

CANADA SCIENCE AND TECHNOLOGY
MUSEUMS CORPORATION

QUARTERLY FINANCIAL REPORT
(UNAUDITED)

FOR THE QUARTER ENDED
SEPTEMBER 30, 2011

Narrative discussion

September 30, 2011

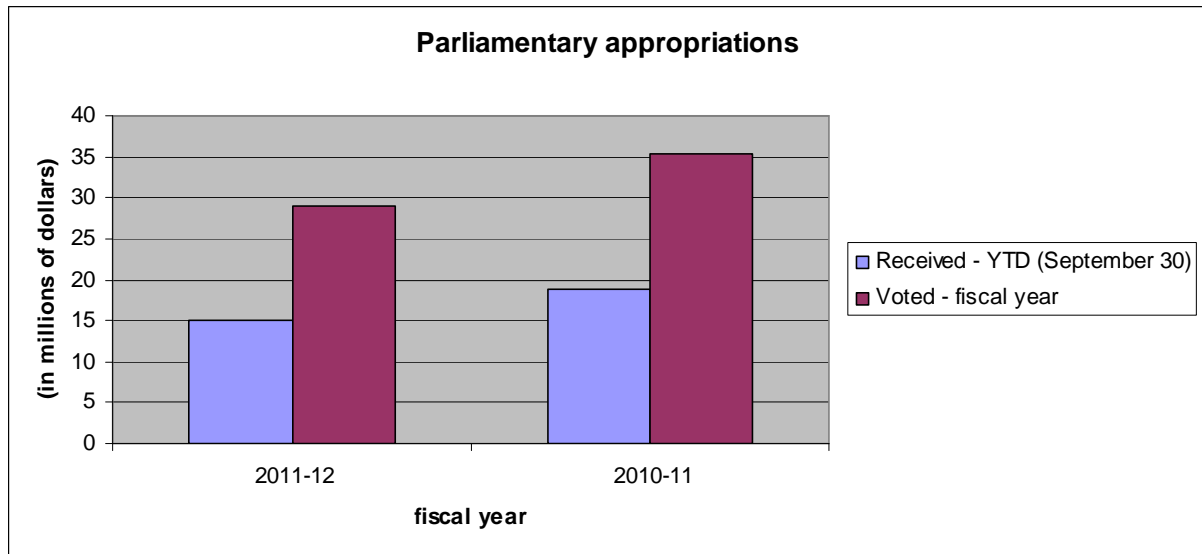
This section of the quarterly financial report presents management's narrative discussion of the Corporation's financial performance during the second quarter ended September 30, 2011. Please read it in conjunction with the Corporation's quarterly financial statements, which follow this section.

FINANCIAL RESULTS

A summary of the financial activity for the second quarter of 2011-2012 includes the following:

Parliamentary appropriations

Total appropriation in the Corporation's statements is reported on an accrual basis in the amount of \$8.0 million for the second quarter of 2011-12. As of the end of September, parliamentary appropriations received by the Corporation fell approximately \$3.7 million, or 20 percent compared to the same period last year. For the fiscal year 2011-12, the total voted appropriation is \$29.0 million (\$35.4 million in 2010-11) and includes \$2.6 million coming from the 2008 budget for specific projects (\$5.1 million in 2010-11).

