMENTS

Manitoba Crafts Museum and Library Inc. has a multi-year agreement with Hechtcorp Holdings for the lease of space at 1-329 Cumberland Avenue as follows:

2020	\$	20,744
2021		20,744
2022		20,744
2023		21,727
		<hr/>
		\$ 83,959

6. ENDOWMENT FUND

On September 21, 2005, an endowment fund was established with The Winnipeg Foundation. The endowment fund is intended to support the long-term viability of the company. As of December 31, 2019 the market value of the fund is \$150,870 (\$136,597 in 2018). Interest income received in the year was \$7,274 (\$6,832 in 2018).

On June 7, 2019, an endowment fund was established with The Winnipeg Foundation. The endowment fund is intended to support the long-term viability of the company. As of December 31, 2019 the market value of the fund is \$10,898. Interest income received in the year was \$271.

7. CONTRIBUTED SERVICES

A substantial number of unpaid volunteers have made significant contributions of their time in furtherance of the organization's activities. Due to the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

8. COMPARATIVE AMOUNTS

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year. The changes do not affect prior year earnings.

MANITOBA CRAFTS MUSEUM AND LIBRARY INC.
SCHEDULE OF OPERATING REVENUE

For the year ended December 31, 2019
(Unaudited)

	2019	2018
Contribution revenue	\$ 26,285	\$ 25,786
Donation box	593	534
Donations	5,889	6,815
Interest income	131	79
Internal fundraising	4,933	1,947
Library	362	-
Memberships	3,748	2,377
Other revenue	578	2,490
Program fees	4,809	345
Retail	2,069	1,094
	\$ 49,397	\$ 41,467

MANITOBA CRAFTS MUSEUM AND LIBRARY INC.
SCHEDULE OF SPECIAL PROJECT REVENUE

For the year ended December 31, 2019
(Unaudited)

	2019	2018
90th anniversary exhibit	\$ -	\$ 16,405
Collections management project	10,712	8,719
Indigenous programming	-	3,770
Manitoba 150	5,777	-
Move and expansion	-	12,653
School program	10,363	5,637
	\$ 26,852	\$ 47,184

MANITOBA CRAFTS MUSEUM AND LIBRARY INC.
SCHEDULE OF OPERATING EXPENSES

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For the year ended December 31, 2019
(Unaudited)

	2019	2018
Accounting	\$ 2,367	\$ 3,121
Amortization	26,285	26,226
Bank service charges	85	17
Conservation	1,056	1,541
Credit card fees	75	45
Curator's salary	24,857	23,959
Employee benefits	2,089	1,871
Equipment	2,469	292
Exhibition	155	132
Fundraising costs	5,350	2,472
Insurance	2,650	2,699
Library books	248	327
Office supplies	899	1,170
Postage	413	170
Professional development	230	414
Publicity	624	3,857
Rent	24,504	22,522
Repairs and maintenance	938	1,486
Retail shop expense	371	362
Salary and wages	6,763	5,123
Security	92	603
Telephone and internet	1,328	2,204
Volunteer costs	-	129
Workshops and programming	2,112	42
	\$ 105,960	\$ 100,784

MANITOBA CRAFTS MUSEUM AND LIBRARY INC.
SCHEDULE OF SPECIAL PROJECT EXPENSES

For the year ended December 31, 2019
(Unaudited)

	2019	2018
90th anniversary exhibit	\$ -	\$ 16,099
Collections management project	10,713	9,882
Indigenous programming	-	3,189
Manitoba 150	5,777	-
Move and expansion	-	12,554
School programs	10,910	5,637
	\$ 27,400	\$ 47,361
