

# **CANADIAN MUSEUM FOR HUMAN RIGHTS**

## **QUARTERLY FINANCIAL REPORT**

For the three and six months ended September 30, 2014

(Unaudited)



CANADIAN MUSEUM FOR  
HUMAN RIGHTS

MUSÉE CANADIEN POUR LES  
DROITS DE LA PERSONNE

## Canadian Museum for Human Rights

### Quarterly Financial Report

For the three and six months ended September 30, 2014

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## Narrative Discussion

This section of the quarterly financial report presents management's narrative discussion of the Canadian Museum for Human Rights' (the Corporation) financial performance during the second quarter ended September 30, 2014. It must be read in conjunction with the March 31, 2014 Management Discussion and Analysis and Annual Audited Financial Statements.

### FINANCIAL RESULTS

A summary of the financial activity for the second quarter of 2014-2015 includes the following:

#### Overview

The Corporation's primary objective is to fulfill its national mandate as described in the *Museums Act*, within the context of the governance and accountability regime established in that Act and in Part X of the *Financial Administration Act*. The September 2014 opening of the Corporation during this second quarter of the fiscal year was a pivotal point in the Museum's transition from developing exhibits, content and programs in preparation for inauguration to becoming a fully operational Museum. The September 2014 opening included the restaurant, retail store, a limited number of exhibits and the implementation of the exhibition related information technology infrastructure and operating systems.

The Museum provided guided tours of the building architecture and five of the eleven galleries for the period September 20 through November 9, 2014. Continued vigilance to cost management will allow the Corporation to complete the remaining exhibits and galleries for November 9, 2014.

#### Statement of Financial Position

Total assets increased \$12.3 million from \$349.4 million at March 31, 2014 to \$361.7 million at September 30, 2014 due to an increase in assets under construction that reflects the continued investment in exhibit fit up, design and fabrication.

Total Liabilities increased \$12.3 million from March 31, 2014 primarily due to a net increase in deferred contributions and deferred contributions related to capital assets and an increase in construction accounts payable.

Net assets are consistent with March 31, 2014, reflecting a breakeven in operations for the six months ended September 30, 2014.

#### Statement of Operations

Total revenue for the six months ended September 30, 2014 was \$2.5 million, an increase of \$2.4 million compared to the same period last year. The increase in revenues is primarily due to the amortization of deferred contributions received in previous periods and the September 20, 2014 opening of the Museum which introduced new operating revenue from membership and admission fees, facility rentals, restaurant and catering income and boutique sales.

## **Canadian Museum for Human Rights**

### **Quarterly Financial Report**

For the three and six months ended September 30, 2014

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Total Parliamentary appropriations in the Corporation's statements is reported on an accrual basis in the amount of \$14.9 million recorded in the second quarter of 2014-2015 (\$9.2 million in 2013-14). For the fiscal year 2014-15, the total voted appropriation is \$21.7 million (\$21.7 million in 2013-14)

Expenses for the six months ended September 30, 2014 were \$17.5 million in comparison to \$8.3 million for the six months ended September 30, 2013. This increase is mainly attributable to the following:

- Museum content and program expenses increased by \$3.2 million due to \$1.5 million for professional and special services related to inauguration (which are expected to be offset in whole or in part by sponsorship revenues) and \$1.6 million increase in staffing costs largely due to hiring and training staff in the areas of visitor services, learning and programming.
- Permanent building and temporary accommodation expenses increased by \$5.3 million including a \$4.9 million increase in amortization of capital assets due to the base building being put into use and \$0.4 million increase in facility costs related to operating costs for the new building.

For the six months ended September 30, 2014 the Corporation finished the period in a break even position.

