

CANADIAN MUSEUM FOR HUMAN RIGHTS

QUARTERLY FINANCIAL REPORT

For the three months ended June 30, 2024

(Unaudited)



**CANADIAN MUSEUM FOR
HUMAN RIGHTS**
MUSÉE CANADIEN POUR LES
DROITS DE LA PERSONNE

Canadian Museum for Human Rights

Quarterly Financial Report

(Unaudited)

For the three months ended June 30, 2024

Narrative Discussion

This section of the quarterly financial report presents management's narrative discussion of the financial performance of the Canadian Museum for Human Rights ("CMHR" or "the Museum") during the three months ended June 30, 2024. It must be read in conjunction with the March 31, 2024 Management Discussion and Analysis and Annual Audited Financial Statements.

FINANCIAL RESULTS

A summary of the financial activity for the three months ended June 30, 2024 includes the following:

OVERVIEW

Total on-site visitation during this time was 54,170, slightly higher than the 52,035 of the same period last year but below the 86,700 visitors welcomed in Q1 2019-20, prior to the pandemic. The Museum's education programming had 10,982 students, teachers and chaperones participating in-person and 2,048 participating in virtual field trips, totalling 13,030, compared to 7,538 students, teachers and chaperones participating in-person and 1,666 participating in virtual field trips for the three months ending June 30, 2023.

The Museum's website, humanrights.ca, attracted 312,534 website visits in the three months ended June 30, 2024, 17 percent higher than the previous year, with 266,495 website visits.

The Museum finished the first quarter with an excess of revenue over expenses of \$0.1 million, a \$0.6 million increase compared to an excess of expenses over revenue of \$0.5 million recorded in Q1 of the previous year. The increase in the current quarter was due to higher parliamentary appropriations due to an increase in voted main estimates for the year.

Canadian Museum for Human Rights

Quarterly Financial Report

(Unaudited)

For the three months ended June 30, 2024

STATEMENT OF OPERATIONS

Parliamentary appropriations

Total parliamentary appropriations, reported on an accrual basis, are \$8.8 million for the three months ended June 30, 2024. This is \$0.7 million higher than the \$8.1 million in appropriations for the three months that ended June 30, 2023.

For the fiscal year 2024-2025, the total voted main estimate appropriations are \$26.9 million, \$1.4 million higher than 2023-2024.

Revenues

Operating revenues for the three months ended June 30, 2024 were \$0.5 million, 18 percent lower compared to the previous year. This figure represents revenue from admissions, memberships, programming, Boutique sales, facility rentals, restaurant and catering.

Contributions of \$1.8 million are largely comprised of the amortization of deferred contributions related to capital assets received in previous periods from funding partners other than the Government of Canada, which are amortized over the same period as the capital asset purchased with the contributions. The funding partners include the Province of Manitoba, the City of Winnipeg and the Friends of the Canadian Museum for Human Rights (Friends).

Canadian Museum for Human Rights

Quarterly Financial Report

(Unaudited)

For the three months ended June 30, 2024

Expenses

Total operating expenses were \$11.1 million for the three months ended June 30, 2024, a \$0.1 million decrease from \$11.2 million for the three months ended June 30, 2023.

The breakdown of expenses by core responsibility is as follows:

- Museum content, programs and engagement expenses were \$3.6 million in comparison to \$3.5 million in the previous year. The increase was due to higher costs for personnel from filling vacancies and programs.
- Accommodation expenses were \$5.1 million in comparison to \$5.2 million in the previous year. The decrease was due to lower costs for personnel.
- Internal services expenses were \$2.4 million, consistent with the previous year.

For the three months ended June 30, 2024, the Museum finished the quarter with an excess of revenue over expenses of \$0.1 million.

STATEMENT OF FINANCIAL POSITION

Total assets decreased by \$2.7 million from \$264.6 million on March 31, 2024 to \$261.9 million on June 30, 2024. The decrease was due to the amortization of capital assets.

Total liabilities decreased by \$2.9 million from \$250.5 million on March 31, 2024 to \$247.6 million on June 30, 2024. The decrease was due to the amortization of deferred contributions for capital assets received in previous years.

