

INGENIUM – CANADA’S MUSEUMS OF
SCIENCE AND INNOVATION

QUARTERLY FINANCIAL REPORT
(UNAUDITED)

FOR THE QUARTER ENDED
DECEMBER 31, 2023

Narrative discussion

December 31, 2023

This section of the quarterly financial report presents management's narrative discussion of Ingenium – Canada's Museums of Science and Innovation's financial performance during the third quarter ended December 31, 2023. Please read this discussion in conjunction with Ingenium's quarterly financial statements, which follow this section.

Overview

The negative effects of the COVID-19 pandemic continued to lessen in fiscal year 2023-24 to the point where, as compared to the previous recent fiscal years, the operations of the Canada Agriculture and Food Museum (CAFM), the Canada Aviation and Space Museum (CASM), and the Canada Science and Technology Museum (CSTM) returned to more normal levels of activity and rhythm.

Following are some highlights of the progress made during the October 1 to December 31, 2023 towards the Corporation's strategic directions:

Strategic Goal 1: Collaborate to Innovate – Inspiring Canadian Ingenuity

During the fiscal third quarter, Ingenium continued to move forward on several fronts, most notably in developing and leveraging partnerships to strengthen and enhance the three Ingenium museums' educational offerings. On-site and in the Ingenium Centre's Digital Innovation Lab, the Canada Agriculture and Food Museum hosted students from Carleton University who were studying science communication.

Ingenium's partnerships with Indigenous communities flourished in the third quarter in the context of developing a Canadian STEM equity framework for the purpose of respecting First Nations sovereignty. To date, this resulted in 22 Ingenium staff taking training in First Nations principles of ownership, control, access, and possession of First Nations' data and information, including artifacts.

Strategic Goal 2: Access for All – Pushing the Boundaries of Engagement

In order to champion physical, cognitive, sensory, and socioeconomic accessibility, not only at Ingenium's own sites and in its online presence, but more widely, too, it is important that Ingenium make its experiences even more accessible and that accessibility best practices be shared with other institutions. In the third quarter, the museums expanded free and subsidized programming in order to welcome visitors from different and sometimes challenging socioeconomic situations. For instance, during the year-end holiday season, the Canada Science and Technology Museum worked with long time partner Kids Up Front Ottawa to offer transportation and museum admission to children in the local community who likely would not normally have the opportunity to visit. For its part, the Canada Agriculture and Food Museum engaged the Rick Hansen Foundation to conduct an accessibility audit of the museum's grounds and buildings.

Ingenium works to harness the power of digital to connect with Canadians and, in this vein, launched in the third quarter an updated Collections online portal that now has searching capabilities that include digital archives, in addition to Ingenium's 3D artifacts collection.

Narrative discussion

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Strategic Goal 3: Strengthen our Foundations

Building and outfitting the Ingenium Centre were long term processes that received some good news in the third quarter when Ingenium’s Facilities Services division was able to substantially complete the exterior landscaping work, including all new additional parking spaces, in time for the large numbers of visitors during the year-end holiday season.

To increase and diversify revenue, Ingenium in the third quarter signed boutique and online merchandise sales and marketing agreements with the Ontario Science Centre and the Royal Canadian Air Force.