#### **Cash Flow**

Cash increased by \$0.4 million in the six months ended September 30, 2014 primarily due to \$12.0 million in restricted funds received from Friends of CMHR, \$0.7 million in Government of Canada funding for soft costs in assets under construction and \$1.0 million cash from operating activities offset by \$13.3 used for assets under construction and available for use. This is compared to a decrease of \$16.2 million in the six months ended September 30, 2013 primarily due to \$29.1 million used for assets under construction offset by \$10.7 million in Government of Canada funding for assets under construction.

#### **RISK ANALYSIS:**

Management continues to monitor risks and strategies related to the final of completion of the Capital Project. The fit-up of the gallery spaces, fabrication and installation of the exhibitions remains a primary focus as the Museum continues to ensure work plans are aligned to meet the full gallery and exhibit opening on November 11, 2014.

As the Museum transitions from construction to operations, evaluation of projected post-inauguration operating needs is ongoing. Estimates and timing of the Corporation's ongoing requirements will continue to be affirmed and/or re-adjusted during the remainder of 2014-15 as exhibits, programs, information technology infrastructure, operating systems and revenue-generating initiatives are fully implemented. In 2015-2016, the Museum will return to the Government of Canada for approval of future parliamentary appropriations in order to base the request on actual operational results.

## Canadian Museum for Human Rights

### Quarterly Financial Report

For the three and six months ended September 30, 2014

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#### 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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Gail Stephens, FCGA, Interim President & Chief Executive Officer

Winnipeg, Canada  
November 17, 2014



Susanne Robertson, CPA, CA, Chief Financial Officer

Winnipeg, Canada  
November 17, 2014

Quarterly Financial Statements of

**CANADIAN MUSEUM FOR HUMAN RIGHTS**

For the three and six months ended September 30, 2014

(Unaudited)

## Canadian Museum for Human Rights

### Statement of Financial Position

(Unaudited)

(In thousands of dollars)

As at	September 30, 2014	March 31, 2014
<b>Assets</b>		
Current assets:		
Cash	\$ 13,144	\$ 6,996
Restricted cash (note 3)	5,616	10,926
Accounts receivable	864	696
Inventories	122	14
Prepaid expenses	420	450
Holdback account (note 4)	1,145	1,558
	21,311	20,640
Capital assets (note 5):		
Assets available for use	290,197	290,721
Assets under construction	50,201	38,051
<b>Total Assets</b>	<b>\$ 361,709</b>	<b>\$ 349,412</b>
<b>Liabilities and Net Assets</b>		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 16,413	\$ 12,205
Holdback payable (note 4)	1,145	1,558
	17,558	13,763
Deferred contributions (note 6)	(1,017)	2,117
Deferred contributions related to capital assets (note 7)	335,419	323,793
<b>Total Liabilities</b>	<b>351,960</b>	<b>339,673</b>
Net assets:		
Unrestricted	4,620	4,604
Invested in capital assets (note 9)	4,979	4,979
Accumulated remeasurement gains	150	156
	9,749	9,739
<b>Total Liabilities and Net Assets</b>	<b>\$ 361,709</b>	<b>\$ 349,412</b>

Contractual obligations (note 11)

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

## Canadian Museum for Human Rights

### Statement of Operations

(Unaudited)

(In thousands of dollars)

	Three months ended		Six months ended	
	September 30, 2014	September 30, 2013	September 30, 2014	September 30, 2013
Revenue:				
Operating (Schedule 1)	\$ 104	\$ -	\$ 126	\$ -
Contributions (Schedule 1)	1,046	-	2,337	-
Other income	16	36	64	68
<b>Total revenue</b>	<b>1,166</b>	<b>36</b>	<b>2,527</b>	<b>68</b>
Expenses (Schedule 2):				
Museum content and program	4,057	1,424	6,340	3,135
Permanent building and temporary accommodation	4,013	1,180	7,563	2,212
Stewardship and corporate management	1,886	1,581	3,585	2,970
<b>Total expenses</b>	<b>9,956</b>	<b>4,185</b>	<b>17,488</b>	<b>8,317</b>
Excess of expenses over revenue before Parliamentary appropriations	(8,790)	(4,149)	(14,961)	(8,249)
Parliamentary appropriations (note 8)	8,253	5,301	14,977	9,235
<b>Excess of revenue over expenses (expenses over revenue) after Parliamentary appropriations</b>	<b>\$ (537)</b>	<b>\$ 1,152</b>	<b>\$ 16</b>	<b>\$ 986</b>

