

Non-Consolidated Financial Statements of

**THE MANITOBA MUSEUM**

And Independent Auditors' Report thereon

Year ended March 31, 2020



KPMG LLP  
One Lombard Place  
Suite 2000  
Winnipeg MB  
R3B 0X3

Telephone (204) 957-1770  
Fax (204) 957-0808  
www.kpmg.ca

## INDEPENDENT AUDITORS' REPORT

To the Members of The Manitoba Museum

### ***Opinion***

We have audited the non-consolidated financial statements of The Manitoba Museum (the "Entity"), which comprise the non-consolidated statement of financial position as at March 31, 2020, the non-consolidated statements of operations and changes in fund balances and cash flows for the year then ended, and notes to the non-consolidated financial statements, including a summary of significant accounting policies (hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the non-consolidated financial position of the Entity as at March 31, 2020, and its non-consolidated results of operations and its non-consolidated cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

### ***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 "***Auditors' Responsibilities for the Audit of the Financial Statements***" section of our auditors' report.

We are independent of the Entity 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 the 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.

In preparing the financial statements, management is responsible for assessing the Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

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



## ***Auditors' 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 auditors' 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 the 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 Entity'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 Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Entity 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.



- 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.

*KPMG LLP*

Chartered Professional Accountants

Winnipeg, Canada

May 25, 2020

# THE MANITOBA MUSEUM

## Non-Consolidated Statement of Financial Position

March 31, 2020, with comparative information for 2019

	General Fund	Properties Fund	Other Restricted Funds	2020 Total	2019 Total
<b>Assets</b>					
Current assets:					
Cash	\$ 580,927	\$ -	\$ -	\$ 580,927	\$ 67,852
Restricted cash (note 3)	500,000	-	-	500,000	500,000
Marketable securities	4,603	-	-	4,603	5,375
Accounts receivable:					
Grants	130,000	-	1,216,723	1,346,723	2,186,923
Other	97,403	-	-	97,403	80,265
Due from The Manitoba Museum Foundation Incorporated	112,842	-	-	112,842	-
Inventories	70,694	-	-	70,694	65,312
Prepaid expenses	430,066	-	-	430,066	210,494
Investments (note 4)	-	-	4,000,000	4,000,000	2,000,000
Inter-fund loans (note 12)	(355,367)	(268,811)	624,178	-	-
	1,571,168	(268,811)	5,840,901	7,143,258	5,116,221
Properties (note 5)	-	29,127,252	-	29,127,252	25,230,969
Accrued benefit asset (note 7)	2,848,577	-	-	2,848,577	4,575,866
	\$ 4,419,745	\$ 28,858,441	\$ 5,840,901	\$ 39,119,087	\$ 34,923,056

## Liabilities and Fund Balances

Current liabilities:					
Accounts payable and accrued liabilities (note 8)	\$ 1,990,573	\$ -	\$ -	\$ 1,990,573	\$ 1,497,583
Due to The Manitoba Museum Foundation Incorporated	-	-	-	-	5,853
	1,990,573	-	-	1,990,573	1,503,436
Accrued benefit liability (note 7)	501,979	-	-	501,979	670,336
Fund balances:					
Invested in properties	-	28,858,441	-	28,858,441	24,962,158
Externally restricted	-	-	5,340,901	5,340,901	3,690,163
Externally restricted working capital reserve (note 3)	-	-	500,000	500,000	500,000
Internally restricted (note 9)	1,075,301	-	-	1,075,301	1,178,625
Unrestricted	851,892	-	-	851,892	2,418,338
	1,927,193	28,858,441	5,840,901	36,626,535	32,749,284
Subsequent event (note 15)					
	\$ 4,419,745	\$ 28,858,441	\$ 5,840,901	\$ 39,119,087	\$ 34,923,056

See accompanying notes to non-consolidated financial statements.