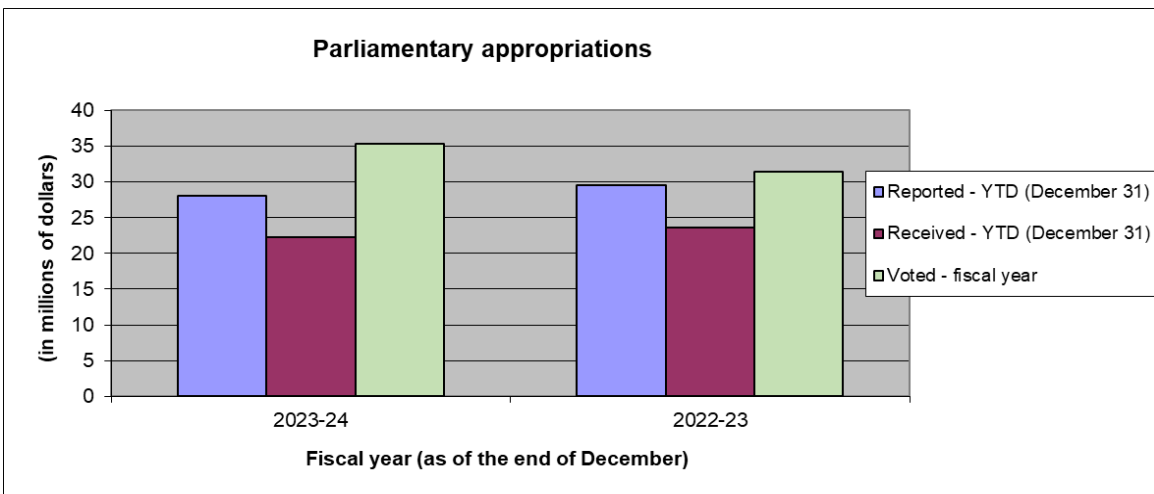
Financial results

Overall, the Corporation posted a loss of \$4.365 million (\$2.795 million in 2022-23) for the period, which is covered by its unrestricted net assets that declined from \$6.604 million at March 31, 2023, to a balance of \$2.239 million at December 31, 2023.

In order to help alleviate some of the financial pressures caused by the costs of operating the museums and collection buildings, federal budget 2023 announced additional temporary funding for Canada’s six national museums and the National Battlefields Commission in 2023-24 and 2024-25. Allocation of this funding will begin in the last quarter of the fiscal year 2023-24.

Parliamentary appropriations

Total appropriations reported in the Corporation’s statements on an accrual basis for the first three quarters of 2023-24 is \$28.1 million, slightly lower than \$29.6 million in 2022-23. The appropriation level decreased because temporary pandemic relief funding expired as the Corporation’s revenues recover. For the fiscal year 2023-24, the total appropriation including the special funding identified in the federal budget 2023 is \$35.4 million (\$36.6 million in 2022-23). The Corporation will receive \$6.897 million in 2023-24 to address financial pressures caused by significant inflation and increase in payments-in-lieu-of-taxes.

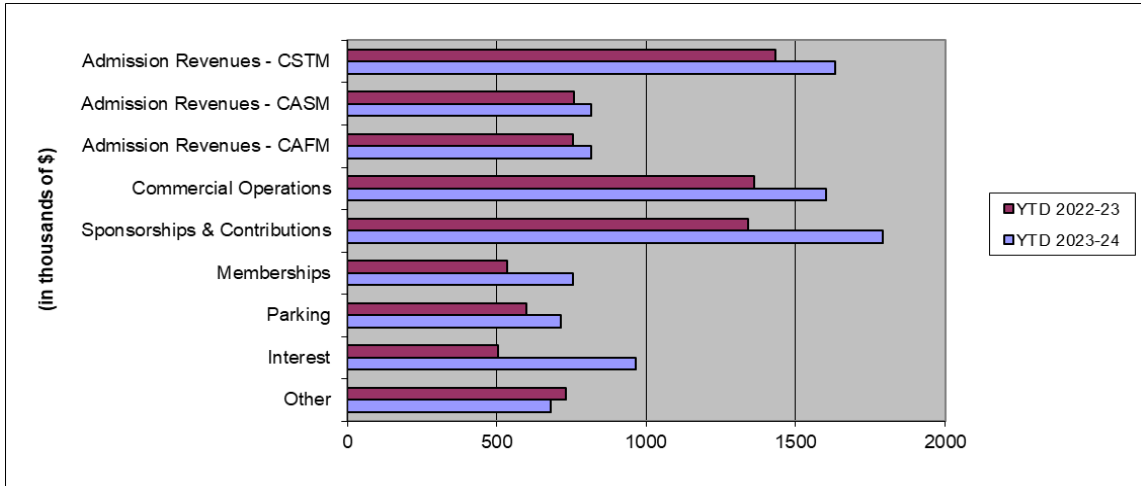


Narrative discussion

December 31, 2023

Revenues

The Corporation generated 22% more revenues by the end of December 2023 than it had generated in the first three quarters of 2022-23 (\$9.8 million in 2023-24 versus \$8.0 million in 2022-23). The impact of the COVID-19 pandemic has almost fully dissipated and the three museums are showing a substantial recovery toward historical levels of visitor attendance. Moreover, the Corporation increased fees for admission, parking and some programs. As a result, operating revenues generated in the first three quarters of 2023-24 are much closer this year to those generated in the first three quarters of 2019-20 (\$7.0 million in 2023-24 versus \$8.3 million in 2019-20). Recognized contributions from partners have increased by 34%, from \$1.340 million in the first three quarters of 2022-23 to \$1.793 million in the first three quarters of 2023-24. The Corporation has recognized significant contributions from the Department of Fisheries and Oceans to deliver public interpretation of ocean science and protection of Canada's east and west coasts. Interest revenues also increased due to rising interest rates (\$0.97 million in 2023-24 compared from \$0.50 million in 2022-23).