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

**Canadian Museum for Human Rights**  
**Statement of Remeasurement Gains and Losses**

(Unaudited)

(In thousands of dollars)

	Three months ended		Six months ended	
	September 30, 2014	September 30, 2013	September 30, 2014	September 30, 2013
Accumulated remeasurement gains, beginning of period	\$ 119	\$ 118	\$ 156	\$ 45
Unrealized gains (losses) attributable to:				
Foreign exchange	19	(37)	(5)	36
Amounts reclassified to the Statement of Operations:				
Foreign exchange	12	-	(1)	-
Net remeasurement gain (loss) for the period	31	(37)	(6)	36
Accumulated remeasurement gains end of period	\$ 150	\$ 81	\$ 150	\$ 81

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



## Canadian Museum for Human Rights

### Statement of Changes in Net Assets

(Unaudited)

(In thousands of dollars)

Three months ended September 30,				2014		2013	
	Unrestricted	Invested in capital assets	Accumulated remeasure- ment gains and losses				
Net assets, beginning of period	\$ 5,157	\$ 4,979	\$ 119	\$ 10,255	\$		9,103
Excess of revenue over expenses (expenses over revenue) after Parliamentary appropriations	(537)	-	-	(537)			1,152
Net change in accumulated remeasurement gains and losses	-	-	31	31			(37)
Net assets, end of period	\$ 4,620	\$ 4,979	\$ 150	\$ 9,749	\$		10,218

Six months ended September 30,				2014		2013	
	Unrestricted	Invested in capital assets	Accumulated remeasure- ment gains and losses				
Net assets, beginning of period	\$ 4,604	\$ 4,979	\$ 156	\$ 9,739	\$		9,196
Excess of revenue over expenses (expenses over revenue) after Parliamentary appropriations	16	-	-	16			986
Net change in accumulated remeasurement gains and losses	-	-	(6)	(6)			36
Net assets, end of period	\$ 4,620	\$ 4,979	\$ 150	\$ 9,749	\$		10,218

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

# Canadian Museum for Human Rights

## Statement of Cash Flows

(Unaudited)

(In thousands of dollars)

	Three months ended		Six months ended	
	September 30, 2014	September 30, 2013	September 30, 2014	September 30, 2013
Operating activities:				
Cash receipts (customers)	\$ 125	\$ -	\$ 125	\$ -
Cash receipts (Parliamentary appropriations)	5,289	6,611	12,660	10,184
Cash receipts (other income)	(1)	37	68	70
Cash payments to and on behalf of employees	(2,804)	(2,165)	(5,037)	(4,030)
Cash payments to suppliers	(4,366)	(2,487)	(6,870)	(4,696)
	(1,757)	1,996	946	1,528
Capital activities:				
Acquisition of assets under construction	(6,185)	(7,687)	(12,128)	(27,637)
Acquisition of assets available for use	1,963	(971)	(1,244)	(1,470)
	(4,222)	(8,658)	(13,372)	(29,107)
Investing activities:				
Revaluation of US currency	33	(41)	(1)	36
	33	(41)	(1)	36
Financing activities:				
Parliamentary appropriation for the acquisition of capital assets available for use	-	21	133	103
Government of Canada funding for assets under construction and related investment income	605	6,293	646	10,713
Contributions from non-government sources for assets under construction and related investment income	73	-	12,073	500
	678	6,314	12,852	11,316
Increase/(decrease) in cash	(5,268)	(389)	425	(16,227)
Cash, beginning of period				
Operating cash	9,976	6,557	6,996	6,871
Restricted cash	14,197	17,798	10,926	22,160
Holdback account	1,000	635	1,558	11,797
	25,173	24,990	19,480	40,828
Cash, end of period				
Operating cash	13,144	7,878	13,144	7,878
Restricted cash	5,616	15,990	5,616	15,990
Holdback account	1,145	733	1,145	733
	\$ 19,905	\$ 24,601	\$ 19,905	\$ 24,601

