

# **The New Brunswick Museum**

Consolidated Financial Statements  
**For The Year Ended March 31, 2008**

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## **Auditor's Report**

### **To the Directors of The New Brunswick Museum**

We have audited the consolidated balance sheet of **The New Brunswick Museum** (the "Museum") as of March 31, 2008 and the consolidated statement of financial operations and changes in fund balances for the year then ended. These consolidated financial statements are the responsibility of the Museum's management. Our responsibility is to express an opinion of these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Museum as at March 31, 2008 and the results of its operations for the year then ended in accordance with Canadian generally accepted accounting principles.

May 18, 2008  
Saint John, NB



**Chartered Accountants**

# The New Brunswick Museum

Consolidated Balance Sheet  
As at March 31, 2008

## ASSETS

	General Fund \$	Property and Equipment Fund \$	Restricted Fund \$	Endowment Fund \$	2008 \$	2007 \$
<b>Assets</b>						
Cash	40,910	-	5,653	3,826	50,389	141,379
Short-term investments (note 3)	208,211	-	326,777	-	534,988	375,958
Accounts receivable - trade	40,133	-	7,131	30,832	78,096	56,859
Accounts receivable - grants	1,320	-	51,760	-	53,080	132,724
Inventory	47,147	-	-	-	47,147	43,114
Due from Province of New Brunswick	45,643	-	51,062	-	96,705	-
	383,364		442,383	34,658	860,405	750,034
<b>Investments</b> (note 3 and 8)	-		-	1,455,653	1,455,653	1,418,298
<b>Property and Equipment</b> (note 4)	-	124,724	-	-	124,724	111,608
<b>Collection and Accessions</b> (note 2)	2	-	-	-	2	2
	<u>383,366</u>	<u>124,724</u>	<u>442,383</u>	<u>1,490,311</u>	<u>2,440,784</u>	<u>2,279,942</u>

## LIABILITIES AND FUND BALANCES

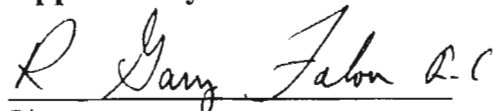
### Current Liabilities

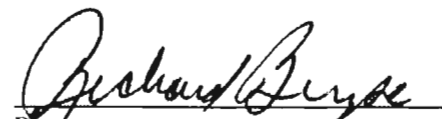
Accounts payable and accrued liabilities	215,835	-	64,146	-	279,981	169,854
Interfund loans	145,181	-	(141,315)	(3,866)	-	-
Due to Province of New Brunswick	-	-	-	-	-	41,956
	<u>361,016</u>	<u>-</u>	<u>(77,169)</u>	<u>(3,866)</u>	<u>279,981</u>	<u>211,810</u>

### Fund Balances

Unrestricted	22,350		-	-	22,350	16,289
Internally restricted	-		134,801	40,000	174,801	202,279
Externally restricted	-		384,751	-	384,751	302,521
Endowments	-		-	1,236,196	1,236,196	1,170,800
Cumulative net unrealized gains and losses on available for sale endowment assets	-		-	217,981	217,981	264,635
Property and equipment	-	124,724	-	-	124,724	111,608
	<u>22,350</u>	<u>124,724</u>	<u>519,552</u>	<u>1,494,177</u>	<u>2,160,803</u>	<u>2,068,132</u>
	<u>383,366</u>	<u>124,724</u>	<u>442,383</u>	<u>1,490,311</u>	<u>2,440,784</u>	<u>2,279,942</u>