Net assets increased by \$0.1 million from March 31, 2024, representing an excess of revenue over expenses.

Canadian Museum for Human Rights

Quarterly Financial Report

(Unaudited)

For the three months ended June 30, 2024

RISK ANALYSIS AND OUTLOOK

The Museum continually updates its risk-management framework to identify, evaluate and mitigate all factors that pose a substantive threat to its ongoing operations or long-term success. Risks will continue to be monitored on an ongoing basis.

The Museum is committed to building upon its considerable successes since opening in 2014 and will continue to work closely with its partners, the Government of Canada and the Friends, to assess its long-term funding requirements. Current pressures on the Museum's operating and capital budgets include the post pandemic economic environment, increasing inflation and its impact on consumer spending, work required to create an equitable museum, and the significant capital requirements of maintaining a digitally based museum in an iconic building.

Looking forward, the Museum has identified the development of a Digital Learning Centre (DLC) as a priority, providing greater opportunities to realize its mandate. The DLC will be a 465-square-metre space unlike any other in Western Canada. Integrated, advanced audio-visual technology will be used to virtually connect remote audiences with on-site programming ranging from discussions and lectures to school programs and public performances. This multi-purpose gathering place and education centre will also accommodate community gatherings, facility rentals, conference seminars and more.

Completion of the DLC will enable all Canadians to participate in cultural, human rights, educational and reconciliation-oriented programs via integrated livestream broadcasts from the Museum. It will be fully accessible to visitors of all abilities, incorporating the latest principles of inclusive design.

The Museum will continue its efforts to maximize earned revenue. In partnership with the Friends, the Museum also plans to supplement its parliamentary appropriations through sponsorships and philanthropic support.

Canadian Museum for Human Rights

Quarterly Financial Report

(Unaudited)

For the three months ended June 30, 2024

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 are 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.



Isha Khan, Chief Executive Officer



Michael Schroeder, CPA, CGA, Chief Financial Officer

August 22, 2024

Quarterly Financial Statements of

CANADIAN MUSEUM FOR HUMAN RIGHTS

Three months ended June 30, 2024

(Unaudited)



CANADIAN MUSEUM FOR
HUMAN RIGHTS
MUSÉE CANADIEN POUR LES
DROITS DE LA PERSONNE

Canadian Museum for Human Rights

Statement of Financial Position

(Unaudited)

(In thousands of dollars)

As at	June 30, 2024	March 31, 2024
Assets		
Current assets		
Cash and restricted cash	\$ 9,154	\$ 9,037
Investments and restricted investments	11,824	11,683
Accounts receivable	196	277
Inventories	157	160
Prepaid expenses	396	479
	21,727	21,636
Investments and restricted investments	11,455	11,348
Collections	1	1
Capital assets	228,688	231,647
Total assets	\$ 261,871	\$ 264,632
Liabilities and net assets		
Current liabilities		
Accounts payable and accrued liabilities	\$ 3,642	\$ 3,699
Obligation under capital lease (note 4)	259	264
Deferred revenue	1,442	1,250
	5,343	5,213
Obligation under capital lease (note 4)	1,184	1,206
Deferred contributions (note 5)	18,810	18,835
Deferred contributions related to capital assets (note 6)	222,266	225,198
Total liabilities	247,603	250,452
Net assets		
Unrestricted	9,289	9,201
Invested in capital assets (note 7)	4,979	4,979
	14,268	14,180
Total liabilities and net assets	\$ 261,871	\$ 264,632

The accompanying notes and schedules 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 June 30,	2024	2023
Revenue (Schedule 1)		
Operating	\$ 487	\$ 597
Contributions	1,783	1,768
Other income	199	183
Total revenue	2,469	2,548
Expenses (Schedule 2)		
Museum content, programs and engagement	3,585	3,487
Accommodation	5,142	5,242
Internal services	2,411	2,426
Total expenses	11,138	11,155
Excess of expenses over revenue before parliamentary appropriations	(8,669)	(8,607)
Parliamentary appropriations (note 8)	8,757	8,071
Excess of revenue over expenses (expenses over revenue)	\$ 88	\$ (536)

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

Statement of Changes in Net Assets

(Unaudited)

(In thousands of dollars)