\_\_\_\_\_ Governor

\_\_\_\_\_ Governor

# THE MANITOBA MUSEUM

## Non-Consolidated Statement of Operations and Changes in Fund Balances

Year ended March 31, 2020, with comparative information for 2019

	2020						2019			
	General Fund			Restricted Funds			2020 Total	General Fund	Restricted Funds	2019 Total
	Unrestricted	Internally Restricted	Total	Properties	Special Projects	Total				
<b>Revenue:</b>										
Grants (note 10)	\$ 3,459,800	\$ -	\$ 3,459,800	\$ -	\$ -	\$ -	\$ 3,459,800	\$ 3,464,800	\$ -	\$ 3,464,800
Fundraising (note 11)	432,746	-	432,746	-	100	100	432,846	477,785	53	477,838
Contributions (notes 12 and 13)	-	33,595	33,595	-	6,572,816	6,572,816	6,606,411	88,130	3,595,210	3,683,340
Admission	946,926	-	946,926	-	-	-	946,926	949,844	-	949,844
Museum shop	170,944	-	170,944	-	-	-	170,944	217,789	-	217,789
Contract services	18,874	-	18,874	-	-	-	18,874	14,106	-	14,106
Donations-in-kind	244,712	-	244,712	28,274	-	28,274	272,986	354,752	98,034	452,786
Memberships	223,809	-	223,809	-	-	-	223,809	271,615	-	271,615
Other income	404,095	316,703	720,798	-	-	-	720,798	516,272	-	516,272
	5,901,906	350,298	6,252,204	28,274	6,572,916	6,601,190	12,853,394	6,355,093	3,693,297	10,048,390
<b>Expenses:</b>										
Salaries and employee benefits	3,998,515	-	3,998,515	-	60,645	60,645	4,059,160	3,949,361	8,719	3,958,080
Research, collections and exhibitions	60,614	236,756	297,370	-	369,318	369,318	666,688	386,808	408,953	795,761
Education and interpretation	66,054	-	66,054	-	18,014	18,014	84,068	55,346	-	55,346
Marketing and public relations	258,545	90,692	349,237	-	69	69	349,306	304,786	15,370	320,156
Fundraising and development	73,660	83,493	157,153	-	1,462	1,462	158,615	171,925	3,280	175,205
Central services	385,729	26,762	412,491	-	-	-	412,491	493,803	178	493,981
Staff development and opportunity fund	22,563	61,391	83,954	-	-	-	83,954	24,250	-	24,250
Security	215,810	-	215,810	-	-	-	215,810	208,926	-	208,926
Museum shop	182,849	-	182,849	-	-	-	182,849	226,367	-	226,367
Goods and services received in-kind	244,712	-	244,712	-	-	-	244,712	354,752	-	354,752
Amortization of properties	-	-	-	610,474	-	610,474	610,474	-	518,661	518,661
	5,509,051	499,094	6,008,145	610,474	449,508	1,059,982	7,068,127	6,176,324	955,161	7,131,485
Excess (deficiency) of revenue over expenses	392,855	(148,796)	244,059	(582,200)	6,123,408	5,541,208	5,785,267	178,769	2,738,136	2,916,905
Fund balance, beginning of year	2,418,338	1,178,625	3,596,963	24,962,158	4,190,163	29,152,321	32,749,284	3,004,934	26,475,218	29,480,152
Transfer of funds for purchase of properties	(13,285)	(101,319)	(114,604)	4,478,483	(4,363,879)	114,604	-	(31,322)	31,322	-
Transfer of funds for internally restricted expenditures (note 9)	-	108,791	108,791	-	(108,791)	(108,791)	-	92,355	(92,355)	-
Transfer of funds for internally restricted projects (note 9)	(38,000)	38,000	-	-	-	-	-	-	-	-
Remeasurement of accrued benefit asset	(2,138,576)	-	(2,138,576)	-	-	-	(2,138,576)	355,135	-	355,135
Remeasurement of accrued benefit liability	230,560	-	230,560	-	-	-	230,560	(2,908)	-	(2,908)
<b>Fund balance, end of year</b>	<b>\$ 851,892</b>	<b>\$ 1,075,301</b>	<b>\$ 1,927,193</b>	<b>\$28,858,441</b>	<b>\$ 5,840,901</b>	<b>\$34,699,342</b>	<b>\$36,626,535</b>	<b>\$ 3,596,963</b>	<b>\$29,152,321</b>	<b>\$32,749,284</b>

See accompanying notes to non-consolidated financial statements.

# THE MANITOBA MUSEUM

## Non-Consolidated Statement of Cash Flows

Year ended March 31, 2020, with comparative information for 2019

	2020	2019
Cash provided by (used in):		
Operating activities:		
Excess of revenue over expenses	\$ 5,785,267	\$ 2,916,905
Items not affecting cash:		
Amortization	610,474	518,661
Donation of artifacts	(28,274)	(98,034)
Change in non-cash operating working capital:		
Accounts receivable	823,062	(452,985)
Due to/from The Manitoba Museum Foundation		
Incorporated	(118,695)	8,042
Inventories	(5,382)	(3,363)
Prepaid expenses	(219,572)	(63,268)
Accounts payable and accrued liabilities	492,990	(225,192)
Accrued benefit liability	62,203	33,763
Accrued benefit asset	(411,287)	(355,013)
	6,990,786	2,279,516
Investing activities:		
Purchase of investments	(2,000,000)	(1,000,000)
Purchase of properties	(4,478,483)	(1,626,667)
Change in marketable securities	772	(146)
	(6,477,711)	(2,626,813)
Increase (decrease) in cash	513,075	(347,297)
Cash, beginning of year	67,852	415,149
Cash, end of year	\$ 580,927	\$ 67,852

See accompanying notes to non-consolidated financial statements.

