



CANADIAN
MUSEUM
OF HISTORY
-
MUSÉE
CANADIEN
DE L'HISTOIRE



CANADIAN
WAR
MUSEUM
-
MUSÉE
CANADIEN
DE LA GUERRE

**QUARTERLY FINANCIAL REPORT
FOR THE THREE MONTH PERIOD ENDED
JUNE 30, 2015
UNAUDITED**

Canada

NARRATIVE DISCUSSION

These quarterly financial statements must be read in conjunction with the March 31, 2015 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 effective dates of the transfers were August 29, 2014 for the OWR and September 30, 2014 for the VMC. The annualized funding for the VMC is \$6.2 million and the OWR is \$2.1 million.

STATEMENT OF OPERATIONS

Net results of operations at June 30, 2015 reflected a deficit of \$993 thousand, compared to a deficit of \$659 thousand the prior fiscal year.

Parliamentary appropriations at June 30, 2015 were \$17.6 million, compared to \$16.4 million the prior year. The increase in appropriations is mainly due to the transfer of VMC and OWR responsibilities, as noted above.

STATEMENT OF OPERATIONS (continued)

Operating expenses were higher than prior year at \$22.8 million (\$21.4 million for 2014-2015). The increase in expenses is also primarily related to the Virtual Museum of Canada and Online Works of Reference.

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, 2015, 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, 2015, the MAVII notes were recorded at their estimated fair value of \$9.6 million. The Corporation has maintained this valuation at June 30, 2015.

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, 2015, the balance of the National Collection Fund stands at \$10.7 million.

The impact of seasonal fluctuations is also of note when comparing balances at June 30, 2015 against those at March 31, 2015.

STATEMENT OF MANAGEMENT RESPONSIBILITY

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.



David Loye
Chief Operating Officer and Senior Vice-President



Melissa MacKenzie
Chief Financial Officer

Gatineau, Quebec

August 28, 2015

CANADIAN MUSEUM OF HISTORY

(Unaudited)

Statement of Financial Position

As at
(In thousands of dollars)

	June 30, 2015	March 31, 2015
Assets		
Current assets:		
Cash	\$ 5,857	\$ 4,070
Restricted cash and investments	1,352	1,129
Investments	7,136	7,384
Accounts receivable	1,907	1,769
Inventories	915	880
Prepaid expenses	809	527
	<u>17,976</u>	<u>15,759</u>
Restricted cash and investments	12,764	12,894
Investments	42,015	44,249
Collections	1	1
Capital assets	<u>242,987</u>	<u>243,493</u>
	<u>\$ 315,743</u>	<u>\$ 316,396</u>
Liabilities and Equity		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 17,813	\$ 16,540
Deferred contributions and deferred revenue (note 4)	8,018	8,291
Current portion of employee future benefits	215	251
	<u>26,046</u>	<u>25,082</u>
Deferred contributions - National Collection Fund (note 5)	10,699	10,759
Deferred contributions related to capital assets (note 6)	210,761	210,947
Employee future benefits	<u>5,574</u>	<u>5,454</u>
	<u>253,080</u>	<u>252,242</u>
Net assets:		
Unrestricted	17,728	18,721
Investment in capital assets	40,868	40,868
Accumulated rereasurement gains	<u>4,067</u>	<u>4,565</u>
	<u>62,663</u>	<u>64,154</u>
	<u>\$ 315,743</u>	<u>\$ 316,396</u>

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

CANADIAN MUSEUM OF HISTORY

(Unaudited)

Statement of Operations

For the three month period ended June 30, 2015

(In thousands of dollars)

	June 30, 2015	June 30, 2014 (Restated Note 3)
Revenues:		
Donations and sponsorships (note 7)	\$ 213	\$ 293
Interest	352	335
Loss on investments	(141)	(49)
Operating (schedule 1)	3,711	3,775
	<u>4,135</u>	<u>4,354</u>
Expenses (schedule 2):		
Collect and research	3,218	3,037
Exhibit, educate and communicate	6,035	4,268
Accommodation	9,234	9,491
Corporate management	4,268	4,610
	<u>22,755</u>	<u>21,406</u>
Net result of operations before government funding	(18,620)	(17,052)
Parliamentary appropriations (note 8)	17,627	16,393
Net result of operations	<u>\$ (993)</u>	<u>\$ (659)</u>

