

Financial Statements of

**CANADIAN MUSEUM OF HISTORY**

For the period ended June 30, 2014

Unaudited

## **NARRATIVE DISCUSSION**

Note: These quarterly financial statements must be read in conjunction with the March 31, 2014 audited financial statements of the Canadian Museum of History (CMH) and with this narrative discussion.

## **OVERVIEW**

The Corporation is committed to sustaining a strong financial and operational foundation for the delivery of quality museum programs and services. Responding to the Strategic Directions of its Board of Trustees, the Corporation builds accountability into its operational planning and reporting. The Corporation has at its core, a management culture that fosters excellence and adaptation of best practices for continued improvement. It is accountable to Parliament and Canadians in implementing its mandate.

## **STRATEGIC DIRECTION**

In June 2014, the Corporation's Board of Trustees unveiled five Strategic Directions that introduced new priorities and broadened the Corporation's scope of activities. A detailed set of goals and objectives addresses each direction. The Corporation's five Strategic Directions are as follows:

ESTABLISH THE MUSEUM AS A HUB OF CANADIAN HISTORY FOR CANADA AND THE WORLD.

CONNECT CANADIANS TO THEIR HISTORY AND REFLECT THIS PERSONAL CONNECTION IN ALL ASPECTS OF THE MUSEUM EXPERIENCE.

DEVELOP A COLLECTION THAT BETTER REFLECTS CANADA'S HISTORY AND DISTINCTIVENESS.

ENGAGE DYNAMIC PARTNERSHIPS AND NETWORKS ACROSS CANADA AND INTERNATIONALLY FOR MUTUAL BENEFIT.

ENSURE THE MUSEUM HAS THE FINANCIAL RESOURCES TO CARRY OUT ITS MANDATE.

## **VIRTUAL MUSEUM OF CANADA AND ONLINE WORKS OF REFERENCE**

Budget 2014 announced the government's intention to transfer the responsibilities for the Virtual Museum of Canada (VMC) and the Online Works of Reference (OWR) from the Department of Canadian Heritage (PCH) to the Canadian Museum of History. The transfer was enacted through the approval of the Budget Implementation Act (BIA) in June 2014. The annual funding for the VMC is \$6.2 million and the OWR is \$2.1 million. The effective date of the transfers is being determined in conjunction with the Department of Canadian Heritage to ensure a smooth transition of the program.

## **STATEMENT OF OPERATIONS**

Net results of operations at June 30, 2014 reflected a deficit of \$659 thousand, compared to a deficit of \$1.44 million in prior year.

Parliamentary appropriations at June 30, 2014 were \$16.4 million, compared to \$14.9 million in prior year. The increase in appropriations was mainly due to the Canadian History Hall (CHH) project's appropriations which will increase in 2014-15 to \$5.5 million from \$1.5 million in 2012-13.

Overall revenues from operations were slightly lower than prior year at \$3.8 million (\$3.9 million – June 30, 2013) due to lower attendance, mainly at the CMH. Facility rentals and concessions decreased \$141

thousand compared to prior year due to a large special event that took place in the first quarter last fiscal year.

Operating expenses were higher than prior year at \$21.7 million (\$20.7 million 2013-2014). The increase in expenses is mainly due to:

- Personnel costs increased 3% or \$253 thousand. This increase is mainly due to 2014-15 salary increases that were effective on April 2014.
- Professional and special services increased \$184 thousand due to costs related to the new visual identity of the Museum, WWI Centenary project and Virtual Museum of Canada.
- Increase in collection acquisitions of \$260 thousand mainly due to two significant acquisitions (collection of Newfoundland hooked rugs and a Carl Beam painting).
- Travel and hospitality expenses increased \$111 thousand mainly due to the First World War fundraising Gala held in April 2014.

The Corporation continues to review its expenses to identify opportunities to reduce its costs through contract re-negotiations and implementation of efficiencies. However, certain costs outside the control of the organization, such as the Payment in Lieu of Taxes (property taxes) and other fixed costs continue to grow.

