

CANADA SCIENCE AND TECHNOLOGY  
MUSEUMS CORPORATION

QUARTERLY FINANCIAL REPORT  
(UNAUDITED)

FOR THE QUARTER ENDED  
JUNE 30, 2014

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# Narrative discussion

June 30, 2014

This section of the quarterly financial report presents management's narrative discussion of the Corporation's financial performance during the first quarter ended June 30, 2014. 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 first quarter of 2014-2015 includes the following:

### Overview

On April 4, 2014, more than 100 students and special guests attended the official opening of the *Technozone: Data* exhibition at Canada Science and Technology Museum and had the opportunity to meet the researchers behind the technologies presented in the exhibition. This exhibition showcases the digital displays and interactive technologies developed by Dr. Sheelagh Carpendale from the University of Calgary and Dr. Lyn Bartram from Simon Fraser University in Surrey, BC. These technologies encourage the exploration of some of the ways in which data visualization techniques help transform information into knowledge. Support for these projects was provided by NSERC, a federal agency that fosters innovation by funding post-secondary research and education.

At the Canada Agriculture and Food Museum (CAFM), more than 100 VIPs and museum partners came out to celebrate the opening of the new exhibition on food science on May 13, 2014. *Food Preservation: The Science You Eat* highlights the role science plays in delaying food decay and keeping food nutritious and safe from farm to fork.

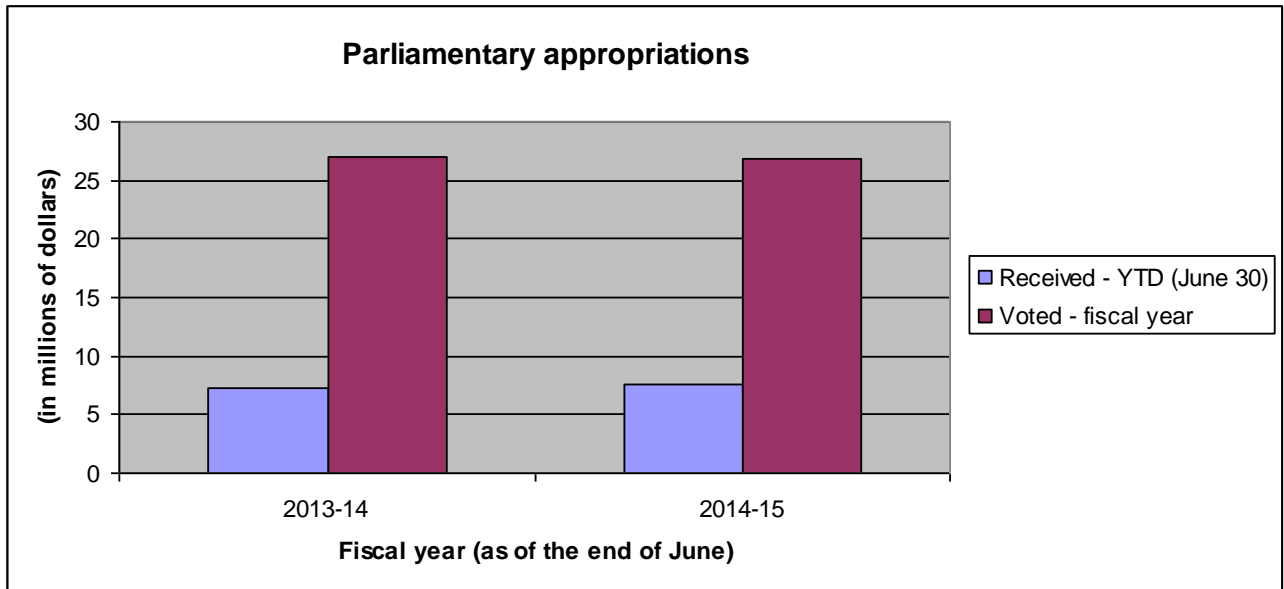
On June 6, 2014, thousands of visitors witnessed a moving tribute to Canadian D-Day heroes at the Canada Aviation and Space Museum, 70 years after they landed in Normandy to restore freedom across the Atlantic. Speeches by the Governor General, His Excellency David Johnston, the Justice Minister, the Honourable Peter MacKay, and allied diplomats honoured the bravery of the men who began the final push to victory in the Second World War. The CASM unveiled the last Hawker Typhoon, on loan from the RAF Museum, and a dozen Typhoon pilots who flew this aircraft on D-Day were specially honoured.