Approved by the Board of Directors

  
Director

  
Director

# The New Brunswick Museum

## Consolidated Statement of Financial Operations and Changes in Fund Balances For the year ended March 31, 2008

	General Fund \$	Property and Equipment Fund \$	Restricted Fund \$	Endowment Fund \$	2008 Total \$	2007 Total \$
<b>Revenues</b>						
Grants						
Provincial	2,210,000	-	156,421	-	2,366,421	2,437,016
Federal	-	-	51,164	-	51,164	55,895
Department of Canadian Heritage	-	-	30,121	-	30,121	33,807
Interest income	6,118	-	11,960	54,686	72,764	67,772
Webster Foundation	-	-	-	43,440	43,440	41,910
Museum services (note 5)	173,499	-	(3,808)	-	169,691	164,822
Other grants	10,000	-	206,241	-	216,241	123,001
Bequests and donations	-	-	29,775	18,072	47,847	94,756
	<u>2,399,617</u>	<u>-</u>	<u>481,874</u>	<u>116,198</u>	<u>2,997,689</u>	<u>3,018,979</u>
<b>Expenditures</b>						
Salaries and benefits	1,924,898		161,204	-	2,086,102	2,062,975
Materials, supplies and services	496,043		204,911	12,343	713,297	861,650
Collections and accessions	14,894		31,184	-	46,078	43,296
Amortization	-	50,368	-	-	50,368	68,511
Research grants	-	-	7,500	-	7,500	4,900
	<u>2,435,835</u>	<u>50,368</u>	<u>404,799</u>	<u>12,343</u>	<u>2,903,345</u>	<u>3,041,332</u>
<b>Excess (deficiency) of revenues over expenditures</b>	(36,218)	(50,368)	77,075	103,855	94,344	(22,353)
<b>Gain on sale of investments</b>	-	-	-	44,981	44,981	11,729
<b>Net surplus (deficit)</b>	<u>(36,218)</u>	<u>(50,368)</u>	<u>77,075</u>	<u>148,836</u>	<u>139,325</u>	<u>(10,624)</u>
<b>Fund balance - Beginning of year</b>						
As previously reported	16,289	111,608	446,800	1,523,967	2,098,664	1,814,121
Prior period adjustment (note 8)	-	-	-	(30,532)	(30,532)	-
As restated	<u>16,289</u>	<u>111,608</u>	<u>446,800</u>	<u>1,493,435</u>	<u>2,068,132</u>	<u>1,814,121</u>
	(19,929)	61,240	523,875	1,642,271	2,207,457	1,814,121
<b>Inter fund transfers</b>	42,279	63,484	(4,323)	(101,440)	-	-
<b>Unrealized gains and losses on available for sale financial assets arising during the year (Note 8)</b>				(1,009)	(1,009)	264,635
<b>Reclassification adjustment for gains included in Statement of Operations</b>	-	-	-	(45,645)	(45,645)	-
<b>Fund balance - End of year</b>	<u>22,350</u>	<u>124,724</u>	<u>519,552</u>	<u>1,494,177</u>	<u>2,160,803</u>	<u>2,068,132</u>

# The New Brunswick Museum

Notes to Consolidated Financial Statements  
For the year ended March 31, 2008

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## 1. Nature of Organization

The New Brunswick Museum (the "Museum") is incorporated under the laws of the Province of New Brunswick. As New Brunswick's provincial museum, it is the principal repository and steward of material that documents or represents the natural and human history of New Brunswick and other related regions. The New Brunswick Museum works in partnership with institutions and communities to collect, preserve, research and interpret material to foster a greater understanding and appreciation of New Brunswick provincially and globally.

The Museum is registered as a charitable organization under the Income Tax Act (the "Act") and, as such, is exempt from income taxes and is able to issue donation receipts for income tax purposes. In order to maintain its status as a registered charity under the Act, the Museum must meet certain requirements within the Act. In the opinion of management, these requirements have been met.

## 2. Significant Accounting Policies

### Financial Statement Presentation

In order to ensure observance of the limitations and restrictions placed on the use of resources available to the Museum, the accounts of the Museum are maintained in accordance with the principles of fund accounting. Accordingly, resources are classified for accounting and reporting purposes into separate funds. These funds are held in accordance with the objectives specified by the donors or in accordance with directives issued by the Board of Directors (the "Board") or various funding authorities.

These consolidated financial statements include the accounts of The New Brunswick Museum and its subsidiary, The New Brunswick Museum Foundation, Inc.

For financial reporting purposes, the accounts have been classified into the following four groupings.

### General Funds

These funds reflect the day-to-day operating transactions of the Museum.