## **STATEMENT OF FINANCIAL POSITION**

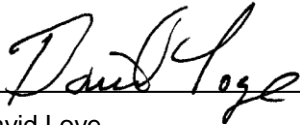
As at June 30, 2014, the Corporation's investments include Master Asset Vehicle (MAV) notes. The fair values of the MAVII notes are based on the Corporation's assessment of market conditions. At March 31, 2014, the MAVII notes were recorded at their estimated fair value of \$9.4 million. The Corporation has maintained this valuation at June 30, 2014.

The National Collection Fund represents funds for the acquisition of artifacts by the Canadian Museum of History and the Canadian War Museum. At June 30, 2014 the balance of the National Collection Fund stands at \$10.5 million.

## STATEMENT OF MANAGEMENT RESPONSIBILITY BY SENIOR OFFICIALS

Management is responsible for the preparation and fair presentation of these quarterly financial statements in accordance with the Treasury Board of Canada Standard on Quarterly Financial Reports for Crown Corporations and for such internal controls as management determines is necessary to enable the preparation of quarterly financial statements that are free from material misstatement. Management is also responsible for ensuring all other information in this quarterly financial report is consistent, where appropriate, with the quarterly financial statements.

Based on our knowledge, these unaudited quarterly financial statements present fairly, in all material respects, the financial position, results of operations and cash flows of the corporation, as at the date of and for the periods presented in the quarterly financial statements.



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David Loye  
Chief Operating Officer



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Linda Hurdle  
Chief Financial Officer

**CANADIAN MUSEUM OF HISTORY**

(Unaudited)

## Statement of Financial Position

As at  
(In thousands of dollars)

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	June 30, 2014	March 31, 2014
<b>Assets</b>		
Current assets:		
Cash	\$ 6,031	\$ 2,627
Investments	3,961	4,435
Accounts receivable	1,305	4,013
Inventories	985	981
Prepaid expenses	556	438
	<u>12,838</u>	<u>12,494</u>
Restricted cash	2,773	2,592
Restricted cash and investments - National Collection Fund	10,498	10,417
Investments	39,307	38,720
Collection	1	1
Capital assets	247,591	250,707
	<u>\$ 313,008</u>	<u>\$ 314,931</u>
<b>Liabilities and Equity</b>		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 16,699	\$ 15,039
Deferred contributions and deferred revenue (note 4)	7,210	7,210
Current portion of employee future benefits	228	240
	<u>24,137</u>	<u>22,489</u>
Deferred contributions - National Collection Fund (note 5)	10,498	10,417
Deferred contributions related to capital assets (note 6)	210,207	213,471
Employee future benefits	5,398	5,329
	<u>250,240</u>	<u>251,706</u>
Net assets:		
Unrestricted	18,831	19,490
Investment in capital assets	40,868	40,868
Accumulated rereasurement gains	3,069	2,867
	<u>62,768</u>	<u>63,225</u>
	<u>\$ 313,008</u>	<u>\$ 314,931</u>

The accompanying notes and schedules form an integral part of the financial statements.

**CANADIAN MUSEUM OF HISTORY**

(Unaudited)

## Statement of Operations

For the period ended June 30, 2014

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(In thousands of dollars)

	June 30, 2014	June 30, 2013
Revenues:		
Donations and sponsorships (note 7)	\$ 293	\$ 166
(Loss) on investments	(49)	(101)
Interest	335	330
Operating (schedule 1)	<u>3,775</u>	<u>3,924</u>
	4,354	4,319
Expenses (schedule 2):		
Collect and research	3,037	2,649
Exhibit, educate and communicate	4,497	4,132
Accommodation	9,513	9,670
Corporate management	<u>4,610</u>	<u>4,260</u>
	21,657	20,711
Net result of operations before government funding	(17,303)	(16,392)
Parliamentary appropriations (note 8)	16,644	14,948
Net result of operations	<u>\$ (659)</u>	<u>\$ (1,444)</u>

The accompanying notes and schedules form an integral part of the financial statements.