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

CANADIAN MUSEUM OF HISTORY

(Unaudited)

Statement of Remeasurement Gains and Losses

For the three month period ended June 30, 2015

(In thousands of dollars)

	June 30, 2015	June 30, 2014
Accumulated remeasurement gains, beginning of year	\$ 4,565	\$ 2,867
Unrealized gains (losses) attributed to:		
Long-term bonds	(627)	162
Amounts reclassified to the Statement of Operations:		
Long-term bonds	129	40
Net change in accumulated remeasurement gains (losses) for the period	(498)	202
Accumulated remeasurement gains, end of period	\$ 4,067	\$ 3,069

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 three month period ended June 30, 2015

(In thousands of dollars)

	Unrestricted	Investment in capital assets	Accumulated remeasurement gains	June 30, 2015	June 30, 2014
Net assets, beginning of year	\$ 18,721	\$ 40,868	\$ 4,565	\$ 64,154	\$ 63,225
Net result of operations	(993)	-	-	(993)	(659)
Net change in accumulated remeasurement gains (losses)	-	-	(498)	(498)	202
Net assets, end of period	\$ 17,728	\$ 40,868	\$ 4,067	\$ 62,663	\$ 62,768

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

CANADIAN MUSEUM OF HISTORY

(Unaudited)

Statement of Cash Flows

For the three month period ended June 30, 2015

(In thousands of dollars)

	June 30, 2015	June 30, 2014 (Restated Note 3)
Operating activities:		
Cash receipts from clients	\$ 4,442	\$ 5,039
Cash receipts from parliamentary appropriations	17,278	13,424
Cash paid to and on behalf of employees	(7,862)	(7,309)
Cash paid to suppliers	(11,457)	(7,984)
Restricted contributions and related investment income	226	223
Interest received	375	375
Net cash through operating activities	3,002	3,768
Investing activities:		
Principal repayments of investments	7	16
Increase in restricted cash and investments	-	(4,344)
Decrease in restricted cash and investments	1,836	2,382
Net cash through investing activities	1,843	(1,946)
Capital activities:		
Acquisition of capital assets	(2,694)	(2,057)
Financing activities:		
Parliamentary appropriations for the acquisition of capital assets	(141)	1,909
Increase in cash and restricted cash	2,010	1,674
Cash and restricted cash, beginning of year:		
Cash	4,070	2,627
Restricted cash	1,129	3,961
	5,199	6,588
Cash and restricted cash, end of period:		
Cash	5,857	6,031
Restricted cash	1,352	2,231
	\$ 7,209	\$ 8,262

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

CANADIAN MUSEUM OF HISTORY

Notes to the Financial Statements

(Unaudited)

For the three month period ended June 30, 2015
(In thousands of dollars)

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

(Unaudited)

For the three month period ended June 30, 2015
(In thousands of dollars)

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) Collections:

The artifact collections form the largest part of the assets of the Corporation and are 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

(Unaudited)

For the three month period ended June 30, 2015
(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.

Permanent exhibits represent costs that are directly attributable to the exhibit and meet the definition of a capital asset. They may include employee salaries and benefits, professional service fees, permanent exhibit and building structures as well as images and copyright.

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
Permanent exhibits	10 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.

CANADIAN MUSEUM OF HISTORY

Notes to the Financial Statements

(Unaudited)

For the three month period ended June 30, 2015
(In thousands of dollars)

2. Significant accounting policies (continued):

(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.

(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.

CANADIAN MUSEUM OF HISTORY

Notes to the Financial Statements

(Unaudited)

For the three month period ended June 30, 2015
(In thousands of dollars)

2. Significant accounting policies (continued):

(g) Employee future benefits (continued):

(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.

(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.

CANADIAN MUSEUM OF HISTORY

Notes to the Financial Statements

(Unaudited)

For the three month period ended June 30, 2015
(In thousands of dollars)

2. Significant accounting policies (continued):

(h) Revenue recognition (continued):

(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.

(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.

CANADIAN MUSEUM OF HISTORY

Notes to the Financial Statements

(Unaudited)

For the three month period ended June 30, 2015
(In thousands of dollars)

2. Significant accounting policies (continued):

(h) Revenue recognition (continued):

(viii) Parliamentary appropriations:

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

Parliamentary appropriations which are externally 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.