### Parliamentary appropriations

Total appropriation in the Corporation's statements is reported on an accrual basis in the amount of \$7.6 million recorded in the first quarter of 2014-15 (\$7.3 million in 2013-14). For the fiscal year 2014-15, the total voted appropriation is \$26.9 million (\$27 million in 2013-14).

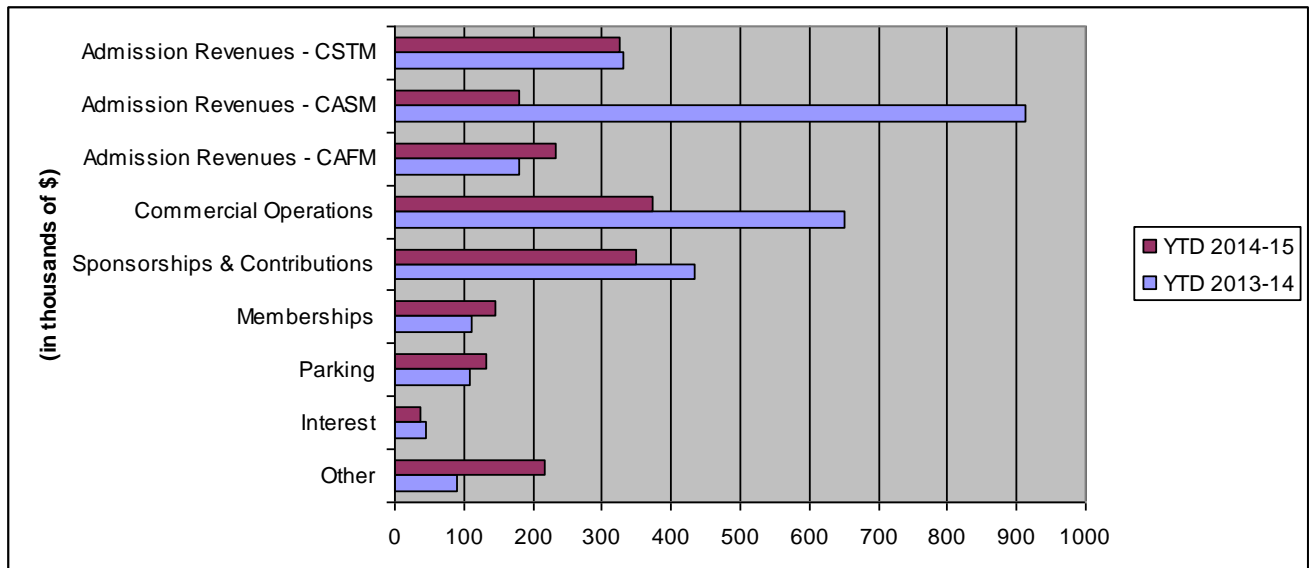
# Narrative discussion

June 30, 2014



## Revenues

Revenue generation continues to be a priority for the Corporation in an attempt to counter the escalating operating costs. At the end of June 2014, revenues decreased by \$0.9 million when comparing the first quarter of 2014-2015 with the first quarter of 2013-2014. The decrease in revenues can largely be attributed to the presentation of the Star Wars™ Identities exhibition from May to October 2013 that has boosted admissions revenues at CASM and increased boutique sales with the addition of a temporary Star Wars™ gift shop adjacent to the exhibition.



# Narrative discussion

June 30, 2014

## Operating Expenditures

The Corporation's total expenses were \$9 million for the first quarter of 2014-2015 (\$10.8 million in 2013-14) with the two main uses of funds being personnel and accommodation costs, totaling \$5 million (\$5.5 million in 2013-14) and \$3 million (\$3.1 million in 2013-14) respectively.

