

Financial Statements of

CANADIAN MUSEUM OF CIVILIZATION

Year ended March 31, 2007

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The financial statements contained in this annual report have been prepared by Management in accordance with Canadian generally accepted accounting principles, and the integrity and objectivity of the data in these financial statements are Management's responsibility. Financial information presented throughout the annual report is consistent with the financial statements.

In support of its responsibility, Management has developed and maintains books of account, records, financial and management controls, information systems and management practices. These are designed to provide reasonable assurance as to the reliability of financial information, that assets are safeguarded and controlled, and that transactions are in accordance with the *Financial Administration Act* and regulations as well as the *Museums Act* and the by-laws of the Corporation.

The Board of Trustees is responsible for ensuring that Management fulfills its responsibilities for financial reporting and internal control. The Board exercises its responsibilities through the Audit Committee, which includes a majority of members who are not officers of the Corporation. The Committee meets with Management and the independent external auditor to review the manner in which these groups are performing their responsibilities, and to discuss auditing, internal controls and other relevant financial matters. The Audit Committee has reviewed the financial statements with the external auditor and has submitted its report to the Board of Trustees. The Board of Trustees has reviewed and approved the financial statements.

The Corporation's external auditor, the Auditor General of Canada, examines the financial statements and reports to the Minister of Canadian Heritage and Status of Women, who is responsible for the Canadian Museum of Civilization.



J. (Joe) Geurts
Chief Operating Officer and
Senior Vice-President



David Loye
Chief Financial Officer

AUDITOR'S REPORT

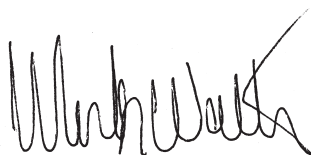
To the Minister of Canadian Heritage and Status of Women

I have audited the balance sheet of the Canadian Museum of Civilization as at March 31, 2007 and the statement of income and retained earnings and cash flows for the year then ended. These financial statements are the responsibility of the Corporation's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the 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 my opinion, these financial statements present fairly, in all material respects, the financial position of the Corporation as at March 31, 2007 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles. As required by the *Financial Administration Act*, I report that, in my opinion, these principles have been applied on a basis consistent with that of the preceding year.

Further, in my opinion, the transactions of the Corporation that have come to my notice during my audit of the financial statements have, in all significant respects, been in accordance with Part X of the *Financial Administration Act* and regulations, the *Museums Act* and the by-laws of the Corporation.



Mark G. Watters, CA
Assistant Auditor General
for the Auditor General of Canada

Ottawa, Canada
June 1, 2007

**CANADIAN MUSEUM OF CIVILIZATION
Balance Sheet**

March 31, 2007
(In thousands of dollars)

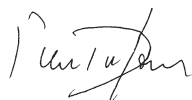
	2007	2006
		Restated Note 3
Assets		
Current assets:		
Cash and cash equivalents (note 4)	\$ 43,135	\$ 38,358
Accounts receivable (note 5)	2,388	1,984
Inventories	1,488	1,620
Prepaid expenses	272	946
	47,283	42,908
Restricted cash and investments (note 6)	911	812
Collection (note 7)	1	1
Property and equipment (note 8)	308,431	317,364
	\$ 356,626	\$ 361,085
Liabilities and Equity of Canada		
Current liabilities:		
Accounts payable and accrued liabilities (note 9)	\$ 14,647	\$ 13,102
Obligations under capital leases (note 10)	72	-
Deferred revenues	3,849	1,462
	18,568	14,564
Deferred contributions (note 11)	911	812
Deferred funding related to property and equipment (note 12)	267,338	277,150
Employee future benefits (note 13)	3,346	2,825
	290,163	295,351
Equity of Canada:		
Retained earnings	25,546	24,817
Contributed surplus	40,917	40,917
	66,463	65,734
Contingencies (note 16)		
Commitments (note 18)		
	\$ 356,626	\$ 361,085

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

Approved by the Board of Trustees:



Chairperson



Trustee

CANADIAN MUSEUM OF CIVILIZATION
Statement of Income and Retained Earnings

Year ended March 31, 2007
(In thousands of dollars)