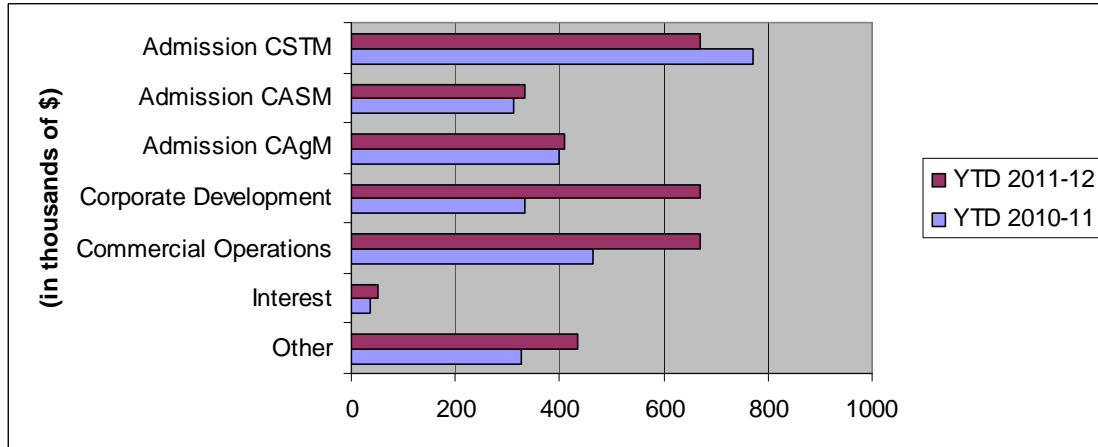


Operating Revenues

Revenue generation continues to be a priority for the Corporation in an attempt to counter the escalating costs. The Corporation recorded an increase of \$0.6 million (23 percent) in operating revenues during the first half of 2011-2012 compared to the same period last year. This increase comes mainly from significant sponsorships that have been recognized as Corporate development revenues this fiscal year in relation with the energy exhibitions (. The Commercial operations improved by \$211 thousand due to the opening in April 2011 of the new expanded boutique at the Canada Aviation and Space Museum.

Narrative discussion

September 30, 2011



Operating Expenditures

The Corporation's total expenses were \$10.0 million for the second quarter of 2011-2012 with the two main uses of funds being personnel and accommodation costs, totaling \$4.9 million and \$2.4 million respectively.

Despite the fact that the Corporation has implemented many cost reduction strategies, total operating costs have still increased by \$1.6 million when comparing the first two quarters of 2011-12 with the first two quarters of 2010-11. The increase is in part due to the completion of the Energy exhibitions on all three sites that was planned, for which the Corporation spent close to one million dollars in 2011-12; this can be seen in the schedule of expenses in the Personnel costs and Design and display lines where expenses of \$0.3 million and \$0.6 million have been recorded respectively. Legal settlement recorded under professional services is the other important contributing factor to the expense increase. Excluding these non-recurrent expenses and the amortization expense increase, the Corporation would have seen a slight reduction of its expenses this fiscal year compared to the same period last year.

Capital Expenditures

For the quarter ended September 30, 2011, the Corporation invested approximately \$0.4 million in property and equipment (2010: \$2.1 million). The Corporation continues to address capital pressures using the funds received from Budget 2008 to move forward various re-capitalization projects.

Narrative discussion

September 30, 2011

RISK ANALYSIS

In its 2010-2011 annual report, the Corporation identified the challenges related to its facilities, human resources and funding.

The Corporation continues to work towards securing proper accommodations to resolve both the substandard environmental issues and the over crowding in its current reserves. At the same time, work continues in redressing the capital infrastructure reducing high risk areas with the use of one time funding injections received from the Government of Canada in 2006 and 2008; funding was received in each case on a five year plan which are being implemented on schedule.

With regards to human resources challenges, the Corporation continues to put the emphasis on internal job training and mentoring for specific at risk positions. We have been fortunate to secure the help of professionals on loan to assist us in meeting our objectives, a concerted effort to mitigate the financial challenge. The Corporation is pleased to be able to comply with the pay equity legislation but this has come at a significant cost which has never been funded. The collective agreement expired on March 31, 2011, negotiations are currently underway.

The Corporation financial viability continues to be one of the main preoccupations. The issues of rising facility costs and the identification of a permanent resolution for the operating cost of the Collection storage hangar are issues that remain without a definitive solution. As well, the CSTMC, as a Crown Corporation, is subject to the Strategic and Operating Review announced last June by the federal government in Budget 2011. The review takes place during the current fiscal year and examines direct program spending, as appropriated by Parliament.

The Corporation has already implemented many cost-stabilization strategies this fiscal year, including no development of new exhibitions unless funded by sponsorships, delay building maintenance and repairs, stretching the use of equipments that have exceeded their useful life expectancy, energy efficiency programs and staff cost reductions. Considering these cost containment initiatives that are already in place, the Corporation is working hard to respond to the financial pressures in a way that will ensure the sustainability of the organization. All these initiatives have helped stabilize the expenses but are not sufficient to match the decrease in funding and can not be sustained on the long term.