With major disbursements made in 2013-14 to operate and maintain the Star Wars™ Identities exhibition, a significant decrease in "design and display", "personnel costs", "advertising", and "gift shop and product marketing" expenses has resulted when comparing the first three months of 2014-15 to the first three months of 2013-14.

## Capital Expenditures

For the quarter ended June 30, 2014, the Corporation invested approximately \$0.1 million in capital assets (\$0.9 million in 2013-14).

## **SIGNIFICANT CHANGES RELATED TO OPERATIONS, PERSONNEL AND PROGRAMS**

The Honourable Shelly Glover, Minister of Canadian Heritage and Official Languages, announced the appointment of Alex Benay as the new President and CEO of the CSTMC. Mr Benay will assume the role beginning July 2, 2014 for a 5-year term.

# Narrative discussion

June 30, 2014

## RISK ANALYSIS

In its 2013-2014 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 overcrowding in its current collection reserves. At the same time, work continues in redressing the capital infrastructure with a focus on high risk areas. In particular, the roof and HVAC units of the CSTM are in urgent need of replacement. The Corporation will invest in repairs to the extent possible while trying to secure funds required for replacements.

With regards to human resources challenges, the Corporation continues to put emphasis on internal job training and mentoring for specific 'at-risk' positions.

The Corporation's financial situation continues to be a main preoccupation. The issues of rising facility operating costs, major capital pressures and the identification of a permanent resolution for funding the increased facilities required to deliver our mandate, continues to add pressures.

The Corporation has already implemented many cost-stabilization strategies within the past three years, including a moratorium on new exhibition development unless funded by sponsorships or a positive dollar return on investment is guaranteed, postponed building maintenance and repairs, stretching the use of equipment that has exceeded its useful life expectancy, energy efficiency programs, and staff cost reductions. With these cost containment initiatives already in place, the Corporation is working hard to respond to the financial pressures in ways that will ensure the sustainability of the organization. All these cost saving initiatives have helped to stabilize expenses, but they are not sufficient to match the decrease in funding and they cannot be sustained in the long term.

Given its financial position, the Corporation continues to focus heavily on revenue generation. The Corporation has reviewed admission prices in April 2014 and allocated more resources to business development activities such as sponsorships and memberships. Although financially successful for the Corporation, the revenues from these initiatives are not enough to offset the rising costs of operations. The Corporation will continue to monitor, search for, and exploit all revenue generating opportunities.

# Financial Statements

## 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.

Alex Benay  
President and Chief Executive Officer

Fern Proulx  
Chief Operating Officer

August 29, 2014

## STATEMENT OF FINANCIAL POSITION (unaudited)

As at June 30

<i>(in thousands of dollars)</i>	2014	2013
<b>ASSETS</b>		
Current		
Cash and cash equivalents	\$ 13,324	\$ 12,278
Accounts receivable		
Government departments	322	354
Trade	565	594
Inventories	459	661
Prepaid expenses	195	251
	<u>14,865</u>	<u>14,138</u>
Collection (Note 3)	1	1
Capital Assets	<u>63,929</u>	<u>65,881</u>
	<u>\$ 78,795</u>	<u>\$ 80,020</u>
<b>LIABILITIES</b>		
Current		
Accounts payable and accrued liabilities		
Government departments	\$ 885	\$ 799
Accrued salaries and other	2,800	4,249
Current portion of employee future benefits	329	293
Deferred revenues and deferred appropriations	7,472	6,635
	<u>11,486</u>	<u>11,976</u>
Employee future benefits	236	224
Long-term advance (Note 4)	4,533	4,533
Deferred contributions related to capital assets	49,973	51,820
	<u>66,228</u>	<u>68,553</u>
<b>NET ASSETS</b>		
Unrestricted	2,465	1,365
Investment in capital assets	10,102	10,102
	<u>12,567</u>	<u>11,467</u>
	<u>\$ 78,795</u>	<u>\$ 80,020</u>

