

**MANITOBA AGRICULTURAL MUSEUM INC**

**AUSTIN, MANITOBA**

**DECEMBER 31, 2020**

# MANITOBA AGRICULTURAL MUSEUM INC

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FOR THE YEAR ENDED DECEMBER 31, 2020

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## **Independent Auditor's Report**

To the Members of;  
Manitoba Agricultural Museum Inc

### **Qualified Opinion**

We have audited the accompanying financial statements of the Manitoba Agricultural Museum Inc, which comprise the balance sheet as at December 31, 2020, and the statements of revenue and expenditures, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Manitoba Agricultural Museum Inc as at December 31, 2020, 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.

### **Basis for Qualified Opinion**

In common with many not for profit organizations, the Manitoba Agricultural Museum Inc derives revenue from the general public in the form of donations and fundraising the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Manitoba Agricultural Museum Inc. Therefore, we were not able to determine whether any adjustments might be necessary to donations and fundraising, excess of revenue over expenditures, and cash flows from operations for the years ended December 31, 2020 and 2019, current assets as at December 31, 2020 and 2019, and net assets as at January 1 and December 31 for both the 2020 and 2019 years. The audit opinion on the financial statements for the year ended December 31, 2019 was modified accordingly because of the possible effects of this limitation in scope.

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 report. We are independent of the organization 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 qualified 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 organization'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 organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the organization'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 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 Manitoba Agricultural Museum Inc'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 Manitoba Agricultural Museum Inc'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 Manitoba Agricultural Museum Inc 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.

May 25, 2021  
Winnipeg, Manitoba



Chartered Professional Accountants Inc.


# MANITOBA AGRICULTURAL MUSEUM INC

## BALANCE SHEET

AS AT DECEMBER 31

	2020	2019
	\$	\$
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	327,003	199,695
Short-term investment	140	52,593
Accounts receivable	96,821	15,457
Prepaid expenses	41,211	18,108
	<u>465,175</u>	<u>285,853</u>
<b>TANGIBLE CAPITAL ASSETS (note 3)</b>	<u>2,080,319</u>	<u>2,089,027</u>
	<u>2,545,494</u>	<u>2,374,880</u>
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued liabilities	22,461	28,371
Prepaid deposits	48,000	-
Due to government agencies	374	1,085
Deferred revenue	10,621	1,075
Callable debt (note 5)	15,938	21,036
	<u>97,394</u>	<u>51,567</u>
<b>LONG - TERM DEBT (note 6)</b>	40,000	-
<b>DEFERRED CONTRIBUTIONS RELATED TO CAPITAL ASSETS (note 4)</b>	<u>106,372</u>	<u>112,750</u>
	<u>243,766</u>	<u>164,317</u>
<b>NET ASSETS</b>		
<b>UNRESTRICTED NET ASSETS</b>	111,945	15,553
<b>INVESTMENT IN CAPITAL ASSETS</b>	1,973,947	1,976,277
<b>INTERNALLY RESTRICTED NET ASSETS (note 12)</b>	<u>215,836</u>	<u>218,733</u>
	<u>2,545,494</u>	<u>2,374,880</u>

Approved on Behalf of the Board

  
\_\_\_\_\_  
Director

  
\_\_\_\_\_  
Director

The accompanying notes are an integral part of these financial statements

**MANITOBA AGRICULTURAL MUSEUM INC****STATEMENT OF REVENUE AND EXPENDITURES**

FOR THE YEAR ENDED DECEMBER 31

	2020	2019
	\$	\$
<b>REVENUE</b>		
Admissions	3,872	147,637
Campground fees	14,240	45,105
Donations and sponsorships	26,545	47,917
Food and beverage services	-	65,591
Fundraising and events	37,294	50,142
Gift shop	4,815	18,658
Grants (note 8)		
Government of Canada	138,100	22,684
Province of Manitoba	67,156	73,183
Other	27,626	19,626
Investment and interest income		-
Investment and bank interest	1,608	2,355
Endowment fund income	74,239	5,695
Memberships	7,930	18,440
Rental income	14,757	29,202
	<u>418,182</u>	<u>546,235</u>
<b>EXPENDITURE</b>		
Advertising	663	23,078
Collections		
Artifacts	16,034	21,996
Village	12,556	18,798
Food and beverage services	-	30,313
Fundraising and events	10,403	133,863
Fuel, oil and gas	8,882	17,549
Gift shop	728	11,497
Insurance	16,954	18,449
Interest and bank charges	2,381	3,644
Marketing and outreach	6,515	16,964
Office and administration	11,211	13,861
Prizes awarded	-	1,874
Professional fees	6,720	13,369
Rental	-	9,343
Repairs		-
Machinery	5,299	12,042
Operations and supplies	8,056	22,680
Utilities	29,823	36,822
Wages and benefits	124,386	150,039
	<u>260,611</u>	<u>556,181</u>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURE BEFORE AMORTIZATION</b>	157,571	(9,946)
<b>AMORTIZATION</b>		
Amortization	41,508	60,170
Amortization of deferred contributions	(6,378)	(6,378)
	<u>35,130</u>	<u>53,792</u>

