

Financial Statements of

CANADIAN MUSEUM OF HISTORY

For the period ended September 30, 2014

Unaudited

NARRATIVE DISCUSSION

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

OVERVIEW

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

STRATEGIC DIRECTION

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

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

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

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

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

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

VIRTUAL MUSEUM OF CANADA AND ONLINE WORKS OF REFERENCE

Budget 2014 announced the government's intention to transfer the responsibilities for the Virtual Museum of Canada (VMC) and the Online Works of Reference (OWR) from the Department of Canadian Heritage (PCH) to the Canadian Museum of History. The transfer was enacted through the approval of the Budget Implementation Act (BIA) in June 2014. The annual funding for the VMC is \$6.2 million and the OWR is \$2.1 million. The effective dates of the transfers were August 29, 2014 for the OWR and September 30, 2014 for the VMC.

The total amount of the transfer to fund the OWR in 2014-15 will be \$1,162,500. The Museum is currently working with the Department of Canadian Heritage to finalize the 2014-15 funding for the VMC.

STATEMENT OF OPERATIONS

Net results of operations at September 30, 2014 reflected a surplus of \$1.3 million, compared to a surplus of \$300 thousand in prior year.

Parliamentary appropriations at September 30, 2014 were \$35.3 million, compared to \$33.3 million in prior year. The increase in appropriations was mainly due to the Canadian History Hall (CHH) project's appropriations which will increase in 2014-15 to \$5.5 million from \$1.5 million in 2013-14.

Overall revenues from operations were lower than prior year at \$8.0 million (\$8.4 million – September 30, 2013) due to lower attendance, mainly at the CMH.

Operating expenses were lower than prior year at \$43.0 million (\$44.2 million 2013-2014). The decrease is primarily related to lower collection acquisitions offset in part by increases in salaries and wages and Canadian History Hall expenses.

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

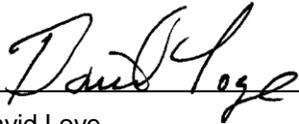
As at September 30, 2014, the Corporation's investments include Master Asset Vehicle (MAV) notes. The fair values of the MAVII notes are based on the Corporation's assessment of market conditions. At March 31, 2014, the MAVII notes were recorded at their estimated fair value of \$9.4 million. The Corporation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

The National Collection Fund represents funds for the acquisition of artifacts by the Canadian Museum of History and the Canadian War Museum. At September 30, 2014 the balance of the National Collection Fund stands at \$10.6 million.

STATEMENT OF MANAGEMENT RESPONSIBILITY BY SENIOR OFFICIALS

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

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



David Loye
Chief Operating Officer



Linda Hurdle
Chief Financial Officer

CANADIAN MUSEUM OF HISTORY

(Unaudited)

Statement of Financial Position

As at
(In thousands of dollars)

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	September 30, 2014	March 31, 2014
Assets		
Current assets:		
Cash	\$ 2,354	\$ 2,627
Investments	3,065	4,435
Accounts receivable	2,437	4,013
Inventories	1,000	981
Prepaid expenses	845	438
	<u>9,701</u>	<u>12,494</u>
Restricted cash	3,009	2,592
Restricted cash and investments - National Collection Fund	10,553	10,417
Investments	43,109	38,720
Collection	1	1
Capital assets	244,385	250,707
	<u>\$ 310,758</u>	<u>\$ 314,931</u>
Liabilities and Equity		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 13,044	\$ 15,039
Deferred contributions and deferred revenue (note 4)	8,487	7,210
Current portion of employee future benefits	151	240
	<u>21,682</u>	<u>22,489</u>
Deferred contributions - National Collection Fund (note 5)	10,553	10,417
Deferred contributions related to capital assets (note 6)	208,391	213,471
Employee future benefits	5,467	5,329
	<u>246,093</u>	<u>251,706</u>
Net assets:		
Unrestricted	20,794	19,490
Investment in capital assets	40,868	40,868
Accumulated remeasurement gains	3,003	2,867
	<u>64,665</u>	<u>63,225</u>
	<u>\$ 310,758</u>	<u>\$ 314,931</u>

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

CANADIAN MUSEUM OF HISTORY

(Unaudited)

Statement of Operations

For the three and six-month periods ended September 30, 2014
(In thousands of dollars)