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

## STATEMENT OF OPERATIONS (unaudited)

For the quarter ended June 30

<i>(in thousands of dollars)</i>	Q1 2014	Q1 2013
REVENUES		
Operating (Schedule 1)	\$ 1,607	\$ 2,563
Contributions (Schedule 1)	350	257
Interest	36	44
Total revenues	\$ 1,993	\$ 2,864
EXPENSES (Schedule 2)		
Heritage preservation	999	1,305
Sharing knowledge	3,265	4,438
Internal services	1,797	1,998
Accommodation	2,971	3,093
Total expenses	9,032	10,834
Deficit before parliamentary appropriations	(7,039)	(7,970)
Parliamentary appropriations (Note 5)	7,574	7,316
Surplus (deficit) for the period	\$ 535	\$ (654)

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



STATEMENT OF CHANGES IN NET ASSETS (unaudited)  
 For the quarter ended June 30

(in thousands of dollars)	Q1 2014	Q1 2013
Investment in capital assets, beginning of period	\$ 10,102	\$ 10,102
Change in investment in capital assets	-	-
Investment in capital assets, end of period	10,102	10,102
Unrestricted net assets, beginning of period	1,930	2,019
Surplus (deficit) for the period	535	(654)
Unrestricted net assets, end of period	2,465	1,365
Net assets, end of period	<u>\$ 12,567</u>	<u>\$ 11,467</u>

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

## STATEMENT OF CASH FLOWS (unaudited)

For the quarter ended June 30

<i>(in thousands of dollars)</i>	Q1 2014	Q1 2013
Operating activities:		
Cash received (clients)	\$ 2,346	\$ 4,352
Parliamentary appropriations received for operations	9,472	6,568
Cash paid (Suppliers)	(4,617)	(4,284)
Cash paid (Employees)	(4,467)	(4,749)
Interest received	22	25
Net cash generated through operating activities	2,756	1,912
Capital activities:		
Acquisition of capital assets	(87)	(884)
Net cash used through capital activities	(87)	(884)
Financing activities:		
Appropriations received for the acquisition of capital assets	87	55
Net cash generated through financing activities	87	55
Increase in cash and cash equivalents	2,756	1,083
Cash and equivalents, beginning of period	10,568	11,195
Cash and cash equivalents, end of period	\$ 13,324	\$ 12,278

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

## NOTES TO UNAUDITED QUARTERLY FINANCIAL STATEMENTS

June 30, 2014

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 and Food 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

The significant accounting policies are:

#### (a) Basis of presentation

These financial statements have been prepared in accordance with Canadian Public Sector Accounting standards (PSAS) applicable to government-not-for-profit organizations. The Corporation has prepared the financial statements applying the Section 4200 series of PSAS. The Corporation applies the deferral method of accounting for contributions for not-for-profit organizations.

## NOTES TO UNAUDITED QUARTERLY FINANCIAL STATEMENTS

June 30, 2014

### (b) Cash and cash equivalents

The Corporation's investments are highly liquid as they are redeemable on demand without prior notice or penalty and limited to fixed income securities in reputable financial institutions that are members of the Canadian Payment association, government backed paper and commercial paper rated A++ by the Canadian Bond Rating Services (CBRS).

Restricted cash and cash equivalents arise from unused appropriations and deferred contributions from individual and corporate entities for a specific purpose.

### (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.

### (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 Statement of financial position 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 net assets. Land for which the historical cost cannot be reasonably determined is recorded at a nominal value with a corresponding amount credited to net assets. 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

June 30, 2014

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
Computer software	5 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

Prior to May 11, 2012, employees were entitled to severance benefits, as provided for under labour contracts and conditions of employment. The cost of these benefits was accrued as the employees render the services necessary to earn them. The Corporation has modified this benefit as of May 11, 2012 for all employees. The severance benefit ceased to accumulate as of May 11, 2012. Consequently, employees had the choice to receive their severance benefit payment earned to that date 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 May 11, 2012. As at March 31, the outstanding payments due have been accrued and are remeasured on a yearly basis to take into consideration salary increases. Actuarial gains (losses) are recognized in the Statement of Operations on a systematic basis as severance payments are being made to employees who are leaving the Corporation.

#### iii) Sick leave benefits

The Corporation provides to employees sick leave benefits that accumulate but do not vest. The Corporation recognizes the cost of future sick leave benefits over the periods in which the employees render services to the Corporation. The valuation of the liability is based on management's best estimate of inflation, discount rate, employee demographics and sick leave usage of active employees.

