

CANADIAN MUSEUM OF NATURE

QUARTERLY FINANCIAL REPORT

(Unaudited)

For the three and nine-month periods
ended December 31, 2025

Canada



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MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

These quarterly financial statements must be read in conjunction with the most recent audited annual financial statements for the year ended March 31, 2025, and with the narrative discussion included in this quarterly financial report of the Canadian Museum of Nature (the “Museum”).

The Canadian Museum of Nature pursues its national mandate as described in the *Museums Act*, within the context of the governance and accountability regime established in Part X of the *Financial Administration Act*. The Museum’s Board of Trustees and management are firmly committed to managing the public and private funds invested in the institution in a transparent, accountable manner, and optimizing the value of the contribution the Museum makes to Canadians and Canadian society.

The Museum’s mission is to advance the understanding and appreciation of nature through evidence, knowledge, engagement, and a sense of wonder. The Museum is a leading research and collections facility with demonstrated national and international leadership in bio- and geo-diversity. The need for applying this research and using the collections, as accessed through the national and global networks of knowledge that it supports, is expected to become increasingly important. Canada’s role in the global dialogue about the environment and climate change will raise expectations for the national museum of nature to continue to contribute to the body of knowledge about nature’s past, present and future based on the evidence of nature collected over time.

Achieving financial sustainability has been, and will continue to be, one of the Museum’s main priorities. The Museum has in place a number of strategies designed to manage known and anticipated pressures. An enterprise risk management approach that aims to identify, assess and mitigate potential risk is being used to manage these strategies and pressures in support of the vision to be a national institution providing maximum value and service to the public.

In 2024-25, the Museum received \$4.8 million of supplementary funding through Budget 2023 to address gaps between the Museum’s operating costs and parliamentary appropriations, and \$3.6 million of this funding had been received as at December 31 2024. \$4.8 million of similar funding for 2025-26 was approved by Treasury Board in June 2025. The funding is anticipated to be received in late 2025-26. None of this funding was received as at December 31, 2025.

FINANCIAL PERFORMANCE

REVENUE AND PARLIAMENTARY APPROPRIATIONS

Revenue and parliamentary appropriations decreased by \$2.6 million (6%) to \$37.8 million for the nine months ended December 31, 2025 from \$40.4 million for the nine months ended December 31, 2024, with parliamentary appropriations representing 70% of the total for the nine months ended December 31, 2025, compared to 72% for the nine months ended December 31, 2024. Revenue and parliamentary appropriations decreased by \$1.5 million (12%) for the three months ended December 31, 2025 to \$11.5 million, compared to \$13.0 million for the three months ended December 31, 2024, with parliamentary appropriations representing 77% of the total for the 2025-26 period and 75% for the 2024-25 period.

Parliamentary appropriations as a percentage of total revenue decreased for the nine-month period ending December 31, 2025 as parliamentary appropriations were lower primarily due to differences in the timing of supplementary parliamentary appropriations received in each period. For the three month periods of 2025-26 and 2024-25, parliamentary appropriations as a percentage of total revenue remained consistent as lower earned revenues in the 2025-26 periods were proportionately matched by lower parliamentary appropriations due to differences in the timing of supplementary parliamentary appropriations received in each period.

Parliamentary Appropriations

On an accrual basis, parliamentary appropriations decreased by \$2.7 million (9%) to \$26.5 million for the nine months ended December 31, 2025 from \$29.2 million for the nine months ended December 31, 2024. The decrease was mainly due to \$3.6 million of supplemental parliamentary appropriations received in the 2024-25 period through Budget 2023, and differences in the timing and amount of capital asset acquisitions in each period. In 2024-25, \$4.8 million, the Budget 2023 funding was received in equal quarterly installments throughout the year. \$4.8 million of similar funding was approved in June 2025 for the 2025-26

fiscal year, however this funding as well as funding for the Summer 2025 Canada Strong Pass program was not received until January 2026.

