

Financial Statements of

**CANADIAN MUSEUM OF CIVILIZATION**

For the period ended September 30, 2011

Unaudited

## **NARRATIVE DISCUSSION**

These quarterly unaudited financial statements must be read in conjunction with the March 31, 2011 audited financial statements of the Canadian Museum of Civilization and with this narrative discussion.

As at March 31, 2011, the Corporation was classified as a Government Business-Type Organization (GBTO). Consequently, the March 31, 2011 financial statements were prepared in accordance with Canadian generally accepted accounting principles. Effective April 1, 2011, the Corporation adopted public sector accounting standards applicable for a government not-for-profit organization (GNPO). These amended standards were retrospectively adopted and therefore the 2011 comparative figures have been restated. In addition, effective April 1, 2011, the Corporation early adopted Sections PS 3450, Financial Instruments, and PS 2601, Foreign Currency Translation on a prospective basis, without restatement of 2011 comparative figures. Key adjustments resulting from the adoption of these accounting standards are discussed in Note 2 of the financial statements.

### **Financial Highlights**

#### *Statement of Operations*

For the six months ended September 30<sup>th</sup>, the Corporation's net results from operations were \$5.2 million; compared to \$10.1 million in 2010. The positive net results, for this year and last year, are due to timing of receipt of appropriations (September numbers include October appropriations). The \$4.9 million decrease in net results year over year is mainly due to lower appropriations and recognition of a Gain on investment of \$1.4 million in revenues in 2010-11, prior to the adoption of PSAS.

Revenues from operations are in line with prior year's results and slightly lower than budget. The Corporation has increased certain fees this year to reduce a projected budget shortfall. However, these increases have been partially offset by lower paid attendance at the Canadian Museum of Civilization and IMAX Theatre.

Operating expenses have increased by 1.47% compared to prior year and are in line with expectations. This has been achieved through targeted cost reductions which have helped offset increases in fixed costs, such as utilities and salary increases required by collective agreements.

#### *Statement of Financial Position*

Cash has decreased by \$1.0 million as compared to the prior year end, mainly attributable to a reduction in Accounts Payable. The National Collection Fund stands at \$6.8 million as at September 30, 2011.

Unrealized gains on investments are no longer recorded as revenue, but rather as an accumulated remeasurement gain on the Statement of Financial Position. As this change is applied prospectively as at April 1, 2011, the Statement of Operations shows a prior year gain of \$1.4 million and zero for the current fiscal year. The current year gain for unrealized gains or losses on investments now appear as a remeasurement gain or loss. The Accumulated Remeasurement Gains of \$1.5 million represent these unrealized gains on investments.

As at September 30, 2011, the Corporation holds Master Asset Vehicle (MAV) Notes. The fair values of the MAVII notes are determined using the foregoing assumptions and are based on the Corporation's assessment of market conditions. At March 31, 2011, the MAVII notes were

recorded at their estimated fair value of \$7.6 million. The Corporation has maintained this valuation as at September 30, 2011.

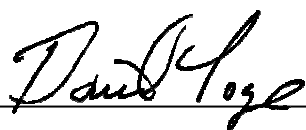
*Update to March 31, 2011 Management Discussion and Analysis*

The Management Discussion and Analysis as at March 31, 2011 identified that the Corporation had undertaken certain initiatives to address a budget shortfall for 2011-12; these initiatives included an increase in certain user fees, including admission fees and parking, increased targets for private sector support, reduction in staff positions, and the reduction of costs through contract renegotiation and renewal. These initiatives have addressed the current budget shortfall, but additional measures will still be required for fiscal 2012-2013 to address funding shortfalls.

## 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 CIVILIZATION**

(Unaudited)

## Statement of Financial Position

As at September 30, 2011

(In thousands of dollars)