## NOTES TO UNAUDITED QUARTERLY FINANCIAL STATEMENTS

June 30, 2014

### (h) Revenue recognition

#### i) Parliamentary appropriations

The Government of Canada provides funding to the Corporation.

Parliamentary appropriations received for the purchase of amortizable capital assets are initially recorded as deferred contributions on the Statement of Financial Position. When a purchase is made, the portion of parliamentary appropriation used to make the purchase is recorded as deferred contributions related to capital assets and is recognized as revenue on the same basis and over the same periods as the related capital assets acquired.

Parliamentary appropriations restricted for specific expenses are deferred on the Statement of Financial Position and recognized as revenue on the Statement of Operations in the period that those expenses are incurred.

Parliamentary appropriations that are not restricted to a specific purpose are recognized as revenue in the Statement of Operations in the period for which the parliamentary appropriation is authorized.

#### ii) Operating

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

#### iii) Contributions

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 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 expenditures are recognized.

Contributions 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 from volunteers are not recognized in these financial statements.

#### iv) Interest revenues

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

## NOTES TO UNAUDITED QUARTERLY FINANCIAL STATEMENTS

June 30, 2014

### (i) 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 rate at June 30.

Gains and losses resulting from foreign currency translation are reported on the Statement of Operations.

### (j) Financial assets and liabilities

The classification of financial instruments is determined by the Corporation at initial recognition and depends on the purpose for which the financial assets were acquired or liabilities were incurred. All financial instruments are recognized initially at fair value.

The fair value of financial instruments on initial recognition is based on the transaction price, which represents the fair value of the consideration given or received. Subsequent to initial recognition, financial instruments are measured based on the accounting treatment corresponding to their classification.

Cash and cash equivalents are recorded at fair value.

Accounts receivable, long-term advance, and accounts payable and accrued liabilities are recorded at cost or amortized cost.

### (k) Impairment of non-financial assets

The Corporation assesses at each reporting date whether there are any internal indicators that an asset may be impaired (e.g. damaged assets or assets no longer being used). If any indication exists, or when annual impairment testing for an asset is required, the Corporation estimates the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's fair value less cost to sell and its value in use. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

### (l) Measurement uncertainty

The preparation of financial statements in accordance with Canadian public sector accounting standards applicable to 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 revenues and expenses for the year.

Accrued liabilities, allowance for doubtful accounts, employee future benefits and estimated useful lives of capital assets are the most significant items for which estimates are used.

## NOTES TO UNAUDITED QUARTERLY FINANCIAL STATEMENTS

June 30, 2014

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(i) Estimated useful lives of assets

The estimated useful lives of capital assets are based on management's intentions with respect to the asset, historical experience with the asset, internal asset management plans and other factors as determined by management. The useful lives are reviewed on an annual basis and any revisions to the useful lives are accounted for prospectively.

There are no other accounting assumptions or estimates that have been identified to have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities in the next fiscal year.

### 3. 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 air and space



## NOTES TO UNAUDITED QUARTERLY FINANCIAL STATEMENTS

June 30, 2014

### 4. Long-term advance

The Corporation received funding from the Treasury Board Secretariat between 2007 and 2010 to construct educational facilities, retail space and an auditorium at the Canada Aviation and Space Museum. The Corporation also received funding in 2008 to establish a foundation for the Canada Science and Technology Museums Corporation.

<i>(in thousands of dollars)</i>	2014	2013
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 a repayment mechanism be established. However repayment of the funding for the construction of revenue generating facilities was not expected before 25 years after the project commences and the repayment of the funding received to establish the Foundation was not anticipated before 6 years of the date the Foundation starts its operations. As of June 30, 2014, a repayment mechanism has yet to be established. The Corporation is not subject to pay interest on this funding.

