Financial Statements of

FRIENDS OF THE CANADIAN MUSEUM FOR HUMAN RIGHTS INC.

And Independent Auditor’s Report thereon

Year ended March 31, 2025

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Friends of the Canadian Museum for Human Rights Inc.

Opinion

We have audited the financial statements of Friends of the Canadian Museum for Human Rights Inc. (the "Entity"), which comprise the statement of financial position as at March 31, 2025, the statements of operations, 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 (hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at March 31, 2025, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

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 auditor's report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other 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 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.

KPMG LLP, an Ontario limited liability partnership and member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. KPMG Canada provides services to KPMG LLP.

In preparing the financial statements, management is responsible for assessing the Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity‘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 the 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, 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 Entity'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 Entity'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 Entity 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.

- 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.

KPMG LLP

Chartered Professional Accountants

Winnipeg, Canada

June 20, 2025

FRIENDS OF THE CANADIAN MUSEUM FOR HUMAN RIGHTS INC.

Statement of Financial Position

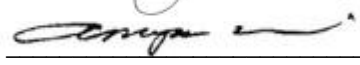
March 31, 2025, with comparative information for 2024

	2025	2024
Assets		
Current assets:		
Cash and restricted cash (note 3)	$ 5,199,437	$ 2,892,372
Investments and restricted investments (note 4)	545,712	1,068,499
Due from American Friends of CMHR (note 5)	19,923	3,304
Accounts receivable	5,472	4,802
Prepaid expenses	44,719	42,617
Current portion of pledges receivable (note 6)	1,561,992	1,450,224
	7,377,255	5,461,818
Pledges receivable (note 6)	3,457,005	3,505,265
	$ 10,834,260	$ 8,967,083
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued liabilities	$ 36,222	$ 28,027
Due to CMHR (note 6)	10,910	10,601
	47,132	38,628
Net assets:		
Restricted Fund	10,785,152	8,928,455
Endowment Fund	1,976	–
	10,787,128	8,928,455
	$ 10,834,260	$ 8,967,083

See accompanying notes to financial statements.

On behalf of the Board:

Director



Director

FRIENDS OF THE CANADIAN MUSEUM FOR HUMAN RIGHTS INC.

Statement of Operations

Year ended March 31, 2025, with comparative information for 2024

	Restricted Fund	Endowment Fund	2025 Total	2024 Total
Revenue:				
Donations	$ 614,086	$ 9,300	$ 623,386	$ 707,755
Pledges (note 10)	1,807,163	–	1,807,163	3,980,047
Special events (note 10)	723,608	–	723,608	530,087
Interest and other	195,787	–	195,787	146,445
	3,340,644	9,300	3,349,944	5,364,334
Operating expenses:				
Salaries and benefits (note 5)	705,200	–	705,200	680,042
Bank charges and interest	8,845	–	8,845	9,637
Computer	36,737	–	36,737	33,225
Courier and postage	4,469	–	4,469	3,038
Donor relations	15,271	–	15,271	24,535
Special events and fundraising	317,109	–	317,109	326,933
Insurance	20,116	–	20,116	19,820
Miscellaneous	19,130	–	19,130	6,625
Professional fees	19,535	–	19,535	18,793
Staff development	2,034	–	2,034	2,243
Office support and supplies	19,012	–	19,012	17,143
Telephone	46	–	46	362
Travel	926	–	926	7,115
Website	947	–	947	107
	1,169,377	–	1,169,377	1,149,618
Other expenses:				
Endowment gift contribution (note 7)	–	7,324	7,324	1,783
Loan interest (note 9)	–	–	–	21,301
	–	7,324	7,324	23,084
Gift to the Museum (note 6)	314,570	–	314,570	318,496
Excess of revenue over expenses	$ 1,856,697	$ 1,976	$ 1,858,673	$ 3,873,136

See accompanying notes to financial statements.

FRIENDS OF THE CANADIAN MUSEUM FOR HUMAN RIGHTS INC.

Statement of Changes in Net Assets

Year ended March 31, 2025, with comparative information for 2024

	Restricted Fund	Endowment Fund	2025 Total	2024 Total
Balance, beginning of year	$ 8,928,455	$ –	$ 8,928,455	$ 5,055,319
Excess of revenue over expenses	1,856,697	1,976	1,858,673	3,873,136
Balance, end of year	$ 10,785,152	$ 1,976	$ 10,787,128	$ 8,928,455

See accompanying notes to financial statements.

FRIENDS OF THE CANADIAN MUSEUM FOR HUMAN RIGHTS INC.