	2007	2006
		Restated Note 3
Revenues:		
Donations, grants and sponsorships	\$ 1,804	\$ 4,060
Interest (note 14)	1,930	1,181
Gain on settlement of claim	1,100	-
Operating (schedule 1)	13,876	14,384
	18,710	19,625
Expenditures (schedule 2):		
Collect and research	13,587	13,588
Exhibit, educate and communicate	19,352	19,764
Accommodation	36,437	36,976
Corporate management	17,632	16,220
	87,008	86,548
Net result of operations before government funding	(68,298)	(66,923)
Parliamentary appropriations (note 19)	69,027	70,751
Net results of operations	729	3,828
Retained earnings, beginning of year	24,817	20,989
Retained earnings, end of year	\$ 25,546	\$ 24,817

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

CANADIAN MUSEUM OF CIVILIZATION
Statement of Cash Flows

Year ended March 31, 2007

(In thousands of dollars)

	2007	2006
Operating activities:		
Cash receipts (clients)	\$ 18,806	\$ 14,014
Cash receipts (parliamentary appropriation)	68,483	72,793
Cash paid (employees and suppliers)	(84,063)	(91,278)
Interest received	1,930	1,181
	5,156	(3,290)
Investing activities:		
Acquisition of property and equipment	(4,487)	(6,602)
(Increase) decrease in restricted cash and investments	(99)	8,975
	(4,586)	2,373
Financing activities:		
Parliamentary appropriation for the acquisition of property and equipment	3,697	6,562
Restricted contributions and related investment income	510	1,107
	4,207	7,669
Increase in cash and cash equivalents	4,777	6,752
Cash and cash equivalents, beginning of year	38,358	31,606
Cash and cash equivalents, end of year	\$ 43,135	\$ 38,358

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

CANADIAN MUSEUM OF CIVILIZATION Notes to the Financial Statements

Year ended March 31, 2007

(In thousands of dollars)

1. Mission and mandate:

The Canadian Museum of Civilization (the “Corporation”) was established on July 1, 1990 by the *Museums Act*. The Canadian Museum of Civilization 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 War Museum is a component of the Canadian Museum of Civilization.

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

“to increase, throughout Canada and internationally, interest in, knowledge and critical understanding of and appreciation and respect for human cultural achievements and human behaviour by establishing, maintaining and developing for research and posterity a collection of objects of historical or cultural interest, with special but not exclusive reference to Canada, and by demonstrating those achievements and behaviour, the knowledge derived from them and the understanding they represent.”

The Canadian Museum of Civilization’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.

2. Significant accounting policies:

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles. Significant accounting policies follow.

(a) Inventories:

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

(b) Collection:

The artifact collection forms the largest part of the assets of the Corporation and is presented in the balance sheet at a nominal value of \$1,000, 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 year of acquisition.

Objects donated to the Corporation are recorded, as assets, at a nominal value.

(c) Property and equipment:

Property and equipment owned by the Corporation are valued at cost, net of accumulated amortization. Assets acquired under capital leases are initially recorded at the present value of the minimum lease payments at the inception of the lease. 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 Contributed Surplus.

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

(d) Employee future benefits:

(i) *Pension benefits:*

All eligible employees participate in the Public Service Pension Plan administered by the Government of Canada. The Corporation's contributions are currently based on a multiple of an employee's required contributions and may change over time depending on the experience of the Plan. The Corporation's contributions are expensed during the year in which the services are rendered and represent the total pension obligation of the Corporation. The Corporation is not currently required to make contributions with respect to any actuarial deficiencies of the Public Service Pension Plan.

(ii) *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. Management determined the accrued benefit obligation using a method based upon assumptions and its best estimates. These benefits represent an obligation of the Corporation that entails settlement by future payment.

2. Significant accounting policies (continued):

(d) Employee future benefits (continued):

(iii) *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 discount rate, retirement ages and expected health care and dental costs.

Past service costs from plan initiation or amendment are deferred and amortized on a straight-line basis over the average remaining service period of employees active at the date of the initiation or amendment. On July 1, 2006, the Corporation initiated these plans and, accordingly, is amortizing past service costs arising on plan initiation over 13.5 years, which is the average remaining service period of employees active at the date of the initiation.

Actuarial gains (losses) on the accrued benefit obligation arises from differences between actual and expected experience and from changes in the actuarial assumptions used to determine the accrued benefit obligation. The excess of the net accumulated actuarial gains (losses) over 10% of the accrued benefit obligation is amortized over the average remaining service period of active employees. The average remaining service period of the active employees covered by these post retirement benefits is 16.5 years.