# THE MANITOBA MUSEUM

## Notes to Non-Consolidated Financial Statements

Year ended March 31, 2020

---

### 1. General:

The Manitoba Museum (the "Museum") is a public, not-for-profit organization operating programs to preserve the heritage of Manitoba. The Museum is incorporated by a *Special Act* of Manitoba Legislation. The Museum is a registered charity under the *Income Tax Act* (Canada) and is therefore exempt from income taxes.

### 2. Significant accounting policies:

The financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies.

#### (a) Basis of presentation:

The Museum exercises control over The Manitoba Museum Foundation Incorporated (the "Foundation") by virtue of its abilities to appoint all of the Foundation's Board of Directors.

The Foundation's financial results have not been consolidated in the Museum's financial statements. Financial statements for the Foundation are prepared separately. A financial summary of the Foundation's financial position as at March 31, 2020 and March 31, 2019 and the results of operations for the years then ended are as follows:

	2020	2019
Assets	\$ 163,105	\$ 365,923
Liabilities	\$ 114,742	\$ 1,900
Unrestricted net assets	48,363	364,023
	\$ 163,105	\$ 365,923
Results of operations:		
Revenue	\$ 89,652	\$ 95,799
Operating expenses	405,312	83,787
Excess (deficiency) of revenue over expenses	\$ (315,660)	\$ 12,012



# THE MANITOBA MUSEUM

Notes to Non-Consolidated Financial Statements (continued)

Year ended March 31, 2020

---

## 2. Significant accounting policies (continued):

### (b) Change in accounting policies:

In March 2018, the Accounting Standards Board issued, *Basis for Conclusions- Accounting Standards Improvements for Not-for-Profit Organizations*, resulting in the introduction of new handbook sections in the Accounting Standards for Not-for-Profit Part III of the Handbook as follows:

- i. Section 4433, Tangible capital assets held by not-for-profit organizations*, which directs organizations to apply the accounting guidance of Section 3061, *Property Plant and Equipment*, in Part II of the Handbook. In so doing, the new section requires that organizations annually assess for partial impairment of tangible capital assets, to be recorded where applicable, as a non-reversible impairment expense. In addition, where practical, to componentize capital assets when estimates can be made of the useful lives of the separate components. This section is applied on a prospective basis with the exception of the transitional provision to recognize an adjustment to opening net assets for partial impairments of tangible assets that existed as at April 1, 2019.
- ii. Section 4441, Collections held by not-for-profit organizations*, which defines a collection and directs organizations to record such assets on the statement of financial position at either cost or nominal value. It is anticipated that all collections will be accounted for using the same method, with the exception of organizations that opt to account for collections at cost, whereby the cost for certain collections either held or contributed cannot be determined. Such items are to be accounted for at a nominal value. In addition, collections are written down when there is evidence that the net carrying amount exceeds fair value. Organizations are permitted to retrospectively capitalize collections at their cost or fair value at the date of acquisition, or fair value or replacement cost as at April 1, 2019, based on the most readily determinable value. In addition, an adjustment to opening net assets is permitted to recognize any partial impairment of the value of collections that existed as at April 1, 2019.

There was no impact to the non-consolidated financial statements of the Museum from adoption of these accounting standards.

### (c) Fund accounting:

The Museum follows the restricted fund method of accounting for contributions.

Revenue and expenses related to program and project delivery and administrative activities are reported in the General Fund.

The Properties Fund includes transactions related to the funding and acquisition of the Museum's properties, including artifacts donated to the Museum.

# THE MANITOBA MUSEUM

Notes to Non-Consolidated Financial Statements (continued)

Year ended March 31, 2020

---

## 2. Significant accounting policies (continued):

Other Restricted Funds consists of Special Projects Fund and the Working Capital Reserve Fund. The Special Projects Fund reports the assets, liabilities, revenues, and expenses related to restricted resources to be used for specific projects undertaken by the Museum. The Working Capital Reserve Fund reports the assets, liabilities, revenues and expenses restricted for the purpose of providing the Museum with a working capital reserve. These reserve funds may be accessed for cash flow purposes over the course of a given year, but must be replenished prior to year end (note 3).

