MANITOBA CRAFTS MUSEUM AND LIBRARY INC.

INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

FINANCIAL STATEMENTS

DECEMBER 31, 2024

MANITOBA CRAFTS MUSEUM AND LIBRARY INC.

DECEMBER 31, 2024

INDEX

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INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Board of Directors of Manitoba Crafts Museum and Library Inc.:

We have reviewed the accompanying financial statements of the Manitoba Crafts Museum and Library Inc. (the "Organization") that comprise the statement of financial position as at December 31, 2024, and the statements of operations and changes in net assets, and cash flow 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 Organization, as appropriate, and applying analytical procedures, and evaluating 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 the Manitoba Crafts Museum and Library Inc. as at December 31, 2024 and the results of its operations and its cash flow for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Fort Group

Winnipeg, Manitoba
March 22, 2025

CHARTERED PROFESSIONAL ACCOUNTANTS INC.

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MANITOBA CRAFTS MUSEUM AND LIBRARY INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2024

	2024	2023
ASSETS		
CURRENT ASSETS		
Cash	$ 46,853	79,832
Accounts receivable (Note 3)	7,367	10,857
GST receivable	1,701	1,686
Prepaid expenses	8,366	7,015
Guaranteed Investment Certificates (Note 4)	42,392	40,410
	106,679	139,800
TANGIBLE CAPITAL ASSETS (Note 5)	60,970	86,319
ARCHIVES AND COLLECTIONS (Note 6)	1	1
	$ 167,650	226,120
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	$ 10,051	15,576
Deferred revenue (Note 7)	32,083	25,838
Current portion of deferred capital contributions (Note 8)	26,451	25,946
Canada Emergency Business Account loan (Note 9)	-	40,000
	68,585	107,360
DEFERRED CAPITAL CONTRIBUTIONS (Note 8)	34,080	59,495
	102,665	166,855
NET ASSETS		
Unrestricted	64,985	59,265
	$ 167,650	226,120

APPROVED BY THE BOARD:

__________________________ **DIRECTOR**

__________________________ **DIRECTOR**

MANITOBA CRAFTS MUSEUM AND LIBRARY INC.
STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS
YEAR ENDED DECEMBER 31, 2024

	2024	2023
REVENUE		
Special project revenue (Page 10)	$ 74,300	83,795
Other operating revenue (Page 9)	52,446	64,843
Crafts Guild of Manitoba Fund	34,634	35,954
The Winnipeg Foundation - Shirley Anne Richardson Annual Giving Trust	10,345	-
MCML Fund (Note 10)	7,936	7,508
Community museums grant	3,569	3,150
MCML Heritage Fund (Note 10)	3,065	2,235
Corporate sponsorships	550	-
Museums assistance program	-	2,667
	186,845	200,152
EXPENSES		
Other operating expenses (Page 11)	115,599	114,671
Special project expenses (Page 12)	75,526	88,508
	191,125	203,179
DEFICIENCY OF REVENUE OVER EXPENSES BEFORE OTHER ITEM	(4,280)	(3,027)
OTHER ITEM		
Forgivable portion of Canada Emergency Business Account loan (Note 9)	10,000	-
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	5,720	(3,027)
NET ASSETS, BEGINNING OF YEAR	59,265	62,292
NET ASSETS, END OF YEAR	$ 64,985	59,265