On an accrual basis, parliamentary appropriations decreased by \$1.0 million (10%) to \$8.8 million for the three months ended December 31, 2025 from \$9.8 million for the three months ended December 31, 2024. The decrease was due to the timing of supplementary parliamentary appropriations funding as discussed above, and differences in the timing and amount of capital asset acquisitions between the periods.

Admission and Program Fees

Revenue generated from admission and program fees decreased by \$0.3 million (7%) to \$4.1 million for the nine months ended December 31, 2025 compared to \$4.4 million for the nine months ended December 31, 2024. General admission visitation totaled 302,788 for the first nine months of 2025-26, compared to 299,488 for the same period of 2024-25.

Revenue generated from admission and program fees was \$0.9 million for the three months ended December 31, 2025, a decrease of \$0.1 million (10%) compared to \$1.0 million earned in the same period of 2024-25. General admission visitation was 64,181 for the three months ended December 31, 2025, compared to 70,925 for the same period of 2024-25.

From June 20 to September 2, 2025 and from December 12 to 31, 2025, the Museum offered free admission to children aged 17 and under and a 50% discount for young adults aged 18 to 24 as part of the Canada Strong Pass program. As a result of the pass, the Museum experienced higher attendance in 2025-26, but generated lower revenues from both admissions and memberships.

Ancillary Operations

Revenue associated with ancillary operations includes rentals of the Museum's Victoria Memorial Museum Building ("VMMB") and Natural Heritage Campus ("NHC") facilities, boutique sales, cafeteria leases, parking, and collection services. Revenue from ancillary operations increased by \$0.2 million (7%) to \$2.9 million for the nine months ended December 31, 2025 from \$2.7 million for the nine months ended December 31, 2024. The increase between the periods was primarily due to parking revenues.

For the three months ended December 31, 2025, and December 31, 2024 revenue from ancillary operations remained consistent at \$0.9 million as higher parking revenues were offset by lower VMMB facility rentals and lower boutique sales between the periods.

Interest

Interest revenue generated from cash deposits and investments remained consistent at \$1.7 million for the nine months ended December 31, 2025 and 2024 as lower interest generated from cash held in the Museum's bank accounts and ongoing investments between the periods was offset by realized remeasurement gains on an investment that was monetized in June 2025.

Interest revenue generated from cash deposits and investments decreased by \$0.1 million (20%) to \$0.4 million for the three months ended December 31, 2025, compared to \$0.5 million for the three months ended December 31, 2024. The decrease in interest revenue for the three-month period ended December 31, 2025 was primarily due to lower interest rates and fewer investments held by the Museum in the current period. During 2024-25 and 2025-26, the Museum's investments generated interest at higher rates than cash held in its bank accounts.

Contributions

Contributions recognized as revenue vary from period to period based upon the resources required to fund research, collections and public education programs including installing or modifying permanent galleries. On an accrual basis, contributions including cash contributions, sponsorships, specimen and in-kind donations were \$1.7 million for the nine months ended December 31, 2025, an increase of \$0.1 million (6%) from \$1.6 million for the nine months ended December 31, 2024.

On an accrual basis, contributions including cash contributions, sponsorships, specimen and in-kind donations were \$0.3 million for the three months ended December 31, 2025, a decrease of \$0.2 million (40%) from \$0.5 million for the three months ended December 31, 2024.

Professional and Scientific Services

Professional and scientific services include revenue earned during the period from funding received for specific research and operational projects. Funding received for externally specified purposes is recognized as revenue as related expenses are incurred, resulting in a net nil impact to the Museum's net results from operations. Professional and scientific services decreased by \$0.5 million (63%) to \$0.3 million for the nine months ended December 31, 2025, compared to \$0.8 million for the nine months ended December 31, 2024.

Professional and scientific services decreased by \$0.2 million (67%) to \$0.1 million for the three months ended December 31, 2025, compared to \$0.3 million for the three months ended December 31, 2024. Professional and scientific services revenue may fluctuate significantly between periods depending on projects that have received funding, and the timing and scope of projects.