	September 30, 2011	March 31, 2011 Restated Note 2
<b>Assets</b>		
<b>Current assets:</b>		
Cash	\$ 11,455	\$ 12,485
Accounts receivable	1,472	2,482
Inventories	1,012	891
Prepaid expenses	618	441
	<u>14,557</u>	<u>16,299</u>
Restricted cash	1,140	1,088
Restricted cash and investments - National Collection Fund	6,794	5,396
Investments	38,239	36,880
Collection	1	1
Capital assets	272,393	276,754
	<u>\$ 333,124</u>	<u>\$ 336,418</u>
<b>Liabilities and Equity</b>		
<b>Current liabilities:</b>		
Accounts payable and accrued liabilities	\$ 7,875	\$ 12,815
Deferred contributions and deferred revenue (note 3)	2,692	2,895
	<u>10,567</u>	<u>15,710</u>
Deferred contributions - National Collection Fund (note 4)	6,794	5,396
Deferred contributions related to capital assets (note 5)	235,130	241,297
Employee future benefits	8,541	8,665
	<u>261,032</u>	<u>271,068</u>
<b>Net assets:</b>		
Unrestricted	33,294	29,893
Investment in capital assets	37,263	35,457
Accumulated remeasurement gains	1,535	-
	<u>72,092</u>	<u>65,350</u>
	<u>\$ 333,124</u>	<u>\$ 336,418</u>

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

**CANADIAN MUSEUM OF CIVILIZATION**

(Unaudited)

## Statement of Operations

For the three and six-month periods ended September 30, 2011

(In thousands of dollars)

	Three month period ended September 30		Six month period ended September 30	
	2011	2010	2011	2010
Revenues:				
Parliamentary appropriations (note 7)	\$ 23,610	\$ 23,472	\$ 39,228	\$ 42,291
Donations and sponsorships	173	98	295	185
Gain on investments	-	716	-	1,360
Interest	270	245	542	470
Operating (schedule 1)	4,355	4,375	7,905	7,972
	<u>28,408</u>	<u>28,906</u>	<u>47,970</u>	<u>52,278</u>
Expenses (schedule 2):				
Collect and research	\$ 3,114	\$ 3,219	\$ 6,179	\$ 6,406
Exhibit, educate and communicate	4,014	3,931	8,456	8,173
Accommodation	10,216	9,981	19,779	19,321
Corporate management	4,258	4,275	8,349	8,242
	<u>21,602</u>	<u>21,406</u>	<u>42,763</u>	<u>42,142</u>
Excess of revenues over expenses	<u>\$ 6,806</u>	<u>\$ 7,500</u>	<u>\$ 5,207</u>	<u>\$ 10,136</u>

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

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

(Unaudited)

For the period ended September 30, 2011  
(In thousands of dollars)

	<u>September 30</u>
	<u>2011</u>
Accumulated remeasurement gains (losses), beginning of year	\$ -
Unrealized gains attributed to:	
Long-term bonds	1,535
<b>Accumulated remeasurement gains, end of period</b>	<b>\$ 1,535</b>

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

**CANADIAN MUSEUM OF CIVILIZATION**

(Unaudited)

## Statement of Changes in Net Assets

For the period ended September 30, 2011

(In thousands of dollars)

	Unrestricted	Investment in capital assets	Accumulated remeasurement gains	September 30 2011	September 30 2010
Net assets, beginning of year	\$ 29,893	\$ 35,457	\$ -	\$ 65,350	\$ 63,488
Excess of revenues over expenses	5,207	-	-	5,207	10,136
Remeasurement gains	-	-	1,535	1,535	-
Net change in investment in capital assets (note 6)	(1,806)	1,806	-	-	-
Net assets, end of period	\$ 33,294	\$ 37,263	\$ 1,535	\$ 72,092	\$ 73,624

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



**CANADIAN MUSEUM OF CIVILIZATION**  
Statement of Cash Flows

(Unaudited)

For the three and six-month periods ended September 30, 2011  
(In thousands of dollars)

	Three month period ended September 30		Six month period ended September 30	
	2011	2010	2011	2010
Operating activities:				
Cash receipts (clients)	\$ 4,932	\$ 4,890	\$ 8,831	\$ 8,397
Cash receipts (parliamentary appropriations)	24,254	24,486	40,552	43,536
Cash paid (employees and suppliers)	(25,545)	(24,319)	(48,125)	(45,539)
Interest received	270	245	542	470
	3,911	5,302	1,800	6,864
Investing activities:				
Decrease in long-term investments	89	80	176	155
Increase in restricted cash and investments	(747)	(1,046)	(1,450)	(1,101)
	(658)	(966)	(1,274)	(946)
Capital activities:				
Acquisition of capital assets	(1,712)	(730)	(3,068)	(1,427)
Financing activities:				
Parliamentary appropriations for the acquisition of capital assets	627	661	1,262	1,188
Restricted contributions and related investment income	136	31	250	90
	763	692	1,512	1,278
Increase (decrease) in cash	2,304	4,298	(1,030)	5,769
Cash, beginning of period	9,151	7,748	12,485	6,277
Cash, end of period	\$ 11,455	\$ 12,046	\$ 11,455	\$ 12,046

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

# CANADIAN MUSEUM OF CIVILIZATION

Notes to the Financial Statements

(Unaudited)

For period ended September 30, 2011

(In thousands of dollars)

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## 1. Significant accounting policies:

The financial statements have been prepared in accordance with Canadian public sector accounting standards for government-not-for-profit organizations. Significant accounting policies are as follows.