MANITOBA CRAFTS MUSEUM AND LIBRARY INC.
STATEMENT OF CASH FLOW
YEAR ENDED DECEMBER 31, 2024

	2024	2023
CASH PROVIDED BY (USED IN):		
OPERATING ACTIVITIES		
Excess (deficiency) of revenue over expenses	$ 5,720	(3,027)
Add back (deduct) non-cash items:		
Amortization of tangible capital assets	26,890	27,787
Amortization of deferred capital contributions	(26,451)	(27,137)
Forgivable portion of Canada Emergency Business Account loan	(10,000)	-
	(3,841)	(2,377)
Changes in non-cash working capital:		
Accounts receivable	3,490	(1,810)
GST receivable	(15)	(827)
Prepaid expenses	(1,351)	636
Accounts payable and accrued liabilities	(5,525)	3,352
Deferred revenue	6,245	(11,694)
	(997)	(12,720)
INVESTING ACTIVITIES		
Purchase of tangible capital assets	(1,542)	(1,609)
Additions to deferred capital contributions	1,542	1,609
Purchase of guaranteed investment certificate	(42,392)	(40,410)
Proceeds on maturity of guaranteed investment certificates	40,410	10,000
	(1,982)	(30,410)
FINANCING ACTIVITIES		
Repayment of Canada Emergency Business Account loan	(30,000)	-
CHANGE IN CASH	(32,979)	(43,130)
CASH, BEGINNING OF YEAR	79,832	122,962
CASH, END OF YEAR	$ 46,853	79,832

MANITOBA CRAFTS MUSEUM AND LIBRARY INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024

1. ACCOUNTING ENTITY

Manitoba Crafts Museum and Library Inc. (the "Organization") 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 in Manitoba.

2. SIGNIFICANT ACCOUNTING POLICIES

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

An underlying assumption of the preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations is that the entity will continue for the foreseeable future and will be able to realize its assets and discharge liabilities in the normal course of operations.

The financial statements include the following significant accounting policies:

(a) Tangible Capital Assets

Tangible capital assets are recorded at cost less accumulated amortization. Amortization is provided using methods and rates intended to amortize the cost of assets over their estimated useful lives.

	Method	Rate
Business equipment	Straight-line	3 years
Computer hardware	Straight-line	3 years
Furniture and equipment	Straight-line	20 years
Leasehold improvements	Straight-line	10 years

(b) Revenue Recognition

The Organization follows the deferral method of accounting for contributions. Restricted contributions, including special project revenue and Community museums grants are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions, including other operating revenue, corporate sponsorships, Crafts Guild of Manitoba Fund, museums assistance programs, and The Winnipeg Foundation - Shirley Anne Richardson Annual Giving Trust are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Revenue for deferred capital contribution related to the purchase of tangible capital assets is recognized as revenue with the same amortization rate of the tangible capital asset.

MCML Fund and Heritage Fund interest is recorded in the period to which it relates.

(c) Use of Estimates

The preparation of the financial statements in conformity with Canadian accounting standards for 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 year. Estimates include amounts payable for services not billed yet at the time these financial statements were approved and the estimated useful life of tangible capital assets. Actual results may differ from estimates.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Financial Instruments

Financial instruments held by the Organization include cash, accounts receivable, guaranteed investment certificate, the Canada Emergency Business Account loan, and accounts payable and accrued liabilities. The Organization initially measures its financial instruments at fair value when the asset or liability is first recognized. The Organization subsequently measures its financial instruments at amortized cost. Amortized cost is the amount at which the financial instrument is measured at initial recognition, less principal repayments, plus or minus the cumulative of any difference between that initial amount and the maturity amount, and minus any reduction for impairment.

(e) Contributed Services

The Organization would not be able to carry out its activities without the services of volunteers who donate a considerable number of hours. Because compiling these hours is difficult, contributed services are not recognized in these financial statements.

(f) Archives and Collections

Due to the prohibitive cost and difficulty in determining the cost or fair market value, archives and collections are not capitalized but rather shown at a nominal value in the statement of financial position. Contributed items are recorded as revenue and expensed based on fair value, where practical, as determined by an independent appraiser at the date of contribution. Purchased archives or collections are expensed in the period acquired.

3. ACCOUNTS RECEIVABLE

	2024	2023
Grants receivables	$ 3,418	6,400
Trade receivables	2,826	3,425
Accrued interest receivable	1,123	1,032
	$ 7,367	10,857

4. GUARANTEED INVESTMENT CERTIFICATES

The Organization has guaranteed investment certificates of $42,392 (2023 - $40,410) with maturity dates ranging from February to October 2025 (2023 - February to October 2024) and interest rates ranging from 4.05% to 5.20% (2023 - 4.60% to 5.50%).