Given the financial position, revenue generation continues to be one of the main focuses of the Corporation. The use of improved revenue generating facilities has produced some successes with increased revenue in retail operations and facility rentals at the Canada Aviation and Space Museum. Important sponsorship revenues have also been recognized in the first two quarters in relation with expenditures incurred for the energy exhibitions. These initiatives have generated additional revenues, but not enough to offset the rising costs of operations. The Corporation will continue to monitor and exploit all opportunities to help in this area.

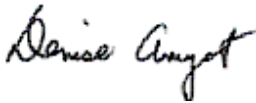
Quarterly Financial Statements (unaudited)

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.

In support of its responsibility, Management has developed and maintains books of account, records, financial and management controls, information systems and management practices. These are designed to provide reasonable assurance as to the reliability of financial information, that assets are safeguarded and controlled, and that transactions are in accordance with the *Financial Administration Act* and regulations, as well as the *Museums Act* and the by-laws of the Corporation.

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.



Denise Amyot
President and Chief Executive Officer



Fernand Proulx
Chief Operating Officer

November 17, 2011

STATEMENT OF FINANCIAL POSITION (Unaudited)

As at September 30

(in thousands of dollars)	2011	2010	March 31, 2011 Restated (Note 3)
ASSETS			
Current			
Cash and cash equivalents	\$ 10,432	\$ 14,014	\$ 13,354
Accounts receivable			
Government departments	345	2,782	1,330
Trade	396	238	368
Inventories	445	373	409
Prepaid expenses	149	225	200
	<u>11,767</u>	<u>17,632</u>	<u>15,661</u>
Collection (Note 4)	1	1	1
Capital Assets	<u>64,846</u>	<u>60,997</u>	<u>65,217</u>
	<u>\$ 76,614</u>	<u>\$ 78,630</u>	<u>\$ 80,879</u>
LIABILITIES			
Current			
Accounts payable and accrued liabilities			
Government departments	\$ 853	\$ 789	\$ 806
Accrued salaries and other	2,106	2,244	4,266
Current portion of employee future benefits	563	627	614
Deferred revenues and parliamentary appropriations	491	265	1,045
	<u>4,013</u>	<u>3,925</u>	<u>6,731</u>
Employee future benefits	1,992	2,053	1,956
Long-term advance (Note 5)	4,533	4,533	4,533
Deferred contributions related to capital assets	56,943	57,861	57,353
	<u>67,481</u>	<u>68,372</u>	<u>70,573</u>
NET ASSETS			
Unrestricted	(969)	156	204
Investment in capital assets	10,102	10,102	10,102
	<u>\$ 76,614</u>	<u>\$ 78,630</u>	<u>\$ 80,879</u>

The accompanying notes and schedule form an integral part of these financial statements.

STATEMENT OF CHANGES IN NET ASSETS (Unaudited)

For the quarter ended September 30

(in thousands of dollars)	Q2	Q2	YTD	YTD
	2011	2010	2011	2010
Investment In capital assets, beginning of period	\$ 10,102	\$ 10,102	\$ 10,102	\$ 10,102
Change in investment in capital assets	-	-	-	-
Investment In capital assets end of period	10,102	10,102	10,102	10,102
Unrestricted net assets, beginning of period	(548)	(1,444)	204	(240)
Excess of revenues over expenses	(421)	1,600	(1,173)	396
Unrestricted net assets end of period	(969)	156	(969)	156
Net assets, end of period	\$ 9,133	\$ 10,258	\$ 9,133	\$ 10,258

The accompanying notes and schedule form an integral part of these financial statements.