Other

Other revenue includes revenue generated from travelling exhibitions, royalties, and non-routine activities. Other revenue increased by \$0.4 million (400%) to \$0.5 million for the nine months ended December 31, 2025, compared to \$0.1 million for the nine months ended December 31, 2024. For the three months ended December 31, 2025, other revenue was \$0.2 million compared to minimal revenue earned in the three months ended December 31, 2024. The higher other revenue in the 2025-26 periods was primarily due to revenue generated from leasing the Museum's Planet Ice travelling exhibit. The exhibit was not leased during the 2024-25 periods.

EXPENSES

Expenses increased by \$2.0 million (5%) to \$39.5 million for the nine months ended December 31, 2025, compared to \$37.5 million for the nine months ended December 31, 2024. Expenses increased by \$0.6 million (5%) to \$12.7 million for the three months ended December 31, 2025, compared to \$12.1 million for the three months ended December 31, 2024.

Increased costs in the current periods were mainly due to higher personnel costs and variable costs associated with one-time projects, and facilities costs, including general maintenance, security, and cleaning costs.

Experience and Engagement

Expenses related to experience and engagement increased by \$0.4 million (4%) to \$9.9 million for the nine months ended December 31, 2025 from \$9.5 million for the nine months ended December 31, 2024.

Expenses related to experience and engagement remained relatively consistent at \$3.0 and \$3.1 million, respectively, for the three months ended December 31, 2025 and 2024.

The increase in the nine-month period ending December 31, 2025 was mainly due to temporary and travelling exhibits, and higher personnel costs incurred during the 2025 period.

Collections Care and Access

Expenses related to collections care and access increased by \$0.2 million (7%) to \$3.2 million for the nine months ended December 31, 2025 from \$3.0 million for the nine months ended December 31, 2024.

Expenses related to collections care and access increased by \$0.1 million (11%) from \$0.9 million for the three months ended December 31, 2024 to \$1.0 million for the three months ended December 31, 2025.

Increased costs in the current periods were mainly due to higher personnel costs and one-time projects.

Research and Discovery

Expenses related to research and discovery decreased by \$0.1 million to \$5.1 million (2%) for the nine months ended December 31, 2025 from \$5.2 million for the nine months ended December 31, 2024.

Expenses related to research and discovery decreased by \$0.1 million to \$1.5 million (6%) for the three months ended December 31, 2025 from \$1.6 million for the three months ended December 31, 2024.

Expenses related to research and discovery may fluctuate significantly between periods depending on projects that have received funding, and the timing and scope of projects.

Corporate Services

Expenses related to corporate services increased by \$1.0 million (20%) from \$5.0 million for the nine months ended December 31, 2024 to \$6.0 million for the nine months ended December 31, 2025. Expenses related to corporate services increased by \$0.4 million (25%) from \$1.6 million for the three months ended December 31, 2024 to \$2.0 million for the three months ended December 31, 2025.

Higher costs between the periods were due to internal governance and development initiatives, and inflationary cost pressures on services required to support the Museum's operations.

Facilities

Expenses related to the Museum's facilities increased by \$0.4 million (3%) from \$14.9 million for the nine months ended December 31, 2024 to \$15.3 million for the nine months ended December 31, 2025.

Expenses related to the Museum's facilities increased by \$0.3 million (6%) from \$4.9 million for the three months ended December 31, 2024 to \$5.2 million for the three months ended December 31, 2025.

The increase between the periods was attributable to increased activity levels at the Museum requiring a corresponding increase in security as well as an increase in general maintenance and operating costs.

NET RESULTS OF OPERATIONS

Net results of operations for the three and nine months ended December 31, 2025 generated deficits of \$1.2 million and \$1.7 million, respectively. The deficits were attributable to higher expenses related to travelling exhibits, inflationary impacts on ongoing operating costs, and one-time projects, partially offset by earned revenues generated during the period.

For the three and nine months ended December 31, 2024, the net results of operations generated surpluses of \$1.0 million and \$2.8 million, respectively. The surpluses were attributable to earned revenues generated during these periods and the receipt of supplementary parliamentary appropriations received through Budget 2023, which were partially offset by additional personnel costs, costs associated with temporary exhibits, and higher non-discretionary operating costs.