Three months ended June 30,			2024	2023
	Unrestricted	Invested in capital assets		
Net assets, beginning of period	\$ 9,201	\$ 4,979	\$ 14,180	\$ 13,367
Excess of revenue over expenses (expenses over revenue)	88	-	88	(536)
Net assets, end of period	\$ 9,289	\$ 4,979	\$ 14,268	\$ 12,831

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 June 30,	2024	2023
Operating activities		
Cash receipts from customers	\$ 544	\$ 501
Cash receipts from contributions	372	58
Cash receipts from parliamentary appropriations	6,925	6,327
Cash receipts from other income	42	52
Cash payments to and on behalf of employees	(4,978)	(5,005)
Cash payments to suppliers	(2,484)	(2,156)
Interest received	83	48
Interest paid	(11)	(6)
	493	(181)
Capital activities		
Payments for acquisition of capital assets	(616)	(118)
	(616)	(118)
Investing activities		
Acquisition of investments	-	(7,066)
Disposal of investments	-	7,000
	-	(66)
Financing activities		
Parliamentary appropriation for the acquisition of capital assets	222	38
Contributions from non-government sources for capital assets	45	73
Obligation under capital lease	(27)	(13)
	240	98
Increase (decrease) in cash	117	(267)
Cash and restricted cash, beginning of period	9,037	3,308
Cash and restricted cash, end of period	\$ 9,154	\$ 3,041

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

Canadian Museum for Human Rights

Notes to Quarterly Financial Statements

For the three months ended June 30, 2024

(Unaudited)

(In thousands of dollars, unless otherwise noted)

1. (a) Authority and mandate

The Canadian Museum for Human Rights (the “Museum”) was established through an amendment 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* (FAA). It is accountable to Parliament through the Minister of Canadian Heritage.

The Museum is not subject to income tax under the provisions of the *Income Tax Act of Canada*.

The Museum’s mandate, as stated in an amendment 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.”

The Government of Canada has approved the Museum’s corporate plan for the 2023-2024 to 2027-2028 planning period. The Corporate Plan Summary was tabled on November 9, 2023, and is available on the Museum’s website humanrights.ca. The Museum’s corporate plan for the 2024-2025 to 2028-2029 planning period has been submitted and approved.

(b) Operations

To meet all aspects of its mandate, the Museum has divided its operations into three mutually supportive activities:

Museum content, programs and engagement

- Accessible and engaging exhibitions including online
- Programming that promotes reflection and dialogue
- Sound and balanced research, scholarship and collections management
- National outreach, engagement and service
- Communications and marketing

Accommodation

- Building operations
- Protection services
- Information technology infrastructure

Internal services

- Corporate governance
- Administration
- Earned-revenue generation

Canadian Museum for Human Rights

Notes to Quarterly Financial Statements

For the three months ended June 30, 2024

(Unaudited)

(In thousands of dollars, unless otherwise noted)

2. Significant accounting policies

The quarterly financial statements have been prepared in accordance with the Canadian public sector accounting standards (PSAS) for government not-for-profit organizations. The Museum has elected to apply the 4200 series for government-not-for-profit organizations and applies the deferral method of accounting for contributions for not-for-profit organizations. The same accounting policies and methods of computation are followed in the quarterly financial statements as compared to the March 31, 2024 Annual Audited Financial Statements.

3. Basis of presentation

The note disclosures in these unaudited financial statements do not conform in all respects to the requirements of PSAS for government not-for-profit organizations for annual audited financial statements. These unaudited financial statements should be read in conjunction with the Narrative Discussion for the three months ended June 30, 2024 and with the Museum's annual audited financial statements as at and for the year ended March 31, 2024.

4. Obligation under capital lease

In the prior year, the Museum completed an upgrade and replacement of its core information technology network through a lease-purchase agreement with a term of five years. Management intends to completely discharge its obligation under the lease and obtain ownership of all network computer equipment, hardware and software in 2029-30, upon final payment.

	June 30, 2024
Total minimum future lease payments ⁽¹⁾	\$ 1,748
Deduct imputed interest	(305)
Present value of financing obligations	1,443
Current portion	259
Long term portion	1,184
	1,443

1) The amounts payable under the capital lease are based on the fixed nominal interest rate of 8.31%, for a period of five years, established at the time of signing the agreement.