**CANADIAN MUSEUM OF HISTORY**  
Statement of Remeasurement Gains and Losses

(Unaudited)

For the period ended June 30, 2014  
(In thousands of dollars)

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	June 30, 2014	June 30, 2013
Accumulated remeasurement gains, beginning of year	\$ 2,867	\$ 2,666
Unrealized gains (losses) attributed to:		
Long-term bonds maturing next fiscal period	(30)	(8)
Long-term bonds	192	(740)
Master asset vehicle notes	-	-
Amounts reclassified to the Statement of Operations:		
Long-term bonds matured in the period	40	89
Master asset vehicle notes	-	-
Net change in accumulated remeasurement gains (losses) for the year	202	(659)
Accumulated remeasurement gains, end of period	\$ 3,069	\$ 2,007

The accompanying notes and schedules form an integral part of the financial statements.

**CANADIAN MUSEUM OF HISTORY**

(Unaudited)

## Statement of Changes in Net Assets

For the period ended June 30, 2014  
(In thousands of dollars)

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	Unrestricted	Investment in capital assets	Accumulated remeasurement gains	June 30, 2014	June 30, 2013
Net assets, beginning of year	\$ 19,490	\$ 40,868	\$ 2,867	\$ 63,225	\$ 62,953
Net result of operations	(659)	-	-	(659)	(1,444)
Net change in accumulated remeasurement gains (losses)	-	-	202	202	(659)
Net assets, end of period	\$ 18,831	\$ 40,868	\$ 3,069	\$ 62,768	\$ 60,850

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The accompanying notes and schedules form an integral part of the financial statements.



**CANADIAN MUSEUM OF HISTORY**

(Unaudited)

## Statement of Cash Flows

For the period ended June 30, 2014  
(In thousands of dollars)

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	June 30, 2014	June 30, 2013
		Restated Note 3, 9
Operating activities:		
Cash receipts (clients)	\$ 5,039	\$ 4,963
Cash receipts (parliamentary appropriations)	14,270	11,983
Cash paid (employees)	(7,559)	(7,787)
Cash paid (suppliers)	(8,356)	(11,179)
Restricted contributions and related investment income	223	220
Interest received	375	351
Net cash through operating activities	3,992	(1,449)
Investing activities:		
Principal repayments of investments	16	12
Increase in restricted cash and investments	(4,344)	(5,257)
Decrease in restricted cash and investments	2,382	2,303
Net cash through investing activities	(1,946)	(2,942)
Capital activities:		
Acquisition of capital assets	(1,435)	(2,370)
Financing activities:		
Parliamentary appropriations for the acquisition of capital assets	1,063	625
Increase / (decrease) in cash and restricted cash	1,674	(6,136)
Cash and restricted cash, beginning of year:		
Cash	2,627	12,396
Restricted cash	3,961	4,596
	6,588	16,992
Cash and restricted cash, end of period:		
Cash	6,031	6,057
Restricted cash	2,231	4,799
	\$ 8,262	\$ 10,856

The accompanying notes and schedules form an integral part of the financial statements.

# CANADIAN MUSEUM OF HISTORY

Notes to the Financial Statements, page 6

(Unaudited)

For period ended June 30, 2014  
(In thousands of dollars)

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## 1. Mission and mandate:

The Canadian Museum of History (the “Corporation”), formerly named the Canadian Museum of Civilization, was established on December 12, 2013 through an amendment to the *Museums Act*. The Canadian Museum of History is an agent Crown corporation named in *Part I of Schedule III to the Financial Administration Act* and is not subject to income tax under the provisions of the *Income Tax Act*. The Canadian Museum of History includes the Canadian War Museum.

The mission, as stated in the *Museums Act*, is as follows:

*“to enhance Canadians’ knowledge, understanding and appreciation of events, experiences, people and objects that reflect and have shaped Canada’s history and identity, and also to enhance their awareness of world history and cultures.”*

The Canadian Museum of History’s operations are divided into four mutually supportive activities which work together to meet all aspects of its mandate. These activities are:

### **Collect and research:**

Manages, develops, conserves, and undertakes research on the collections to enhance program delivery and augment the scientific knowledge base.