The accompanying notes are an integral part of these financial statements

**MANITOBA AGRICULTURAL MUSEUM INC**

**STATEMENT OF REVENUE AND EXPENDITURES**

**FOR THE YEAR ENDED DECEMBER 31**

	2020	2019
	\$	\$
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURE BEFORE OTHER ITEMS</b>	<u>122,441</u>	<u>(63,738)</u>
<b>OTHER ITEMS</b>	-	-
Contribution to North Norfolk Foundation Inc.	(64,076)	(11,000)
Non monetary donations	32,800	-
	<u>(31,276)</u>	<u>(11,000)</u>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURE</b>	<u><u>91,165</u></u>	<u><u>(74,738)</u></u>

The accompanying notes are an integral part of these financial statements

**MANITOBA AGRICULTURAL MUSEUM INC****STATEMENT OF CHANGES IN NET ASSETS****FOR THE YEAR ENDED DECEMBER 31**

	Internally restricted net assets	Investment in capital assets	Unrestricted net assets	2020 Total	2019 Total
	\$	\$	\$	\$	\$
<b>NET ASSETS</b>					
<b>Balance, beginning of year</b>	218,733	1,976,277	15,553	2,210,563	2,290,156
<b>Prior period adjustment</b>	-	-	-	-	(4,855)
<b>Balance, beginning of year, as restated</b>	218,733	1,976,277	15,553	2,210,563	2,285,301
<b>Excess (deficiency) of revenue over expenditure</b>	-	(35,130)	126,295	91,165	(74,738)
<b>Contribution to capital assets</b>	-	32,800	(32,800)	-	-
<b>Internal transfers</b>	(2,897)	-	2,897	-	-
<b>Balance, end of year</b>	<u>215,836</u>	<u>1,973,947</u>	<u>111,945</u>	<u>2,301,728</u>	<u>2,210,563</u>

The accompanying notes are an integral part of these financial statements



**MANITOBA AGRICULTURAL MUSEUM INC****STATEMENT OF CASH FLOWS****FOR THE YEAR ENDED DECEMBER 31**

	2020	2019
	\$	\$
<b>CASH PROVIDED BY (USED FOR) THE FOLLOWING ACTIVITIES</b>		
<b>OPERATING</b>		
Excess (deficiency) of revenue over expenditure for the year	91,165	(74,738)
Items not affecting cash:		
Amortization	41,508	60,170
Non monetary donations	(32,800)	-
Amortization of deferred contributions	(6,378)	(6,378)
	<u>93,495</u>	<u>(20,946)</u>
Net changes in non-cash working capital affecting operations ( <i>note 9</i> )	<u>(1,089)</u>	<u>85,524</u>
	<u>92,406</u>	<u>64,578</u>
<b>FINANCING</b>		
Proceeds from long - term debt	40,000	-
Repayment of callable debt	(5,098)	(4,742)
	<u>34,902</u>	<u>(4,742)</u>
<b>INVESTING</b>		
Purchase of tangible capital assets	<u>-</u>	<u>(39,641)</u>
<b>INCREASE IN CASH RESOURCES</b>	127,308	20,195
<b>CASH RESOURCES, BEGINNING OF YEAR</b>	<u>199,695</u>	<u>179,500</u>
<b>CASH RESOURCES, END OF YEAR</b>	<u><u>327,003</u></u>	<u><u>199,695</u></u>

The accompanying notes are an integral part of these financial statements

# MANITOBA AGRICULTURAL MUSEUM INC

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2020

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### 1. PURPOSE OF ORGANIZATION

Manitoba Agricultural Museum Inc. (the organization) is a local organization, operating an agricultural museum and an annual reunion and rodeo. The organization is incorporated under the Manitoba Corporations Act as a not-for-profit organization, and is a registered charity under subsection 149 (1)(1) of the Income Tax Act.