### (d) Inventories:

Inventories are valued at the lower of cost and net realizable value.

### (e) Properties:

Properties are capitalized on the following basis:

- (i) History and ethnology artifacts purchased are recorded at cost and those accepted as donations are recorded at estimated value on the date of receipt by the Museum's curatorial staff or independent appraiser.
- (ii) Natural history artifacts are collected by the Museum's staff on field trips. The related field trip costs are included in the cost of properties, excluding salary costs related to their collection and preparation. Natural history artifacts are also accepted as donations and are recorded at estimated value on the date of receipt by the Museum's curatorial staff or independent appraiser.
- (iii) Archaeology artifacts on hand April 1, 1989 are recorded at a nominal amount of \$1. Subsequent to April 1, 1989, artifacts purchased are recorded at cost and those accepted as donations are valued at estimated value on the date of receipt by the Museum's curatorial staff or independent appraiser. Artifacts collected by the Museum's staff are recorded at the cost of the related collection project, excluding salary costs related to their collection and preparation.
- (iv) The cost of exhibits constructed and refurbished on the premises are capitalized at cost and include an allocation of staff salaries and related costs.
- (v) Furnishings and equipment purchases are capitalized at cost.
- (vi) Library books and periodicals purchased are capitalized at cost and those books accepted as donations are valued at a minimum of \$10 per book.

# THE MANITOBA MUSEUM

Notes to Non-Consolidated Financial Statements (continued)

Year ended March 31, 2020

---

## 2. Significant accounting policies (continued):

The carrying value of assets disposed of and the portions of exhibits removed to facilitate refurbishment are removed from the accounts and charged to income in the year of disposal or refurbishment.

Amortization expense is reported in the Properties Fund. Amortization is provided using the declining balance method at the following annual rates:

Asset	Rate
Exhibits	5%
Furnishings and equipment	12.5%
Library	5%
Leasehold improvements	5%

---

Exhibits in progress are stated at cost and no amortization is taken until the assets are placed in use.

The Museum occupies space owned by the Province of Manitoba and managed by The Manitoba Centennial Centre Corporation on a rent-free basis. The Manitoba Centennial Centre Corporation receives an operating grant directly from the Province of Manitoba, Department of Sport, Culture and Heritage and allocates a portion for occupancy costs pertaining to the premises.

Properties are reviewed for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. When circumstances indicate that properties is impaired, the net carrying amount of properties is written down to the asset's fair value or replacement cost. The write-down of the asset is charged to income during the year. An impairment loss is not reversed if the fair value of the related asset subsequently increases.

### (f) Employee future benefits:

The Museum has a defined benefit pension plan and a long service benefit plan covering substantially all of its employees. The Museum accrues its obligations under the defined benefit pension plan and long service benefit plan as the employees render the services necessary to earn the future benefits from these plans. The actuarial determination of the accrued benefit obligations for the plans use the projected benefit method prorated on service (which incorporates management's assumptions used for funding purposes, other cost escalation, retirement ages of employees and other actuarial factors). The measurement date of the plan assets, which are recorded at fair value, and accrued benefit obligation coincides with the Museum's fiscal year.

# THE MANITOBA MUSEUM

Notes to Non-Consolidated Financial Statements (continued)

Year ended March 31, 2020

---

## 2. Significant accounting policies (continued):

The Museum measures the defined benefit and long service benefit obligation using the most recently completed funding valuations. The effective dates of the actuarial valuations used in determining the defined benefit and long service benefit obligations was December 31, 2018 and December 31, 2019, respectively.

At year-end the Museum recognizes, in the statement of financial position, the defined benefit and long service benefit obligations net of the fair value of plan assets, if any, adjusted for any valuation allowance. The cost of the plans for the year, except for remeasurements and other items, is recognized in the statement of operations. Remeasurements and other items, which comprise the aggregate of: the difference between the actual return on plan assets and the return calculated using the discount rate used in determining that defined benefit obligation at the beginning of the year; actuarial gains and losses; the effect of any valuation allowance in the case of a net defined benefit asset; past service costs; and gains and losses arising from settlements and curtailments, are recognized directly in unrestricted fund balance in the statement of financial position and presented as a separately identified item in the statement of changes in fund balances.

### (g) Recognition of revenue:

Restricted contributions related to general operations are recognized as revenue of the General Fund in the year in which the related expenses are incurred. All other restricted contributions are recognized as revenue of the appropriate restricted fund in the year received or receivable if the amount can be reasonably estimated and collection is reasonably assured.