STATEMENT OF OPERATIONS (Unaudited)

For the quarter ended September 30

(in thousands of dollars)	Q2 2011	Q2 2010	YTD 2011	YTD 2010
REVENUES				
Parliamentary appropriations (note 6)	\$ 7,994	\$ 9,266	\$ 15,500	\$ 16,068
Admission				
Science and Technology	322	453	671	772
Aviation and Space	186	174	332	312
Agriculture	235	258	408	397
Commercial operations	349	235	676	465
Corporate development	229	171	670	332
Interest	34	26	77	35
Other	183	136	436	325
Total revenues	\$ 9,532	\$ 10,719	\$ 18,770	\$ 18,706
EXPENSES (Schedule)				
Heritage preservation	\$1,295	\$1,159	\$2,458	\$ 2,410
Sharing knowledge	3,278	3,365	7,120	6,805
Internal services	2,233	1,561	4,041	3,267
Accommodation	2,368	2,375	4,786	4,512
Amortization of capital assets	779	659	1,538	1,316
Total expenses	9,953	9,119	19,943	18,310
Excess of revenue over expenses for the period	\$ (421)	\$ 1,600	\$ (1,173)	\$ 396

The accompanying notes and schedule form an integral part of these financial statements.

STATEMENT OF CASH FLOWS (Unaudited)

For the quarter ended September 30

	Q2	Q2	YTD	YTD
(in thousands of dollars)	2011	2010	2011	2010
Operating activities:				
Cash received (clients)	\$ 1,568	\$ 1,228	\$ 2,515	\$ 4,687
Parliamentary appropriations received	7,713	6,448	14,946	12,022
Cash paid (employees and suppliers)	(10,116)	(10,868)	(20,519)	(17,641)
Interest received	9	26	52	35
	(826)	(3,166)	(3,006)	(897)
Capital activities:				
Acquisition of capital assets	(364)	(2,100)	(1,166)	(4,795)
Financing activities:				
Appropriations received for the acquisition of property and equipment	614	2,494	1,127	4,015
Cash received for restricted contributions	127	65	127	65
	741	2,559	1,254	4,080
Increase (decrease) in cash and cash equivalents	(449)	(2,707)	(2,918)	(1,612)
Cash and equivalents, beginning of period	10,881	16,721	13,350	15,626
Cash and cash equivalents, end of period	\$ 10,432	\$ 14,014	\$ 10,432	\$ 14,014

The accompanying notes and schedule form an integral part of these financial statements.

NOTES TO UNAUDITED QUARTERLY FINANCIAL STATEMENTS

September 30, 2011

The quarterly financial statements of the Canada Science and Technology Museums Corporation must be read in conjunction with the most recent annual audited financial statements and with the narrative discussion included in the quarterly financial report.

1. Authority, mandate and operations

The National Museum of Science and Technology was established by the *Museums Act* on July 1, 1990, and is a Crown corporation named in Part I of Schedule III to the *Financial Administration Act* and is not subject to income taxes under the provisions of the *Income Tax Act*.

The mandate of the Corporation, as stated in the *Museums Act*, is to foster scientific and technological literacy throughout Canada by establishing, maintaining and developing a collection of scientific and technical objects, with special but not exclusive reference to Canada, and by demonstrating the products and processes of science and technology and their economic, social and cultural relationships with society.

The Corporation operates as the Canada Science and Technology Museums Corporation. It manages three museum sites: the Canada Science and Technology Museum, the Canada Aviation and Space Museum, and the Canada Agriculture Museum. The Corporation's operations are organized by functionality as follows;

Heritage Preservation

This includes documentation, cataloguing, conservation, historical research, the library and related services.

Sharing Knowledge

This includes the development and maintenance of exhibitions, interpretive and educational activities, communication and promotion, Web activities, and other services to visitors.

Internal Services

This includes services such as human resources, finance and facilities management, corporate development and commercial operations, all of which are provided centrally.

Accommodation

This includes operating and maintenance expenses for all owned and leased facilities including security services.

2. Accounting policies

These quarterly financial statements have been prepared in accordance with Public Sector Accounting standards, which are consistent with Canadian generally accepted accounting principles for Government non-profit organizations. The significant accounting policies are:

NOTES TO UNAUDITED QUARTERLY FINANCIAL STATEMENTS

September 30, 2011

(a) Basis of presentation

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

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

(b) Cash equivalents

The Corporation's investments are highly liquid and have a term to maturity of less than 90 days in Schedule "A" banks, government backed paper and commercial paper rated A++ by the Canadian Bond Rating Services (CBRS).