### **Exhibit, educate and communicate:**

Develops, maintains, and communicates exhibits, programs and activities to further knowledge, critical understanding, appreciation and respect for human cultural achievements and human behaviour.

### **Accommodation:**

Managing and maintaining all facilities and related security and hosting services.

### **Corporate management:**

Governance, corporate management, audit and evaluation, fund raising, commercial activities, finance and administration, human resources and information systems.

# CANADIAN MUSEUM OF HISTORY

Notes to the Financial Statements, page 7

(Unaudited)

For period ended June 30, 2014  
(In thousands of dollars)

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## 2. Significant accounting policies:

The financial statements have been prepared in accordance with Canadian public sector accounting standards. The Corporation has elected to apply the Section 4200 series for government-not-for-profit organizations, and the deferral method of accounting for contributions. Significant accounting policies are as follows.

### (a) Financial assets and financial liabilities:

Cash, restricted cash and investments in bonds are classified in the fair value category and investments in Master Asset Vehicle notes are designated in the fair value category. The unrealized gains or losses arising from changes in the fair value of investments in bonds and in Master Asset Vehicle notes are recognized through the Statement of Remeasurement Gains and Losses at each period end. Unrealized gains or losses arising from changes in the fair value of investments with restricted cash are reflected in the value of restricted cash.

Fair value is determined for Master Asset Vehicles using a discounted cash flow, using market assumptions. All other financial assets in the fair value category are marked-to-market by reference to their quoted bid price. Sales and purchases of investments are recorded on the trade date. Transaction costs related to the acquisition of investments are expensed.

Accounts receivable: After the initial fair value measurement, they are measured at amortized cost using the effective interest rate method through the Statement of Operations.

Accounts payable and accrued liabilities: After their initial fair value measurement, they are measured at amortized cost using the effective interest rate method through the Statement of Operations.

### (b) Cash:

Cash is composed of deposits with financial institutions that can be withdrawn without prior notice or penalty.

### (c) Inventories:

Inventories, which consist of materials for the boutiques and publications, are valued at the lower of cost and net realizable value.

### (d) Collection:

The artifact collection forms the largest part of the assets of the Corporation and is presented in the Statement of Financial Position at a nominal value of \$1, due to the practical difficulties of determining a meaningful value for these assets.

Objects purchased for the collection of the Corporation are recorded as an expense in the period of acquisition.

# CANADIAN MUSEUM OF HISTORY

Notes to the Financial Statements, page 8

(Unaudited)

For period ended June 30, 2014  
(In thousands of dollars)

## 2. Significant accounting policies (continued):

### (e) Capital assets:

Capital assets owned by the Corporation are recorded at cost, net of accumulated amortization. Buildings owned by the Government of Canada, which are under the administrative control of the Corporation, are recorded at their estimated historical cost, less accumulated amortization. Lands owned by the Government of Canada, which are under the administrative control of the Corporation, are recorded at their estimated historical cost with a corresponding amount credited directly to the net assets of the Corporation.

Work in progress represents the costs incurred to date on a capital project that is incomplete and not in use, or for system implementations, when the system is not in production at the end of an accounting period. Incomplete capital projects are not amortized.

Amortization is calculated using the straight-line method, over the estimated useful lives of assets as follows:

Asset	Useful life
Buildings	40 years
Building improvements	10 years
Technical and informatics equipment	5 and 8 years
Office furniture and equipment	8 years
Motor vehicles	5 years

### (f) Foreign currency translation:

Transactions involving foreign currencies are translated into Canadian dollar equivalents using rates in effect at the time of those transactions. Monetary assets and liabilities denominated in foreign currencies are translated using rates at period end. Realized gains and losses resulting from foreign currency translation are reported on the Statement of Operations.