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

## Canadian Museum for Human Rights

### Notes to Quarterly Financial Statements

For the three and six months ended September 30, 2014

(Unaudited)

(In thousands of dollars, unless otherwise noted)

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#### 1 (a). Authority and mandate:

The Canadian Museum for Human Rights (the "Corporation") was established through amendments to the *Museums Act* on August 10, 2008 and is a Crown corporation named in Part I of Schedule III to the *Financial Administration Act*. The Corporation is not subject to income tax under the provisions of the *Income Tax Act*.

The Canadian Museum for Human Rights, being built in Winnipeg, Manitoba, was the first national museum to be located outside of the National Capital Region at the time of its creation and the first to be constructed with funding from three levels of government and the private sector. In addition to the Government of Canada, funding for the Capital Project (building and exhibits) is provided by the Province of Manitoba, the City of Winnipeg, and the Friends of the Canadian Museum for Human Rights (representing mostly private sector donors). A Definitive Agreement, setting forth the terms, provisions and conditions for the parties' undertakings, including the transfer of land, was signed by all parties on February 1, 2008. The Canadian Museum for Human Rights reports to Parliament through the Minister of Canadian Heritage and Official Languages.

The mandate, as stated in the amendments to the *Museums Act*, is as follows:

*"to explore the subject of human rights, with special but not exclusive reference to Canada, in order to enhance the public's understanding of human rights, to promote respect for others and to encourage reflection and dialogue."*

#### 1 (b). Operations:

The operations of the Corporation are divided into three mutually supportive activities which work together to meet all aspects of its mandate. These activities and their respective descriptions are:

##### **Museum Content and Program:**

That the Museum's content and programming is objective, innovative and accessible and affects the way people think and behave towards the rights of others, and that it is developed through ongoing community engagement.

##### **Permanent Building and Temporary Accommodation:**

The Corporation provides a secure and functional facility that meets or exceeds all safety and building code requirements and is easily accessible to the public. That all aspects of the Building Construction Project are managed in a fiscally sound, transparent and accountable manner, ensuring environmental stewardship and employing effective project and risk-management practices throughout.

##### **Stewardship and Corporate Management:**

That the Museum adopts sound and efficient governance and stewardship practices that facilitate the alignment of resources with priorities and full accountability and transparency to Canadians for results; the Museum recruits and retains the necessary human resources both for the start-up and the longer-term; and

## Canadian Museum for Human Rights

### Notes to Quarterly Financial Statements

For the three and six months ended September 30, 2014

(Unaudited)

(In thousands of dollars, unless otherwise noted)

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the Museum supports the Friends' fundraising campaign to assist with capital costs in the short term and to support programming and other activities within the Museum in the long-term.

#### 2. Significant accounting policies:

(a) Basis of presentation:

These financial statements have been prepared in accordance with the 4200 series of the Canadian Public Sector Accounting Standards (PSAS) for 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 the holdback account are classified in the fair value category. Changes in fair value of financial assets are recognized through the Statement of Remeasurement Gains (Losses) as determined by reference to their quoted bid price at the reporting date. Any realized gains and losses are recognized on the Statement of Operations.

Accounts receivable and accounts payable and accrued liabilities are classified in the cost category. They are recorded at cost.

(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 boutique, are valued at the lower of cost and net realizable value.