FINANCIAL SITUATION

Assets

Cash increased by \$0.3 million (1%) to \$27.1 million at December 31, 2025 from \$26.8 million at March 31, 2025. The increase was mainly due to the redemption of long-term investments with a principal value of \$6.0 million and accrued remeasurement gains of \$0.5 million realized during the period, partially offset by cash outflows resulting from negative net results from operations for the nine months ended December 31, 2025, and the timing of payments to suppliers and employees.

Capital assets decreased by \$5.4 million (4%) to \$131.3 million at December 31, 2025, compared to \$136.7 million at March 31, 2025, primarily due to amortization expense of \$6.3 million, partially offset by capital additions made during the period.

Liabilities

Deferred revenues and contributions decreased by \$0.6 million (13%) to \$4.1 million at December 31, 2025 from \$4.7 million at March 31, 2025. The decrease was mainly attributable to \$2.9 million of previously deferred revenue recognized for the provision of goods and services during the period, partially offset by \$2.3 million of restricted contributions and revenues received during the period and deferred for use in future periods.

Deferred capital funding decreased by \$4.7 million (4%) to \$125.1 million at December 31, 2025 from \$129.8 million at March 31, 2025 due to \$5.6 million of deferred capital funding recognized as revenue, partially offset by \$0.9 million of capital asset acquisitions made during the nine months ended December 31, 2025. Deferred capital funding is recognized as revenue at the same pace as the amortization of the corresponding capital assets.

Net Assets

Unrestricted net assets of \$24.8 million as at December 31, 2025 are due to a cumulative operating surplus, which was partially offset by negative net results of operations for the nine months ended December 31, 2025, and a \$0.8 million net change to investment in capital assets.

Accumulated remeasurement gains of \$0.5 million recognized up to the date of settlement and which were attributable to the Museum's investment measured at fair value were recognized in the current period, resulting in a net realized remeasurement gain being recognized through the Statement of Operations. The gain is included in interest.

Investments in capital assets is impacted by the accounting treatment of the Museum's Natural Heritage Campus located in Gatineau, Quebec, which is recorded in the Statement of Financial Position as an obligation under capital lease. Due to the higher interest at the start of the lease, it had a negative impact on the Museum's Net Assets for many years. As the interest component of the lease has continued to decrease, the deficit related to this accounting treatment began to reverse in 2019-20 and will continue to do so until it is fully eliminated by the end of the lease term in 2031. The accounting treatment of the lease does not impact the Museum's cash flow or financial stability in any way.

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

Management is responsible for the preparation and fair presentation of these quarterly financial statements in accordance with the Treasury Board of Canada Standard on Quarterly Financial Reports for Crown Corporations and for such internal controls as management determines is necessary to enable the preparation of quarterly financial statements that are free from material misstatement. Management is also responsible for ensuring all other information in this quarterly financial report is consistent, where appropriate, with the quarterly financial statements.

Based on our knowledge, these unaudited quarterly financial statements present fairly, in all material respects, the financial position, results of operations and cash flows of the Corporation, as at the date of and for the periods presented in the quarterly financial statements.



Danika Goosney, Ph.D.
President & Chief Executive Officer



Lisa Tallim, CPA-CA
Chief Financial Officer

Ottawa, Canada
February 19, 2026

Statement of Financial Position (Unaudited)

<i>(in thousands of dollars)</i>	December 31 2025	March 31 2025
Assets		
Current		
Cash	27,058	26,813
Restricted cash	2,172	2,553
Accounts receivable		
Trade	427	578
Government departments and agencies (Note 3)	199	558
Inventories	296	221
Prepaid expenses	1,396	629
	31,548	31,352
Collections	1	1
Prepaid expenses	161	144
Employee advances	120	157
Restricted investments (Note 4)	973	973
Investments (Note 4)	12,306	18,302
Capital assets (Note 5)	131,317	136,698
	176,426	187,627
Liabilities		
Current		
Accounts payable and accrued liabilities		
Trade and other	3,534	5,153
Government departments and agencies (Note 3)	347	715
Obligation under capital lease (Note 6)	2,075	1,926
Deferred revenues and contributions (Note 7)	4,110	4,683
	10,066	12,477
Obligation under capital lease (Note 6)	13,211	14,787
Deferred capital funding (Note 7)	125,093	129,779
Asset retirement obligation (Note 8)	836	919
Employee future benefits	2,384	2,694
	151,590	160,656
Net assets		
Unrestricted	34,735	37,282
Accumulated remeasurement gains	-	402
Investment in capital assets (Note 9)	(9,899)	(10,713)
	24,836	26,971
	176,426	187,627

