

CANADIAN MUSEUM OF HISTORY

Quarterly Financial Statements

For the nine-month period ended December 31, 2024

Unaudited

NARRATIVE DISCUSSION

These quarterly financial statements must be read in conjunction with the March 31, 2024, 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.

The Museum's attendance continues to be impacted by inflation, reduced tourism and the slow progression of regaining visitor confidence in public space attractions. This has negative effects on the Corporation's revenues and operations.

The Museum also remains connected with its audience through its digital offer with Museum at Home, Digital Museums Canada and its online programming offer.

STRATEGIC DIRECTIONS

In 2022, the Corporation's Board of Trustees unveiled five Strategic Directions, building on the previous ones, and maintaining their overall intent. A detailed set of goals and objectives addresses each direction. The Corporation's five Strategic Directions are as follows:

1. Foster an innovative workforce culture that promotes equity, respect and a sense of belonging.
2. Engage Canadians from across the country in diverse histories and stories.
3. Strengthen our commitment to recognizing the rights of Indigenous Peoples and advance reconciliation.
4. Build organizational resilience through sustainable practices.
5. Leverage technology to drive innovation and deepen access to Museum activities.

STATEMENT OF OPERATIONS

The Corporation's net results of operations for the nine-month period ended December 31, 2024, reflects a surplus of \$2.9 million, compared to a deficit of \$1.2 million for the comparative period of the previous fiscal year.

Parliamentary appropriations for the period total \$71.5 million, compared to \$61.1 million for the same period in the previous fiscal year.

Revenues for the nine-month period total \$16.5 million, compared to \$15.5 million for the same period of the previous fiscal year, an increase of \$1 million. Operating revenue results for the current period are higher when compared to the prior fiscal year, however, remain lower when compared to pre-pandemic levels.

Operating expenses for the nine-month period total \$85.1 million, compared to \$77.9 million for the same period of the previous fiscal year, an increase of \$7.2 million. This is partly explained by increases in salary, exhibitions and building operating costs.

STATEMENT OF FINANCIAL POSITION

The Museum's unrestricted net assets as of December 31, 2024, represent \$10.7 million. They were \$7.7 million as of March 31, 2024.

To date, the Museum's restricted net assets totaling \$20 million are for the renewal of permanent exhibition galleries, including the Canadian Children's Museum Renewal project. In 2017–2018, an upgrade to a permanent gallery was completed at the Canadian War Museum.

OUTLOOK

Inflation, reduced tourism and the slow progression of visitor confidence in public space attractions continue to affect the Museum's attendance and operations. The local and North American tourism industry appears to be recovering at a faster pace than what had been predicted. International tourism seems to have a slower recovery.

Operating costs are increasing due to the rise in inflation and the labour market continues to be an additional challenge.

The Museum receives an annual base capital funding of \$2.5 million. This base funding remains below the level necessary to keep two aging buildings in good condition and to address the requirements associated with the IT and security infrastructure. Budget 2023 has provided an additional \$5.1 million for 2023-2024 and 2024-2025. The Corporation will continue to work with the Department of Canadian Heritage on a long-term solution to address operating challenges such as escalating non-discretionary costs and the need to address critical capital projects.

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, changes in net assets and cash flows of the Corporation, as at the date of and for the periods presented in the quarterly financial statements.



Caroline Dromaguet
President and Chief Executive Officer



Eric Doiron, CPA
Chief Financial Officer and Vice-President of Finance, Infrastructure and Visitor Services

Gatineau, Quebec

February 20, 2025

CANADIAN MUSEUM OF HISTORY

(Unaudited)

Statement of Financial Position

As at December 31

(In thousands of dollars)