### 2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. Outlined below are those policies considered particularly significant for the organization.

#### a) REVENUE RECOGNITION

The organization follows the deferral method of accounting for contributions.

Unrestricted donations, user fee contributions and other income are recognized as revenue when received or receivable if the amount received can be reasonably estimated and collection is reasonably assured.

The organization recognizes revenue from the museum, rodeo and reunion when it has persuasive evidence that the service has been provided to the patron and collection is reasonably assured.

The organization recognizes revenue from grants and donations when they are fixed or determinable and collection is reasonably assured.

Restricted contributions related to expenses of future periods are deferred and recognized as revenue in the year in which the related expenses are incurred.

Restricted contributions for the purchase of tangible capital assets that will be amortized have been deferred and will be recognized as revenue on the same basis as the amortization expense related to the acquired tangible capital asset.

#### b) MEASUREMENT UNCERTAINTY

When preparing financial statements according to Canadian accounting standards for not-for-profit organizations, the organization makes estimates and assumptions relating to reported amounts of revenue and expenses, reported amounts of assets and liabilities and disclosure of contingent assets and liabilities.

Management's assumptions are based on a number of factors, including historical experience, current events and actions that the organization may undertake in the future, and other assumptions that we believe are reasonable under the circumstances. Actual results could differ from those estimates under different conditions and assumptions. Estimates were used when accounting for certain items, such as the useful lives of capital assets and impairment of long-lived assets.

#### c) CASH AND CASH EQUIVALENTS

Cash equivalents are comprised of highly liquid investments with maturities of three months or less from the date of acquisition.

#### d) INVENTORY

The organization has elected to expense gift shop inventory in the year purchased.

# MANITOBA AGRICULTURAL MUSEUM INC

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2020

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### 2. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

#### e) TANGIBLE CAPITAL ASSETS

Tangible capital assets are recorded at cost. Amortization is provided using methods and rates intended to amortize the cost of assets over their estimated useful lives. Betterments that extend the useful life of the tangible capital asset are capitalized.

Contributed tangible capital assets are recorded at fair value at the date of contribution, unless fair value is not determinable in which case contributed tangible capital assets are recorded at nominal value at the date of contribution.

Amortization based on the estimated useful life of the asset is calculated as follows:

	Method	Rate
Buildings	straight line	5 % per annum
Automotive	straight line	15 % per annum
Computer equipment	straight line	15 % per annum
Campground	straight line	5 % per annum
Equipment and furniture	straight line	10 % per annum
Fencing	straight line	5 % per annum
Furniture and fixtures	straight line	10 % per annum
Grandstand and rodeo	straight line	5 % per annum
Paving and landscaping	straight line	5 % per annum
Signs	straight line	10 % per annum
Water and sewage system	straight line	5 % per annum

#### f) COLLECTIONS

The organization holds historical agricultural collection items. Some of the significant items include antique tractors and farm machinery, a rare steam engine and other engines, blacksmith tools and books. During the year, the organization received a donation of antiques totaling \$32,800 (\$Nil in 2019). There were no collections items disposed of in 2020 (\$Nil in 2019).

The organization's collections are capitalized in the statement of financial position but are not subject to amortization. Contributions of collection items are reported as revenue and an increase to tangible capital assets at their fair value. When fair value cannot be determined, the contribution is recognized at a nominal value.

# MANITOBA AGRICULTURAL MUSEUM INC

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2020

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### 2. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

#### g) FINANCIAL INSTRUMENTS

##### **Measurement of financial instruments**

The organization initially measures its financial assets and financial liabilities at fair value adjusted by, in the case of a financial instrument that will not be measured subsequently at fair value, the amount of transaction costs directly attributable to the instrument.

The organization subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in the statements of operations in the period incurred. Financial assets measured at amortized cost include cash, amounts receivable and fixed income investments.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities. Financial assets measured at fair value include equity instruments that are quoted in an active market.

The fair values of investments quoted in an active market are determined by reference to the latest closing transactional net asset value of each respective investment.

##### **Impairment**

At the end of each reporting period, the organization assesses whether there are any indications that a financial asset measured at amortized cost may be impaired. Objective evidence of impairment includes observable data that comes to the attention of the organization, including but not limited to the following events: significant financial difficulty of the issuer; a breach of contract, such as a default or delinquency in interest or principal payments; or bankruptcy or other financial reorganization proceedings.

When there is an indication of impairment, the organization determines whether a significant adverse change has occurred during the period in the expected timing or amount of future cash flows from the financial asset.

