

---

THE SAM WALLER MUSEUM  
FINANCIAL STATEMENTS

DECEMBER 31, 2013

---

Collins Barrow HMA LLP  
334 Ross Avenue, Box 1200  
The Pas, Manitoba  
R9A 1L2 Canada

T. 204.623.5437  
F. 204.623.6390  
TF. 1.800.663.2679

[www.collinsbarrow.com](http://www.collinsbarrow.com)

## INDEPENDENT AUDITORS' REPORT

To the Members  
The Sam Waller Museum

We have audited the accompanying financial statements of The Sam Waller Museum, which comprise the statement of financial position as at December 31, 2013, and the statements of operations and surplus and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards for government not-for-profit organizations, including the 4200 series of standards, 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.

### Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of The Sam Waller Museum as at December 31, 2013, and the results of its operations and cash flows for the year then ended in accordance with Canadian public sector accounting standards for government not-for-profit organizations, including the 4200 series of standards.

*Collins Barrow HMA LLP*  
CHARTERED ACCOUNTANTS

The Pas, Manitoba  
June 10, 2014

# THE SAM WALLER MUSEUM

STATEMENT 1

## STATEMENT OF FINANCIAL POSITION

DECEMBER 31

2013 2012

### ASSETS

#### CURRENT

Cash	\$ 7,138	\$ 21,155
Accounts receivable	75,298	86,389
Inventory	<u>4,489</u>	<u>4,910</u>
	\$ <u>86,925</u>	\$ <u>112,454</u>

### LIABILITIES

#### CURRENT

Accounts payable and accrued liabilities	\$ 12,180	\$ 8,863
Deferred revenue	<u>-</u>	<u>13,312</u>
	12,180	22,175

### NET ASSETS

#### SURPLUS

<u>74,745</u>	<u>90,279</u>
\$ <u>86,925</u>	\$ <u>112,454</u>

Approved on behalf of the Board:

Director

Director



Collins Barrow

# THE SAM WALLER MUSEUM

STATEMENT 2

## STATEMENT OF OPERATIONS AND SURPLUS

YEAR ENDED DECEMBER 31

	2013	2012
REVENUE		
Grants		
Town of The Pas	\$ 146,671	\$ 142,978
Province of Manitoba	9,770	27,651
Government of Canada	26,063	25,655
Moffat Foundation	5,590	5,690
Winnipeg Foundation	-	8,813
	<u>188,094</u>	<u>210,787</u>
Memberships	1,114	1,303
Donations	6,319	5,239
Admissions and program registration	2,431	2,626
Museum rentals	1,997	633
Store operations	963	2,848
Other	<u>13,666</u>	<u>10,364</u>
	<u>26,490</u>	<u>23,013</u>
	<u>214,584</u>	<u>233,800</u>
EXPENDITURES		
Advertising	1,268	1,632
Electricity	16,087	13,916
Fundraising	2,224	852
Maintenance	7,702	5,996
Memberships	626	643
Office and general	1,949	1,296
Outside contracts	13,585	13,779
Professional fees	1,890	1,873
Property tax	1,812	
Program materials	19,930	21,434
Projects	12,615	25,672
Telephone	5,016	4,072
Travel	2,912	2,045
Water	3,882	3,882
Wages and benefits	<u>138,620</u>	<u>131,030</u>
	<u>230,118</u>	<u>228,122</u>
EXCESS OF REVENUE OVER EXPENDITURES (EXPENDITURES OVER REVENUE)	( 15,534)	5,678
SURPLUS, <i>beginning of year</i>	<u>90,279</u>	<u>84,601</u>
SURPLUS, <i>end of year</i>	\$ <u>74,745</u>	\$ <u>90,279</u>



Collins Barrow

# THE SAM WALLER MUSEUM

STATEMENT 3

## STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31

	2013	2012
CASH FLOWS FROM		
OPERATING ACTIVITIES		
Cash received from grants and other sources	\$ 212,363	\$ 236,593
Cash paid to suppliers and employees	<u>(226,380)</u>	<u>(224,549)</u>
	<u>( 14,017)</u>	<u>12,044</u>
NET INCREASE (DECREASE) IN CASH DURING YEAR	( 14,017)	12,044
CASH, <i>beginning of year</i>	<u>21,155</u>	<u>9,111</u>
CASH, <i>end of year</i>	\$ <u>7,138</u>	\$ <u>21,155</u>

### CASH COMPRISED OF:

Cash	\$ <u>7,138</u>	\$ <u>21,155</u>
------	-----------------	------------------



# THE SAM WALLER MUSEUM

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2013

---

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of The Sam Waller Museum (the Museum) have been prepared in accordance with Canadian public sector accounting standards for government not-for-profit organizations, including the 4200 series of standards, as issued by the Public Sector Accounting Board. ("PSAB for Government NPOs")

#### *REVENUE RECOGNITION*

The Museum follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when they are received or become receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Contributions received for the purchase of capital assets are credited against the acquisition cost of such assets.