Statement of Cash Flows

Year ended March 31, 2025, with comparative information for 2024

	2025	2024
Cash provided by (used in):		
Operations:		
Excess of revenue over expenses	$ 1,858,673	$ 3,873,136
Adjustments for:		
Accrued interest on investments	22,100	(27,240)
Change in the following:		
Accounts receivable	(670)	218
Due from American Friends of CMHR	(16,619)	(3,304)
Prepaid expenses	(2,102)	(3,455)
Pledges receivable	(63,508)	(1,328,719)
Accounts payable and accrued liabilities	8,195	(7,106)
Due to CMHR	309	(12)
	1,806,378	2,503,518
Investing activities:		
Acquisition of investments	(527,676)	(1,554,284)
Maturity of investments	1,028,363	1,348,675
	500,687	(205,609)
Financing activities:		
Repayment of lines of credit	–	(1,000,000)
Increase in cash position	2,307,065	1,297,909
Cash position, beginning of year	2,892,372	1,594,463
Cash position, end of year	$ 5,199,437	$ 2,892,372

See accompanying notes to financial statements.

Friends of the Canadian Museum for Human Rights Inc. (the "Organization") was established by Israel Asper O.C.,O.M.,Q.C., L.L.D. to act as the project proponent for the establishment of the Canadian Museum for Human Rights (the "Museum"). The Museum was created by an *Act of Parliament* on March 13, 2008.

The Organization is incorporated without share capital under the laws of Manitoba. Its principal activity is raising funds from individuals, foundations, corporations and governments to support capital, endowment and programming exclusively for the Museum. The Organization is responsible for funding its operating expenses through private sector donations and other revenue. The Organization is registered as a charity with registration number 855114732 and is therefore exempt from income tax.

1. Significant accounting policies:

The financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations.

(a) Fund accounting:

The Organization follows the restricted fund method of accounting for contributions.

The Restricted Fund reports only those resources that are to be used specifically for the Organization's operating expenses, education and programming projects of the Museum, and for capital costs of the Museum, including site development, building construction, interior furnishings, exhibits and other capital costs.

The Endowment Fund reports resources contributed for endowment which are to be managed in perpetuity. Investment income earned on resources of the Endowment Fund is reported in the Endowment Fund and used only for specific purposes as designated by the donors. The Organization has also established an endowment fund at The Winnipeg Foundation to assist in managing funds (note 7).

(b) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Freestanding derivative instruments that are not in a qualifying hedging relationship and equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. The Organization has elected to carry pledges receivable at fair value.

1. Significant accounting policies (continued):

(b) Financial instruments (continued):

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the Organization determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the Organization expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

(c) Revenue recognition:

Contributions including pledges are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Pledges receivable are recorded at the net present value of the estimated future cash flows of the pledges at prevailing market rates. Non-cash contributions of goods or services are recorded at their fair value as revenue and expense on the date of contribution. For the year ended March 31, 2025, non-cash contributions of goods and services of $181,467 are included in revenue and expenses (2024 - $243,401).

(d) Contributed services:

Volunteers are an integral part of carrying out the activities of the Organization. These contributed services are not recognized in the financial statements because of the difficulty in determining their fair value.

(e) Use of estimates:

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Significant items subject to such estimates and assumptions include the carrying amount of pledges receivable and the discount rate used. Actual results could differ from those estimates.

1. Significant accounting policies (continued):

(f) Government assistance:

Government assistance related to current expenses is included in the determination of revenue for the year when the related expenditures are incurred. A liability to repay government assistance, if any, is recorded in the period in which the conditions arise that causes the assistance to become repayable.

2. Memorandum of Understanding:

The Organization signed a new Memorandum of Understanding (the MOU) on December 14, 2016 with the Museum. An Amendment to the MOU was signed on November 21, 2018 to update the governance section of the MOU to reflect that the Organization is responsible for the performance and oversight of all aspects of its operations. The MOU was extended to March 31, 2026 on February 5, 2025.

Under the terms of the MOU, the Organization is responsible for identifying and nurturing relationships with potential donors and sponsors, soliciting pledges, cash, securities, gifts in kind, real and intellectual property, planned gifts and other private resources for the financial support of the Museum, and acknowledging and stewarding such gifts in accordance with donor intent and its fiduciary responsibilities The Organization remains committed to raising, managing, distributing and stewarding financial resources to support the various activities of the Museum in fulfilling its mandate. The Museum and the Organization will mutually determine funding priorities each year for capital campaigns, endowment requirements and unrestricted funding.

The Organization is responsible for funding received through private sector donations, other revenues and its operating expenditures as provided for in its approved annual budget. After the Organization has paid all of its operating expenses and repaid all of its bank lines of credit, the Organization will forward all remaining funds to the Museum as provided for in the MOU.

3. Cash and restricted cash:

Restricted cash consists of cash restricted for use toward designated Museum education programs, gallery and/or special project work and arise from contributions received from private and corporate donors and foundations.

	2025	2024
Cash - unrestricted	$ 1,913,315	$ 992,040
Cash - restricted	3,286,122	1,900,332
	$ 5,199,437	$ 2,892,372

4. Investments and restricted investments:

At March 31, 2025, the Organization held guaranteed investment certificates with an amortized cost of $545,712 (2024 - $1,068,499) and a face value of $527,676 (2024 - $1,028,363) with an annual yield percentage of 4.57% (2024 - 5.06% and 5.52%), maturing on July 2, 2025 (2024 - July 15, 2024 and June 29, 2024).