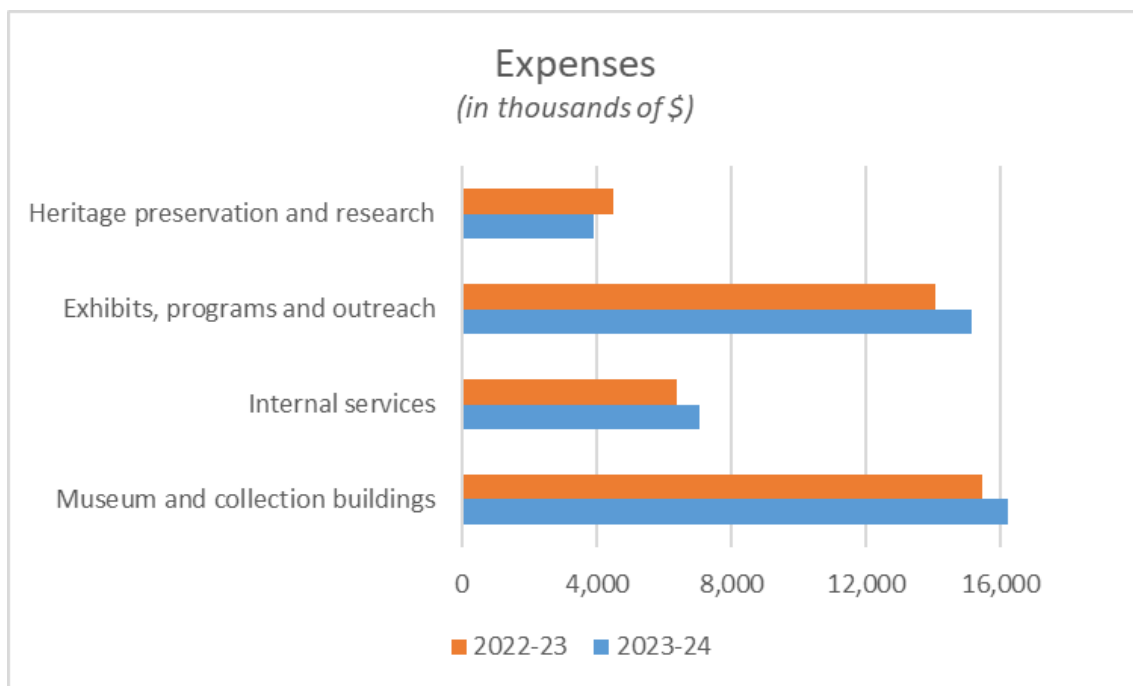


Narrative discussion

December 31, 2023

Operating Expenditures

The Corporation's total expenses were \$42.28 million for the first three quarters of 2023-24, slightly higher than this same period last year (\$40.37 million in 2022-23). Spending increased in core responsibilities Exhibitions, Programs and Outreach; Museums and Collection Buildings; and Internal Services, while spending on Heritage Preservation and Research decreased to \$3.89 million (\$4.50 million in 2022-23). Last year, relatively significant costs were incurred for the completion of the collection move project. With museum activities incrementally returning nearly to pre-pandemic levels, expenses have increased in order to deliver museum activities and programs. Price inflation has also contributed to the increase in total expenses.



Capital Expenditures

For the first three quarters of 2023-24, the Corporation made significant investments in capital assets of \$9.1 million (\$3.9 million in 2022-23). These investments are related to the fit-up of the Digital Innovation Lab and the new service elevator within the Ingenium Centre, parking and circulation works at combined site of the CSTM and the Ingenium Centre, the purchase of specialized collections handling equipment, and the investment in updating permanent exhibitions.