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	Three month period ended September 30		Six month period ended September 30	
	2014	2013	2014	2013
Revenues:				
Donations and sponsorships (note 7)	\$ 106	\$ 2,117	\$ 399	\$ 2,283
(Loss) on investments	(10)	(44)	(59)	(145)
Interest	357	343	692	673
Operating (schedule 1)	4,269	4,477	8,044	8,401
	4,722	6,893	9,076	11,212
Expenses (schedule 2):				
Collect and research	\$ 2,640	\$ 4,716	\$ 5,677	\$ 7,365
Exhibit, educate and communicate	4,857	4,065	9,354	8,197
Accommodation	9,526	9,884	19,039	19,554
Corporate management	4,366	4,827	8,976	9,087
	21,389	23,492	43,046	44,203
Net result of operations before government funding	(16,667)	(16,599)	(33,970)	(32,991)
Parliamentary appropriations (note 8)	18,630	18,343	35,274	33,291
Net result of operations	\$ 1,963	\$ 1,744	\$ 1,304	\$ 300

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

CANADIAN MUSEUM OF HISTORY
Statement of Remeasurement Gains and Losses

(Unaudited)

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

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	September 30 2014	September 30 2013
Accumulated remeasurement gains, beginning of year	\$ 2,867	\$ 2,666
Unrealized gains (losses) attributed to:		
Long-term bonds maturing next fiscal period	(56)	(19)
Long-term bonds	143	(884)
Amounts reclassified to the Statement of Operations:		
Long-term bonds matured in the period	49	132
Net change in accumulated remeasurement gains (losses) for the period	136	(771)
Accumulated remeasurement gains, end of period	\$ 3,003	\$ 1,895

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

CANADIAN MUSEUM OF HISTORY

(Unaudited)

Statement of Changes in Net Assets

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

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	Unrestricted	Investment in capital assets	Accumulated remeasurement gains	September 30 2014	September 30 2013
Net assets, beginning of year	\$ 19,490	\$ 40,868	\$ 2,867	\$ 63,225	\$ 62,953
Net result of operations	1,304	-	-	1,304	300
Net change in accumulated remeasurement gains (losses)	-	-	136	136	(771)
Net assets, end of period	\$ 20,794	\$ 40,868	\$ 3,003	\$ 64,665	\$ 62,482

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 and six-month periods ended September 30, 2014

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(In thousands of dollars)

	Three month period ended September 30		Six month period ended September 30	
	2014	2013	2014	2013 Restated Note 3, 10
Operating activities:				
Cash receipts (clients)	\$ 5,496	\$ 5,653	\$ 10,535	\$ 10,616
Cash receipts (parliamentary appropriations)	15,749	14,174	30,019	26,157
Cash paid (employees)	(9,628)	(9,413)	(17,187)	(17,200)
Cash paid (suppliers)	(13,124)	(12,531)	(21,480)	(23,710)
Restricted contributions and related investment income	312	172	535	392
Interest received	284	257	659	608
Net cash through operating activities	(911)	(1,688)	3,081	(3,137)
Investing activities:				
Principal repayments of investments	27	17	43	29
Increase in restricted cash and investments	(3,870)	(821)	(8,214)	(6,078)
Decrease in restricted cash and investments	885	842	3,267	3,145
Net cash through investing activities	(2,958)	38	(4,904)	(2,904)
Capital activities:				
Acquisition of capital assets	(558)	(1,820)	(1,993)	(4,190)
Financing activities:				
Parliamentary appropriations for the acquisition of capital assets	1,063	625	2,126	1,250
Increase (decrease) in cash and restricted cash	(3,364)	(2,845)	(1,690)	(8,981)
Cash and restricted cash, beginning of period:				
Cash	6,031	6,057	2,627	12,396
Restricted cash	2,231	4,799	3,961	4,596
	8,262	10,856	6,588	16,992
Cash and restricted cash, end of period:				
Cash	2,354	3,045	2,354	3,045
Restricted cash	2,544	4,966	2,544	4,966
	\$ 4,898	\$ 8,011	\$ 4,898	\$ 8,011

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

CANADIAN MUSEUM OF HISTORY

Notes to the Financial Statements, page 6

(Unaudited)

For period ended September 30, 2014
(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, page 7

(Unaudited)

For period ended September 30, 2014
(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) Collection:

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

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

CANADIAN MUSEUM OF HISTORY

Notes to the Financial Statements, page 8

(Unaudited)

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

2. Significant accounting policies (continued):

(e) Capital assets:

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

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

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

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

(f) Foreign currency translation:

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

(g) Employee future benefits:

(i) Pension benefits:

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

CANADIAN MUSEUM OF HISTORY

Notes to the Financial Statements, page 9

(Unaudited)

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

2. Significant accounting policies (continued):

(g) Employee future benefits (continued):

(ii) Other post retirement benefits:

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

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

(iii) Sick leave benefits:

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

(iv) Severance benefits:

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

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

CANADIAN MUSEUM OF HISTORY

Notes to the Financial Statements, page 10

(Unaudited)

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

2. Significant accounting policies (continued):

(h) Revenue recognition:

(i) Museum operations:

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

(ii) Memberships:

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

(iii) Travelling exhibits:

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

(iv) Interest on cash and investments:

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

(v) Cash sponsorships:

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

(vi) Cash donations:

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

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

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

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

CANADIAN MUSEUM OF HISTORY

Notes to the Financial Statements, page 11

(Unaudited)

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

2. Significant accounting policies (continued):

(h) Revenue recognition (continued):

(vii) In-kind sponsorships and artifact donations

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

(viii) Parliamentary appropriations:

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

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

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

(ix) Other revenues:

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

(x) Volunteer services:

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

(i) Contingencies:

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

CANADIAN MUSEUM OF HISTORY

Notes to the Financial Statements, page 12

(Unaudited)

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

2. Significant accounting policies (continued):

(j) Measurement uncertainty:

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

3. Restatement of Cash Flow:

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

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

Summary of adjustments

Operating activities:

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

As previously reported	\$	(4,213)
Adjustment to cash receipts (clients)		1,826
Adjustment to cash receipts (parliamentary appropriations)		(8,540)
Adjustment to cash paid (employees)		341
Adjustment to cash paid (suppliers)		7,514
Adjustment to interest received		(65)

Net cash through operating activities	\$	(3,137)
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Investing activities:

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

As previously reported	\$	(3,112)
Adjustment to increase in restricted cash and investments		283
Adjustment to decrease in restricted cash and investments		(75)

Net cash through investing activities	\$	(2,904)
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CANADIAN MUSEUM OF HISTORY

Notes to the Financial Statements, page 13

(Unaudited)

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

3. Restatement of Cash Flow (continued):

Capital activities:

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

As previously reported	\$	(2,183)
Adjustment to acquisition of capital assets		(2,007)

Net cash through capital activities	\$	(4,190)
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Financing activities:

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

As previously reported	\$	157
Adjustment to parliamentary appropriations for the acquisition of capital assets		1,093

Net cash through financing activities	\$	1,250
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CANADIAN MUSEUM OF HISTORY
Notes to the Financial Statements, page 14

(Unaudited)

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

Note 4 - Deferred contributions and deferred revenues:

Deferred contributions and deferred revenues are as follows:

	September 30	March 31
	2014	2014
Deferred contributions from non-government sources	\$ 3,009	\$ 2,592
Deferred Parliamentary appropriations	3,954	2,840
Total deferred contributions	6,963	5,432
Deferred revenues - goods and services	1,204	1,363
Deferred revenues - grants and sponsorships	320	415
Balance, end of period	\$ 8,487	\$ 7,210

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

	September 30	March 31
	2014	2014
Balance, beginning of year	\$ 5,432	\$ 2,902
Additions:		
Restricted contributions received from non-government sources	423	976
Restricted Parliamentary appropriations received	1,163	1,659
Deferred investment income	17	17
	1,603	2,652
Deductions:		
Amounts recognized as revenue	(72)	(122)
	(72)	(122)
Balance, end of period	\$ 6,963	\$ 5,432

CANADIAN MUSEUM OF HISTORY
Notes to the Financial Statements, page 15

(Unaudited)

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

Note 5 - Deferred contributions - National Collection Fund:

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

	September 30	March 31
	2014	2014
Deferred Parliamentary appropriations	\$ 8,529	\$ 8,438
Contributions from non-government entities	2,024	1,979
Balance, end of period	\$ 10,553	\$ 10,417

Changes in the deferred contributions were as follows:

	September 30	March 31
	2014	2014
Balance, beginning of year	\$ 10,417	\$ 8,971
Additions:		
Parliamentary appropriations restricted for the National Collection Fund	-	1,000
Contributions from non-government entities received in the period	5	244
Deferred realized investment income	147	229
Unrealized gain (loss) on investments	(16)	(27)
	136	1,446
Deductions:		
Amounts recognized as revenue	-	-
Balance, end of period	\$ 10,553	\$ 10,417

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

Note 6 - Deferred contributions related to capital assets:

Deferred contributions related to capital assets is composed of:

	September 30	March 31
	2014	2014
Used for acquisitions:		
Deferred capital contributions from non-government entities	\$ 2,005	\$ 2,037
Deferred capital funding through Parliamentary appropriations	201,311	207,601
	203,316	209,638
To be used for future acquisitions:		
Deferred capital funding through Parliamentary appropriations	5,075	3,833
Balance, end of period	\$ 208,391	\$ 213,471
Changes in the deferred contributions related to capital assets balance during the period is composed of:		
	September 30	March 31
	2014	2014
Balance, beginning of year	\$ 213,471	\$ 225,101
Add:		
Capital asset acquisitions	855	4,527
Capital asset disposals	-	(1)
Funded by prior year Parliamentary appropriations	(258)	(3,482)
Funded by current Parliamentary appropriations	597	1,044
Parliamentary appropriations deferred for capital asset acquisitions in future periods	1,500	1,860
Parliamentary appropriations	2,097	2,904
Less amounts recognized as revenue:		
Deferred capital contributions	(32)	(69)
Parliamentary appropriations	(7,145)	(14,465)
Balance, end of period	\$ 208,391	\$ 213,471