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

Statement of Operations for the three and nine-month periods ended December 31 (Unaudited)

<i>(in thousands of dollars)</i>	Three-month period ended December 31		Nine-month period ended December 31	
	2025	2024	2025	2024
Revenue (Note 10)				
Admission and program fees	919	961	4,140	4,363
Ancillary operations	881	872	2,940	2,732
Interest	356	509	1,677	1,720
Contributions	327	462	1,661	1,558
Professional and scientific services	93	337	343	761
Other	174	39	523	80
	2,750	3,180	11,284	11,214
Expenses (Note 11)				
Experience and engagement	2,968	3,051	9,941	9,517
Collections care and access	1,034	868	3,167	2,993
Research and discovery	1,535	1,602	5,064	5,159
Corporate services	2,037	1,622	6,006	4,954
Facilities	5,164	4,916	15,337	14,902
	12,738	12,059	39,515	37,525
Net result of operations before parliamentary appropriations	(9,988)	(8,879)	(28,231)	(26,311)
Parliamentary appropriations (Note 12)	8,755	9,829	26,498	29,152
Net result of operations	(1,233)	950	(1,733)	2,841

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

Statement of Remeasurement Gains and Losses for the three and nine-month periods ended December 31 (Unaudited)

<i>(in thousands of dollars)</i>	Three-month period ended December 31		Nine-month period ended December 31	
	2025	2024	2025	2024
Accumulated remeasurement gains, beginning of period	-	-	402	-
Unrealized gains attributed to investments	-	-	119	-
Amounts reclassified to the Statement of Operations attributed to investments	-	-	(521)	-
Net change in accumulated remeasurement gains for the period	-	-	(402)	-
Accumulated remeasurement gains, end of period	-	-	-	-

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

Statement of Changes in Net Assets (Unaudited)

For the three-month period ended December 31

<i>(in thousands of dollars)</i>	Unrestricted	Invested in capital assets (Note 9)	Accumulated remeasurement gains	2025	2024
Net assets, beginning of period	36,213	(10,144)	-	26,069	21,838
Net result of operations	(1,233)	-	-	(1,233)	950
Net change in accumulated remeasurement gains	-	-	-	-	-
Net change in investment in capital assets	(245)	245	-	-	-
Net assets, end of period	34,735	(9,899)	-	24,836	22,788

For the nine-month period ended December 31

<i>(in thousands of dollars)</i>	Unrestricted	Invested in capital assets (Note 9)	Accumulated remeasurement gains	2025	2024
Net assets, beginning of period	37,282	(10,713)	402	26,971	19,947
Net result of operations	(1,733)	-	-	(1,733)	2,841
Net change in accumulated remeasurement gains	-	-	(402)	(402)	-
Net change in investment in capital assets	(814)	814	-	-	-
Net assets, end of period	34,735	(9,899)	-	24,836	22,788