(e) Capital assets:

Property and equipment owned by the Corporation are valued at cost, net of accumulated amortization. When the construction of a capital asset is completed, it is transferred from assets under construction to the appropriate capital asset. Component classification is applied to the building transfer and amortization is calculated using the straight-line method, over the estimated useful lives of assets or components as follows:

## Canadian Museum for Human Rights

### Notes to Quarterly Financial Statements

For the three and six months ended September 30, 2014

(Unaudited)

(In thousands of dollars, unless otherwise noted)

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<b>Asset</b>	<b>Useful Life</b>
Building:	
Base	40 years
Electrical	20 years
Mechanical	20 years
Computer equipment, hardware and software	3 to 5 years
Building improvements	5 to 20 years
Leasehold improvements	Lesser of term of lease and 5 years
Furniture and equipment	3 to 10 years
Films	2 to 3 years
Website development	2 to 5 years

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(f) Employee future benefits:

i) Pension Benefits:

Substantially all of the 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 year when employees have rendered service and represent the total pension obligation of the Corporation.

ii) 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 determined by Management's best estimate considering assumptions based on employee demographics and sick leave usage of active employees.

iii) Maternity/Parental benefits:

Employees are entitled to maternity/parental benefits as provided for under labour contracts and conditions of employment. The cost of these benefits is event driven. Management determined the accrued benefit obligation using a method based upon assumptions and best estimates relating to maternity/parental leave.

(g) Revenue recognition:

i) Museum Operations

Revenues from museum operations include the sale general admission and programs, boutique sales facility rentals, memberships, sponsorships and fixed percentage of restaurant sales. They are recognized in the year in which the sale of goods is completed or the services are provided.

## Canadian Museum for Human Rights

### Notes to Quarterly Financial Statements

For the three and six months ended September 30, 2014

(Unaudited)

(In thousands of dollars, unless otherwise noted)

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ii) Parliamentary appropriations:

The Government of Canada provides 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 that are not restricted to a specific purpose are recognized as revenue on the Statement of Operations in the year for which the appropriation is authorized.

Appropriations and contributions received from other governments and donations that are restricted for use are recorded in Deferred contributions and are transferred to Deferred contributions related to capital assets as the funds are used for the Capital Project.

iii) Assistance from other governments and non-government sources:

Funding may be provided by various levels of government, other than the Government of Canada and other non-government sources.

Assistance from other governments, assistance from non-government sources and donations 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.

Assistance from other governments, non-government sources and donations that are not restricted to a specific purpose 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.

iv) 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.

v) Interest on cash and investments:

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

Restricted investment income is recognized as income in the Statement of Operations in the year that the related expenditures are recognized.

vi) Contributions-in-kind:

Contributions-in-kind are recognized as revenue on the Statement of Operations when the fair value can be reasonably estimated and the services and goods are used in the normal course of business and would otherwise have been purchased. Contributions-in-kind related to capital assets subject to amortization are recorded as deferred contributions related to capital assets on the Statement of Financial Position. Contributions-in-kind related to capital assets not subject to amortization are recorded as net assets invested in capital assets on the Statement of Financial Position.

## Canadian Museum for Human Rights

### Notes to Quarterly Financial Statements

For the three and six months ended September 30, 2014

(Unaudited)

(In thousands of dollars, unless otherwise noted)

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Contributions-in-kind are recorded at the fair value of the asset received.

vii) 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.

(h) Expenses:

An expense that contributes directly to an activity as described in note 1 (b) is allocated fully to that activity. Certain expenses contribute to more than one activity and are allocated based on the estimated time spent on each activity.

(i) Foreign exchange:

Monetary assets and liabilities denominated in US dollars are translated into Canadian dollars using the exchange rate at the Statement of Financial Position date. Foreign exchange is recorded on US dollar denominated transactions at the noon exchange rate on the invoice payment date.

Realized foreign currency gains and losses are recorded in Other income on the Statement of Operations.

Unrealized foreign currency gains and losses on monetary assets are recorded on the Statement of Remeasurement Gains (Losses).