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

(Unaudited)

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

Note 7 - Donations and sponsorships:

Donations and sponsorships revenue is composed of:

	September 30	September 30
	2014	2013
Cash donations and sponsorships	\$ 247	\$ 199
In-kind sponsorships and artifact donations	152	2,084
Balance, end of period	\$ 399	\$ 2,283

CANADIAN MUSEUM OF HISTORY

(Unaudited)

Notes to the Financial Statements, page 18

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

Note 8 - Parliamentary appropriations:

Parliamentary appropriations recognized as revenue:

	September 30 2014	September 30 2013
Main Estimates amount provided for operating and capital projects	\$ 63,430	\$ 57,419
Supplementary estimates and transfers	1,163	-
Parliamentary appropriations receivable at period end	(33,252)	(31,489)
Parliamentary appropriations received in the current period	31,341	25,930
Deferred Parliamentary appropriations, beginning of year	6,672	6,636
Parliamentary appropriations available for use	38,013	32,566
Portion of amount deferred for specific projects and acquisitions	(9,029)	(4,385)
Amounts used to purchase capital assets	(855)	(2,183)
Amortization of deferred capital funding	7,145	7,293
Parliamentary appropriations recognized as revenue	\$ 35,274	\$ 33,291

Reconciliation of deferred parliamentary appropriations:

	September 30 2014	September 30 2013
Deferred Parliamentary appropriations, beginning of year	\$ 6,672	\$ 6,636
Parliamentary appropriations deferred for specific projects and acquisitions in future periods	2,663	-
Deferred Parliamentary appropriations used in the current period	(306)	(2,251)
Deferred Parliamentary appropriations, end of period	\$ 9,029	\$ 4,385

CANADIAN MUSEUM OF HISTORY

Notes to the Financial Statements, page 19

(Unaudited)

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

9. Greek Consortium:

In the period, the Corporation entered into a consortium agreement, with other collaborating partners, related to the production and display of the *"The Greeks – Agamemnon to Alexander the Great"* exhibition. The Corporation, as the lead partner, exercises significant influence over the development, monitoring and delivery of the exhibition in addition to managing the consortium fund and budget. The Greek Consortium was created for the sole purpose of this exhibition project and does not exist as a legal entity.

10. Comparative figures:

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

CANADIAN MUSEUM OF HISTORY

(Unaudited)

Schedule 1 - Operating Revenues

For the three and six-month periods ended September 30, 2014

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(In thousands of dollars)

	Three month period ended September 30		Six month period ended September 30	
	2014	2013	2014	2013
General admission and programmes	\$ 1,819	\$ 1,826	\$ 3,273	\$ 3,298
Facility rental, events and concessions	618	926	1,441	1,890
Boutique sales	694	659	1,281	1,200
Parking	545	546	940	964
Imax	389	311	711	669
Memberships	65	63	130	127
Travelling exhibits	40	67	81	103
Publications	20	16	51	28
Other	79	63	136	122
	<u>\$ 4,269</u>	<u>\$ 4,477</u>	<u>\$ 8,044</u>	<u>\$ 8,401</u>

CANADIAN MUSEUM OF HISTORY

(Unaudited)

Schedule 2 - Expenses

For the three and six-month periods ended September 30, 2014
(In thousands of dollars)

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	Three month period ended September 30		Six month period ended September 30	
	2014	2013	2014	2013
Personnel costs	\$ 8,405	\$ 8,244	\$ 17,248	\$ 16,834
Amortization of capital assets	3,588	3,659	7,177	7,329
Property taxes	2,449	2,500	4,897	4,923
Building operations	1,726	1,771	3,390	3,435
Professional and special services	878	1,132	1,665	1,735
Exhibit fabrication and rental	844	473	1,431	1,052
Repairs and maintenance	610	723	1,294	1,336
IT infrastructure and systems	741	630	1,281	1,086
Utilities	636	703	1,258	1,403
Marketing and advertising	353	413	731	828
Cost of goods sold	326	294	653	585
Materials and supplies	346	236	535	341
Collection acquisitions	88	2,248	497	2,397
Travel and hospitality	133	165	446	367
Royalties	86	84	171	152
Other	180	217	372	400
	\$ 21,389	\$ 23,492	\$ 43,046	\$ 44,203