Narrative discussion

December 31, 2023

RISK ANALYSIS

For 2023-24, three prominent risks included in Ingenium's corporate risk profile are found to be above the risk tolerance threshold:

- **Government funding:** The risk that the Corporation will not receive sufficient government funding due to escalating costs, inflation and the lack of indexation, and new unfunded costs associated with a growing asset portfolio. To mitigate this risk, the Corporation maintained ongoing communication with government about its operational and capital needs. Temporary funding was announced to cover the increase in building maintenance expenditures for 2023-24 and 2024-25.
- **Competition and market conditions:** The risk that Ingenium will not adequately address changes in market trends, remain competitive, and generate sufficient revenues. Due to the pandemic, there was a significant decline in tourism in the National Capital region, which led to a decrease in visitation-related revenues. To off-set the impact of the revenue decline, the Corporation reduced spending across the organization commiserate with its revenue levels.
- **Contributions and philanthropy:** The risk that the Corporation will not be able to obtain required level of contributions (including philanthropic giving) from third-parties due to limited capacity and the perception that as a federal institution, it should be fully funded by government. To mitigate this risk, the Corporation pursued renewal of funding agreements with various private and public organisations, continued to leverage its value proposition to solicit more contributions, and revised the affiliation agreement with the Ingenium Foundation to ensure alignment of fundraising strategy and strategic plan goals.
- In addition to these elevated risks, the Corporation is closely monitoring other risks pertaining to the workforce size and allocation; biosecurity; and cybersecurity.

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.

Christina Tessier
President and CEO

Kimberlee Hemming
COO, People and Corporate Services

21 February 2024

STATEMENT OF FINANCIAL POSITION (unaudited)

As at December 31

<i>(in thousands of dollars)</i>	December 31, 2023	March 31, 2023
ASSETS		
Current		
Cash and cash equivalents	\$ 13,544	\$ 30,627
Accounts receivable		
Government departments	1,496	720
Trade	622	457
Inventories	625	595
Prepaid expenses	968	1,160
	<u>17,255</u>	<u>33,559</u>
Collection (Note 3)	1	1
Capital Assets	<u>242,473</u>	<u>242,072</u>
	<u>\$ 259,729</u>	<u>\$ 275,632</u>
LIABILITIES		
Current		
Accounts payable and accrued liabilities	\$ 5,925	\$ 10,542
Current portion of employee future benefits	174	174
Deferred revenues and deferred appropriations	7,090	14,490
	<u>13,189</u>	<u>25,206</u>
Employee future benefits	473	474
Long-term advance (Note 4)	4,208	4,208
Deferred contributions related to capital assets	229,518	229,038
	<u>247,388</u>	<u>258,926</u>
NET ASSETS		
Unrestricted	2,239	6,604
Investment in capital assets	10,102	10,102
	<u>12,341</u>	<u>16,706</u>
	<u>\$ 259,729</u>	<u>\$ 275,632</u>

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

STATEMENT OF OPERATIONS (unaudited)

For the quarter ended December 31

<i>(in thousands of dollars)</i>	Q3 2023	Q3 2022	YTD 2023	YTD 2022
REVENUES				
Operating (Schedule 1)	\$ 1,758	\$ 1,595	\$ 7,018	\$ 6,173
Contributions (Schedule 1)	451	454	1,793	1,340
Interest	253	233	966	503
Total revenues	2,462	2,282	9,777	8,016
EXPENSES (Schedule 2)				
Heritage preservation and research	1,341	1,344	3,888	4,502
Exhibits, programs and outreach	4,894	4,453	15,154	14,035
Internal services	2,261	2,147	7,048	6,370
Museum and collection buildings	5,904	5,383	16,190	15,459
Total expenses	14,400	13,327	42,280	40,366
Deficit before parliamentary appropriations	(11,938)	(11,045)	(32,503)	(32,350)
Parliamentary appropriations (Note 5)	8,434	8,906	28,138	29,555
Surplus (loss) for the period	(\$ 3,504)	(\$ 2,139)	(\$ 4,365)	(\$ 2,795)

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

STATEMENT OF CHANGES IN NET ASSETS (unaudited)

For the quarter ended December 31

	December 31, 2023	March 31, 2023
(in thousands of dollars)		
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	6,604	4,684
Surplus (loss) for the period	(4,365)	1,920
Unrestricted net assets, end of period	2,239	6,604
Net assets, end of period	\$ 12,341	\$ 16,706

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

STATEMENT OF CASH FLOWS (unaudited)