5. TANGIBLE CAPITAL ASSETS

	2024		2023	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Business equipment	$ 3,423	3,423	3,423	3,423
Computer hardware	9,153	6,514	7,612	4,645
Furniture and equipment	10,209	8,873	10,209	8,363
Leasehold improvements	245,109	188,114	245,109	163,603
	267,894	206,924	266,353	180,034
Net book value	$ 60,970		86,319	

6. ARCHIVES AND COLLECTIONS

The Organization holds approximately 11,000 items in the museum archive collection, including artifacts, handicrafts and tools. The library consists of approximately 3,500 contemporary and historical books, magazines, scrapbooks and craft patterns. During the year, $4,515 (2023 - $3,411) for the care of archives and collections was expensed in the statement of operations.

7. DEFERRED REVENUE

Deferred revenue represents the unspent funding received in the current period that relates to the various programs below. Changes in deferred revenue balance is as follows:

	2023	Amounts received	Revenue recognized	2024
Manitoba Sport, Culture, Heritage and Tourism	$ 8,724	45,044	44,319	9,449
Marshall Fabrics	-	600	-	600
Prairie Studio Glass	-	600	-	600
Winnipeg Arts Council	-	6,750	1,000	5,750
Winnipeg Foundation	17,114	10,000	14,880	12,234
Young Canada Works	-	18,274	14,824	3,450
	$ 25,838	81,268	75,023	32,083

8. DEFERRED CAPITAL CONTRIBUTIONS

Deferred capital contributions represent the unamortized balance of contributions received for the purchase of tangible capital assets. Changes in the deferred capital contributions balance is as follows:

	2024	2023
Balance, beginning of year	$ 85,441	110,969
Add: Contributions received	1,541	1,609
Less: Amortization of deferred capital contributions	(26,451)	(27,137)
	60,531	85,441
Less: Current portion	(26,451)	(25,946)
	$ 34,080	59,495

9. CANADA EMERGENCY BUSINESS ACCOUNT LOAN

	2024	2023
Canada Emergency Business Account loan with Assiniboine Credit Union, interest-free, with a limit of $40,000. Repaying the balance of the loan on or before January 18, 2024, will result in loan forgiveness of 25% (up to $10,000). If the loan is not repaid by January 18, 2024, it will be converted into a 3-year term loan at an annual interest rate of 5%.	$ -	40,000

The loan was repaid on January 3, 2024, and the forgivable portion amounting to $10,000 was recognized as revenue in the statement of operations during the year.

10. ENDOWMENT FUNDS

On September 21, 2005, an Endowment Fund (the "MCML Fund") was established with the Winnipeg Foundation. The MCML Fund is intended to support the long-term viability of the Organization. As of December 31, 2024, the market value of the fund is $168,421 (2023 - $155,652). Interest income received in the year was $7,936 (2023 - $7,508).

On June 7, 2019, an Endowment Fund (the "MCML Heritage Fund") was established with the Winnipeg Foundation. The MCML Heritage Fund is intended to support the long-term viability of the Organization. As of December 31, 2024, the market value of the fund was $91,633 (2023 - $84,088). Interest income received in the year was $3,065 (2023 - $2,235).

11. LEASE COMMITMENTS

The Organization has a multi-year agreement with 329 Cumberland Inc. and 10100424 Manitoba Ltd. for the lease of space at 1-329 Cumberland Avenue as follows:

2025	$	25,410
2026		25,807
2027		13,102
	$	64,319

12. RISK MANAGEMENT

(a) Liquidity Risk

Liquidity risk is the risk that the Organization will not be able to meet its financial obligations as they come due. Financial liabilities consist of accounts payable and accrued liabilities. Accounts payable and accrued liabilities are paid in the normal course of business.