Unrestricted contributions are recognized as revenue of the General Fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Investment income on investments held in the Special Projects Fund and the Working Capital Reserve Fund is recorded as income in the General Fund.

Admissions and other revenue are recognized when earned.

### (h) Donations in-kind:

Donated materials and services are recorded when the materials or services would have to be purchased if they were not donated and where an estimate of fair market value can be reasonably determined.

# THE MANITOBA MUSEUM

Notes to Non-Consolidated Financial Statements (continued)

Year ended March 31, 2020

---

## 2. Significant accounting policies (continued):

(i) Contributed service:

Volunteers contribute in excess of 17,000 hours per year to assist the Museum in carrying out its programs and activities. Because of the difficulty of determining their fair value, contributed volunteer services are not recognized in the financial statements.

(j) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Freestanding derivative instruments that are not in a qualifying hedging relationship and equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. The Museum has not elected to carry any such financial instruments at fair value.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the Museum determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the Museum expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

(k) Use of estimates:

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Significant items subject to such estimates and assumptions include the carrying amount of properties, accrued benefit asset and accrued benefit liability. Actual results could differ from those estimates.

# THE MANITOBA MUSEUM

Notes to Non-Consolidated Financial Statements (continued)

Year ended March 31, 2020

### 3. Working Capital Reserve Fund:

On November 10, 2004, the Museum entered into a five year funding agreement with Arts Stabilization Manitoba, Inc. (ASM). Under the funding agreement, ASM had provided a total of \$500,000 to establish a Working Capital Reserve Fund. The restricted cash of the Working Capital Reserve Fund may be accessed for cash flow purposes over the course of a given year, but must be replenished prior to the Museum's fiscal year end, except as otherwise approved by ASM in accordance with the funding agreement. At March 31, 2020, the Museum had \$500,000 (2019 - \$500,000) held as restricted cash.

On November 10, 2009, the term of the funding agreement ended. Based on the terms and conditions of this funding agreement, the Museum must continue to maintain the \$500,000 of restricted cash in the Working Capital Reserve Fund at the end of each fiscal year, in perpetuity.

### 4. Investments:

At March 31, 2020, the Museum has invested \$4,000,000 (2019 - \$2,000,000) in guaranteed investment certificates with an average interest rate of 1.25 percent (2019 - 1.58 percent) and maturing between April 14, 2020 and August 11, 2020. These funds were available for investment principally as a result of the capital campaign as disclosed in note 13 and were received in support of the Bringing Our Stories Forward project.

### 5. Properties:

			2020	2019
	Cost	Accumulated amortization	Net book value	Net book value
Artifacts	\$ 13,919,082	\$ —	\$ 13,919,082	\$ 13,876,703
Exhibits	14,470,511	7,537,497	6,933,014	5,713,465
Furnishings and equipment	4,221,843	3,451,176	770,667	790,316
Library	826,366	617,722	208,644	216,773
Leasehold improvements	10,614,778	7,085,555	3,529,223	3,148,808
Exhibits in progress	3,766,622	—	3,766,622	1,484,904
	\$ 47,819,202	\$ 18,691,950	\$ 29,127,252	\$ 25,230,969

# THE MANITOBA MUSEUM

Notes to Non-Consolidated Financial Statements (continued)

Year ended March 31, 2020

## 5. Properties (continued):

Details of changes in the cost of properties are as follows:

	2020	2019
Acquisition of properties:		
Purchases:		
Artifacts	\$ 14,106	\$ 8,708
Furnishings and equipment	84,416	27,539
Exhibits in progress	3,825,536	1,586,797
Library	2,779	3,623
Leasehold improvements	551,646	–
	4,478,483	1,626,667
Donations in-kind:		
Artifacts	28,274	98,034
Increase in properties	4,506,757	1,724,701
Properties, beginning of year, at cost	43,312,445	41,587,744
Properties, end of year, at cost	\$ 47,819,202	\$ 43,312,445

## 6. Bank indebtedness:

The Museum has an operating line of credit to a maximum of \$800,000. The operating line of credit is due on demand, bears interest at bank prime and is unsecured. The Museum had not utilized the operating line of credit at March 31, 2020 and March 31, 2019.

## 7. Employee future benefits:

	2020		2019	
	Defined benefit pension plan	Long service benefit plan	Defined benefit pension plan	Long service benefit plan
Fair value of plan assets	\$ 19,162,440	\$ –	\$ 20,315,571	\$ –
Accrued benefit obligation	(16,110,177)	(501,979)	(15,739,705)	(670,336)
Valuation allowance	(203,686)	–	–	–
Accrued benefit asset (accrued benefit liability)	\$ 2,848,577	\$ (501,979)	\$ 4,575,866	\$ (670,336)

# THE MANITOBA MUSEUM

Notes to Non-Consolidated Financial Statements (continued)

Year ended March 31, 2020

## 8. Accounts payable and accrued liabilities:

Included in accounts payable and accrued liabilities are government remittances payable of \$40,482 (2019 - \$36,705), which includes amounts payable for federal and provincial sales tax and payroll related taxes.