	December 31, 2024	March 31, 2024
Assets		
Current assets		
Cash	\$ 4,082	\$ 15,211
Restricted cash and investments	3,184	4,328
Investments	7,661	20,089
Accounts receivable	2,857	3,407
Inventories	714	665
Prepaid expenses	1,228	1,128
	<hr/> 19,726	<hr/> 44,828
Restricted investments	14,389	13,890
Investments	87,132	75,311
Collections	1	1
Capital assets	<hr/> 179,343	<hr/> 179,785
	<hr/> \$ 300,591	<hr/> \$ 313,815
Liabilities and net assets		
Current liabilities		
Accounts payable and accrued liabilities	\$ 14,665	\$ 20,359
Deferred contributions (note 3)	22,623	24,002
Unearned revenues	579	597
	<hr/> 37,867	<hr/> 44,958
Deferred contributions - National Collection Fund (note 4)	11,859	11,471
Deferred contributions related to capital assets (note 5)	155,925	166,878
Employee future benefits	17,809	16,869
Asset retirement obligations	5,164	5,164
	<hr/> 228,624	<hr/> 245,340
Net assets		
Unrestricted	10,650	7,705
Restricted for permanent exhibit renewal	19,631	19,664
Investment in capital assets	40,868	40,868
Accumulated rereasurement gains and (losses)	818	238
	<hr/> 71,967	<hr/> 68,475
	<hr/> \$ 300,591	<hr/> \$ 313,815

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 nine-month periods ended December 31

(In thousands of dollars)

	Three-month period ended		Nine-month period ended	
	December 31		December 31	
	2024	2023	2024	2023
Revenues				
Donations and sponsorships (note 6)	\$ 703	\$ 1,467	\$ 1,593	\$ 1,716
Net investments	1,008	947	3,306	2,684
Operating (schedule 1)	3,140	2,927	11,646	11,136
	4,851	5,341	16,545	15,536
Expenses (schedule 2)				
Collect and research	\$ 4,570	\$ 3,812	\$ 12,403	\$ 11,383
Exhibit, educate and communicate	7,580	6,244	22,610	19,556
Accommodation	11,030	9,997	32,534	28,902
Corporate management	5,809	6,023	17,546	18,064
	28,989	26,076	85,093	77,905
Net result of operations before parliamentary appropriations	(24,138)	(20,735)	(68,548)	(62,369)
Parliamentary appropriations (note 7)	25,992	20,886	71,460	61,149
Net result of operations	\$ 1,854	\$ 151	\$ 2,912	\$ (1,220)

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

Statement of Remeasurement Gains and Losses

For the three- and nine-month periods ended December 31

(In thousands of dollars)

	Three-month period ended		Nine-month period ended	
	December 31		December 31	
	2024	2023	2024	2023
Accumulated remeasurement gains (losses), beginning of period	\$ 826	\$ (587)	\$ 238	\$ (357)
Unrealized gains (losses) attributed to investments	4	810	695	503
Amounts reclassified to the Statement of Operations - investments	(12)	51	(115)	128
Net change in accumulated remeasurement gains (losses) for the period	(8)	861	580	631
Accumulated remeasurement gains (losses), end of period	\$ 818	\$ 274	\$ 818	\$ 274

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- and nine-month periods ended December 31

(In thousands of dollars)

For the three-month period ended	Unrestricted	Restricted for permanent exhibit renewal	Investment in capital assets	Accumulated remeasurement gains (losses)	December 31 2024	December 31 2023
Net assets, beginning of period	\$ 8,785	\$ 19,642	\$ 40,868	\$ 826	\$ 70,121	\$ 65,596
Net result of operations	1,865	(11)	-	-	1,854	151
Net change in accumulated gains (losses)	-	-	-	(8)	(8)	861
Net assets, end of period	\$ 10,650	\$ 19,631	\$ 40,868	\$ 818	\$ 71,967	\$ 66,608

For the nine-month period ended	Unrestricted	Restricted for permanent exhibit renewal	Investment in capital assets	Accumulated remeasurement gains (losses)	December 31 2024	December 31 2023
Net assets, beginning of period	\$ 7,705	\$ 19,664	\$ 40,868	\$ 238	\$ 68,475	\$ 67,197
Net result of operations	2,945	(33)	-	-	2,912	(1,220)
Net change in accumulated gains (losses)	-	-	-	580	580	631
Net assets, end of period	\$ 10,650	\$ 19,631	\$ 40,868	\$ 818	\$ 71,967	\$ 66,608

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 nine-month periods ended December 31

(In thousands of dollars)