The most recent actuarial valuation was completed by an independent actuary as at March 31, 2007. The Corporation measures its accrued benefit obligation for accounting purposes as at March 31 of each year.

(e) Revenue recognition:

(i) *Museum operations:*

Revenues from Museum operations include the sale of general admissions and programmes, IMAX, facility rentals, food concessions, parking, boutiques, publications and royalties from boutique product reproduction and film distribution. They are recognized in the year 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 cash equivalents:*

Interest on cash and cash equivalents is recognized in the year it is earned.

(v) *Grants and sponsorships:*

Unrestricted grants and 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 grants and sponsorships are deferred and recognized as revenue in the year in which the related obligations are fulfilled. Revenues and offsetting expenses from goods and services received in-kind are recorded at fair market value upon receipt.

2. Significant accounting policies (continued):

(e) Revenue recognition (continued):

(vi) *Contributions:*

The Corporation follows the deferral method of accounting for contributions.

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. Contributions externally restricted, and related investment income, are deferred and recognized as revenue in the year in which the related expenses are incurred.

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.

(vii) *Parliamentary appropriation:*

The Government of Canada provides funding to the Corporation. The portion of the parliamentary appropriation used or to be used to purchase depreciable property and equipment is recorded as deferred capital funding and amortized on the same basis and over the same periods as the related property and equipment acquired. Parliamentary appropriations for specific projects are deferred and recognized on the statement of operations in the year in which the related expenses are incurred. The remaining portion of the appropriation is recognized in the statement of operations in the year for which it is approved.

(viii) *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 year in which the sale of goods is completed or the services are provided.

(f) Measurement uncertainty:

The preparation of financial statements in accordance with Canadian generally accepted accounting principles 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 year. Employee-related liabilities, buildings, land and estimated useful lives of property and equipment are the most significant items where estimates are used. Actual results could differ significantly from those estimated.

(g) Future accounting changes:

In January 2005, the Canadian Institute of Chartered Accountants (CICA) issued two new accounting standards that may impact the Corporation. These new standards will come into effect for fiscal years beginning on or after October 1, 2006 and will be applied prospectively.

Section 3855, *Financial Instruments — Recognition and Measurement*, establishes standards for recognizing, measuring and classifying financial instruments. The Corporation will be required to classify its financial assets as held for trading, held-to-maturity, loans and receivables or available-for-sale and financial liabilities as held for trading or other than held for trading. Financial assets and liabilities classified as held for trading will be measured at fair value with gains and losses recognized in net results of operations. Financial assets classified as held-to-maturity, loans and receivables and financial liabilities other than those held for trading will be measured at amortized cost.

Financial assets classified as available-for-sale will be measured at fair value with unrealized gains and losses recognized in other comprehensive income.

2. Significant accounting policies (continued):

(g) Future accounting changes (continued):

Section 1530, *Comprehensive Income*, introduces a new requirement to temporarily present certain gains and losses in other comprehensive income until it is considered appropriate to be recognized in net results of operations. The Corporation may be required to present a new financial statement entitled Comprehensive Income to record such amounts until they are realized.

The Corporation is currently evaluating the impact of these two new accounting standards for fiscal year 2007–08.

3. Adjustments to prior year's results:

In the current year, the Corporation reviewed its accounting treatment for property and school tax recognition of a prepaid. This review concluded that recognizing a prepaid on these expenses when a payable for the same invoice already existed was overstating the Corporation's assets.

As a result, the Corporation adjusted retroactively the financial statements as follows:

	2006 Restated	2006 As previously stated
Balance Sheet		
Prepaid expenses	\$ 946	\$ 2,713
Accounts payable and accrued liabilities	13,102	13,061
Retained earnings	24,817	26,625
Statement of Income and Retained Earnings		
Accommodation	\$ 36,976	\$ 36,455
Net results of operations before government funding	(66,923)	(66,402)
Net results of operations	3,828	4,349
Retained earnings, beginning of year	20,989	22,276
Retained earnings, end of year	24,817	26,625
Notes to Financial Statements		
Government departments and agencies (note 9)	\$ 3,422	\$ 3,381
Related party expenses (note 15)	8,479	7,958
Prepaid expenses (note 15)	-	1,767
Accounts payable and accrued liabilities (note 15)	3,422	3,381
Property taxes (Schedule 2 — Expenditures)	8,323	7,802

4. Cash and cash equivalents:

The Corporation invests in the short-term money market. The overall portfolio yield to maturity as at March 31, 2007 was 4.4% (2006 — 3.8%). All instruments held in short-term investments are rated R1 or better by the Dominion Bond Rating Service. The average term to maturity is 25 days (27 days in 2006). The fair value of the short-term investments approximates the book value due to their impending maturity.