#### h) CONTRIBUTED SERVICES AND MATERIALS

Volunteers contribute many hours per year to assist the organization in carrying out its activities. Due to the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

**MANITOBA AGRICULTURAL MUSEUM INC**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED DECEMBER 31, 2020**

**3. TANGIBLE CAPITAL ASSETS**

	2020						2019		
	Accumulated		Balance	Accumulated		Balance			
	Cost	Amortization		Cost	Amortization				
	\$	\$	\$	\$	\$	\$	\$	\$	
Land	31,000	-	31,000	31,000	-	31,000		31,000	
Buildings	1,319,924	1,114,599	205,325	1,319,924	1,097,403	222,521		222,521	
Collection-Antiques	1,600,108	-	1,600,108	1,567,308	-	1,567,308		1,567,308	
Automotive	87,339	82,008	5,331	87,339	78,821	8,518		8,518	
Computer equipment	18,625	17,433	1,192	18,625	17,084	1,541		1,541	
Campground	117,872	32,566	85,306	117,872	26,218	91,654		91,654	
Equipment and furniture	67,472	55,783	11,689	67,472	54,899	12,573		12,573	
Fencing	70,788	68,267	2,521	70,788	68,543	2,245		2,245	
Furniture and fixtures	21,906	19,295	2,611	21,906	18,692	3,214		3,214	
Grandstand and rodeo	292,960	204,313	88,647	292,960	193,303	99,657		99,657	
Paving and landscaping	8,860	-	8,860	8,860	-	8,860		8,860	
Signs	16,770	16,770	-	16,770	16,691	79		79	
Water and sewage system	93,134	55,405	37,729	93,134	53,277	39,857		39,857	
	<u>3,746,758</u>	<u>1,666,439</u>	<u>2,080,319</u>	<u>3,713,958</u>	<u>1,624,931</u>	<u>2,089,027</u>			

**4. DEFERRED CONTRIBUTIONS RELATED TO CAPITAL ASSETS**

Deferred contributions related to capital assets for the Grand Stand Roof represents the unamortized portion of contributed capital assets and restricted contributions used to purchase capital assets.

The changes in the deferred contributions balance for the year are as follows:

	2020	2019
	\$	\$
Beginning balance	112,750	119,128
Less: amortization included in income	(6,378)	(6,378)
	<u>106,372</u>	<u>112,750</u>

**5. CALLABLE DEBT**

	2020	2019
	\$	\$
Stride Credit Union loan, authorized to a maximum of \$50,000; interest charged monthly at prime plus 1.25% (4.2%: 2020); matures 2022; secured by general security agreement.	15,938	21,036
	<u>15,938</u>	<u>21,036</u>

# MANITOBA AGRICULTURAL MUSEUM INC

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2020

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### 6. LONG - TERM DEBT

	2020	2019
	\$	\$
Canada Emergency Business Account Loan (C.E.B.A); interest free government funded loan payable on or before December 31, 2022; on maturity it is convertible into a term loan at a rate of 5%.	40,000	-
	<u>40,000</u>	<u>-</u>

### 7. FINANCIAL INSTRUMENTS

The organization is exposed to different types of risks in the normal course of its operations, including credit risk and market risk. The organization'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 organization's financial instruments consist of cash and cash equivalent, amounts receivable, investments, accounts payable and accrued liabilities and callable debt. Unless otherwise noted, it is management's opinion that the organization is not exposed to significant credit, interest rate, liquidity, or market (other price) risks arising from these financial instruments. Market risks result from changes in interest rates, exchange rates of foreign currencies and market prices of financial instruments.

#### Credit risk

Credit risk is the risk that one party to a financial instrument fails to discharge an obligation and causes financial loss to another party. The carrying amount of financial assets represents the maximum credit exposure. The organization's exposure to credit risk consists principally of cash and cash equivalents, investments and accounts receivable. The organization maintains cash and cash equivalents with reputable and major financial institutions. The investments include investments issued by high-credit quality financial institutions. Management considers the risk of non-performance of these instruments to be remote.

#### Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of the financial instrument will fluctuate because of changes in the market interest rates. The Organization is not exposed to significant interest rate risk as although it's callable debt and line of credit are at variable rates, the line of credit was unutilized at December 31, 2020 and 2019.

#### Market risk

Market risk is the risk that changes in market prices, such as interest rates and foreign exchange rates, will affect the organization's income or the fair value of its financial instruments. The organization purchases low risk fixed interest guaranteed investments and has limited dealings in a foreign currency, therefore the risk is remote.

