

**NEW ICELAND HERITAGE MUSEUM INC.**

**Financial Statements**

**Year Ended March 31, 2022**

**NEW ICELAND HERITAGE MUSEUM INC.**

**Index to Financial Statements**

**Year Ended March 31, 2022**

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	Page
INDEPENDENT AUDITOR'S REPORT	1 - 2
FINANCIAL STATEMENTS	
Statement of Financial Position	3
Statement of Revenues and Expenses	4
Statement of Changes in Net Assets	5
Statement of Cash Flows	6
Notes to Financial Statements	7 - 10
Expenses ( <i>Schedule 1</i> )	11

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## INDEPENDENT AUDITOR'S REPORT

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To the Members of NEW ICELAND HERITAGE MUSEUM INC.

*Opinion*

We have audited the financial statements of NEW ICELAND HERITAGE MUSEUM INC. (the company), which comprise the statement of financial position as at March 31, 2022, and the statements of revenues and expenses, 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, the accompanying financial statements present fairly, in all material respects, the financial position of the company as at March 31, 2022, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

*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 *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the company in accordance with 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 ASNPO, 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 company'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 company or to cease operations, or has no realistic alternative but to do so.

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

*Auditor's 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 auditor's 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.

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

Winnipeg, MB  
July 4, 2022



12  
CHARTERED PROFESSIONAL ACCOUNTANTS

**NEW ICELAND HERITAGE MUSEUM INC.**  
**Statement of Financial Position**  
**March 31, 2022**

	2022	2021
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 326,729	\$ 169,046
Term deposits	51,606	50,737
Accounts receivable	-	2,975
Inventory	27,785	18,859
Goods and services tax recoverable	1,192	952
	407,312	242,569
CAPITAL ASSETS <i>(Note 4)</i>	1,403	2,805
	\$ 408,715	\$ 245,374
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT</b>		
Accounts payable	\$ 2,399	\$ 2,147
Provincial sales tax payable	242	433
Employee deductions payable	4,271	-
Deferred income <i>(Note 5)</i>	192,075	43,917
	198,987	46,497
DEFERRED CONTRIBUTIONS <i>(Note 6)</i>	72,068	73,471
	271,055	119,968
NET ASSETS	137,660	125,406
	\$ 408,715	\$ 245,374

**ON BEHALF OF THE BOARD**

\_\_\_\_\_ *Director*

\_\_\_\_\_ *Director*

**NEW ICELAND HERITAGE MUSEUM INC.**  
**Statement of Revenues and Expenses**  
**Year Ended March 31, 2022**

	2022	2021
<b>REVENUES</b>		
Federal COVID grant	\$ -	\$ 21,545
NIHM Sustainability Fund	43,917	46,083
Gift Shop Sales	45,434	26,828
RM of Gimli	33,861	32,508
Province of Manitoba	-	37,650
Summer student grants	24,790	20,063
Federal - CEWS benefit	17,134	33,102
Donations	14,860	16,542
Tours and Admissions	13,269	10,832
Fundraising revenue	12,159	7,922
Federal - CERS grant	9,368	6,418
Other revenue	8,797	14,483
Grants -other Federal	7,000	3,500
Chamber of Commerce	4,246	-
LWVC revenue	2,764	3,264
Membership	1,785	2,345
Deferred contributions	1,403	1,403
Expense recoveries	700	338
	<u>241,487</u>	<u>284,826</u>
<b>EXPENSES (Schedule 1)</b>	<u>229,233</u>	<u>207,965</u>
<b>EXCESS OF REVENUES OVER EXPENSES FROM OPERATIONS</b>	<b>12,254</b>	<b>76,861</b>
<b>OTHER ITEMS</b>		
Heritage investment fund	-	(30,911)
<b>EXCESS OF REVENUES OVER EXPENSES</b>	<b>\$ 12,254</b>	<b>\$ 45,950</b>

**NEW ICELAND HERITAGE MUSEUM INC.**

**Statement of Changes in Net Assets**

**Year Ended March 31, 2022**

	<b>2022</b>	2021
<b>NET ASSETS - BEGINNING OF YEAR</b>	<b>\$ 125,406</b>	\$ 79,456
<b>EXCESS OF REVENUES OVER EXPENSES</b>	<b>12,254</b>	45,950
<b>NET ASSETS - END OF YEAR</b>	<b>\$ 137,660</b>	\$ 125,406