	Three-month period ended December 31		Nine-month period ended December 31	
	2024	2023	2024	2023
Operating activities				
Cash receipts from clients and other receivables	\$ 3,277	\$ 4,619	\$ 14,656	\$ 15,071
Cash receipts from parliamentary appropriations	15,293	16,316	45,811	46,198
Cash paid to and on behalf of employees	(10,544)	(9,858)	(38,667)	(30,765)
Cash paid to suppliers	(11,043)	(7,768)	(38,552)	(34,777)
Restricted contributions and related investment income	(142)	408	350	889
Interest received	1,186	991	3,036	2,980
Net cash through operating activities	(1,973)	4,708	(13,366)	(404)
Investing activities				
Principal repayments of investments	-	-	-	-
Increase in investments and restricted investments	(1,323)	(8,368)	(26,091)	(45,927)
Decrease in investments and restricted investments	5,127	7,858	29,573	43,209
Net cash through investing activities	3,804	(510)	3,482	(2,718)
Capital activities				
Acquisition of capital assets	(7,329)	(3,658)	(16,400)	(8,417)
Financing activities				
Parliamentary appropriations for the acquisition of capital assets	6,324	(101)	13,959	3,183
Decrease in cash and restricted cash	826	439	(12,325)	(8,356)
Cash and restricted cash, beginning of year				
Cash	2,069	12,374	15,211	20,648
Restricted cash	2,374	3,178	2,383	3,699
	4,443	15,552	17,594	24,347
Cash and restricted cash, end of period				
Cash	4,082	13,118	4,082	13,118
Restricted cash	1,187	2,873	1,187	2,873
	\$ 5,269	\$ 15,991	\$ 5,269	\$ 15,991

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

CANADIAN MUSEUM OF HISTORY

(Unaudited)

Notes to the Financial Statements

For the nine-month period ended December 31, 2024

(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, fundraising, commercial activities, finance and administration, human resources and information systems.

CANADIAN MUSEUM OF HISTORY

(Unaudited)

Notes to the Financial Statements

For the nine-month period ended December 31, 2024

(In thousands of dollars)

2. Significant accounting policies

Basis of accounting

These unaudited 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.

Basis of preparation

These interim financial statements are intended to provide an update on the latest complete set of audited annual financial statements for the year ended March 31, 2024. Accordingly, they should be read in conjunction with the audited annual financial statements. The interim financial statements are unaudited for all periods presented. The accounting policies used in the preparation of these interim condensed financial statements are consistent with those disclosed in the Corporation's last audited annual financial statements.

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.

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, 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

(Unaudited)

Notes to the Financial Statements

For the nine-month period ended December 31, 2024

(In thousands of dollars)

3. Deferred contributions

Deferred contributions represent contributions from non-government sources and Parliamentary appropriations received by the Corporation that are restricted for specific purposes.

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

	Non- government sources	Parliamentary appropriations	December 31, 2024 (9 months)	March 31, 2024 (12 months)
Balance, beginning of year	\$ 6,903	\$ 17,099	\$ 24,002	\$ 26,026
Additions				
Amounts received during the period	356	-	356	3,141
Deferred investment income	228	-	228	261
	584	-	584	3,402
Deductions				
Amounts recognized as revenue	(1,005)	(958)	(1,963)	(5,426)
Balance, end of period	\$ 6,482	\$ 16,141	\$ 22,623	\$ 24,002

CANADIAN MUSEUM OF HISTORY

(Unaudited)

Notes to the Financial Statements

For the nine-month period ended December 31, 2024

(In thousands of dollars)

4. Deferred contributions - National Collection Fund

The National Collection Fund represents funds for the acquisition of artifacts by the Canadian Museum of History and the Canadian War Museum. Funds are deducted from the National Collection Fund upon acquisition of selected artifacts.

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

	Parliamentary appropriations	Non- government entities	December 31, 2024 (9 months)	March 31, 2024 (12 months)
Balance, beginning of year	\$ 10,337	\$ 1,134	\$ 11,471	\$ 11,142
Additions				
Amounts received during the period	-	5	5	1
Deferred investment income	345	38	383	391
	345	43	388	392
Deductions				
Amounts recognized as revenue	-	-	-	(63)
Balance, end of period	\$ 10,682	\$ 1,177	\$ 11,859	\$ 11,471

CANADIAN MUSEUM OF HISTORY

(Unaudited)

Notes to the Financial Statements

For the nine-month period ended December 31, 2024

(In thousands of dollars)