# MANITOBA AGRICULTURAL MUSEUM INC

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2020

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### 8. GRANTS

	2020	2019
	\$	\$
Government of Canada		
Building Communities Through Arts and Heritage	17,500	12,500
Canada Summer Jobs	3,606	10,184
COVID-19 Emergency Support Fund	55,618	-
Government of Canada (CEWS)	41,376	-
Federal government assistance	20,000	-
	<u>138,100</u>	<u>22,684</u>
Province of Manitoba		
Community Festivals and Events	3,767	7,093
Building Sustainable Communities	5,367	5,689
Green Team	2,983	1,951
Heritage Grant Project	650	650
Manitoba Liquor and Lotteries	-	2,000
Manitoba Signature Museums	41,700	55,800
Manitoba Student Recovery Jobs Program	1,689	-
NPO Summer Student Incentive	6,000	-
Manitoba bridge grant	5,000	-
	<u>67,156</u>	<u>73,183</u>
Other		
Austin and Area Lions	-	1,350
Manitoba Metis Federation	6,115	3,276
Municipality of North Norfolk	10,000	10,000
North Norfolk Foundation	2,500	5,000
Other community service grants	4,011	-
Thomas Sill Foundation	5,000	-
	<u>27,626</u>	<u>19,626</u>

### 9. CASH FLOW STATEMENT

	2020	2019
	\$	\$
Net changes in non-cash working capital affecting operations		
Short-term investment	52,453	60,056
Accounts receivable	(81,364)	21,642
Prepaid expenses	(23,103)	(6,028)
Accounts payable and accrued liabilities	(5,910)	10,269
Prepaid deposits	48,000	-
Due to government agencies	(711)	(1,415)
Deferred revenue	9,546	1,000
	<u>(1,089)</u>	<u>85,524</u>

# MANITOBA AGRICULTURAL MUSEUM INC

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2020

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### 10. SUBSEQUENT EVENTS

The Manitoba government declared a province-wide state of emergency under The Emergency Measures Act in March 2020, to protect the health and safety of all Manitobans and reduce the spread of COVID-19; subsequent to year-end the state of emergency was extended.

As a result the association had to limit its operations and certain variable costs and fees for service have decreased. As at the date of these financial statements; the full impact cannot be determined due to the uncertain length of the state of emergency and limited operations.

### 11. LINE OF CREDIT

The organization has obtained an operating line of credit from the Stride Credit Union to a maximum of \$135,000. Interest is charged monthly at prime plus 1.25%. (4.2%: 2020). The line of credit is secured by a general security agreement. The line of credit was unutilized as at December 31, 2020.

### 12. INTERNALLY RESTRICTED NET ASSETS

The Board of Directors internally restricted 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 Directors.

The internally restricted net assets are comprised of the following cash, short term investments and long term investments:

	2020	2019
	\$	\$
Reunion Reserve fund	60,334	60,213
Big Roy	10,031	-
Foundation fund	4,029	53,966
Lottery fund	3,724	3,722
Sawyer Massey Restoration fund	778	1,525
Volunteer Campground fund	9,792	4,105
Capital fund	1,870	1,869
Restoration fund	21,800	21,698
Public Campground	46,238	43,947
Village fund	10,905	9,028
Other	750	750
Heritage Harvest	5,114	5,109
Signature Museums	28,004	4,782
Centennial Building Project	8,044	8,019
Feasibility	4,423	-
	<u>215,836</u>	<u>218,733</u>



# MANITOBA AGRICULTURAL MUSEUM INC

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2020

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### 13. PERMANENT ENDOWMENTS

The North Norfolk Foundation Inc. has five permanent endowment funds made up of qualifying gifts from the general public and stretch contributions from the program in accordance with an approved formula; and the ownership of all contributions of money now and thereafter deposited shall be vested with the North Norfolk Foundation Inc. and are irrevocable. The Winnipeg Foundation has invested these funds in the Consolidated Trust Funds in perpetuity in an agreement with the North Norfolk Foundation Inc.

As the organization does not have control over these permanent funds, they are not reported in the financial statements of the organization.

These assets provide an annual revenue disbursement to support museum operations and artifacts as outlined in the fund agreements.

General Fund – Established in 2017, revenue disbursements are allocated at the discretion of the Board of Directors to support museum operations.

Contributions made during 2020 are \$NIL; Income earned during year - \$894 (2019 - \$986); Estimated market value on December 31, 2020 \$23,934.