### (a) Basis of presentation:

The Corporation has prepared the financial statements applying the Section 4200 series of Canadian public sector accounting standards applicable to government not-for-profit organizations.

The Corporation applies the deferral method of accounting for contributions for not-for-profit organizations.

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

Cash, restricted cash and investments and long-term investments in long-term bonds and in Master Asset Vehicle notes are classified in the fair value category. These financial assets are recognized at fair value through the Statement of Remeasurement Gains and Losses at each period end. Gains and losses on these financial assets are recognized in the Statement of Operations when the financial asset is derecognized due to disposal or impairment. Foreign exchange gains or losses prior to the derecognition of a financial asset or the settlement of a financial liability are also recognized in the Statement of Remeasurement Gains and Losses.

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.

### (c) Cash:

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

### (d) Inventories:

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

### (e) 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, due to the practical difficulties of determining a meaningful value for these assets.

# CANADIAN MUSEUM OF CIVILIZATION

Notes to the Financial Statements, page 2

(Unaudited)

For period ended September 30, 2011  
(In thousands of dollars)

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## 1. Significant accounting policies (continued):

(e) Collection (continued):

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.

(f) 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.

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

Film rights represent the costs associated with the Corporation's investment in the production of an IMAX/OMNIMAX film. The film investment is initially recognized as a capital asset, and expensed over the period of the initial film run.

(g) 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 reflect the full cost as employer. This amount is 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.

# CANADIAN MUSEUM OF CIVILIZATION

Notes to the Financial Statements, page 3

(Unaudited)

For period ended September 30, 2011  
(In thousands of dollars)

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## 1. 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.

Past service costs 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.

In the period of a plan amendment related to prior period employee services that results in an increase or decrease in the accrued benefit obligation, the net unamortized actuarial gains or losses existing at the time of amendment are recognized immediately, to the extent of the increase or decrease in the accrued benefit obligation .

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 the active employees. The average remaining service period of the active employees covered by these post retirement benefits is 12.7 years.

The most recent actuarial valuation was completed by an independent actuary as at March 31, 2010. The Corporation measures its accrued benefit obligation for accounting purposes at period end based on its projected obligation as at March 31 of each year.

#### (iii) Sick leave benefits:

The Corporation provides sick leave benefits for employees that accumulate but do not vest. 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.

# CANADIAN MUSEUM OF CIVILIZATION

Notes to the Financial Statements, page 4

(Unaudited)

For period ended September 30, 2011  
(In thousands of dollars)

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## 1. 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. Management determined the accrued benefit obligation using a projected benefit method based upon assumptions and best estimates relating to factors such as discount rate, inflation, anticipated turnover and employment retirement, and mortality rates. These benefits represent an obligation of the Corporation that entails settlement by future payments.

### (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 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 investments:

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

#### (v) Sponsorships:

Unrestricted 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 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.

# CANADIAN MUSEUM OF CIVILIZATION

Notes to the Financial Statements, page 5

(Unaudited)

For period ended September 30, 2011  
(In thousands of dollars)

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## 1. Significant accounting policies (continued):

### (h) Revenue recognition (continued):

#### (vi) Donations:

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 explicitly or implicitly 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 year that the related expenses are recognized.

#### (vii) Parliamentary appropriations:

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

Parliamentary appropriations which are explicitly or implicitly 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 expenses 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.

# CANADIAN MUSEUM OF CIVILIZATION

Notes to the Financial Statements, page 6

(Unaudited)

For period ended September 30, 2011  
(In thousands of dollars)

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## 1. Significant accounting policies (continued):

### (h) Revenue recognition (continued):

#### (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.

#### (ix) 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) 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 year. Employee-related liabilities, contingent liabilities, valuation of Master Asset Vehicle notes, buildings, land and estimated useful lives of capital assets are the most significant items where estimates are used. Actual results could differ significantly from those estimated.