(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.

CANADIAN MUSEUM OF HISTORY

Notes to the Financial Statements

(Unaudited)

For the three month period ended June 30, 2015
(In thousands of dollars)

3. Accounting changes and restatement:

In fiscal 2014-2015, the Corporation reviewed its approach for the capitalization of permanent exhibition costs as assets. In the past, the Corporation expensed the costs related to permanent exhibitions and recognized any related government funding as revenue. The Corporation concluded that permanent exhibitions should be capitalized. Consequently, the Corporation amended its capital assets, deferred contributions and deferred revenues as well as deferred contributions related to capital assets as at March 31, 2015, resulting in a retroactive restatement of prior years' balances.

In fiscal 2014-2015, the Corporation also revised its approach to calculating cash amounts in the various sub-components of its Statement of Cash Flows. This resulted in the adjustment of certain comparative figures.

While there was no impact on the net result of operations or net assets, the comparative figures for the period ended June 30, 2014 have been restated as follows:

	June 30, 2014 Restated	Adjustments: Permanent Exhibitions	Adjustments: Cash Flow	June 30, 2014 As previously stated
Statement of Financial Operations				
Expenses:				
Exhibit, educate and communicate	\$ 4,268	\$ (229)	\$ -	\$ 4,497
Accommodation	9,491	(22)	-	9,513
Net result of operations before government funding	(17,052)	251	-	(17,303)
Parliamentary appropriations	16,393	(251)	-	16,644
Statement of Cash Flows				
Operating Activities:				
Cash receipts from parliamentary appropriations	13,424	(290)	(556)	14,270
Cash paid to and on behalf of employees	(7,309)	250	-	(7,559)
Cash paid to suppliers	(7,984)	40	332	(8,356)
Capital Activities:				
Acquisition of capital assets	(2,057)	(290)	(332)	(1,435)
Financing Activities:				
Parliamentary appropriations for the acquisition of capital assets	1,909	290	556	1,063

CANADIAN MUSEUM OF HISTORY

(Unaudited)

Notes to the Financial Statements

For the three month period ended June 30, 2015
(In thousands of dollars)

4. Deferred contributions and deferred revenues:

Deferred contributions and deferred revenues are as follows:

	June 30, 2015	March 31, 2015
Deferred contributions from non-government sources	\$ 3,417	\$ 3,264
Deferred Parliamentary appropriations	3,037	3,453
Total deferred contributions	6,454	6,717
Deferred revenues - goods and services	1,119	1,079
Deferred revenues - grants and sponsorships	445	495
Balance, end of period	\$ 8,018	\$ 8,291

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

	June 30, 2015 (3 months)	March 31, 2015 (12 months)
Balance, beginning of year	\$ 6,717	\$ 3,125
Additions:		
Restricted contributions received from non-government sources	142	1,082
Restricted Parliamentary appropriations received	-	3,216
Deferred investment income	14	45
	156	4,343
Deductions:		
Amounts recognized as revenue	(419)	(751)
Balance, end of period	\$ 6,454	\$ 6,717

CANADIAN MUSEUM OF HISTORY

(Unaudited)

Notes to the Financial Statements

For the three month period ended June 30, 2015

(In thousands of dollars)

5. Deferred contributions - National Collection Fund:

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

	June 30, 2015	March 31, 2015
Deferred Parliamentary appropriations	\$ 8,851	\$ 8,920
Contributions from non-government entities	1,848	1,839
Balance, end of period	\$ 10,699	\$ 10,759

Changes in the deferred contributions were as follows:

	June 30, 2015 (3 months)	March 31, 2015 (12 months)
Balance, beginning of year	\$ 10,759	\$ 10,417
Additions:		
Contributions from non-government entities received in the year	1	39
Deferred realized investment income	69	292
Unrealized gain (loss) on investments	(130)	255
	(60)	586
Deductions:		
Amounts recognized as revenue	-	(244)
Balance, end of period	\$ 10,699	\$ 10,759

CANADIAN MUSEUM OF HISTORY

(Unaudited)

Notes to the Financial Statements

For the three month period ended June 30, 2015
(In thousands of dollars)