**NEW ICELAND HERITAGE MUSEUM INC.**

**Statement of Cash Flows**

**Year Ended March 31, 2022**

	<b>2022</b>	2021
<b>OPERATING ACTIVITIES</b>		
Excess of revenues over expenses	\$ 12,254	\$ 45,950
Items not affecting cash:		
Amortization of intangible assets	1,403	1,403
Deferred contributions	<u>(1,403)</u>	<u>(1,403)</u>
	<u>12,254</u>	45,950
Changes in non-cash working capital:		
Accounts receivable	2,975	(2,975)
Inventory	(8,926)	(1,638)
Accounts payable	251	(5,487)
Deferred income	148,158	43,917
Goods and services tax payable	(240)	372
PST payable (receivable)	(191)	8
Employee deductions payable	<u>4,271</u>	<u>-</u>
	<u>146,298</u>	34,197
<b>INCREASE IN CASH FLOW</b>	<b>158,552</b>	80,147
Cash - beginning of year	<u>219,783</u>	<u>139,636</u>
<b>CASH - END OF YEAR</b>	<b>\$ 378,335</b>	<b>\$ 219,783</b>



**NEW ICELAND HERITAGE MUSEUM INC.**

**Notes to Financial Statements**

**Year Ended March 31, 2022**

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1. BASIS OF PRESENTATION

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO).

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2. DESCRIPTION OF OPERATIONS

The New Iceland Heritage Museum Inc. is exempt from income taxes as a registered charitable organization under Section 149(1) of the Income Tax Act.

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial instruments policy

The organization's financial instruments consist of cash, receivables, inventory, and accounts payable.

Unless otherwise noted, it is management's opinion that the organization is not exposed to significant interest, currency or credit risks arising from these instruments.

The fair values of these financial instruments approximate their carrying values, unless otherwise noted.

Measurement uncertainty

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

Revenue recognition

NEW ICELAND HERITAGE MUSEUM INC. follows the deferral method of accounting for contributions, which include donations and government grants..

Restricted contributions for the purchase of capital assets are deferred and amortized into revenue at a rate corresponding with the amortization rate for the related capital assets. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Inventory

Inventory is valued at the lower of cost and net realizable value with the cost being determined on a first-in, first-out basis.

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**NEW ICELAND HERITAGE MUSEUM INC.**

**Notes to Financial Statements**

**Year Ended March 31, 2022**

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Capital assets

Capital assets are stated at cost less accumulated amortization. Capital assets are amortized over the remaining years of lease.

Equipment	straight-line method
Exhibits Museum	straight-line method
LWVC	straight-line method

The Company regularly reviews its capital assets to eliminate obsolete items. Government grants are treated as a reduction of capital asset cost.

4. CAPITAL ASSETS

	Cost	Accumulated amortization	2022 Net book value	2021 Net book value
Equipment	\$ 18,093	\$ 16,690	\$ 1,403	\$ 2,805
Other machinery and equipment	16,683	16,683	-	-
Exhibits Museum	439,942	439,942	-	-
LWVC	274,814	274,814	-	-
	<u>\$ 749,532</u>	<u>\$ 748,129</u>	<u>\$ 1,403</u>	<u>\$ 2,805</u>

5. DEFERRED REVENUE

Deferred revenue consist of the following:

	2022	2021
<u>Sustainability Fund</u>		
Balance of 2021 funding	\$ -	\$ 12,917
Sept 2022 funding	-	31,000
Sept 2023 funding	<b>73,139</b>	-
Subtotal	<b>73,139</b>	43,917
Provincial Grants Other	<b>31,800</b>	-
Federal grant	<b>87,136</b>	-
	<u><b>\$ 192,075</b></u>	<u>\$ 43,917</u>

**NEW ICELAND HERITAGE MUSEUM INC.**

**Notes to Financial Statements**

**Year Ended March 31, 2022**

6. DEFERRED CONTRIBUTIONS

Deferred contributions represents the unamortized amount of donations and grants received for the purchase of capital assets and special projects. The amortization of capital contributions is recorded as revenue in the Statement of Revenues and Expenses.