## 2. Adoption of new accounting standards:

Effective April 1, 2011, the Corporation adopted public sector accounting standards applicable for a government not-for-profit organization (GNPO). These amended standards were retrospectively adopted and therefore the 2011 comparative figures have been restated. In addition, effective April 1, 2011, the Corporation early adopted Sections PS 3450, Financial Instruments, and PS 2601, Foreign Currency Translation on a prospective basis, without restatement of 2011 comparative figures. Key adjustments resulting from the adoption of these accounting standards are as follows:

(a) Intangible assets, representing the cost to the Museum of investing in the production of an IMAX/OMNIMAX film for eventual public showing, are included in the definition of a capital asset under PS4230. An adjustment was made to the 2011 financial statements to reclassify the carrying value of intangible assets of \$378 to capital assets.

(b) Other comprehensive income is not recognized under public sector accounting standards applicable for a government not-for-profit organization. Consequently, other comprehensive income and comprehensive income are no longer reported on the Museum's Statement of

## CANADIAN MUSEUM OF CIVILIZATION

Notes to the Financial Statements, page 7

(Unaudited)

For period ended September 30, 2011  
(In thousands of dollars)

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### 2. Adoption of new accounting standards (continued):

Operations. The 2011 financial statements have been adjusted to record amounts previously recognized as other comprehensive income as deferred contributions.

As a result, previously reported accumulated other comprehensive income of \$2,412 has been reclassified to deferred contributions and deferred revenues for \$1,088 and deferred contributions - National Collection Fund for \$1,324. Other comprehensive income previously recognized as income in 2011 has been reversed.

(c) The Corporation made an adjustment to the 2011 financial statements with respect to the accounting for employee future benefits. Specifically, this adjustment related to the following accounting policy differences:

(i) Discount rate:

Previously, the discount rate used to determine the post-retirement benefit costs was based on the rates earned on long term corporate AA bonds. Canadian Public Sector Accounting standards applicable for government not-for-profit organizations require that the discount rate be determined in reference to the Corporation's cost of borrowing. The resulting increase to the liability for post retirement benefit costs at April 1, 2010 to reflect the revised discount rate was \$981. The liability for post retirement benefit costs recorded at March 31, 2011 was increased by \$615.

(ii) Severance:

Canadian Public Sector Accounting standards applicable for government not-for-profit organizations require that the obligation for severance benefits be determined based on an accrued benefit method. Previously, the cost of these benefits was accrued by the Corporation based on management assumptions and estimates, as the employees rendered the services necessary to earn them. The resulting increase to the liability for severance benefits at April 1, 2010 to reflect the application of an accrued benefit method was \$838. The liability for severance benefits recorded at March 31, 2011 was increased by \$696.

(iii) Sick leave:

Previously, the Corporation was not required to record an accrued benefit obligation related to sick leave benefits as the benefits do not vest. Canadian Public Sector Accounting standards applicable for government not-for-profit organizations require that a liability and an expense be recognized for post-employment benefits and compensated absences that vest or accumulate in the period in which employees render services to the Corporation in return for the benefits. An adjustment was made to the 2011 financial statements to recognize a liability and an expense related to accumulated sick leave entitlement. The resulting increase to the liability for employee future benefits at April 1, 2010 related to sick leave was \$208. The liability for employee future benefits recorded at March 31, 2011 was increased by \$245 related to the accrual for accumulated sick leave entitlement.



## CANADIAN MUSEUM OF CIVILIZATION

Notes to the Financial Statements, page 8

(Unaudited)

For period ended September 30, 2011  
(In thousands of dollars)

### 2. Adoption of new accounting standards (continued):

In aggregate, the resulting increase to the liability for employee future benefits at April 1, 2010 was \$2,027. The liability for employee future benefit costs recorded at March 31, 2011 was increased by \$1,556.

(d) Remeasurement gains and losses are recognized on the Statement of Remeasurement Gains and Losses under public sector accounting standards. The 2011 financial statements have not been adjusted as PS 3450 and PS 2601 cannot be applied retroactively. Comparative amounts for remeasurement gains and losses are presented in accordance with the accounting policies applied by the Corporation as at March 31, 2011.

(e) Based upon the Canadian public sector accounting standards applicable for a government not-for-profit organization, the net assets of the Corporation include its investment in capital assets and unrestricted net assets. The 2011 financial statements have been amended to separately disclose each of these elements of the net assets in the Statement of Financial Position.