5. Accounts receivable:

	2007	2006
Refundable taxes	\$ 790	\$ 856
Parliamentary appropriation	453	-
Trade accounts	987	1,003
Other	158	125
	\$ 2,388	\$ 1,984

6. Restricted cash and investments:

Restricted cash and investments arise from contributions received from individuals and corporate entities for a specified purpose and from internally restricted funds.

The overall portfolio yield to maturity on restricted cash as at March 31, 2007 was 4.3% (2006 — 3.8%). All instruments held in short-term investments are rated R1 or better by the Dominion Bond Rating Service. The average term to maturity is 52 days (45 days in 2006). The fair value of the short-term investments approximates the book value due to their impending maturity.

7. Collection:

The Corporation maintains the material culture collections of artifacts, objects, specimens and their related information. These collections are developed by various research areas within the Corporation. The collections are divided into the following eight discipline-related groups:

Ethnology — ethnographic and fine art collections principally related to North American First Peoples in post-European contact

Folk Culture — folk culture and fine craft collections illustrating the diversity of cultural influences on Canadian culture

History — collections which illustrate the experience of the common person as well as famous Canadians

Canadian Postal Museum — collections of philatelic, artwork and material culture which serve to illustrate the role of postal communication in defining and shaping a nation

Canadian Children's Museum — collections which emphasize intercultural understanding and experience, as well as supporting a rich animation programme

Living History — collection of properties, costumes and didactic resources which are used by animators, educators and other staff to promote and enliven the Museum's programming

Canadian War Museum — collections of weapons and technological artifacts illustrating the development of military technologies, dress and insignia collections of uniforms, medals, accoutrements and regalia of the Canadian Armed Forces and its allies, and war art collections of paintings, drawings, prints and sculptures from the Canadian War Artist programmes and modern art works illustrating Canadian Peacekeeping efforts

Archaeology — archaeological collections of material culture, physical anthropology, flora and fauna recovered from dig sites and principally illustrating indigenous North American culture prior to European contact

8. Property and equipment:

	Cost	Accumulated amortization	2007 Net book value	2006 Net book value
Buildings	\$ 360,509	\$ 116,809	\$ 243,700	\$ 252,816
Land	40,917	-	40,917	40,917
Building improvements	49,545	31,382	18,163	17,973
Technical equipment	11,584	9,018	2,566	2,530
Informatics equipment	10,165	9,125	1,040	959
Office furniture and equipment	8,387	6,397	1,990	2,114
Motor vehicles	120	65	55	55
	\$ 481,227	\$ 172,796	\$ 308,431	\$ 317,364

The current year amortization amounts to \$13,411 (2006 — \$13,285).

9. Accounts payable and accrued liabilities:

	2007	2006 Restated Note 3
Trade accounts payable	\$ 6,682	\$ 6,621
Accrued salaries and vacation pay	2,204	2,231
Government departments and agencies	4,902	3,422
Current portion of employee future benefits (note 13)	859	828
	\$ 14,647	\$ 13,102

10. Obligation under capital lease:

The Corporation has an obligation under a capital lease which matures in 2008. The obligation represents the total present value of future minimum lease payments discounted at the blended rate implicit in the lease which is 10.099%. The future minimum lease payments, together with the balance of the obligation under capital lease as at March 31st, 2007 is \$72.

11. Deferred contributions:

Deferred contributions represent unspent externally restricted donations and related investment income.

Changes in the deferred contributions balance are as follows:

	2007	2006
Balance, beginning of year	\$ 812	\$ 2,787
Add donations received in the year	487	1,096
Add deferred investment income (note 14)	23	11
Less donations recognized as revenue	(411)	(3,042)
Less donations used to purchase depreciable property and equipment (note 12)	-	(40)
Balance, end of year	\$ 911	\$ 812

12. Deferred funding related to property and equipment:

(a) Deferred funding related to property and equipment is composed of:

	2007	2006
Deferred capital contributions	\$ 3,062	\$ 3,233
Deferred non-monetary sponsorships	147	294
Deferred capital funding	264,129	273,623
	\$ 267,338	\$ 277,150