(c) Accounts receivable

The Corporation establishes an allowance for doubtful accounts that reflects the estimated impairment of accounts receivable. The allowance is based on specific accounts and is determined by considering the Corporation's knowledge of the financial condition of its customers, the aging of accounts receivable, current business and political climate, customers and industry concentrations and historical experience. All write downs against accounts receivable are recorded within operating expenditures on the Statement of Operations and Comprehensive Income.

(d) Inventories

Inventories are valued at the lower of cost and net realizable value. Inventory cost is determined by using the average weighted cost method.

(e) Collection

The collection constitutes the major portion of the Corporation's assets but is shown at a nominal value of \$1,000 on the balance sheet because of the practical difficulties in reflecting it at a meaningful value.

Items purchased for the collection are recorded as expenses in the year of acquisition. Items donated to the Corporation are recorded as assets at the nominal value.

(f) Capital assets

Capital assets are recorded on the following basis. Acquired property and equipment owned by the Corporation are recorded at cost and amortized over their estimated useful life. Land and buildings owned by the Government of Canada and under the control of the Corporation are recorded at their estimated historical cost, less accumulated amortization for buildings. The estimated historical net costs of the buildings have been credited to deferred contributions related to capital assets and the estimated historical cost of the land has been credited to the contributed net assets. Land for which the historical cost cannot be reasonably determined is recorded at a nominal value with a corresponding amount credited to the contributed surplus. Improvements that extend the useful life or service potential of buildings are recorded at cost. Building improvements are amortized over the lesser of the remaining useful life of the building or the estimated useful life of the improvements.

NOTES TO UNAUDITED QUARTERLY FINANCIAL STATEMENTS

September 30, 2011

Amortization is calculated on a straight-line basis over their estimated useful lives, using a half year-rule in the year of acquisition, as follows:

Buildings	10 to 40 years
Building improvements	10 to 25 years
Office furniture	5 to 10 years
Equipment	5 to 12 years

Amounts included in capital projects in progress are transferred to the appropriate capital asset classification upon completion, and are amortized accordingly.

(g) 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) Severance benefits

Employees are entitled to severance benefits, as provided for under labour contracts and conditions of employment. The cost of these benefits is accrued as the employees render the services necessary to earn them. Management determined the accrued benefit obligation using a method based upon assumptions and its best estimates. These benefits represent an obligation of the Corporation that entails settlement by future payment.

(h) Revenue recognition

i) Parliamentary appropriations

The Government of Canada provides funding to the Corporation. Parliamentary appropriations received for specific projects are recorded as deferred revenues and parliamentary appropriations, and are recognized in the year in which the related expenditures are incurred. The portion of the parliamentary appropriation intended to be used to purchase depreciable property and equipment is recorded as deferred capital funding, and is amortized on the same basis, and over the same periods, as the related property and equipment. The remaining portion of the appropriation is recorded in the statement of operations and comprehensive income in the year for which it is approved.

ii) Corporate development

Donations are comprised of contributions received from entities, such as Individuals, foundations and corporations. Unrestricted contributions are recognized as revenue when received or receivable, if the amount to be received can be reasonably estimated, and collection is reasonably assured. Contributions externally restricted for specific purposes are recognized as revenue in the year in which the related expenses are incurred and requirements are met.

NOTES TO UNAUDITED QUARTERLY FINANCIAL STATEMENTS

September 30, 2011

Sponsorship revenues are deferred and recognized as revenue in the year in which the related expenses are incurred. Contributions and sponsorships in kind are recorded at their estimated fair market value when they are received. Volunteers contribute a significant number of hours per year. Because of the difficulty in determining their fair value, contributed services are not recognized in these financial statements.

Membership revenues for which services have not been rendered are deferred and accounted for as services are provided. Deferred sponsorship and membership revenues are recorded as deferred revenues.

iii) Admission, commercial operations and other revenues

Revenues from admission, commercial operations and other revenues are recognized in the year in which the goods or services are provided by the Corporation. Funds received for future services are deferred.

iv) Interest revenues

Interest revenues are recognized in the period in which they are earned using the effective interest rate method.