### (g) Employee future benefits:

#### (i) Pension benefits:

All eligible employees of the Corporation are covered by the public service pension plan (the "Plan"), a contributory defined benefit plan established through legislation and sponsored by the Government of Canada. Contributions are required by both the employees and the Corporation to cover current service cost. Pursuant to legislation currently in place, the Corporation has no legal or constructive obligation to pay further contributions with respect to any past service or funding deficiencies of the Plan. Consequently, contributions are recognized as an expense in the period when employees have rendered service and represent the total pension obligation of the Corporation.

## CANADIAN MUSEUM OF HISTORY

Notes to the Financial Statements, page 9

(Unaudited)

For period ended June 30, 2014  
(In thousands of dollars)

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### 2. Significant accounting policies (continued):

(g) Employee future benefits (continued):

(ii) Other post retirement benefits:

The Corporation provides unfunded defined benefit health and dental care plans for eligible retirees and employees. The cost of the accrued benefit obligations earned by employees is actuarially determined using the projected benefit method prorated on service and management's best estimate of salary escalation, discount rate, retirement ages and expected health care and dental costs.

Actuarial gains (losses) on the accrued benefit obligation arise from differences between actual and expected experience and from changes in the actuarial assumptions used to determine the accrued benefit obligation. Actuarial gains (losses) are recognized on a systematic basis over the remaining service life of active employees covered by these post retirement benefits.

(iii) Sick leave benefits:

The Corporation provides sick leave benefits for employees that accumulate but do not vest. The Corporation recognizes a liability and an expense for sick leave in the period in which employees render services in return for the benefits. The cost of the accrued benefit obligations related to sick leave entitlement earned by employees is actuarially determined using the projected benefit method prorated on service and management's best estimate of inflation, discount rate, employee demographics and sick leave usage of active employees. Actuarial gains (losses) are recognized on a systematic basis over the remaining service life of active employees covered by these sick leave benefits.

(iv) Severance benefits:

Employees are entitled to severance benefits, as provided for under labour contracts and conditions of employment. The cost of these benefits is accrued as the employees render the services necessary to earn them. As of April 1, 2013 employees no longer accumulate severance benefits upon resignation or retirement. Consequently, employees were given the choice to receive their severance benefit payment immediately, defer the payment until retirement or a combination of the two options, based on their continuous years of service with the Corporation as of March 31, 2013.

For periods ending after March 31, 2013, current service costs for these benefits ceased. For employees who have elected to defer payment, management determined the accrued benefit obligation using an actuarial accrued benefit method based upon assumptions and best estimates relating to factors such as discount rate, inflation, wage increases, anticipated turnover, retirement and mortality rates. These benefits represent an obligation of the Corporation that entails settlement by future payments. Actuarial gains (losses) are recognized on a systematic basis over the remaining service life of active employees covered by these severance benefits.

## CANADIAN MUSEUM OF HISTORY

Notes to the Financial Statements, page 10

(Unaudited)

For period ended June 30, 2014  
(In thousands of dollars)

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### 2. Significant accounting policies (continued):

(h) Revenue recognition:

(i) Museum operations:

Revenues from Museum operations include the sale of general admissions and programmes, IMAX, facility rentals, food concessions, parking, boutique sales, publications and royalties from boutique product reproduction and film distribution. They are recognized in the period in which the sale of goods is completed or the services are provided.

(ii) Memberships:

Revenue from the sale of memberships is recognized over the length of the membership eligibility period.

(iii) Travelling exhibits:

Revenue from the rental of travelling exhibits is recognized over the length of the exhibition period for each venue.

(iv) Interest on cash and investments:

Interest on cash and investments is recognized in the period it is earned.

(v) Cash sponsorships:

Unrestricted cash sponsorships are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Externally restricted cash sponsorships are deferred and recognized as revenue in the period in which the related obligations are fulfilled.

(vi) Cash donations:

Cash donations are comprised of contributions received from non-government entities that are not part of the federal government reporting entity, such as individuals, foundations and corporations.