### Property and Equipment Fund

This fund reports the property and equipment owned by the Museum. The Museum's premises are provided by the Province of New Brunswick.

Assets are stated at cost and are amortized on a straight-line basis over their estimated useful lives as follows:

Computer equipment	33%
Equipment	20%
Furniture	10%

In the year of acquisition, amortization is calculated over the number of months the related asset is available for use.

# The New Brunswick Museum

Notes to Consolidated Financial Statements  
For the year ended March 31, 2008

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## 2. Significant Accounting Policies (Continued)

### Restricted Funds

These funds include amounts received by the Museum which are designated to be for certain restricted activities. Such restricted activities include the following:

*Grants* - Amounts received from various governments and private agencies to finance specific projects.

*Department of Canadian Heritage* - Amounts received from the Federal Museum's Assistance Program which provides financial assistance for specific projects that foster access by present and future generations of Canadians to their human, natural, artistic and scientific heritage.

*Bequests and donations* - Amounts received from sources which place specific restrictions on their use.

*Internally restricted funds* - Amounts restricted by the Board for exhibitions and gallery upgrades. This also includes funds received from activities of the staff in the curatorial departments to assist in financing specific project expenditures.

### Endowment Funds

These funds include amounts held for the long-term benefit of the Museum, the income for which is to be used for various restricted purposes. The Endowment Funds include the following individual funds whose stated purpose is as follows:

*General Donation Fund* - All undesignated donations are applied to this Fund upon receipt. Board Resolution may subsequently transfer these donations to the Legacy Collection or Name Donor Endowment Funds. Principal and income deriving from the Fund may be used for programs or collections of the Museum, at the discretion of the Board.

*Legacy Endowment Fund* - Income from the Legacy Endowment Fund is used to fund programs of the Museum.

*Collection Endowment Fund* - Income from the Collections Fund is designated for the acquisition of artifacts for the Museum's collection.

#### *Research Endowment Funds*

- *Matthew Research Fund* - Established by the New Brunswick Museum in 1987 to support geological research in New Brunswick by non-staff researchers. Research grants are reviewed and approved by Management upon recommendation of the Curator of Geology.
- *Christie Research Fund* - Established by the New Brunswick Museum in 1987 to support research in natural science by non-staff researchers. Research grants are reviewed and approved by Management upon recommendation of the Curator of Zoology.

# The New Brunswick Museum

Notes to Consolidated Financial Statements  
For the year ended March 31, 2008

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## 2. Significant Accounting Policies (continued)

### Endowment Funds (continued)

*Named Donor Endowment Funds* - These funds comprise individual trusts established to carry out the terms and conditions of certain bequests, as required. Disbursements from these trusts are made in accordance with the terms set by the donor.

*Webster Fund* - Funds received from the Webster Foundation are applied toward certain humanities programs under the General Fund.

Interest income earned on these contributions is classified as externally restricted assets to be applied towards the programs described above. Amounts approved by the Board to be transferred to the General Funds in the following financial year to fund such projects are classified as internally restricted assets.

### Investments

Investments purchased by the Museum are classified as available for sale and are recorded at market value. Investments donated to the Museum are valued at fair market value at the date of receipt. Investment income is recognized as earned.

### Inventory

Inventory consisting of publications and items held for resale are valued at the lower of cost and net realizable value determined on a first-in, first-out basis.

### Collections and Accessions

Collections and accessions are recorded at a nominal value. Additions to the collections are expensed in the year of acquisition.

The collections of the Museum comprise a wide range of subject matter from the Humanities, Archives and Research, Library and Natural Science, which are relevant to New Brunswick and have been continually acquired since the institution's foundation in 1842. The humanities holdings, numbering about 116,000 artifacts, include history and technology artifacts, fine and decorative arts. The Archives and Research library holds 375 meters of archival material, 35,000 photographs, 46,400 monographs including 500 periodical titles. The Natural Science holdings, numbering about 356,000 specimens or specimen lots, include geological, palaeontological, botanical and zoological collections.