(i) Financial instruments

The Corporation's financial assets and financial liabilities are classified and measured as follows:

Asset/Liability	Category	Measurement
Assets:		
Cash	Held-for-trading	Fair value
Cash equivalents	Held-for-trading	Fair value
Accounts receivable	Loans/Receivables	Amortized cost
Liabilities:		
Accounts payable & accrued liabilities	Other financial liabilities	Amortized cost

(j) Measurement uncertainty

The preparation of financial statements in accordance with Canadian generally accepted accounting principles 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 revenues and expenses for the year. Accrued liabilities, allowance for doubtful accounts, employee future benefits and estimated useful lives of property and equipment are the most significant items for which estimates are used. Actual results could differ significantly from those estimates.

NOTES TO UNAUDITED QUARTERLY FINANCIAL STATEMENTS

September 30, 2011

3. Adoption of new accounting standards

Effective April 1, 2011, the Corporation adopted the Canadian public sector accounting standards for government not-for-profit organizations (GNPOs). These amended standards were retrospectively adopted and therefore the 2011 comparative figures have been restated as follows. Key adjustments resulting from the adoption of these accounting standards are as follows:

Intangible assets, representing the cost to the Corporation of an easement right from the Canadian Pacific Railway Limited in order to keep access to the rail, are included in the definition of a capital asset under PS4230. An adjustment was made to the 2011 year-end financial statements to reclassify the carrying value of the intangible assets of \$352 to capital assets.

Other comprehensive income is not recognized under Canadian public sector accounting standards applicable for a government not-for-profit organization. Consequently, other comprehensive income and comprehensive income are no longer reported on the Corporation's statement of Operations.

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

(in thousands of dollars)	March 31, 2011 Audited	Adjustment	March 31, 2011 Revised
Statement of Financial Position			
Assets:			
Intangible assets	352	(352)	-
Capital assets	64,865	352	65,217

Post-employment benefits and Termination benefits, and Retirement benefits

The quarterly financial statements do not include the potential impact of the Public Sector accounting standards on post-employment benefits, termination benefits and retirement benefits. The Corporation has developed, and is implementing, a plan to review its accounting policies related to the determination of the accrued benefit obligation for severance cost and for sick leave benefits which accrue but do not vest. The new accounting policies will be adopted on a retrospective basis for the year ending March 31, 2012.

Financial instruments and exposure to risk

In June 2011, the CICA issued a new PSA standard, Section PS 3450 Financial instruments. The Public Sector Accounting Board (PSAB) undertook to develop a new standard to improve the reporting of derivative and non-derivative financial instruments in financial statements prepared in accordance with the CICA Public Sector Accounting (PSA) Handbook. The new standard achieve this objective by requiring the recognition of derivatives and consistent reporting of their effect on financial measures, and by improving disclosures associated with financial instruments and financial risks. Given the timing of the release of the new standard, the Corporation has not yet assessed the impact on its financial statements, but is likely to require changes to the accounting and note disclosure of financial instruments and exposure to risk. This accounting policy change will be adopted for the first time in the year end financial statements, and the quarterly financial statements do not include the impact of the new accounting policy.

NOTES TO UNAUDITED QUARTERLY FINANCIAL STATEMENTS

September 30, 2011

4. Collection

Part of the mandate of the Corporation is “to foster scientific and technological literacy throughout Canada by establishing, maintaining and developing a collection of scientific and technological objects...” This collection is the main asset of the Corporation and is divided in the following areas:

- Communications
- Non-Renewable Resources and Industrial Design
- Natural Resources
- Physical sciences and Medicine
- Renewable resources, including Agriculture and Forestry
- instruments, tools and systems with direct application to mathematics, chemistry, physics, as well as astronomy, astrophysics, meteorology, surveying and mapping, and information technology
- Transportation: Land, Marine, and Aviation

5. Long-term advance

The Corporation received funding from the Treasury Board Secretariat to construct educational facilities, retail space and an auditorium at the Canada Aviation and Space Museum. The Corporation also received funding to establish a foundation for the Canada Science and Technology Museums Corporation.