Revenues other than contributions are recognized when they are earned.

#### *CONTRIBUTED MATERIALS AND SERVICES*

Contributed materials and services are recorded at fair value when fair value can be reasonably estimated and when the materials and services are normally purchased by the Museum and would be paid for if not donated.

#### *USE OF ESTIMATES*

The preparation of financial statements in accordance with PSAB for Government NPO's requires that management make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the year. Actual results could differ from management's best estimates as additional information becomes available in the future.

#### *FINANCIAL INSTRUMENTS*

The financial instruments of the Museum consist of cash, accounts receivable and accounts payable. The Museum classifies its financial instruments as either fair value or amortized cost. The Museum's accounting policy for each category is as follows:

##### Fair Value

These financial instruments are initially measured at cost and are subsequently carried at fair value. Unrealized changes in fair value are recognized in the statement of remeasurement gains and losses until they are realized, when they are transferred to the statement of operations. Transaction costs are expensed as incurred.

When a decline in fair value occurs which is determined by the Museum to be other than of a temporary nature, the amount of the loss is removed from accumulated remeasurement gains and losses and recognized in the statement of operations. On sale, the amount held in accumulated remeasurement gains and losses associated with that instrument is removed from net assets and recognized in the statement of operations.

# THE SAM WALLER MUSEUM

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2013

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

#### Amortized Cost

Financial instruments in this category are initially measured at cost and are subsequently carried at amortized cost using the effective interest rate method, less any impairment losses on financial assets. Transaction costs are added to the carrying value of the financial instrument.

If an impairment loss is determined by the Museum and there is no realistic prospect of recovery the financial asset(s) are written down to net recoverable value with the writedown being recognized in the statement of operations.

#### CAPITAL ASSETS

Capital assets primarily consist of office equipment and furniture and the museum collection. The acquisition of capital assets is expensed in the statement of operations in the year of acquisition.

### 2. RELATED PARTIES

The Museum is related to the Town of The Pas and its organizations. The Museum enters into transactions with these related parties in the normal course of business and these transactions are measured at the exchange amount.

The Museum operates in real property owned by the Town of The Pas and while the Museum maintains responsibility for most facility operating costs no base rent amount has been recorded in the financial statements.

The following balances were outstanding with related parties at December 31 and are not separately disclosed elsewhere:

	2 0 1 3	2 0 1 2
<u>Accounts Receivable</u>		
Town of The Pas	\$ 73,931	\$ 85,124
<u>Accounts Payable</u>		
Town of The Pas	3,032	908

# THE SAM WALLER MUSEUM

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2013

### 3. FINANCIAL INSTRUMENT CLASSIFICATION

	2013	
	Fair Value	Amortized Cost
Cash	\$ 7,138	\$
Accounts receivable		75,298
Accounts payable		( 12,180)

The maximum credit risk exposure is equal to the carrying amount.

#### Fair Value Hierarchy

PS 3450 - Financial Instruments - requires the disclosure of a three-level hierarchy for the fair value measurements based upon the transparency of inputs to the valuation of financial instruments carried on the Statement of Financial Position at fair value.

The three levels of the fair value hierarchy are as follows:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level 3 - Inputs for the asset or liability that are not based on observable market data.

All financial instruments measured at fair value on the statement of financial position are Level 1. There were no transfers between levels for the years ended December 31, 2013 and 2012.

### 4. ECONOMIC DEPENDENCE

The Sam Waller Museum receives a significant portion of its revenue from government grants. In order for the Museum to remain a going concern adequate government support must be maintained and / or new sources of revenue obtained.

### 5. CAPITAL MANAGEMENT

The Museum's capital is comprised of its net assets. The Museum's objective in managing capital is to maintain sufficient financial resources to cover the cost of its operations. The Museum manages its capital through creation, implementation and monitoring of an annual budget.