The impact of these restatements on the 2011 figures is as follows:

	March 31, 2011 Audited	Adjustment	March 31, 2011 Restated
<u>Statement of Financial Position:</u>			
Assets:			
Intangible assets	\$ 378	\$ (378)	\$ -
Capital assets	276,376	378	276,754
Liabilities:			
Deferred contributions and deferred revenues	1,807	1,088	2,895
Deferred contributions - National Collection Fund	4,072	1,324	5,396
Employee future benefits, beginning of year	6,172	2,027	8,199
Employee future benefits, end of year	7,109	1,556	8,665
Net assets:			
Net assets, beginning of year	67,701	(4,213)	63,488
Net assets, end of year	69,318	(3,968)	65,350
<u>Statement of Operations:</u>			
Other comprehensive income	226	(226)	-

**CANADIAN MUSEUM OF CIVILIZATION**

(Unaudited)

Notes to the Financial Statements, page 9

For the period ended September 30, 2011  
(In thousands of dollars)

Note 3 - Deferred contributions and deferred revenues:

Deferred contributions and deferred revenues are as follows:

	September 30	March 31
	2011	2011
Deferred contributions from non-government sources	\$ 1,140	\$ 1,088
Deferred Parliamentary appropriations	858	1,134
Total deferred contributions	1,998	2,222
Deferred revenues - goods and services	694	673
	\$ 2,692	\$ 2,895

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

	September 30	March 31
	2011	2011
Balance, beginning of year	\$ 2,895	\$ 3,282
Add restricted contributions received from non-government sources	93	370
Add deferred investment income	3	4
Add funds received through the provisions of goods and services	1,195	2,076
Less amounts transferred to the National Collection Fund	-	(255)
Less amounts recognized as revenue	(1,494)	(2,582)
Balance, end of period	\$ 2,692	\$ 2,895

**CANADIAN MUSEUM OF CIVILIZATION**

(Unaudited)

Notes to the Financial Statements, page 10

For the period ended September 30, 2011  
(In thousands of dollars)

Note 4 - Deferred contributions - National Collection Fund:

Deferred contributions for the National Collection Fund are as follows:

	September 30	March 31
	2011	2011
Deferred Parliamentary appropriations	\$ 5,327	\$ 4,072
Contributions from non-government entities	1,467	1,324
	<u>\$ 6,794</u>	<u>\$ 5,396</u>

Changes in the deferred contributions for the National Collection Fund balance during the period were as follows:

	September 30	March 31
	2011	2011
Balance, beginning of year	\$ 5,396	\$ 3,118
Add contributions from non-government entities received in the period	139	103
Add Parliamentary appropriations allocated to the National Collection Fund	1,000	2,000
Add deferred investment income	69	82
Add unrealized gain on investments	190	9
Add amounts transferred from Restricted Cash	-	255
Less amounts recognized as revenue	-	(171)
Balance, end of period	<u>\$ 6,794</u>	<u>\$ 5,396</u>

**CANADIAN MUSEUM OF CIVILIZATION**

(Unaudited)

Notes to the Financial Statements, page 11

For the period ended September 30, 2011  
(In thousands of dollars)

Note 5 - Deferred contributions related to capital assets:

Deferred contributions related to capital assets are as follows:

	September 30 2011	March 31 2011
Deferred capital contributions from non-government entities	\$ 2,328	\$ 2,514
Deferred capital funding through Parliamentary appropriations	232,802	238,783
	<u>\$ 235,130</u>	<u>\$ 241,297</u>

Changes in the deferred contributions related to capital assets balance during the period were as follows:

	September 30 2011	March 31 2011
Balance, beginning of year	\$ 241,297	\$ 245,591
Add Parliamentary appropriations received in the period	3,068	5,698
Less Parliamentary appropriations used for capital projects deferred in prior years	(1,837)	(290)
Add Parliamentary appropriations received for capital projects deferred to future periods	-	4,754
Parliamentary appropriations received	242,528	255,753
Less amounts recognized as revenue:		
Deferred capital contributions	(76)	(148)
Parliamentary appropriations	(7,322)	(14,308)
Balance, end of period	<u>\$ 235,130</u>	<u>\$ 241,297</u>

**CANADIAN MUSEUM OF CIVILIZATION**

(Unaudited)

Notes to the Financial Statements, page 12

For the period ended September 30, 2011  
(In thousands of dollars)