(j) Friends of the Canadian Museum for Human Rights:

The Corporation and the Friends of the Canadian Museum for Human Rights ("Friends of CMHR") are related by virtue of the Corporation's significant influence over the Friends of CMHR. The Friends of CMHR is a separate legal entity, with a mandate to seek and obtain major donations to support the Corporation's mandate and assist in achieving the Corporation's vision. The financial statements of the Friends of CMHR have been audited but have not been consolidated in the Corporation's financial statements.

(k) Contingent liabilities:

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

(l) Measurement uncertainty:

The preparation of financial statements in accordance with Canadian Public Sector Accounting Standards 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

## Canadian Museum for Human Rights

### Notes to Quarterly Financial Statements

For the three and six months ended September 30, 2014

(Unaudited)

(In thousands of dollars, unless otherwise noted)

the year. Accrued liabilities, contingent liabilities, and estimated useful lives of capital assets are the most significant items where estimates are used. Actual results could differ significantly from those estimates. These estimates are reviewed quarterly and as adjustments become necessary, they are recorded in the financial statements in the period which they become known.

### 3. Restricted cash

Restricted cash is restricted for use in the Capital Project and arise from contributions received from non-government entities, assistance from other governments and Parliamentary appropriations.

	September 30, 2014			March 31, 2014	
	Cost	Unrealized gains	Fair value	Cost	Fair value
<b>Restricted cash</b>	\$ 5,610	\$ 6	\$ 5,616	\$ 10,834	\$ 10,926

The change in restricted cash is comprised of the following:

<b>Six months ended</b>	<b>September 30, 2014</b>
Balance, beginning of period	\$ 10,926
Add contributions received during the period	12,000
Add deferred interest income	73
Less unrealized gain on cash	-
Less amounts used for items expensed for accounting purposes	(595)
Less amounts used to purchase capital assets	(16,788)
Balance, end of period	\$ 5,616



## Canadian Museum for Human Rights

### Notes to Quarterly Financial Statements

For the three and six months ended September 30, 2014

(Unaudited)

(In thousands of dollars, unless otherwise noted)

#### 4. Holdback account and holdback payable:

	September 30, 2014	March 31, 2014
Balance, beginning of period	\$ 1,558	\$ 11,797
Additions for the period	341	1,773
Holdback paid during period	(754)	(11,807)
Interest paid during the period	-	(205)
Balance, end of period	\$ 1,145	\$ 1,558

In accordance with the construction contract for the Museum building and the *Builder's Lien Act* of Manitoba, the Corporation is required to holdback 7.5% of progress billings. These amounts are restricted in nature and recorded as an asset and liability. The restricted funds will be paid out upon certified completion of the subcontracts in accordance with the *Builder's Lien Act* of Manitoba. The total holdback cash account balance and related liability at September 30, 2014 was \$1.1 million (March 31, 2014 - \$1.6 million), of which \$1.1 million (March 31, 2014 - \$1.6 million) is current. As of September 30, 2014 the holdback primarily relates to exhibit fit up construction.

#### 5. Capital assets:

	Cost March 31, 2014	Additions	Disposals	Cost September 30, 2014
Land	\$ 4,979	\$ -	\$ -	\$ 4,979
Building				
Base	234,671	2,371	-	237,042
Electrical	20,566	178	-	20,744
Mechanical	27,493	241	-	27,734
Computer equipment, hardware and software	5,681	672	-	6,353
Building improvements	-	503	-	503
Leasehold improvements	563	-	563	-
Furniture and equipment	1,099	436	-	1,535
Films	61	36	-	97
Website development	57	35	-	92
Sub-total – Assets available for use	295,170	4,472	563	299,079
Assets under construction	38,051	12,150	-	50,201
	\$ 333,221	\$ 16,622	\$ 563	\$ 349,280

## Canadian Museum for Human Rights

### Notes to Quarterly Financial Statements

For the three and six months ended September 30, 2014

(Unaudited)