Unrestricted contributions are recognized as revenue on the Statement of Operations when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Contributions which are externally or internally restricted for the purchase of depreciable capital assets are deferred and recognized as revenue on the same basis and over the same periods as the related capital assets acquired.

Contributions externally restricted for specific purposes are deferred on the Statement of Financial Position and recognized as revenue on the Statement of Operations in the period in which the related expenses are recognized. Restricted investment income is recognized as income in the Statement of Operations in the period that the related expenses are recognized.

## CANADIAN MUSEUM OF HISTORY

Notes to the Financial Statements, page 11

(Unaudited)

For period ended June 30, 2014  
(In thousands of dollars)

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### 2. Significant accounting policies (continued):

(h) Revenue recognition (continued):

(vii) In-kind sponsorships and artifact donations

Revenues and offsetting expenses from goods and services received in-kind are recorded at fair market value upon receipt. Artifact donations are recorded as revenue at fair market value in the period when the last of three specific criteria are met i) the artifact donation has been approved by the Corporation's Collections Acquisition Committee ii) legal transfer has taken place between the donor and the Corporation and iii) a fair market value has been assigned to the artifact donation. The recording of artifact donations results in an offsetting expense to collection acquisitions.

(viii) Parliamentary appropriations:

The Government of Canada provides contribution funding to the Corporation through Parliamentary appropriations.

Parliamentary appropriations which are externally or internally restricted for the purchase of capital assets subject to amortization are deferred and recognized as revenue on the same basis and over the same periods as the related capital assets acquired.

Parliamentary appropriations restricted for specific projects are deferred on the Statement of Financial Position and recognized as revenue on the Statement of Operations in the period that those expenses are incurred. Parliamentary appropriations that are not restricted to a specific purpose are recognized as revenue in the Statement of Operations in the period for which the appropriation is authorized.

(ix) Other revenues:

Other revenues mainly consist of library and photographic reproduction services, conservation services, special event production coordination services and gain on disposal of assets. They are recognized in the period in which the sale of goods is completed or the services are provided.

(x) Volunteer services:

Volunteers contribute a significant number of hours of service per year. Because of the difficulty of determining their fair value, contributed services are not recognized in these financial statements.

(i) Contingencies:

In the normal course of its operations, the Corporation becomes involved in various claims or legal actions. Some of these potential liabilities may become actual liabilities when one or more future events occur or fail to occur. To the extent that the future event is likely to occur or fail to occur, and a reasonable estimate of the loss can be made, an estimated liability is accrued and an expense recorded in the Corporation's financial statements.

# CANADIAN MUSEUM OF HISTORY

Notes to the Financial Statements, page 12

(Unaudited)

For period ended June 30, 2014  
(In thousands of dollars)

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## 2. Significant accounting policies (continued):

(j) Measurement uncertainty:

The preparation of financial statements in accordance with Canadian public sector accounting standards applicable for government not-for-profit organizations requires management to 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 income and expenses for the period. Employee future benefits, contingent liabilities, valuation of Master Asset Vehicle notes, artifact donations and the estimated useful lives of capital assets are the most significant items where estimates are used. Actual results could differ significantly from those estimated.

## 3. Restatement of Cash Flow:

The Corporation noted the inclusion of non-cash items in its Statement of Cash Flow and has restated comparative figures. There was no impact on the net result of operations.

The impact of these restatements on the comparative figures is as follows:

### Summary of adjustments

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#### Operating activities:

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Net cash through operating activities, as at June 30, 2013:

As previously reported	\$	(1,873)
Adjustment to cash receipts (clients)		825
Adjustment to cash receipts (parliamentary appropriations)		(4,375)
Adjustment to cash paid (employees)		395
Adjustment to cash paid (suppliers)		3,558
Adjustment to interest received		21

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Net cash through operating activities	\$	(1,449)
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#### Investing activities:

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Net cash through investing activities, as at June 30, 2013:

As previously reported	\$	(3,012)
Adjustment to increase in restricted cash and investments		123
Adjustment to decrease in restricted cash and investments		(53)