### 5. Parliamentary appropriations

<i>(in thousands of dollars)</i>	2014	2013
Main Estimates amount provided for operating and capital expenditures	\$ 6,810	\$ 6,622
	\$ 6,810	\$ 6,622
Deferred appropriation used in current period to purchase capital assets	-	829
Appropriations received in the current period to acquire capital assets in future periods	-	-
Amounts used to purchase depreciable capital assets	(86)	(884)
Amortization of deferred contribution related to capital assets	850	749
Parliamentary appropriations	\$ 7,574	\$ 7,316

### 6. 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 raises funds from patrons, corporations, associations and from the community. The amounts granted to the Corporation by the Foundation are recorded as Contributions revenue in the Corporation's statement of operations.

## NOTES TO UNAUDITED QUARTERLY FINANCIAL STATEMENTS

June 30, 2014

### 7. Related party transactions

The Corporation is related as a result of common ownership to all Government of Canada departments, agencies and Crown Corporations. Related party also includes key management personnel having authority and responsibility for planning, directing and controlling the activities of the Corporation. This includes the Senior Management Team, all members of the Board of Trustees and immediate family members thereof. The Corporation enters into transactions with these entities in the normal course of operations, under the same terms and conditions that applied to outside parties and are recorded at the exchange amount.

In addition, during the first quarter, the Corporation received services which were obtained without charge from other Government organizations. These services received without charge have been recognized in the Corporation's Statement of Operations as follows:

STATEMENT OF OPERATIONS (in thousands of dollars)	2014	2013
Revenues		
Contributions	\$ 92	\$ 257
Expenses		
Heritage Preservation	-	-
Sharing Knowledge	92	215
Internal services	-	42
Total services received without charge	<u>\$ 92</u>	<u>\$ 257</u>

Also, during the year, the Corporation received services which were obtained without charge from Agriculture and Agri-Food Canada, and from the Office of the Auditor General of Canada. Lease of buildings for the Canada Agriculture and Food Museum buildings located on the Central Experimental Farm site, and auditing services were provided without charge and are not presented in the Corporation's Statement of Operations because of the difficulty in determining the fair value of this contribution.

### 8. 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 March 31, 2014, a \$70,000 provision was recorded and is still accounted for as of the end of June 2014 (2013 - no provision recorded). The effect, if any, of ultimate resolution of these matters will be accounted for when determinable.

### 9. Comparative information

Certain comparative figures have been reclassified to conform to the current year's presentation.

## SCHEDULE 1: SCHEDULE OF OPERATING REVENUES AND CONTRIBUTIONS (unaudited)

For the quarter ended June 30

### Operating Revenues

<i>(in thousands of dollars)</i>	2014	2013
General admissions and programs		
Science and Technology	\$ 326	\$ 331
Aviation and Space	180	913
Agriculture and Food	233	181
Boutique Sales	244	523
Facility Rental and concessions	105	101
Parking	132	109
Membership	146	111
Farm Operations	105	66
Thematic experiences	25	28
Other	111	24
<b>TOTAL</b>	<b>\$ 1,607</b>	<b>\$ 2,386</b>

### Contributions

<i>(in thousands of dollars)</i>	2014	2013
Grants and Sponsorships	258	177
Contributed services	92	257
<b>TOTAL</b>	<b>\$ 350</b>	<b>\$ 434</b>

## SCHEDULE 2: SCHEDULE OF EXPENSES (unaudited)

For the quarter ended June 30

<i>(in thousands of dollars)</i>	Q1	Q1
	2014	2013
Personnel costs	\$ 5,005	\$ 5,527
Amortization of capital assets	876	775
Lease of Buildings	477	480
Property taxes	436	452
Property management services	360	353
Professional and special services	345	531
Design and Display	266	628
Utilities	202	263
Material and supplies	199	332
Repairs and upkeep of buildings	191	244
Protection services	171	215
Gift shop and product marketing	125	289
Repairs and upkeep of equipment	78	39
Travel	64	55
Advertising	57	320
Communications	56	51
Publications	33	86
Office supplies and equipment	28	40
Rentals of equipment	23	29
Miscellaneous	21	35
Freight, express and cartage	11	75
Purchase of objects for the collection	5	5
Books	3	10
<b>Total expenses</b>	<b>\$ 9,032</b>	<b>\$ 10,834</b>