(In thousands of dollars, unless otherwise noted)

	Accumulated amortization March 31, 2014	Amortization expense	Disposals	Accumulated amortization September 30, 2014
Land	\$ -	\$ -	\$ -	\$ -
Building				
Base	1,388	2,942	-	4,330
Electrical	244	515	-	759
Mechanical	325	689	-	1,014
Computer equipment, hardware and software	1,684	789	-	2,473
Building improvements	-		-	-
Leasehold improvements	563	-	563	-
Furniture and equipment	188	54	-	242
Films	-	7	-	7
Website development	57	-	-	57
Sub-total – Assets available for use	4,449	4,996	563	8,882
Assets under construction	-	-	-	-
	\$ 4,449	\$ 4,996	\$ 563	\$ 8,882

	Net book value March 31, 2014	Net book value September 30, 2014
Land	\$ 4,979	\$ 4,979
Building		
Base	233,283	232,712
Electrical	20,322	19,985
Mechanical	27,168	26,720
Computer equipment, hardware and software	3,997	3,880
Building improvements	-	503
Leasehold improvements	-	-
Furniture and equipment	911	1,293
Films	61	90
Website development	-	35
Sub-total – Assets available for use	290,721	290,197
Assets under construction	38,051	50,201
	\$ 328,772	\$ 340,398

## Canadian Museum for Human Rights

### Notes to Quarterly Financial Statements

For the three and six months ended September 30, 2014

(Unaudited)

(In thousands of dollars, unless otherwise noted)

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On April 15, 2009, the Corporation acquired land for the Museum project from the City of Winnipeg and The Forks Renewal Corporation. The ownership of land reverts back to the City of Winnipeg and The Forks Renewal Corporation should the land no longer be used for the purposes of the Museum, or such other purposes as approved by the previous owners. The Corporation's Management estimated that the Museum's river-front parcel should be valued at \$4.9 million plus related legal costs based on the information provided by an independent market evaluation.

The amortization expense for the three and six months ended September 30, 2014 is \$2.5 million and \$2.5 million, respectively. (Three and six months ended September 30, 2013 - \$173K and \$345K, respectively).

Assets under construction represent costs incurred for the development and construction of the Capital Project. The assets under construction are comprised of the following costs incurred to date:

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	<b>September 30, 2014</b>	<b>March 31, 2014</b>
Building design and construction	\$ 754	\$ 726
Exhibit fit up, design and fabrication	48,299	36,529
Website development (Version 3)	664	371
Enterprise Content Management System	484	425
	<b>\$ 50,201</b>	<b>\$ 38,051</b>

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## Canadian Museum for Human Rights

### Notes to Quarterly Financial Statements

For the three and six months ended September 30, 2014

(Unaudited)

(In thousands of dollars, unless otherwise noted)

#### 6. Deferred contributions:

Deferred contributions recorded by the Corporation are as follows:

	September 30, 2014	March 31, 2014
Deferred contributions restricted for the purchase of capital assets	\$ (1,017)	\$ 2,117

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

Six months ended	September 30, 2014
Balance, beginning of period	\$ 2,117
Additions:	
Government of Canada appropriations <sup>1</sup>	-
Deferred Operating Parliamentary appropriations	1,850
Non-government and other government sources	12,000
Deferred investment income	75
	13,925
Deductions:	
Amounts transferred to deferred contributions related to capital assets	(15,524)
Amounts recognized as revenue –	(1,535)
	(17,059)
Balance, end of period	\$ (1,017)

<sup>1</sup> In June 2012, the Government of Canada approved the use of \$35 million of future years' operating and capital appropriations, of which \$25 million was authorized for 2012-2013 and \$10 million for 2013-2014. The Corporation plans to decrease its level of appropriations over six years commencing in 2018-2019.