Restricted investments are restricted for use toward designated Museum education programs.

	2025	2024
Investments - unrestricted	$ –	$ 547,553
Investments - restricted	545,712	520,946
	$ 545,712	$ 1,068,499

5. Related parties:

Transactions between related parties are measured at their exchange amount at the date of the transaction and are in the normal course of operations based on established and agreed to values by the related parties.

The Canadian Museum for Human Rights:

While the Organization is a separate legal entity from the Museum, the Museum is a related entity as the Organization is the exclusive fundraising organization for the Museum and the two organizations make certain strategic decisions jointly.

The Organization has use of office space in the Museum's premises at an annual rate of $1.

In 2025, the Organization transferred gifts totaling $314,570 (2024 - $318,496) to the Museum to fund operational and educational programs which are recorded as Gifts to the Museum. The gifts included a transfer of $285,560 (2024 - $230,100) cash and $29,010 (2024 - $88,396) of gifts in kind.

Salaries and benefits expenses include administrative service costs relating to an interchange agreement and a services agreement totaling $371,233 (2024 - $367,782) for fundraising services.

American Friends of the Canadian Museum for Human Rights:

American Friends of the Canadian Museum for Human Rights (American Friends) was incorporated in Illinois, United States effective September 12, 2005 to act exclusively as an entity based in the United States to receive gifts and issue tax receipts on behalf of the Organization. American Friends transfers funds to the Organization from time to time upon request.

During the year, American Friends received gifts of $13,794 which is included in the Organization's accounts receivable as of March 31, 2025 (2024 - $3,304). Cash donations of nil were transferred to the Organization during the year (2024 - nil).

6. Pledges receivable:

Pledges receivable consist of amounts pledged from various organizations, corporations and individuals that are to be used for the capital costs of the Museum and for support of education programming. These pledges are expected to be received over the next seven years.

	2025	2024
Pledges receivable:		
Within one year	$ 1,561,992	$ 1,450,224
In two to six years	3,670,823	3,934,996
In seven years	517	1,767
	5,233,332	5,386,987
Discounted at 4.2 percent (2024 – 6.45 percent)	(214,335)	(431,498)
Discounted value of pledges	5,018,997	4,955,489
Current portion	1,561,992	1,450,224
Discounted value of long-term pledges	$ 3,457,005	$ 3,505,265

The pledges receivable are recorded net of an allowance for doubtful pledges receivable of nil (2024 - nil).

7. Friends of the Canadian Museum for Human Rights Inc. Endowment Fund:

The Winnipeg Foundation has established the Friends of the Canadian Museum for Human Rights Inc. Endowment Fund (Endowment Fund), whose purpose is to provide income to support the education programs and other projects of the Museum. The Organization is the beneficiary of the net income of the Endowment Fund. The Endowment Fund is maintained and administered by The Winnipeg Foundation. Gifts to the Endowment Fund are irrevocable and shall be held and invested by The Winnipeg Foundation in perpetuity.

The Winnipeg Foundation provides an annual matching grant which is allocated to the Endowment Fund each fall based on the previous year's gift contribution. Investment income earned by The Winnipeg Foundation's Endowment Fund, net of administration fees is distributable to the Organization annually.

For the year ended March 31, 2025, the Organization made capital gift contributions of $7,324 (2024 - $1,783), and the Endowment fund received other gifts of $2,580 (2024 - $2,132) earned income, net of fees of $15,111 (2024 - $15,628), and approved grants to the Organization totaling $9,300 (2024 - nil). The fair value of the contributed capital balance in the Organization's Endowment Fund maintained by The Winnipeg Foundation at March 31, 2025 is $192,417 (2024 - $178,485).

8. Financial risks:

Credit risk:

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in a financial loss. The Organization is exposed to credit risk with respect to its pledges receivable. The Organization assesses, on a continuous basis, pledges receivable and provides for any amounts that are not collectible in the allowance for doubtful pledges receivable.

Liquidity risk:

Liquidity risk is the risk that the Organization will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The Organization manages its liquidity risk by monitoring its operating requirements. The Organization prepares budget and cash forecasts to ensure it has sufficient funds to fulfill its obligations.

There has been no change to the risk exposures from 2024.

9. Bank lines of credit:

The Organization secured non-revolving lines of credit (the Credit), up to a maximum of $1,000,000 from certain financial institutions, the principal purpose of which was to facilitate the capital funding requirements of the Museum. The interest rate was set at bank prime minus 0.75 percent per annum. The advances were paid in full as of August 31, 2023.

10. Comparative Figures:

Certain comparative figures have been reclassified to conform to the presentation adopted in the current period. Prior year Gala pledges revenue of $439,300 have been adjusted to align with 2025 presentation and are included in Special events revenue.