- (i) Deferred capital contributions represent the unamortized portion of donations used to purchase depreciable property and equipment. Deferred capital contributions are recognized as donation revenue on the same basis and over the same periods as the related property and equipment is depreciated.
- (ii) Deferred non-monetary sponsorships represent the estimated fair value of goods and services received by the Corporation from external parties in exchange for recognition as a Corporation sponsor. Deferred non-monetary sponsorships are recognized as sponsorship revenue on the same basis and over the same periods as the received goods and service are expensed.
- (iii) Deferred capital funding represents the unamortized portion of parliamentary appropriations used or to be used to purchase depreciable property and equipment. Deferred capital funding is recognized as parliamentary appropriation revenue on the same basis and over the same periods as the related property and equipment is depreciated.

12. Deferred funding related to property and equipment (continued):

(b) Changes in the deferred funding related to property and equipment is composed of:

	2007	2006
Balance at beginning of year	\$ 277,150	\$ 283,505
Add:		
Deferred capital contributions received	-	40
Non-monetary sponsorships received	-	392
Parliamentary appropriations received	3,697	6,562
Less amounts recognized as revenue:		
Deferred capital contributions	(171)	(167)
Non-monetary sponsorships	(147)	(98)
Parliamentary appropriations	(13,191)	(13,084)
	<u>\$ 267,338</u>	<u>\$ 277,150</u>

13. Employee future benefits:

	2007	2006
Severance liability (note 13(b))	\$ 3,621	\$ 3,653
Other non-pension post retirement liability (note 13(c))	584	-
Employee future benefits	4,205	3,653
Less: current portion of employee future benefit	(859)	(828)
	<u>\$ 3,346</u>	<u>\$ 2,825</u>

(a) Pension benefits:

The Corporation and all eligible employees contribute to the Public Service Pension Plan. This pension plan provides benefits based on years of service and average earnings for the employee's best five years up to retirement. The benefits are fully indexed to the increase in the Consumer Price Index. The Corporation's and employees' contributions to the Public Service Pension Plan for the year were as follows:

	2007	2006
Corporation's contributions	\$ 2,742	\$ 2,603
Employees' contributions	1,291	1,195

13. Employee future benefits (continued):

(b) Severance benefits:

The Corporation provides severance benefits to its employees based on years of service and salary upon termination. This benefit plan is not pre-funded and thus has no assets, resulting in a plan deficit equal to the accrued benefit obligation. Benefits will be paid from future appropriations or other sources of revenue. Information about the plan, measured as at the balance sheet date, is as follows:

	2007	2006
Accrued benefit obligation, beginning of year	\$ 3,653	\$ 3,425
Cost for the year	414	458
Benefits paid during the year	(446)	(230)
Accrued benefit obligation, end of year	\$ 3,621	\$ 3,653
Short-term portion	\$ 859	\$ 828
Long-term portion	2,762	2,825
	\$ 3,621	\$ 3,653

(c) Other post retirement benefits:

On July 1, 2006, the Corporation introduced defined benefit post retirement health care and dental benefit plans for eligible employees. The health care plans are contributory with employee contributions adjusted periodically. The cost of this plan is charged to income as benefits are earned by employees on the basis of service rendered. The plans are not pre-funded resulting in a plan deficit equal to the accrued benefit obligation.

Information about the Corporation's post non-pension benefits plans is as follows:

	2007	2006
Accrued benefit obligation:		
Past service on plan initiation	\$ 4,364	\$ -
Current service cost	196	-
Interest costs	187	-
Actuarial losses	528	-
Benefits paid	(42)	-
Balance at end of year, and funded status	\$ 5,233	\$ -

13. Employee future benefits (continued):

(c) Other post retirement benefits (continued):

A reconciliation of the funded status of the defined benefit plans to the amounts recorded on the financial statements is as follows:

	2007	2006
Funded status:		
Plan deficit	\$ 5,233	\$ -
Unamortized net actuarial loss	(528)	-
Unamortized transitional obligation	(4,121)	-
Other non-pension post retirement liability	\$ 584	\$ -

The significant actuarial assumptions used are as follows:

	2007	2006
Discount rate used to determine accrued benefit obligation	5.0%	-
Discount rate used to determine benefit cost	5.5%	-
Rate of increase in dental benefit costs	4.0%	-
Assumed health cost trend rates as at March 31:		
Initial health care trend rate	10.00%	-
Trend rate declines to	5.0%	-
Year the ultimate rate is reached	2017	

Total cash payments for these post retirement benefits, consisting of cash contributed by the Corporation, was \$42 (2006 — \$0). The benefit cost recognized in the income statement for the year was \$626 (2006 — \$0).