5. Deferred contributions related to capital assets

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

	<u>Used for acquisitions</u>		<u>To be used for capital asset acquisitions</u>		December 31, 2024 (9 months)	March 31, 2024 (12 months)
	Non-government sources	Parliamentary appropriations	Parliamentary appropriations			
Balance, beginning of year	\$ 1,379	\$ 135,976	\$ 29,523	\$ 166,878	\$ 171,276	
Additions						
Capital asset acquisitions	-	8,289	-	8,289	11,200	
Parliamentary appropriations deferred for capital asset acquisitions in future periods	-	-	-	-	8,500	
	-	8,289	-	8,289	19,700	
Deductions						
Amounts used during the period	(49)	(11,848)	(7,345)	(19,242)	(24,098)	
Balance, end of period	\$ 1,330	\$ 132,417	\$ 22,178	\$ 155,925	\$ 166,878	

Deferred capital contributions from non-government sources represent the unamortized portion of donations from non-government sources restricted and used to acquire depreciable capital assets.

Deferred capital funding through Parliamentary appropriations represents the unamortized portion of Parliamentary appropriations restricted and used to acquire depreciable capital assets or restricted to be used for future acquisitions of depreciable capital assets.

CANADIAN MUSEUM OF HISTORY

(Unaudited)

Notes to the Financial Statements

For the nine-month period ended December 31, 2024

(In thousands of dollars)

6. Donations and sponsorships

Donations and sponsorships revenue is composed of:

	December 31, 2024		December 31, 2023	
Cash donations and sponsorships	\$	1,506	\$	1,372
In-kind sponsorships and artifact donations		87		344
	\$	1,593	\$	1,716

7. Parliamentary appropriations

The Corporation receives Parliamentary appropriations from the Government of Canada to support its operating and capital activities. The table below illustrates the Parliamentary appropriations received during the period, and the accounting adjustments required to arrive at the calculation of revenue that conforms to public sector accounting standards.

	December 31, 2024		December 31, 2023	
Main Estimates amount provided for operating and capital activities	\$	59,598	\$	49,381
Less current period Parliamentary appropriations not recognized as revenue:				
Used for capital asset acquisitions		(944)		(1,518)
Add prior period Parliamentary appropriations recognized as revenue in current period:				
Amortization of deferred capital funding		11,848		11,485
Restricted amounts used in current period		958		1,801
Parliamentary appropriations recognized as revenue	\$	71,460	\$	61,149

CANADIAN MUSEUM OF HISTORY

(Unaudited)

Schedule 1 - Operating Revenues

For the nine-month period ended December 31, 2024
(In thousands of dollars)

	Three-month period ended		Nine-month period ended	
	December 31		December 31	
	2024	2023	2024	2023
General admission and programmes	\$ 1,261	\$ 1,107	\$ 5,572	\$ 5,207
Facility rental, events and concessions	890	941	2,590	2,780
Boutique sales	403	367	1,552	1,437
Parking	434	364	1,442	1,260
Memberships	120	115	368	335
Travelling exhibits	11	15	51	48
Other	21	18	71	69
	\$ 3,140	\$ 2,927	\$ 11,646	\$ 11,136

Schedule 2 - Expenses

For the nine-month period ended December 31, 2024
(In thousands of dollars)

	Three-month period ended		Nine-month period ended	
	December 31		December 31	
	2024	2023	2024	2023
Personnel costs	\$ 12,679	\$ 11,678	\$ 37,820	\$ 35,629
Amortization of capital assets	3,979	3,907	11,929	11,565
Payments in lieu of property taxes	2,435	2,242	7,321	6,726
Building operations	1,952	1,826	6,246	5,270
Professional and special services	1,483	757	3,396	2,292
Repairs and maintenance	1,179	862	3,087	2,329
Online programs assistance	1,076	1,103	2,985	2,866
Exhibit fabrication and rental	736	364	2,302	1,217
Utilities	748	677	2,184	2,019
IT infrastructure and systems	616	627	1,715	1,710
Marketing and advertising	368	408	1,649	1,496
Materials and supplies	341	454	993	1,208
Collection acquisitions	594	366	948	1,379
Cost of goods sold	194	172	803	746
Travel and hospitality	270	260	802	574
Rentals and leases	72	117	205	233
Royalties	8	17	76	59
Other	259	239	632	587
	\$ 28,989	\$ 26,076	\$ 85,093	\$ 77,905