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Net cash through investing activities	\$	(2,942)
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**CANADIAN MUSEUM OF HISTORY**

Notes to the Financial Statements, page 13

(Unaudited)

For period ended June 30, 2014  
(In thousands of dollars)

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**3. Restatement of Cash Flow (continued):**

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**Capital activities:**

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Net cash through capital activities, as at June 30, 2013:

As previously reported	\$	(1,496)
Adjustment to acquisition of capital assets		(874)

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Net cash through capital activities	\$	(2,370)
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**Financing activities:**

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Net cash through financing activities, as at June 30, 2013:

As previously reported	\$	42
Adjustment to parliamentary appropriations for the acquisition of capital assets		583

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Net cash through financing activities	\$	625
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**CANADIAN MUSEUM OF HISTORY**

(Unaudited)

Notes to the Financial Statements, page 14

For the period ended June 30, 2014

(In thousands of dollars)

Note 4 - Deferred contributions and deferred revenues:

Deferred contributions and deferred revenues are as follows:

	June 30, 2014	March 31, 2014
Deferred contributions from non-government sources	\$ 2,773	\$ 2,592
Deferred Parliamentary appropriations	2,809	2,840
Total deferred contributions	5,582	5,432
Deferred revenues - goods and services	1,293	1,363
Deferred revenues - grants and sponsorships	335	415
Balance, end of period	\$ 7,210	\$ 7,210

Changes in the deferred contributions balance during the period were as follows:

	June 30, 2014	March 31, 2014
Balance, beginning of year	\$ 5,432	\$ 2,902
Additions:		
Restricted contributions received from non-government sources	196	976
Restricted Parliamentary appropriations received	-	1,659
Deferred investment income	8	17
	204	2,652
Deductions:		
Amounts recognized as revenue	(54)	(122)
	(54)	(122)
Balance, end of period	\$ 5,582	\$ 5,432

**CANADIAN MUSEUM OF HISTORY**

(Unaudited)

Notes to the Financial Statements, page 15

For the period ended June 30, 2014  
(In thousands of dollars)

Note 5 - Deferred contributions - National Collection Fund:

Deferred contributions for the National Collection Fund consist of the following:

	June 30, 2014	March 31, 2014
Deferred Parliamentary appropriations	\$ 8,506	\$ 8,438
Contributions from non-government entities	1,992	1,979
<b>Balance, end of period</b>	<b>\$ 10,498</b>	<b>\$ 10,417</b>

Changes in the deferred contributions were as follows:

	June 30, 2014	March 31, 2014
Balance, beginning of year	\$ 10,417	8,971
Additions:		
Parliamentary appropriations restricted for the National Collection Fund	-	1,000
Contributions from non-government entities received in the year	2	244
Deferred realized investment income	74	229
Unrealized gain (loss) on investments	5	(27)
	81	1,446
Deductions:		
Amounts recognized as revenue	-	-
<b>Balance, end of period</b>	<b>\$ 10,498</b>	<b>\$ 10,417</b>

**CANADIAN MUSEUM OF HISTORY**  
Notes to the Financial Statements, page 16

(Unaudited)

For the period ended June 30, 2014  
(In thousands of dollars)

Note 6 - Deferred contributions related to capital assets:

Deferred contributions related to capital assets is composed of:

	June 30, 2014	March 31, 2014
Used for acquisitions:		
Deferred capital contributions from non-government entities	\$ 2,021	2,037
Deferred capital funding through Parliamentary appropriations	204,501	207,601
	206,522	209,638
To be used for future acquisitions:		
Deferred capital funding through Parliamentary appropriations	3,685	3,833
Balance, end of period	\$ 210,207	\$ 213,471

Changes in the deferred contributions related to capital assets balance during the period is composed of:

	June 30, 2014	March 31, 2014
Balance, beginning of year	\$ 213,471	225,101
Add:		
Capital asset acquisitions	473	4,527
Capital asset disposals	-	(1)
Funded by prior year Parliamentary appropriations	(148)	(3,482)
Funded by current Parliamentary appropriations	325	1,044
Parliamentary appropriations deferred for capital asset acquisitions in future periods	-	1,860
Parliamentary appropriations	325	2,904
Less amounts recognized as revenue:		
Deferred capital contributions	(16)	(69)
Parliamentary appropriations	(3,573)	(14,465)
Balance, end of period	\$ 210,207	\$ 213,471

**CANADIAN MUSEUM OF HISTORY**  
Notes to the Financial Statements, page 17

(Unaudited)

For the period ended June 30, 2014  
(In thousands of dollars)

Note 7 - Donations and sponsorships:

Donations and sponsorships revenue is composed of:

	June 30, 2014	June 30, 2013
Cash donations and sponsorships	\$ 173	\$ 69
In-kind sponsorships and artifact donations	120	97
Balance, end of period	\$ 293	\$ 166

**CANADIAN MUSEUM OF HISTORY**  
Notes to the Financial Statements, page 18

(Unaudited)

For the period ended June 30, 2014  
(In thousands of dollars)

Note 8 - Parliamentary appropriations:

Parliamentary appropriations recognized as revenue:

	June 30, 2014	June 30, 2013
Main Estimates amount provided for operating and capital expenses	\$ 63,430	\$ 57,419
Parliamentary appropriations receivable at period end	(50,064)	(46,288)
Parliamentary appropriations received in the current period	13,366	11,131
Deferred Parliamentary appropriations, beginning of year	6,672	6,636
Parliamentary appropriations available for use	20,038	17,767
Portion of amount deferred for specific projects and acquisitions	(6,494)	(4,957)
Amounts used to purchase capital assets	(473)	(1,496)
Amortization of deferred capital funding	3,573	3,634
<b>Parliamentary appropriations recognized as revenue</b>	<b>\$ 16,644</b>	<b>\$ 14,948</b>

Reconciliation of deferred parliamentary appropriations:

	June 30, 2014	June 30, 2013
Deferred Parliamentary appropriations, beginning of year	\$ 6,672	\$ 6,636
Deferred Parliamentary appropriations used in the current period	(178)	(1,679)
<b>Deferred Parliamentary appropriations, end of period</b>	<b>\$ 6,494</b>	<b>\$ 4,957</b>

## **CANADIAN MUSEUM OF HISTORY**

Notes to the Financial Statements, page 19

(Unaudited)

For period ended June 30, 2014

(In thousands of dollars)

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### **9. Comparative figures:**

The Statement of Cash Flows has been adjusted in order to reclassify the uninvested portion of restricted cash as part of cash. As a result, the prior year figure for cash as of April 1, 2013 was increased by \$4,596.

**CANADIAN MUSEUM OF HISTORY**

(Unaudited)

## Schedule 1 - Operating Revenues

For the period ended June 30, 2014  
(In thousands of dollars)

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	June 30, 2014	June 30, 2013
General admission and programmes	\$ 1,454	\$ 1,472
Facility rental, events and concessions	823	964
Boutique sales	587	541
Parking	395	418
Imax	322	358
Memberships	65	64
Travelling exhibits	41	36
Publications	31	12
Other	57	59
	<u>\$ 3,775</u>	<u>\$ 3,924</u>



**CANADIAN MUSEUM OF HISTORY**

(Unaudited)

## Schedule 2 - Expenses

For the period ended June 30, 2014

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(In thousands of dollars)

	June 30, 2014	June 30, 2013
Personnel costs	\$ 8,843	\$ 8,590
Amortization of capital assets	3,589	3,670
Property taxes	2,448	2,423
Building operations	1,664	1,664
Professional and special services	787	603
Repairs and maintenance	684	613
Utilities	622	700
Exhibit fabrication and rental	587	579
IT infrastructure and systems	540	456
Collection acquisitions	409	149
Marketing and advertising	378	415
Cost of goods sold	327	291
Travel and hospitality	313	202
Materials and supplies	189	105
Royalties	85	68
Other	192	183
	<u>\$ 21,657</u>	<u>\$ 20,711</u>