The estimated future benefit payments for each of the next five years and the subsequent five year period are as follows:

2008	55
2009	70
2010	76
2011	87
2012	96
Years 2013 to 2017	664

The expected benefits are based on the same assumptions used to measure the Corporation's benefit obligation as at March 31, and include the estimated future employee service.

14. Interest revenue:

Interest revenue earned on cash and investments is reported as follows:

	2007	2006
Interest revenue earned on unrestricted resources	\$ 1,892	\$ 1,120
Interest revenue earned on restricted resources	61	72
Total interest revenue earned on cash and investments in the year	1,953	1,192
Less amounts deferred for restricted purposes (note 11)	(23)	(11)
Total interest revenue	\$ 1,930	\$ 1,181

15. Related party transactions:

The Corporation is related to all Government of Canada departments, agencies and Crown corporations. The Corporation enters into transactions with these entities in the normal course of business. These transactions are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties. During the year, the Corporation incurred expenses totaling \$9,096 (\$8,479 in 2006) and recorded Museum operations revenue of \$661 (\$910 in 2006) with related parties.

As at March 31, the Corporation recorded the following amounts on the balance sheet for transactions with related parties:

	2007	2006
		Restated Note 3
Accounts receivable	\$ 229	\$ 206
Accounts payable and accrued liabilities	4,902	3,422
Deferred revenues	94	99

16. 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, a liability will be accrued and an expense recorded in the Corporation's financial statements.

No amount has been included in the balance sheet as at March 31, 2007.

17. Fair value of financial instruments:

In addition to the descriptions in Notes 4 and 6, the fair value of accounts receivable and accounts payable and accrued liabilities approximate their respective book values due to their impending maturity.

18. Commitments:

As at March 31, 2007, the Corporation has entered into long-term contracts for informatics, property leases, building operations and maintenance, security and point-of-sale outsource services with a remaining value of \$28,395. The future minimum payments are as follows:

2007–08	\$ 10,283
2008–09	8,961
2009–10	7,614
2010–11	1,537
	<hr/>
	\$ 28,395

19. Parliamentary appropriations:

	2007	2006
Main Estimates amount provided for operating and capital expenditures	\$ 59,946	\$ 58,698
Supplementary estimates and transfers	2,015	2,424
	<hr/>	<hr/>
	61,961	61,122
Portion of amount deferred for specific projects	(2,937)	-
Deferred Parliamentary appropriations used in current year to complete specific projects	1,299	3,107
Amounts used to purchase property and equipment	(4,487)	(6,562)
Amortization of deferred capital funding (note 12)	13,191	13,084
Parliamentary appropriations	<hr/>	<hr/>
	\$ 69,027	\$ 70,751

20. Comparative figures:

Certain comparative figures have been reclassified to conform with the presentation adopted in the current year.

**CANADIAN MUSEUM OF CIVILIZATION
Schedule 1 — Operating Revenues**

Year ended March 31, 2007

(In thousands of dollars)

	2007	2006
General admission and programmes	\$ 5,007	\$ 5,204
Boutique sales	2,557	2,491
IMAX	2,202	2,214
Facility rental and concessions	1,663	1,613
Parking	1,302	1,510
Memberships	286	220
Travelling exhibits	152	426
Publications	85	161
Royalties	36	56
Other	586	489
	\$ 13,876	\$ 14,384

Schedule 2 — Expenditures

Year ended March 31, 2007

(In thousands of dollars)

	2007	2006
		Restated Note 3
Personnel costs	\$ 32,777	\$ 31,145
Professional and special services	13,496	14,496
Amortization of property and equipment	13,411	13,285
Property taxes	8,540	8,323
Exhibit fabrication and rental	3,082	3,235
Utilities	2,862	2,944
Repairs and maintenance	2,763	2,896
Materials and supplies	2,319	1,951
Communications	2,098	2,306
Marketing and advertising	1,672	1,624
Cost of goods sold	1,525	1,469
Travel	1,099	948
Royalties	425	491
Building leases	344	891
Collection acquisitions	330	257
Rentals	145	205
Other	120	82
	\$ 87,008	\$ 86,548