## 9. Fund balances - internally restricted:

The Board of Governors can internally restrict net assets stipulating that these net assets be used for a specific purpose. These internally restricted amounts are not available for other purposes without approval by the Board of Governors.

The internally restricted net assets of the General Fund are comprised of the following:

	2020	2019
Rentals - capital equipment acquisition	\$ 3,512	\$ 3,178
Human resources - training and development	156,074	129,465
Planetarium - capital acquisitions	3,951	1,268
New publications projects	12,538	10,950
Alloway World Exhibits - major exhibition hosting	346,529	297,102
Nonsuch conservation	9,522	9,522
I.T capital projects and infrastructure - hardware and software	27,364	54,363
Capital renewal projects - research and development	155,194	61,618
New exhibitions - planning, research and development	50,899	88,380
Earned revenue projects - planning, development and implementation	474	-
Museum collection storage - HVAC replacement	-	290,240
Manitoba Museum - 50 <sup>th</sup> anniversary planning and special projects	78,369	94,315
Museum collections acquisitions	4,840	4,840
Facilities capital upgrades/improvements	11,548	33,384
Museum branding	153,531	100,000
Repatriation	8,571	-
Conservation and HVAC maintenance	10,240	-
Benefit plan reserve - Health and Dental	42,145	-
	<b>\$ 1,075,301</b>	<b>\$ 1,178,625</b>

During the year ended March 31, 2020, the Board of Governors approved a transfer within the General Fund from the unrestricted fund balance to the internally restricted fund balance of \$38,000 for Human Resources - training and development project.

In addition, a transfer of \$108,791 (2019 - \$92,355) was made from the Restricted Fund - Special Projects to the internally restricted net assets of the General Fund for capital and endowment campaign expenditures related to Bringing Our Stories Forward.



# THE MANITOBA MUSEUM

Notes to Non-Consolidated Financial Statements (continued)

Year ended March 31, 2020

## 10. Grants:

	2020		2019	
	General Fund	Properties/ Special Projects	General Fund	Properties/ Special Projects
Province of Manitoba	\$ 3,269,800	\$ –	\$ 3,269,800	\$ –
HBC History Foundation Grant	135,000	–	140,000	–
The City of Winnipeg	55,000	–	55,000	–
	<u>\$ 3,459,800</u>	<u>\$ –</u>	<u>\$ 3,464,800</u>	<u>\$ –</u>

## 11. Fundraising:

	2020	2019
Individual	\$ 138,776	\$ 154,467
Special events	189,120	143,748
Sponsorship	104,950	179,623
	<u>\$ 432,846</u>	<u>\$ 477,838</u>

## 12. Related party transactions:

During the year, the following transactions were entered into with the Foundation:

	2020	2019
Grants received from the Foundation	\$ 197,000	\$ 67,000
Refund of unspent grants in the Special Projects Fund	(8,545)	–
Administration fee recovery - included in other income of the General Fund	1,040	1,025
Research, collections and exhibits support - included in other income of the General Fund	10,000	10,000

The inter-fund loans are non-interest bearing, due on demand, have no specified terms of repayment and are unsecured.

These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

# THE MANITOBA MUSEUM

Notes to Non-Consolidated Financial Statements (continued)

Year ended March 31, 2020

---

## 13. Capital renewal project:

### *Bringing Our Stories Forward*

During fiscal 2018, the Museum had commenced the *Nonsuch* Gallery renewal phase of the Bringing Our Stories Forward (BOSF) project. This renewal phase of the BOSF project was funded by the Federal Government - Canada Cultural Space Fund (CCSF) through a contribution of \$2,500,000 as well as funds provided from a variety of private sector donors solicited through an ongoing capital campaign carried out by the Museum. Of the \$2,500,000 funding from CSSF, \$442,524 was received during fiscal 2017 with the remaining \$2,057,476 received during fiscal 2018 and included as revenue in Restricted Fund - Special Projects. In fiscal 2020, the Museum completed construction of the new Winnipeg Gallery. The BOSF project continued in fiscal 2020 with the renewal of the Grasslands and Orientation Galleries. This phase is to be completed in fiscal 2021 and represents the concluding phase of BOSF. In support of the overall BOSF project, the Province of Manitoba (the "Province") entered into a Contribution Agreement with the Museum offering up to \$5,000,000 in contributions. In fiscal 2020, \$1,750,000 was contributed to the Museum by the Province (2019 - \$1,850,000) and is included in revenue in Restricted Fund - Special Projects. As of March 31, 2020, the Province committed the full \$5,000,000 towards the BOSF project.