Heritage Fund - Established in 2018, revenue disbursements are allocated at the discretion of the Board of Directors to support museum operations and artifacts. Contributed capital raised by the museum for the fund is matched by Government of Manitoba investment grants on a 2:1 basis.

Contributions made during 2020 are \$76,456; Income earned during year - \$1,684; (2019 - \$1,191) Estimated market value on December 31, 2020 \$130,762.

Artifacts Fund - Established in 2017, revenue disbursements are allocated at the discretion of the Board of Directors the acquisition, interpretation and preservation of artifacts.

Contributions made during 2020 are \$NIL; Income earned during year - \$2,074 (2019 - \$2,284); Estimated market value on December 31, 2020 \$55,671.

Arts Stabilization Fund - Established in 2010 through a contribution from the Manitoba Arts Stabilization Council, revenue disbursements are allocated at the discretion of the Board of Directors to support organizational capacity building and Information Technology Upgrades.

Contributions made during 2020 are \$NIL; Income earned during year - \$528 (2019 - \$576); Estimated market value on December 31, 2020 \$14,159.

Signature Museum Sustainability Fund - Established in 2020 through a contribution from The Government of Manitoba, revenue disbursements are allocated at the discretion of the Board of Directors to support museum operations, including development activities in governance and management, museum standards and visitor experience.

Contributions made during 2020 are \$1.372 million; Income earned during year - \$69,179 (2019 - \$Nil); Estimated market value on December 31, 2020 \$1,590,684.

The above policy reduces the interest rate, credit, and foreign currency risk to the Manitoba Agricultural Museum Inc.

**MANITOBA AGRICULTURAL MUSEUM INC****MUSEUM****SCHEDULE OF OPERATIONS****FOR THE YEAR ENDED DECEMBER 31**

	2020	2019
	\$	\$
<b>REVENUE</b>		
Admissions	3,872	6,026
Campground fees	14,072	25,272
Donations and sponsorships	21,508	16,327
Gift shop	4,815	18,658
Grants <i>(note 8)</i>		
Government of Canada	120,600	10,184
Province of Manitoba	63,389	64,090
Other	27,626	19,626
Fundraising and events	31,346	35,040
Investment and interest income		
Investment and bank interest	1,608	2,355
Endowment fund income	74,239	5,695
Memberships	7,930	18,440
Rental income	13,571	6,569
	<u>384,576</u>	<u>228,282</u>
<b>EXPENDITURE</b>		
Collections		
Artifacts	16,034	21,996
Village	12,556	18,798
Fundraising and events	8,254	12,568
Fuel, oil and gas	8,882	7,968
Gift shop	728	11,497
Insurance	16,954	17,030
Interest and bank charges	2,381	3,644
Marketing and outreach	6,515	16,964
Office and administration	11,211	13,861
Professional fees	6,720	13,369
Repairs		
Machinery	5,299	12,042
Operations and supplies	8,056	22,680
Utilities	29,823	36,822
Wages and benefits	124,386	140,039
	<u>257,799</u>	<u>349,278</u>
<b>OPERATING INCOME (LOSS)</b>	<u>126,777</u>	<u>(120,996)</u>

The accompanying notes are an integral part of these financial statements

# MANITOBA AGRICULTURAL MUSEUM INC

## REUNION

### SCHEDULE OF OPERATIONS

#### FOR THE YEAR ENDED DECEMBER 31

	2020	2019
	\$	\$
<b>REVENUE</b>		
Admissions	-	141,611
Campground fees	168	19,833
Donations and sponsorships	5,037	31,590
Food and beverage services	-	65,591
Fundraising and events	5,948	15,102
Grants <i>(note 8)</i>		
Government of Canada	17,500	12,500
Province of Manitoba	3,767	9,093
Rental income	1,186	22,633
	<u>33,606</u>	<u>317,953</u>
<b>EXPENDITURE</b>		
Advertising	663	23,078
Fundraising and events	2,149	121,295
Food and beverage services	-	30,313
Fuel, oil and gas	-	9,581
Insurance	-	1,419
Prizes awarded	-	1,874
Rental	-	9,343
Wages and benefits	-	10,000
	<u>2,812</u>	<u>206,903</u>
<b>OPERATING INCOME</b>	<u>30,794</u>	<u>111,050</u>

The accompanying notes are an integral part of these financial statements

R|M

REID & MILLER

CHARTERED PROFESSIONAL ACCOUNTANTS INC