6. Deferred contributions related to capital assets:

Deferred contributions related to capital assets is composed of:

	June 30, 2015	March 31, 2015
Used for acquisitions:		
Deferred capital contributions from non-government entities	\$ 1,955	1,972
Deferred capital funding through Parliamentary appropriations	199,963	200,452
	201,918	202,424
To be used for future acquisitions:		
Deferred capital funding through Parliamentary appropriations	8,843	8,523
Balance, end of period	\$ 210,761	\$ 210,947

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

	June 30, 2015 (3 months)	March 31, 2015 (12 months)
Balance, beginning of year	\$ 210,947	217,841
Add:		
Capital asset acquisitions	3,031	5,040
Funded by prior year Parliamentary appropriations	(2,835)	(1,029)
Funded by current period Parliamentary appropriations	196	4,011
Parliamentary appropriations deferred for capital asset acquisitions in future periods	3,155	3,412
Parliamentary appropriations	3,351	7,423
Less amounts recognized as revenue:		
Deferred capital contributions	(16)	(65)
Parliamentary appropriations	(3,521)	(14,252)
	(3,537)	(14,317)
Balance, end of period	\$ 210,761	\$ 210,947

CANADIAN MUSEUM OF HISTORY

(Unaudited)

Notes to the Financial Statements

For the three month period ended June 30, 2015

(In thousands of dollars)

7. Donations and sponsorships:

Donations and sponsorships revenue is composed of:

	June 30, 2015	June 30, 2014
Cash donations and sponsorships	\$ 73	\$ 173
In-kind sponsorships and artifact donations	140	120
	\$ 213	\$ 293

8. Parliamentary appropriations:

Parliamentary appropriations recognized as revenue:

	June 30, 2015	June 30, 2014 (Restated Note 3)
Main Estimates amount provided for operating and capital expenses	\$ 83,369	\$ 63,430
Parliamentary appropriations receivable at period end	(66,327)	(50,064)
Parliamentary appropriations received in the current period	17,042	13,366
Deferred Parliamentary appropriations, beginning of year	11,975	6,672
Parliamentary appropriations available for use	29,017	20,038
Amount deferred for specific projects and acquisitions	(11,880)	(6,494)
Amounts used to purchase capital assets	(3,031)	(724)
Amortization of deferred capital funding	3,521	3,573
Parliamentary appropriations recognized as revenue	\$ 17,627	\$ 16,393

Reconciliation of deferred parliamentary appropriations:

	June 30, 2015	June 30, 2014
Deferred Parliamentary appropriations, beginning of year	\$ 11,975	\$ 6,672
Parliamentary appropriations deferred for specific projects and acquisitions in future periods	3,155	-
Deferred Parliamentary appropriations used in the current period	(3,250)	(178)
Deferred Parliamentary appropriations, end of period	\$ 11,880	\$ 6,494

CANADIAN MUSEUM OF HISTORY

Schedule 1 - Operating Revenues

(Unaudited)

For the three month period ended June 30, 2015
(In thousands of dollars)

	June 30, 2015	June 30, 2014
General admission and programmes	\$ 1,541	\$ 1,454
Facility rental, events and concessions	734	823
Boutique sales	561	587
Parking	431	395
Imax	271	322
Memberships	70	65
Travelling exhibits	55	41
Other	48	88
	<u>\$ 3,711</u>	<u>\$ 3,775</u>

Schedule 2 - Expenses

(Unaudited)

For the three month period ended June 30, 2015
(In thousands of dollars)

	June 30, 2015	June 30, 2014 (Restated Note 3)
Personnel costs	\$ 8,648	\$ 8,604
Amortization of capital assets	3,537	3,600
Property taxes	2,456	2,448
Building operations	1,346	1,664
Exhibit fabrication and rental	1,045	587
Online programs assistance	967	-
Professional and special services	793	764
Utilities	678	622
Repairs and maintenance	634	684
Collection acquisitions	623	409
IT infrastructure and systems	504	540
Marketing and advertising	443	378
Travel and hospitality	280	313
Cost of goods sold	264	327
Materials and supplies	253	189
Royalties	72	85
Other	212	192
	<u>\$ 22,755</u>	<u>\$ 21,406</u>