For the quarter ended December 31

<i>(in thousands of dollars)</i>	Q3	Q3	YTD	YTD
	2023	2022	2023	2022
Operating activities:				
Cash received (clients and donors)	\$ 1,246	\$ 1,299	\$ 6,521	\$ 6,710
Parliamentary appropriations received for operations	5,844	6,192	20,044	20,930
Cash paid to suppliers	(5,195)	(4,461)	(15,206)	(16,568)
Payments related to salary and benefits	(7,081)	(5,314)	(22,976)	(17,530)
Cash received from the Foundation	-	39	222	110
Interest received	166	232	914	458
Net cash generated (spent) through operating activities	(5,020)	(2,013)	(10,481)	(5,890)
Capital activities:				
Payments related to capital acquisitions	(4,940)	(1,589)	(8,954)	(3,863)
Net cash used through capital activities	(4,940)	(1,589)	(8,954)	(3,863)
Financing activities:				
Appropriations received for the acquisition of capital assets	1,318	1,131	2,353	2,711
Net cash generated through financing activities	1,318	1,131	2,353	2,711
Increase (decrease) in cash and cash equivalents	(8,642)	(2,471)	(17,083)	(7,042)
Cash and equivalents, beginning of period	22,186	20,094	30,627	29,607
Cash and cash equivalents, end of period	\$ 13,544	\$ 22,565	13,544	\$ 22,565

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

NOTES TO UNAUDITED QUARTERLY FINANCIAL STATEMENTS December 31, 2023

The quarterly financial statements of INGENIUM - Canada's Museums of Science and Innovation 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 (the Corporation) 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 Ingenium - Canada's Museums of Science and Innovation. 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 and Research

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

Exhibitions, Programs and Outreach

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.

Museum and Collection Buildings

This includes operating and maintenance expenses for all owned and leased facilities including protection services, leases of buildings and property taxes. It also includes a significant portion of the amortization expense since the main capital acquisitions relate to the Corporation's facilities.

Directive pursuant to section 89 of the Financial Administration Act

In July 2015, the Corporation was issued a directive (P.C. 2015-1105) pursuant to section 89 of the *Financial Administration Act* to align its travel, hospitality, conference and event expenditures policies, guidelines and practices with Treasury Board policies, directives and related instruments on travel, hospitality, conference and event expenditures in a manner that is consistent with the Corporation's legal obligations, and to report on the implementation of this directive in the Corporation's corporate plan. The Corporation has complied with this directive, including implementing subsequent amendments to Treasury Board's Directive on Travel, Hospitality, Conference and Event Expenditures.

2. Accounting policies

The significant accounting policies are as follows:

(a) Basis of presentation

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

(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 Payments Canada and rated good quality (A-1, A or better) by the Canadian Bond Rating Services (DBRS).

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

(c) Accounts receivable

Accounts receivable are stated at amounts expected to be ultimately realized. 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 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 weighted average cost method, and net realizable value is based on retail price.

(e) Collection

The collection constitutes a significant 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. Proceeds of sales from collection items, if any, are recorded as revenue in the year of disposal.

NOTES TO UNAUDITED QUARTERLY FINANCIAL STATEMENTS
December 31, 2023

(f) Capital assets

Capital assets are recorded on the following basis. Acquired capital assets 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 for land and 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 under the heading of investments in capital assets on the Statement of Financial Position. 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 and exhibits are capitalized and recorded at cost. Building and exhibit improvements are amortized over the estimated useful life of the improvements. Permanent exhibitions represent costs that are directly attributable to the exhibition and meet the definition of a capital asset. They may include employee salaries and benefits, professional service fees, permanent exhibit and building structures as well as images and copyrights.

When conditions indicate that a capital asset no longer contributes to the Corporation's ability to provide goods and services, or that the value of future economic benefits associated with the capital asset is less than its net book value, the cost of the tangible capital asset is reduced to reflect the decline in the asset's value. The net write-down is then accounted for as an expense on the Statement of Operations.

Amortization of assets 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 12 years
Equipment	5 to 12 years
Computer software	5 years
Museum permanent exhibitions	5 to 20 years

Land, easement rights and capital projects in progress are not amortized. 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.

NOTES TO UNAUDITED QUARTERLY FINANCIAL STATEMENTS
December 31, 2023

ii) Severance and termination benefits

Prior to May 11, 2012, eligible employees of the Corporation were entitled to specified benefits as provided for under labour contracts and conditions of employment, through a severance benefit plan. The Corporation has eliminated this benefit as of May 11, 2012 and any outstanding payments due as at year-end have been accrued and are remeasured on a yearly basis to take into consideration salary increases.