Canadian Museum for Human Rights

Notes to Quarterly Financial Statements

For the three months ended June 30, 2024

(Unaudited)

(In thousands of dollars, unless otherwise noted)

5. Deferred contributions

Changes in the deferred contributions, restricted for the future capital and operational requirements during the period were as follows:

Three months ended	June 30, 2024
Balance, beginning of period	\$ 18,835
Additions	
Deferred interest income	220
	220
Deductions	
Amounts transferred to deferred contributions related to capital assets	(20)
Amounts recognized as revenue	(225)
	(245)
Balance, end of period	\$ 18,810

6. Deferred contributions related to capital assets

Changes in the deferred contributions related to capital assets, purchased but not fully amortized during the current period were as follows:

Three months ended	June 30, 2024
Balance, beginning of period	\$ 225,198
Amounts transferred from deferred contributions	20
Parliamentary appropriation for the acquisition of capital assets	222
Sponsorship contributions for the acquisition of capital assets	67
Amortization of deferred contributions related to capital assets	(3,241)
Balance, end of period	\$ 222,266

Canadian Museum for Human Rights
Notes to Quarterly Financial Statements

For the three months ended June 30, 2024

(Unaudited)

(In thousands of dollars, unless otherwise noted)

7. Net assets invested in capital assets

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

	June 30, 2024
Capital assets	\$ 228,688
Less amounts financed by	
Capital lease	(1,443)
Deferred contributions	(222,266)
Balance, end of period	\$ 4,979

8. Parliamentary appropriations

Three months ended June 30,	2024	2023
Main estimates amount provided for operating and capital expenditures	\$ 7,147	\$ 6,365
Less current period parliamentary appropriations not recognized as revenue:		
Amounts used to purchase capital assets	(222)	(37)
Add prior year parliamentary appropriations recognized as revenue in the current period:		
Amortization of deferred contributions related to capital assets	1,606	1,590
Restricted amounts used in current period for items expensed	226	153
Parliamentary appropriations recognized as revenue for the period	\$ 8,757	\$ 8,071

9. Comparative Figures

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

Canadian Museum for Human Rights

Notes to Quarterly Financial Statements

For the three months ended June 30, 2024

(Unaudited)

(In thousands of dollars, unless otherwise noted)

Schedule 1 – Schedule of Revenue

Operating revenue

Three months ended June 30,	2024	2023
Admissions and programs		
General admission	\$ 163	\$ 201
Memberships	8	12
Public programs	20	8
Education programs	4	-
Retail Boutique sales	112	150
Facility rentals	134	170
Restaurant and catering	46	56
Total	\$ 487	\$ 597

Contributions

Three months ended June 30,	2024	2023
Revenue related to the amortization of deferred contributions	\$ 1,635	\$ 1,635
Contributions from Friends of the CMHR		
Cash donations and sponsorships	32	85
In-kind donations	29	23
Cash donations and sponsorships	85	23
In-kind and artifact donations	2	2
Total	\$ 1,783	\$ 1,768

Other income

Three months ended June 30,	2024	2023
Interest revenue	156	135
Cost recoveries from Friends of the CMHR	42	41
Miscellaneous	1	7
Total	\$ 199	\$ 183

Canadian Museum for Human Rights

Notes to Quarterly Financial Statements

For the three months ended June 30, 2024

(Unaudited)

(In thousands of dollars, unless otherwise noted)

Schedule 2 – Schedule of Expenses

Three months ended June 30,	2024	2023
Salaries and benefits	\$ 4,606	\$ 4,565
Amortization	3,241	3,225
Professional services	687	603
Payment in lieu of taxes	685	664
Building operations	624	610
IT management infrastructure	415	391
Materials and supplies	189	249
Travel and hospitality	186	208
Utilities	133	146
Repairs and maintenance	126	60
Marketing and communication	83	153
Cost of sales	65	78
Other	45	86
Exhibitions	41	111
Interest on capital lease obligation	11	6
Collections	1	-
Total expenses	\$ 11,138	\$ 11,155