The Organization’s approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet liabilities when due. At December 31, 2024, the Organization has an unrestricted cash balance of $46,853 (2023 - $79,832) to fund financial liabilities of $10,051 (2023 - $15,576).

(b) Credit Risk

Financial instruments which potentially subject the Organization to credit risk and concentrations of credit risk consist principally of cash and accounts receivable. Management manages credit risk associated with accounts receivable by pursuing collections when they are due.

(c) Interest Rate Risk

Interest rate cash flow risk is the risk that changes in market interest rates may have an effect on the cash flows associated with some financial instruments. Interest rate price risk is the risk that changes in market interest rates may have an effect on the fair value of other financial instruments. It is management's opinion that the Organization is exposed to interest rate risk associated with its investment in the guaranteed investment certificates; however, this risk is low.

MANITOBA CRAFTS MUSEUM AND LIBRARY INC.
SCHEDULE OF OTHER OPERATING REVENUE
YEAR ENDED DECEMBER 31, 2024

	2024	2023
Amortization of deferred capital contributions	$ 26,451	27,137
C2 shop	1,593	2,257
Donation box	150	1,132
Donations	4,718	19,051
Library	127	204
Interest	2,866	3,359
Internal fundraising	8,160	6,392
Memberships	4,489	3,234
Other revenue	118	322
Program fees	3,774	1,755
	$ 52,446	64,843

MANITOBA CRAFTS MUSEUM AND LIBRARY INC.
SCHEDULE OF SPECIAL PROJECT REVENUE
YEAR ENDED DECEMBER 31, 2024

	2024	2023
Archives project	$ -	(43)
COVID-19 Stabilization Winnipeg Foundation	-	7,500
Collections photography	13,973	-
Community and fundraising development	13,309	4,916
Crafting wellness	2,000	-
Digital content development	-	8,220
Diverse on-line content	7,598	2,402
Diversity programming	17,645	-
Indigenous beadwork project	-	18,125
Indigenous collections	4,255	-
Library	-	10,556
Musetoba customizing	-	9,731
Musetoba entity	7,569	-
Public programming and engagement	7,951	9,727
Winnipeg 150	-	12,661
	$ 74,300	83,795

MANITOBA CRAFTS MUSEUM AND LIBRARY INC.
SCHEDULE OF OTHER OPERATING EXPENSES
YEAR ENDED DECEMBER 31, 2024

	2024	2023
Accounting	$ 7,810	7,495
Amortization of tangible capital assets	26,890	27,787
Bank charges	224	132
Conservation	2,274	1,061
Consulting fees	77	222
Curator's salary	29,358	29,660
Employee benefits	2,388	2,291
Exhibition	2,221	2,358
Fundraising costs	1,527	6,797
Insurance	3,177	3,060
Library books	451	308
Office supplies	2,394	1,801
Postage	105	119
Professional development	280	250
Publicity	873	754
Rent	28,461	27,445
Repairs and maintenance	1,342	1,117
Retail shop expense	-	50
Security	197	231
Small equipment	757	9
Telephone and internet	1,300	1,287
Travel	479	-
Workshop and programming	3,014	437
	$ 115,599	114,671

MANITOBA CRAFTS MUSEUM AND LIBRARY INC.
SCHEDULE OF SPECIAL PROJECT EXPENSES
YEAR ENDED DECEMBER 31, 2024

	2024	2023
Archives project	$ -	61
Collections photography	13,972	-
Community and fundraising development	13,411	4,916
COVID-19 Stabilization Winnipeg Foundation	-	7,500
Crafting wellness	2,000	-
Digital content development	-	8,231
Diverse on-line content	7,698	2,402
Diversity programming	17,645	-
Indigenous beadwork project	-	19,626
Indigenous collections	4,255	-
Library	498	12,413
Musetoba customizing	-	9,999
Musetoba entity	7,569	-
Public programming and engagement	8,440	9,727
Winnipeg 150	38	13,633
	$ 75,526	88,508