The Corporation continues to provide termination benefits to employees that are being laid-off. Severance and termination benefits are not pre-funded and thus have no assets. Severance and termination benefits will be paid from future appropriations.

iii) Sick leave benefits

Employees accumulate unused sick leave days available, which may be used in future years. An employee's unused sick leave balance is carried forward until the employee departs the Corporation, at which point any unused balance cannot be redeemed for pay and the Corporation's liability lapses. 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.

(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 including exhibitions with a useful life of over one year are initially recorded as deferred contributions on the Statement of Financial Position. When a capital asset 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 on the Statement of Operations in the period for which the parliamentary appropriation is authorized.

ii) Operation revenues

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

NOTES TO UNAUDITED QUARTERLY FINANCIAL STATEMENTS
December 31, 2023

iii) Contributions

Contributions from sponsorships received for the purchase of amortizable capital assets including exhibitions with a useful life over one year are recorded as deferred contributions related to capital assets and are recognized as revenue on the same basis and over the same periods as the related exhibition acquired.

Contributions externally restricted for specific expenses and 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 and requirements are met.

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 in kind, when used in the normal course of the Corporation's operations and would otherwise have been purchased are recorded at their estimated fair value when they are received. Because of the difficulty in determining their fair value, donated objects for the collection (Note 3) 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.

(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 exchange rates at December 31.

Realized gains and losses resulting from foreign currency translation are reported on the Statement of Operations. Gains are reported as other revenues on the Schedule of Operating Revenues and Contributions, and losses are reported as miscellaneous expenses on the Schedule of Expenses.

(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.

Financial assets and financial liabilities are measured at cost or amortized cost. Financial assets consist of cash and cash equivalents, and accounts receivable net of tax receivable. Financial liabilities consist of long-term advance, and accounts payable and accrued liabilities.

NOTES TO UNAUDITED QUARTERLY FINANCIAL STATEMENTS
December 31, 2023

(k) Related party transactions

i) Inter-entity transactions

Inter-entity transactions are transactions between commonly controlled entities. Inter-entity transactions, other than restructuring transactions, are recorded on a gross basis and are measured at the carrying amount, except for the following:

- Inter-entity transactions are measured at the exchange amount when undertaken on similar terms and conditions to those adopted if the entities were dealing at arm's length, or where cost provided are recovered.
- Goods or services received without charge between commonly controlled entities are not recorded.

ii) Other related party transactions

Related party transactions, other than inter-entity transactions, are recorded at the exchange amount.

(l) Contingent liabilities

Contingent liabilities are potential liabilities that may become actual liabilities when one or more future events occur or fail to occur. If 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 recognized and an expense recorded. If the likelihood is not determinable or an amount cannot be reasonably estimated, the contingency is disclosed in the notes to the financial statements.

(m) 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 the estimated useful lives of capital assets are the most significant items for which estimates are used.

Actual results could differ significantly from those estimated. These estimates are reviewed annually, and as adjustments become necessary, they are recorded in the fiscal year in which they become known.

NOTES TO UNAUDITED QUARTERLY FINANCIAL STATEMENTS
December 31, 2023

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

4. Long-term advance

The Corporation received funding from the Treasury Board between fiscal years 2008 and 2010 to construct educational facilities, retail space and an auditorium at the Canada Aviation and Space Museum.

<i>(in thousands of dollars)</i>	2023	2022
Funding for construction of revenue generating facilities	\$ 4,208	\$ 4,208
	\$4,208	\$ 4,208

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. As of December 31, 2023, a repayment mechanism has yet to be established for the funding received for the construction of revenue-generating facilities. The Corporation is not subject to paying interest on this funding.

NOTES TO UNAUDITED QUARTERLY FINANCIAL STATEMENTS
December 31, 2023

5. Parliamentary appropriations

<i>(in thousands of dollars)</i>	2023	2022
Main Estimates amount provided for operating and capital expenditures	\$ 22,263	\$ 23,586
Supplementary estimates:		
Funding for the completion of the Ingenium Centre	-	-
	\$ 22,263	\$ 23,586
Deferred appropriations used in current year	6,653	3,423
Appropriations approved in current year for expenses and purchases of capital assets in future periods	-	(2,250)
Amounts used to purchase depreciable capital assets	(8,810)	(3,193)
Amortization of deferred contributions related to capital assets	8,032	7,989
Parliamentary appropriations	\$ 28,138	\$ 29,555

6. 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. With the exception of transactions described below, the Corporation enters into transactions with these entities in the normal course of operations, under the same terms and conditions that apply to outside parties. These transactions are recorded at the exchange amount.