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#### 7. Deferred contributions related to capital assets

Changes in the deferred contributions related to capital assets are composed of:

<b>Six months ended</b>	<b>September 30, 2014</b>
Balance, beginning of period	\$ 323,793
Amounts transferred from deferred contributions	15,524
Government contributions:	
Other Government of Canada assistance	748
Non-government contributions:	
Capital contributions-in-kind from Friends of CMHR	194
Capital contributions-in-kind from the City of Winnipeg	156
Amortization of deferred contributions related to capital assets available for use	(4,996)
Balance, end of period	\$ 335,419

## Canadian Museum for Human Rights

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#### 8. Parliamentary appropriations:

	Three months ended		Six months ended	
	September 30, 2014	September 30, 2013	September 30, 2014	September 30, 2013
Main estimates amount provided for operating and capital expenditures	\$ 5,900	\$ 6,900	\$ 13,225	\$ 10,800
Reimbursement of payroll expenditures	156	134	156	134
Total Parliamentary appropriations approved in the period:	6,056	7,034	13,381	10,934
Less current period Parliamentary appropriations not recognized as revenue:				
Amounts used to purchase capital assets	(611)	(289)	(748)	(657)
Operating contribution received in advance	50	(1,800)	(1,850)	(1,800)
Add prior year Parliamentary appropriations recognized as revenue in the current period:				
Amortization of deferred contributions related to capital assets available for use	1,854	173	3,274	345
Restricted amounts used in the current period for items expensed for accounting purposes –	904	183	920	413
	\$ 8,253	\$ 5,301	\$ 14,977	\$ 9,235

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#### 9. Net assets invested in capital assets:

The net investment in capital assets consists of the land donated by the City of Winnipeg and The Forks Renewal Corporation as follows:

	September 30, 2014	March 31, 2014
Capital assets	\$ 340,398	\$ 328,772
Less amounts financed by deferred contributions related to capital assets	(335,419)	(323,793)
	\$ 4,979	\$ 4,979

#### 10. Allocation of Expenses:

Corporate communication, general support services and information technology department expenses of \$1.9 million (2013 - \$0.5 million) have been allocated as follows:

Period ended September 30,	2014	2013
Museum content and program	\$ 1,100	\$ 265
Permanent building and temporary accommodation	156	-
Stewardship and corporate management	700	265
	\$ 1,956	\$ 530

#### 11. Contractual obligations:

In addition to the commitments as at March 31, 2014, the Corporation entered into additional long-term contracts for \$1.8 million relating to exhibit fabrication & installation and media & technology development of which \$1.7 million will require payment within one year.

#### 12. Comparative figures:

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

## Canadian Museum for Human Rights

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#### Schedule 1 – Schedule of Operating Revenues and Contributions

##### Operating Revenues

Six months ended September 30,	2014	2013
Admissions and Programs		
General Admission –	\$ 15	\$ -
Memberships -	11	-
Retail Boutique Sales	70	-
Facility Rental	19	-
Restaurant and catering -	11	-
Total	\$ 126	\$ -

The Museum opened September 20, 2014 therefore there are no comparative operating revenues.

##### Contributions

Six months ended September 30,	2014	2013
Revenue related to the amortization of deferred contributions from other donors	\$ 1,722	\$ -
Restricted amounts from other donors used in current period for items expensed for accounting purposes -	615	-
Total	\$ 2,337	\$ -

Amortization of deferred contributions from other donors commenced when the building was put into use in January, 2014 therefore there are no comparative contribution amounts.



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#### Schedule 2 – Schedule of Expenses

<b>Six months ended September 30,</b>		<b>2014</b>		<b>2013</b>
Personnel costs	\$	5,613	\$	4,130
Amortization of capital assets		4,996		346
Professional and special services		3,010		1,185
Facilities		1,594		1,177
Exhibit content development		754		301
Office supplies and administration		625		769
Computers and furniture		441		164
Marketing and promotion		343		45
Travel		112		200
Total expenses	\$	17,488	\$	8,317