	Capital Assets	Other projects	2022	2021
Balance at beginning of year	\$ -	\$ 73,471	\$ 73,471	\$ 74,874
Withdrawals for special projects	-	(1,403)	(1,403)	(1,403)
Balance at end of year	\$ -	\$ 72,068	\$ 72,068	\$ 73,471

7. NEW ICELAND HERITAGE MUSEUM ENDOWMENT FUND

On December 23 ,2008, the New Iceland Heritage Museum established an endowment fund with the Westshore Community Foundation known as the New Iceland Heritage Museum Endowment Fund made up of gifts of money from The Museum and the general public for the purpose of generating annual income to be used at the discretion of the Museum in ways that are consistent with its mandate. As of December 31, 2021 this fund was closed to the Heritage fund.

	2022	2021
<u>Endowment Fund</u>		
Contribution to Endowment Fund - previous years	\$ 62,237	\$ 56,102
Contribution reporting year	(62,237)	3,604
Subtotal	-	59,706
Investment income	-	4,838
Disbursements paid out	-	(2,307)
Market value Fund - end of year	\$ -	\$ 62,237

8. HERITAGE-NEW ICELAND HERITAGE MUSEUM FUND

On July 10, 2018, the New Iceland Heritage Museum established an endowment fund with the Westshore Community Foundation known as the Heritage - New Heritage Museum Endowment Fund. This Fund was established and is administered under the Manitoba Heritage Trust Program by the Winnipeg Foundation.

	2022	2021
<u>Endowment Fund</u>		
Endowment Fund - previous year	\$ 116,008	\$ 89,772
Contribution reporting year	167,299	18,362
Subtotal	283,307	108,134
Investment income	26,410	9,144
Disbursements paid out	(5,149)	(1,270)
Market value - end of year	\$ 304,568	\$ 116,008

**NEW ICELAND HERITAGE MUSEUM INC.**

**Notes to Financial Statements**

**Year Ended March 31, 2022**

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9. SIGNATURE MUSEUM SUSTAINABILITY FUND

During the year the New Iceland Heritage Museum established an endowment fund with the Westshore Community Foundaion known as Signature Museum Sustainability Fund. The fund was established and administered through the Manitoba Heritage Trust Program to preserve and present Manitoba's rich and deep history.

	<u>2022</u>	<u>2021</u>
<u>Endowmnet Fund</u>		
Endowment Fund - previous year	\$ 1,615,684	\$ -
Contribution reporting year	-	1,425,000
Subtotal	<u>1,615,684</u>	<u>1,425,000</u>
Investment income	140,398	287,863
Disbursements paid out	<u>(73,139)</u>	<u>(97,179)</u>
Market value - end of year	<u>\$ 1,682,943</u>	<u>\$ 1,615,684</u>

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**NEW ICELAND HERITAGE MUSEUM INC.**

**Expenses  
(Schedule 1)**

**Year Ended March 31, 2022**

	2022	2021
Advertising and promotion	\$ 5,341	\$ 1,710
Amortization of intangible assets	1,403	1,403
Collections management and programming	1,651	1,252
COVID expenses	246	2,733
Delivery, freight and express	734	715
Donations	430	-
Fundraising expense	-	852
Gift shop expense	25,074	22,231
Insurance	3,311	3,077
Interact fees	1,378	1,113
Interest and bank charges	94	4
LWVC expenses	6,563	10,269
Memberships	704	2,170
Office	6,150	2,465
Professional development	30	-
Professional fees	3,128	2,741
Programming expense	832	200
Rental	34,115	32,278
Repairs and maintenance	19,136	575
Salaries and wages	110,412	93,271
Safe at home grant	-	19,403
Supplies	201	103
Telephone	2,893	2,438
Travel	209	-
Travelling exhibit	991	5,216
Volunteer and Donor recognition	2,602	179
Website development	1,605	1,567
	<b>\$ 229,233</b>	<b>\$ 207,965</b>