

NEW ICELAND HERITAGE MUSEUM INC.

Financial Statements

Year Ended March 31, 2023

NEW ICELAND HERITAGE MUSEUM INC.

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Year Ended March 31, 2023

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INDEPENDENT AUDITOR'S REPORT

To the Members of NEW ICELAND HERITAGE MUSEUM INC.

Opinion

We have audited the financial statements of NEW ICELAND HERITAGE MUSEUM INC. (the organization), which comprise the statement of financial position as at March 31, 2023, 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 organization as at March 31, 2023, 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 organization 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 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.

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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Independent Auditor's Report to the Members of NEW ICELAND HERITAGE MUSEUM INC. *(continued)*

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 organization'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 organization'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 organization 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
May 31, 2023

CHARTERED PROFESSIONAL ACCOUNTANTS

NEW ICELAND HERITAGE MUSEUM INC.

Statement of Financial Position

March 31, 2023

	2023	2022
ASSETS		
CURRENT		
Cash	\$ 265,971	\$ 326,729
Term deposits	52,708	51,606
Inventory	30,442	27,785
Goods and services tax recoverable	4,816	1,192
	<u>353,937</u>	407,312
CAPITAL ASSETS (Note 4)	-	1,402
	<u>\$ 353,937</u>	<u>\$ 408,714</u>
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable	\$ 11,839	\$ 2,398
Provincial sales tax payable	390	242
Employee deductions payable	-	4,271
Deferred income	72,216	192,075
	<u>84,445</u>	198,986
DEFERRED CONTRIBUTIONS	<u>70,664</u>	72,068
	<u>155,109</u>	271,054
NET ASSETS	<u>198,828</u>	137,660
	<u>\$ 353,937</u>	<u>\$ 408,714</u>

ON BEHALF OF THE BOARD

_____ Director

_____ Director

NEW ICELAND HERITAGE MUSEUM INC.
Statement of Revenues and Expenses
Year Ended March 31, 2023

	2023	2022
REVENUES		
Federal grant	\$ 104,372	\$ -
NIHM Sustainability Fund	73,139	43,917
Gift Shop Sales	54,204	45,434
RM of Gimli	34,154	33,861
Province of Manitoba	31,800	-
Summer student grants	28,777	24,790
Chamber of Commerce	25,000	4,246
Tours and Admissions	21,713	13,269
Fundraising revenue	17,015	12,159
Other revenue	16,136	8,797
Donations	16,111	14,860
LWVC revenue	13,000	2,764
Membership	2,245	1,785
Deferred contributions	1,403	1,403
Expense recoveries	125	700
Federal - CERS grant	-	9,368
Grants	-	7,000
Federal - CEWS benefit	-	17,134
	439,194	241,487
EXPENSES <i>(Schedule 1)</i>	378,026	229,233
EXCESS OF REVENUES OVER EXPENSES	\$ 61,168	\$ 12,254

NEW ICELAND HERITAGE MUSEUM INC.

Statement of Changes in Net Assets

Year Ended March 31, 2023

	2023	2022
NET ASSETS - BEGINNING OF YEAR	\$ 137,660	\$ 125,406
EXCESS OF REVENUES OVER EXPENSES	61,168	12,254
NET ASSETS - END OF YEAR	\$ 198,828	\$ 137,660

NEW ICELAND HERITAGE MUSEUM INC.**Statement of Cash Flows****Year Ended March 31, 2023**

	2023	2022
OPERATING ACTIVITIES		
Excess of revenues over expenses	\$ 61,168	\$ 12,254
Items not affecting cash:		
Amortization of intangible assets	1,403	1,403
Deferred contributions	<u>(1,403)</u>	<u>(1,403)</u>
	<u>61,168</u>	<u>12,254</u>
Changes in non-cash working capital:		
Accounts receivable	-	2,975
Inventory	(2,657)	(8,926)
Accounts payable	9,439	251
Deferred income	(119,859)	148,158
Goods and services tax payable	(3,624)	(240)
PST payable (receivable)	148	(191)
Employee deductions payable	<u>(4,271)</u>	<u>4,271</u>
	<u>(120,824)</u>	<u>146,298</u>
INCREASE (DECREASE) IN CASH FLOW	(59,656)	158,552
Cash - beginning of year	<u>378,335</u>	<u>219,783</u>
CASH - END OF YEAR	\$ 318,679	\$ 378,335

NEW ICELAND HERITAGE MUSEUM INC.

Notes to Financial Statements

Year Ended March 31, 2023

1. BASIS OF PRESENTATION

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

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.

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, 2023

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	2023 Net book value	2022 Net book value
Equipment	\$ 18,093	\$ 18,093	\$ -	\$ 1,402
Other machinery and equipment	16,683	16,683	-	-
Exhibits Museum	439,942	439,942	-	-
LWVC	274,814	274,814	-	-
	\$ 749,532	\$ 749,532	\$ -	\$ 1,402

5. DEFERRED REVENUE

Deferred revenue consist of the following:

	2023	2022
<u>Sustainability Fund</u>		
Sept 2023 funding	\$ -	\$ 73,139
Sept 2024 funding	72,216	-
Subtotal	72,216	73,139
Provincial Grants Other	-	31,800
Federal grant	-	87,136
	\$ 72,216	\$ 192,075

NEW ICELAND HERITAGE MUSEUM INC.

Notes to Financial Statements

Year Ended March 31, 2023

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	2023	2022
Balance at beginning of year	\$ -	\$ 72,068	\$ 72,068	\$ 73,471
Withdrawals for special projects	-	(1,403)	(1,403)	(1,403)
Balance at end of year	\$ -	\$ 70,665	\$ 70,665	\$ 72,068

7. 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.

	2023	2022
<u>Endowment Fund</u>		
Endowment Fund - previous year	\$ 304,568	\$ 116,008
Contribution reporting year	5,313	167,299
Subtotal	309,881	283,307
Investment income(loss)	(20,741)	26,410
Disbursements paid out	(10,863)	(5,149)
Market value - end of year	\$ 278,277	\$ 304,568

8. 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.

	2023	2022
<u>Endowmnet Fund</u>		
Endowment Fund - previous year	\$ 1,682,943	\$ 1,615,684
Contribution reporting year	-	-
Subtotal	1,682,943	1,615,684
Investment income(loss)	(127,749)	140,398
Disbursements paid out	(72,216)	(73,139)
Market value - end of year	\$ 1,482,978	\$ 1,682,943

NEW ICELAND HERITAGE MUSEUM INC.**Expenses
(Schedule 1)****Year Ended March 31, 2023**

	2023	2022
Advertising and promotion	\$ 6,073	\$ 5,341
Amortization of intangible assets	1,403	1,403
Collections management and programming	115,253	1,651
COVID expenses	(467)	246
Delivery, freight and express	509	734
Donations	-	430
Fundraising expense	1,152	-
Gift shop expense	34,369	25,074
Insurance	2,942	3,311
Interac fees	1,275	1,378
Interest and bank charges	193	94
LWVC expenses	21,399	6,563
Memberships	4,201	704
Office	4,284	6,150
Professional development	367	30
Professional fees	3,564	3,128
Programming expense	1,388	832
Rental	38,108	34,115
Repairs and maintenance	20,671	19,136
Salaries and wages	111,677	110,412
Special projects	1,609	-
Supplies	898	201
Telephone	2,941	2,893
Travel	231	209
Travelling exhibit	784	991
Volunteer and Donor recognition	2,905	2,602
Website development	297	1,605
	\$ 378,026	\$ 229,233