## 14. Financial risks:

The Museum believes that it is not exposed to significant interest-rate, market or credit risk arising from its financial instruments.

In relation to liquidity risk, which is the risk that the Museum will be unable to fulfill its obligations on a timely basis or at a reasonable cost, the Museum manages its liquidity risk by monitoring its operating requirements. The Museum prepares budgets and cash forecasts to ensure it has sufficient funds to fulfill its obligations. There has been no change to the risk exposures from 2019.

## 15. Subsequent event:

In the month of March, the COVID-19 outbreak was declared a pandemic by the World Health Organization and has had a significant financial, market and social dislocating impact. At the time of approval of these financial statements, the Museum has experienced closure of the Museum commencing in March 2020 based on public health recommendations, decline in fundraising, layoff of employees and mandatory working from home requirements for those able to do so as a result of the COVID-19 pandemic. Financial statements are required to be adjusted for events occurring between the date of the financial statements and the date of the auditors' report which provide additional evidence relating to conditions that existed as at year end. Management completed this assessment and required adjustments have been reflected in these non-consolidated financial statements.

# THE MANITOBA MUSEUM

Notes to Non-Consolidated Financial Statements (continued)

Year ended March 31, 2020

---

**15. Subsequent event (continued):**

At this time, there are also other factors which present uncertainty over future cash flows which, may cause significant changes to the assets or liabilities and may have a significant impact on future operations of the Museum. An estimate of the financial effect of these items is not practicable at this time.

# THE MANITOBA MUSEUM

## Non-Consolidated Schedule - Other Restricted Funds Summary

Year ended March 31, 2020

	Fund balance March 31, 2019	Project revenue (refund/ transfer)	Project expenses	Inter-fund transfers	Fund balance March 31, 2020
Special Projects Fund:					
Government of Canada grants:					
Young Canada Works	\$ -	\$ 22,669	\$ 22,669	\$ -	\$ -
Canadian History Fur Trade Program	1,340	(1,340)	-	-	-
Cafe Scientifique	2,574	(2,574)	-	-	-
Nice Women Don't Want the Vote (MAP)	13,463	-	-	-	13,463
Nametwaawin: Land and Language	-	72,276	44,916	-	27,360
Province of Manitoba:					
Building Accessibility	4,207	-	-	-	4,207
Multiple Visitation Program	497	(497)	-	-	-
Thule Harpoon Replica	3	(3)	-	-	-
Waking up the Artifacts: Heritage Grants Program	-	5,000	5,000	-	-
Bringing our Stories Forward (BOSF):					
Capital Support (note 13)	3,391,063	6,256,835	257,157	(4,443,875)	4,946,866
Program Support	944	-	-	-	944
Grasslands Collaborative Curatorial Tour	16	-	-	-	16
Rural Community Outreach	1,280	-	-	-	1,280
External Conservation Projects	(3,134)	-	(7,190)	(4,056)	-
Newcomer Film	725	-	-	-	725
Urban Renewal - Strike 1919	13,265	19,764	14,299	-	18,730
The Manitoba Museum Foundation Incorporated:					
Science Gallery Exhibits	461	(461)	-	-	-
Museum Gallery Exhibits	7,279	-	-	-	7,279
John D. Atchison Research Project	1,004	-	-	-	1,004
Plesiosaur Fossil Exhibits	5,745	(5,745)	-	-	-
Renewal of Continental Trade Networks Exhibit	2,800	(2,800)	-	-	-
Planned Giving Program	10,197	3,550	1,462	-	12,285
Arviat Community Research Trip	1,914	-	-	-	1,914
Bird's Eye View	6,237	-	-	-	6,237
Identification of Mixed-grass Prairie Plant Species	343	-	-	-	343
Trading Posts in Western and Northern Canada	237	-	-	-	237
Geology Research for the Grasslands Gallery	1,374	-	543	-	831
Archaeology Collection Research for Gallery Renewal	4,624	-	-	-	4,624
York Factory Community Consultations Gallery Renewal	3,495	-	-	-	3,495
Loon Beardy Painting Refurbishment Gallery Mural Addition and Replacement Project	1,528	-	-	-	1,528
Conservation Upgrades for "Meteorites of Manitoba"	1,203	791	1,994	-	-
HBC Coat of Arms	6,000	-	-	-	6,000
Indigenous Gallery Content Renewal	495	-	-	-	495
Digitization Projects	10,157	-	3,579	-	6,578
Flora of Manitoba: Historical Plant Tracking	117	-	117	-	-
Southwest Manitoba Fur Trade: Archaeological Survey	-	2,705	2,705	-	-
The William Lake Fossil Biota: Instrumental Analyses	628	-	-	-	628
	2,845	-	-	-	2,845
Carried forward	3,494,926	6,370,170	347,251	(4,447,931)	5,069,914