### Contributed Services

Volunteers contributed approximately 1,340 hours (2007 - 1,600 ) to assist the Museum in carrying out its service delivery activities.



# The New Brunswick Museum

Notes to Consolidated Financial Statements  
For the year ended March 31, 2008

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## 2. Significant Accounting Policies (continued)

### Management Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenditures during the reporting period. Estimates are used for, but not limited to, provisions for doubtful accounts and inventory obsolescence and amortization. Actual results could differ from those estimates.

### Financial Instruments

The Museum's financial instruments recognized in the consolidated balance sheet consist of cash, accounts receivable, investments, accounts payable and accrued liabilities and amounts due to/from the Province of New Brunswick. The fair values of these instruments approximate their carrying value due to their short-term nature unless otherwise noted.

Effective April 1, 2006 the Museum adopted the CICA Handbook Section 3855, Financial Instruments - Recognition and Measurement. The Museum has designated all of its investments as available for sale and they are stated at fair value. As a result of adopting this presentation at the commencement of the 2007 fiscal year, the Museum recorded a non-cash credit of \$264,635 to the endowment fund for the change in accounting for financial assets classified as available for sale and measured at fair value rather than cost.

## 3. Investments

Investments comprise the following:

	<u>2008</u>		<u>2007</u>	
	Cost	Market Value	Cost	Market Value
	\$	\$	\$	\$
<b>Short-term investments</b>				
Treasury bills	534,988	534,988	375,958	375,958
<b>Long-term investments</b>				
Bonds	902,679	923,187	832,656	846,502
Equities	334,992	532,466	321,007	571,796
	<u>1,237,671</u>	<u>1,455,653</u>	<u>1,153,663</u>	<u>1,418,298</u>

# The New Brunswick Museum

Notes to Consolidated Financial Statements  
For the year ended March 31, 2008

## 4. Property and Equipment

	2008		2007	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
	\$	\$	\$	\$
Computer equipment	228,327	202,092	26,235	31,059
Equipment	343,113	259,349	83,764	62,075
Furniture	80,674	65,949	14,725	18,474
	652,114	527,390	124,724	111,608

## 5. Museum Services

Museum services consist of the following revenue and expenditures:

	2008	2007
	\$	\$
<b>Revenues</b>		
Gift shop, programs and other	292,616	214,701
Admissions	86,058	82,015
Facility rentals	24,743	23,437
Membership	16,048	13,807
	419,465	333,960
<b>Expenditures</b>		
Gift shop, programs and other	249,774	169,138
	169,691	164,822

## 6. General Funds Revenues and Expenditures - Detailed Comparison to Budget

	2008	2008
	Actual	Budget
	\$	(unaudited) \$
<b>Revenues</b>		
Provincial grants	2,210,000	2,210,000
Museum services	173,499	160,000
Investment income	6,118	6,000
Other grants	10,000	-
	2,399,617	2,376,000

# The New Brunswick Museum

Notes to the Consolidated Financial Statements  
For the year ended March 31, 2008

## 6. General Funds Revenues and Expenditures - Detailed Comparison to Budget (continued)

	2008	2008
	Actual	Budget
	\$	(unaudited)
	\$	\$
<b>Expenditures</b>		
Salaries and benefits	1,924,898	1,929,000
Operations	231,951	288,000
Curatorial and library	111,401	105,000
Marketing and development	81,230	80,000
Exhibition and technical services	56,437	37,000
Outreach	9,878	10,000
Visitor services	20,040	20,000
	<u>2,435,835</u>	<u>2,469,000</u>
<b>Deficiency of revenues over expenditures</b>	<u>(36,218)</u>	<u>(93,000)</u>

## 7. Commitments

Minimum annual commitments under long-term operating leases are as follows:

Year ending March 31,	2009	\$
	2010	16,952
	2011	6,312

## 8. Prior Period Adjustment

On the initial adoption of the accounting principle change for financial instruments on April 1, 2006 the fair market value was overstated by \$30,532. The prior year's financial statements have been restated and the fair market value of the investments and unrealized gains and unrealized losses on available for sale financial assets have been reduced accordingly