During the year, the Corporation received services that 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.

The Corporation is also related to other entities by virtue of the Corporation's significant influence over these organizations. Related party transactions with the Foundation (note 7) and the Rockcliffe Flying Club (note 8) are disclosed elsewhere in these financial statements.

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 has been a registered charitable non-profit organization under the *Income Tax Act* since April 1, 2008. This is a separate legal entity from the National Museum of Science and Technology, and all funds that will be raised by the Foundation will be for projects determined by the Foundation.

8. Rockcliffe Flying Club

The Rockcliffe Flying Club ("RFC") is a non-profit organization which has for objective to both conduct a Department of Transport Flying Training Course for club members and provide aircraft to club members for recreational flying. The RFC operates the Rockcliffe Airport that is located on the grounds of the Canada Aviation and Space Museum. The Corporation has an economic interest in the RFC due to the significant resources provided to the RFC in exchange for maintenance of the property. The Corporation provides the RFC with the land at no cost in exchange for the operation and maintenance of the airport runways, taxiways, aprons, grounds, parking lots and access roadway. Because of the difficulty in determining the fair value of the services received or the services given, the transactions are not recognized in these financial statements.

9. Contingencies

In the normal course of its operations, the Corporation becomes involved in various claims or legal actions. 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 is recorded in the Corporation's financial statements. As at December 31, 2023, no provision has been recorded based on the Corporation's and external legal firm assessment of potential liability (2022-2023 - no provision). The effect, if any, of ultimate resolution of these matters will be accounted for when determinable. As at December 31, 2023, the Corporation had no contingent assets to disclose.

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

For the quarter ended December 31

Operating Revenues

<i>(in thousands of dollars)</i>	Q3	Q3	YTD	YTD
	2023	2022	2023	2022
General admissions and programs				
Science and Technology	\$ 328	\$ 310	\$ 1,632	\$ 1,433
Aviation and Space	232	160	817	757
Agriculture and Food	71	92	816	754
Boutique Sales	274	239	1,055	966
Facility Rental and concessions	167	167	545	396
Parking	174	145	716	599
Membership	256	197	755	536
Farm Operations	120	104	350	328
Travelling exhibitions	72	81	174	160
Other	64	100	158	244
TOTAL	\$1,758	\$ 1,595	\$ 7,018	\$ 6,173

Contributions

<i>(in thousands of dollars)</i>	Q3	Q3	YTD	YTD
	2023	2022	2023	2022
Grants and Sponsorships	\$ 237	\$ 311	\$858	\$ 909
Other Contributions from corporations and individuals	214	103	713	336
Contribution from the Foundation	-	40	222	95
TOTAL	\$ 451	\$ 454	\$1,793	\$ 1,340

SCHEDULE 2: SCHEDULE OF EXPENSES (unaudited)

For the quarter ended December 31

<i>(in thousands of dollars)</i>	Q3	Q3	YTD	YTD
	2023	2022	2023	2022
Personnel costs	\$ 6,375	\$ 6,018	\$ 19,344	\$ 18,664
Amortization of capital assets	2,807	2,812	8,684	8,619
Property taxes	806	838	2,416	2,510
Property management services	852	744	2,206	1,971
Utilities	961	435	2,038	1,547
Material and supplies	602	543	1,712	1,572
Professional and special services	531	504	1,591	1,556
Protection services	304	350	865	796
Repairs and upkeep of buildings	266	223	860	527
Repairs and upkeep of equipment	314	254	567	426
Gift stores, cafeteria and product marketing	155	131	535	477
Design and Display	109	35	350	189
Advertising	75	77	259	364
Miscellaneous expenses	15	38	161	165
Travel	56	41	148	95
Communications	43	39	147	142
Publications	58	44	146	102
Freight, express and cartage	14	19	105	121
Office supplies and equipment	28	20	85	58
Rentals of equipment	8	7	30	26
Books	15	15	19	18
Purchase of object for the collection	6	-	12	1
Lease of Buildings	-	140	-	420
Total	\$ 14,400	\$ 13,327	\$ 42,280	\$ 40,366