# THE MANITOBA MUSEUM

## Non-Consolidated Schedule - Other Restricted Funds Summary (continued)

Year ended March 31, 2020

	Fund balance March 31, 2019	Project revenue (refund/ transfer)	Project expenses	Inter-fund transfers	Fund balance March 31, 2020
Brought forward	\$ 3,494,926	\$ 6,370,170	\$ 347,251	\$ (4,447,931)	\$ 5,069,914
The Manitoba Museum Foundation					
Incorporated (continued):					
Visitor Experience Survey	358	—	69	—	289
Monitoring Populations and Phenology of SW MB Amphibians	—	7,670	—	(3,746)	3,924
Fossil Athropods at the Airport Cove site, Churchill	—	3,332	2,347	—	985
Grassland Gallery Botanical Specimen Collection	—	3,114	3,114	—	—
Field Acquisition of Materials for the Grasslands Gallery	—	9,700	1,206	—	8,494
Urban Gallery Renewal - Urban Gallery Mannequin Replacement	—	14,000	44	(13,060)	896
Focus Stacking Digital Equipment for Grasslands Exhibits	—	6,479	—	(5,780)	699
Fieldwork & Research for Reconciliation & Indigenous Content	—	20,000	5,107	(1,960)	12,933
Duck Mountain Cougar Prep	—	5,000	—	—	5,000
Other grants/special projects:					
Repatriation Budget	1,155	—	1,155	—	—
Vertebrate Research Publication	1,951	—	—	—	1,951
Nonsuch Maintenance	23,233	—	—	—	23,233
Alloway World Exhibits	59,999	—	—	—	59,999
HBC History Foundation	3,194	—	2,560	—	634
Collections Database Technical Upgrade	2,000	—	—	—	2,000
Nice Women Don't Want The Vote	8,929	—	—	—	8,929
Treaty Exhibit - Parklands Gallery	7,213	2,000	—	—	9,213
Prairie Pollination VMC	7,671	—	1,963	—	5,708
Braiding Histories	5,713	(5,713)	—	—	—
Cultural Initiatives	7,431	10,000	6,747	—	10,684
Winnipeg Foundation Intern	759	—	—	—	759
Spirit Lines	12,744	—	—	—	12,744
Aboriginal Resident Scholar Program	15,000	18,000	18,040	—	14,960
Adult Sci-curious Evening Developer	718	(718)	—	—	—
Collections Storage Upgrade	2,927	—	2,734	(193)	—
Innovation 150	854	(854)	—	—	—
Lord Selkirk Collection Repatriation Project	16,480	2,000	18,373	—	107
Six Seasons SSHRC	2,162	—	2,013	—	149
Loon Beardy Exhibition Refurbishment	9,035	—	8,545	—	490
Kish Kishin: Do You Remember	3,658	—	3,058	—	600
Green Team	—	2,553	2,553	—	—
YMCA - Summer Work Student Exchange	—	4,608	4,608	—	—
Sustainability	53	100	—	—	153
Treaty 3 Retrofit - Parklands	2,000	2,665	486	—	4,179
MSP Program Development Fund	—	12,810	1,100	—	11,710
WAC - Arts Leader Fellowship	—	21,000	15,375	—	5,625
HBC Charter	—	—	1,060	—	(1,060)
Manitoba 150	—	40,000	—	—	40,000
Museum Brand Project	—	25,000	—	—	25,000
<b>Total Special Projects Fund</b>	<b>3,690,163</b>	<b>6,572,916</b>	<b>449,508</b>	<b>(4,472,670)</b>	<b>5,340,901</b>
Working Capital Reserve Fund:					
Arts Stabilization Manitoba, Inc. (note 3)	500,000	—	—	—	500,000
<b>Total other restricted funds</b>	<b>\$ 4,190,163</b>	<b>\$ 6,572,916</b>	<b>\$ 449,508</b>	<b>\$ (4,472,670)</b>	<b>\$ 5,840,901</b>