<i>(in thousands of dollars)</i>	2011	2010
Funding for construction of revenue generating facilities	\$ 4,208	\$4,208
Funding to establish a Foundation	325	325
	\$ 4,533	\$ 4,533

The Corporation received the funding on the basis that it could repay the funding for construction of revenue generating facilities in twenty-five years and the funding received to establish the Foundation in six years. A repayment mechanism will be determined and the Corporation does not have to pay interest on this funding.

NOTES TO UNAUDITED QUARTERLY FINANCIAL STATEMENTS

September 30, 2011

6. Parliamentary appropriations

(in thousands of dollars)	Q2 2011	Q2 2010	YTD 2011	YTD 2010
Main Estimates amount provided for operating and capital expenditures	\$ 7,828	\$ 8,758	\$ 15,090	\$ 16,426
Supplementary estimates:				
Capital and operating pressures	-	1,848	-	1,848
Severance adjustments and retroactive wage adjustments	-	494	-	494
	7,828	11,100	15,090	18,768
Deferred appropriation used in current year to purchase depreciable capital assets	-	79	91	-
Appropriations received in the current year to acquire capital assets in future periods	(223)	-	-	(342)
Amounts used to purchase depreciable capital assets	(364)	(2,572)	(1,166)	(3,673)
Amortization of deferred contributions related to capital assets	753	659	1,485	1,315
Parliamentary appropriations	\$ 7,994	\$ 9,266	\$ 15,500	\$ 16,068

7. Canada Science and Technology Museums Corporation Foundation

The Canada Science and Technology Museums Corporation Foundation (the "Foundation") was incorporated under the *Canada Corporations Act* on November 14, 2007 and is a registered charitable non-profit organization under the *Income Tax Act* since April 1, 2008. This is a separate legal entity from the Canada Science and Technology Museums Corporation and all funds that will be raised by the Foundation will be for projects determined by the Foundation.

The Foundation will raise funds from patrons, corporations, associations and from the community. The amounts granted to the Corporation by the Foundation will be recorded as Corporate Development revenue in the Corporation's statement of operations and comprehensive income.

NOTES TO UNAUDITED QUARTERLY FINANCIAL STATEMENTS

September 30, 2011

8. Related party transactions

The Corporation incurred expenses such as property taxes, building rentals and employee benefits with related parties. These transactions were conducted in the normal course of operations, under the same terms and conditions that applied to outside parties and are recorded at the exchange amount.

Also, during the second quarter, the Corporation received services which were obtained without charge from other Government organizations as follows:

- Salary and associated expenditures for the assignment of employees from Government organizations to the Corporation;
- Audit services provided by the Office of the Auditor General of Canada;
- Lease of buildings for the Canada Agriculture Museum buildings located on the Central Experimental Farm site provided by the Agriculture and Agri-Food Canada.

These services provided without charge are not presented in the Corporation's Statement of Operations.

9. 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. As at September 30, 2011, there has been no provision recorded. The effect, if any, of ultimate resolution of these matters will be accounted for when determinable.

SCHEDULE OF EXPENSES (Unaudited)

for the quarter ended September 30

	Q2	Q2	YTD	YTD
(in thousands of dollars)	2011	2010	2011	2010
Personnel costs	\$ 4,934	\$ 4,847	\$10,311	\$ 9,975
Amortization of property and equipment	779	659	1,538	1,316
Design and display	363	192	913	336
Professional and special services	1,095	583	1,597	1,012
Leases of buildings	485	489	967	989
Property taxes	425	363	896	818
Material and supplies	326	168	653	449
Property management services	248	366	542	692
Utilities	303	296	564	518
Repair and upkeep of buildings	219	219	421	467
Protection services	194	196	368	375
Gift shops and product marketing	158	142	294	237
Publications	41	72	162	141
Communications	73	81	143	144
Travel	72	67	137	161
Advertising	54	115	106	183
Repairs and upkeep of equipment	76	115	119	143
Office supplies and equipment	32	31	68	65
Rentals of equipment	28	33	56	49
Purchase of objects for the collection	10	15	25	24
Books	16	15	27	28
Miscellaneous	15	42	23	129
Freight, express and cartage	7	13	13	59
Total	\$ 9,953	\$ 9,119	\$ 19,943	\$ 18,310