Note 6 - Investment in capital assets:

The investment in capital assets consists of the following:

	September 30	March 31
	<u>2011</u>	<u>2011</u>
Capital assets	\$ 272,393	\$ 276,754
Less amounts financed by deferred contributions related to capital assets	(235,130)	(241,297)
	<u>\$ 37,263</u>	<u>\$ 35,457</u>

Changes in the investment in capital assets balance during the period were as follows:

	September 30
	<u>2011</u>
Capital asset additions	\$ 3,068
Less capital assets financed with deferred contributions related to capital assets	(1,262)
	<u>1,806</u>
Amortization of deferred contributions related to capital assets	7,398
Amortization of capital assets	(7,398)
<u>Net change in investment in capital assets</u>	<u>\$ 1,806</u>

**CANADIAN MUSEUM OF CIVILIZATION**

(Unaudited)

Notes to the Financial Statements, page 13

For the period ended September 30, 2011

(In thousands of dollars)

Note 7 - Parliamentary appropriations:

Parliamentary appropriations recognized as revenue:

	September 30 2011	September 30 2010
Main Estimates amount provided for operating and capital projects	\$ 63,379	\$ 65,325
Supplementary estimates and transfers	665	5,893
	64,044	71,218
Parliamentary appropriations receivable at period end	(30,183)	(34,364)
Parliamentary appropriations received in the current period	33,861	36,854
Deferred Parliamentary appropriations, beginning of year	7,125	3,324
Parliamentary appropriations available for use	40,986	40,178
Portion of amount deferred for specific projects and acquisitions	(5,012)	(2,577)
Amounts used to purchase capital assets	(3,068)	(1,427)
Amortization of deferred capital funding	7,322	7,117
Amount restricted for the National Collection Fund	(1,000)	(1,000)
<b>Parliamentary appropriations recognized as revenue</b>	<b>\$ 39,228</b>	<b>\$ 42,291</b>

Reconciliation of deferred parliamentary appropriations:

	September 30 2011	September 30 2010
Deferred Parliamentary appropriations, beginning of year	\$ 7,125	\$ 3,324
Deferred Parliamentary appropriations used in the current period	(2,113)	(747)
<b>Deferred Parliamentary appropriations, end of period</b>	<b>\$ 5,012</b>	<b>\$ 2,577</b>

**CANADIAN MUSEUM OF CIVILIZATION**

(Unaudited)

## Schedule 1 - Operating Revenues

For the three and six-month periods ended September 30, 2011

(In thousands of dollars)

	Three month period ended September 30		Six month period ended September 30	
	2011	2010	2011	2010
General admission and programmes	\$ 1,814	\$ 1,680	\$ 3,172	\$ 3,011
Facility rental and concessions	630	701	1,161	1,236
Boutique sales	628	618	1,123	1,133
Parking	589	496	960	818
Imax	428	550	914	1,049
Memberships	62	80	120	125
Travelling exhibits	(2)	(10)	73	56
Publications	21	11	50	23
Royalties	4	6	6	84
Other	181	243	326	437
	<u>\$ 4,355</u>	<u>\$ 4,375</u>	<u>\$ 7,905</u>	<u>\$ 7,972</u>

**CANADIAN MUSEUM OF CIVILIZATION**

(Unaudited)

## Schedule 2 - Expenses

For the three and six-month periods ended September 30, 2011

(In thousands of dollars)

	Three month period ended September 30		Six month period ended September 30	
	2011	2010	2011	2010
Personnel costs	\$ 8,608	\$ 8,359	\$ 17,367	\$ 16,283
Amortization of capital assets	3,706	3,597	7,398	7,193
Professional and special services	3,134	3,689	6,159	6,909
Property taxes	2,251	2,372	4,554	4,637
Utilities	804	680	1,544	1,359
Repairs and maintenance	1,038	554	1,337	1,210
Communications	419	377	1,043	738
Materials and supplies	364	280	672	635
Marketing and advertising	317	339	563	636
Exhibit fabrication and rental	95	392	549	895
Cost of goods sold	291	303	521	494
Travel	123	155	332	433
Collection acquisitions	188	80	230	269
Royalties	105	147	221	264
Rentals	36	14	75	57
Building leases	28	23	39	40
Other	95	45	159	90
	<u>\$ 21,602</u>	<u>\$ 21,406</u>	<u>\$ 42,763</u>	<u>\$ 42,142</u>