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

**Statement of Cash Flows for the three and nine-month periods ended December 31
(Unaudited)**

	Three-month period ended December 31		Nine-month period ended December 31	
	2025	2024	2025	2024
<i>(in thousands of dollars)</i>				
Operating activities				
Cash receipts - customers and donors	1,686	1,707	8,831	9,004
Cash receipts - parliamentary appropriations	7,356	8,134	21,933	24,401
Cash disbursements - employees	(5,993)	(5,559)	(18,385)	(17,087)
Cash disbursements - suppliers	(5,106)	(4,319)	(15,958)	(14,456)
Interest received	221	272	1,271	1,219
Interest paid	(387)	(434)	(1,198)	(1,333)
Cash (used) provided by operating activities	(2,223)	(199)	(3,506)	1,748
Capital investment activities				
Acquisition of capital assets	(494)	(270)	(1,203)	(1,082)
Cash used by capital investment activities	(494)	(270)	(1,203)	(1,082)
Investing activities				
Purchase of investments	-	-	-	(16,500)
Proceeds from disposition of investments	-	-	6,000	-
Cash provided (used) in investment activities	-	-	6,000	(16,500)
Financing activities				
Obligation under capital lease	(488)	(441)	(1,427)	(1,292)
Cash used by financing activities	(488)	(441)	(1,427)	(1,292)
Decrease in cash and restricted cash	(3,205)	(910)	(136)	(17,126)
Cash, beginning of period	30,246	22,137	26,813	38,998
Restricted cash, beginning of period	2,189	3,110	2,553	2,465
Cash and restricted cash, end of period	29,230	24,337	29,230	24,337
Cash, end of period	27,058	21,595	27,058	21,595
Restricted cash, end of period	2,172	2,742	2,172	2,742
Cash and restricted cash, end of period	29,230	24,337	29,230	24,337

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

Notes to the Financial Statements

for the three and nine-month periods ended December 31, 2025

(Unaudited, in thousands of dollars, unless otherwise specified)

1. Authority and Mission

The Canadian Museum of Nature (the “Corporation”) was established by the *Museums Act* on July 1, 1990. It is an agent Crown corporation named in Part I of Schedule III of the *Financial Administration Act* (FAA) and is not subject to the provisions of the *Income Tax Act*. The Corporation is classified as a government not-for-profit organization (GNPO).

The Corporation's mission is to increase, throughout Canada and internationally, interest in, knowledge of and appreciation and respect for the natural world by establishing, maintaining and developing for research and posterity a collection of natural history objects, with special but not exclusive reference to Canada, and by demonstrating the natural world, the knowledge derived from it and the understanding it represents.

Brief descriptions of the Corporation's activities are as follows:

- **Experience and engagement**

The Corporation creates, disseminates, and inspires engagement with the public through high-quality immersive experiences in its permanent galleries and exhibitions, digital dialogue, programming, revenue generating activities including admissions, rentals, and contributions, audience research and partnerships, to foster an understanding of, and respect for, nature and inspire philanthropic support. Expenses attributed to these activities are primarily personnel costs, exhibition costs, and marketing and advancement costs.

- **Collections care and access**

The Corporation acquires, develops, preserves, and makes accessible collections of natural history specimens, objects, images, and information to meet the growing needs of the public and private sectors for research, education, and informed decision-making about the natural world and how it is changing. The collection comprises biodiversity and geodiversity specimens including genomic samples, library and archives collections, and art, photo, and historical materials collections. This national collection is a significant part of Canada's scientific and cultural resources and enables global research and discovery. Expenses attributed to collection activities are primarily personnel costs, collections care, preservation, and development costs, and collections digitization costs, including digitization equipment and information technology infrastructure. Revenue is generated primarily through external grants, sponsorships, partnerships, and donations.

- **Research and discovery**

The Corporation is a recognized collections-based science leader that advances knowledge and understanding about biodiversity, geodiversity, and the Arctic through research and discovery and that develops and maintains networks and linkages with Canadian and international science communities. The Corporation's research informs our understanding of Earth's mineral diversity, the global biodiversity crisis, and the impacts of climate change and other change drivers on the natural world. Expenses attributed to these activities are primarily personnel costs, costs associated with field and laboratory-based research, and publishing costs. Revenue is generated primarily through external grants, sponsorships, partnerships, and donations.

- **Corporate Services**

The Corporation develops and implements the policies, processes and an accountability structure to oversee the fulfillment of its mandate, including governance, strategic direction, corporate services, monitoring of corporate performance, and reporting to Parliament. Corporate services functions support all divisions of the Corporation. Functions include human resources, finance, information technology, internal and external reporting, compliance, risk management, strategic affairs, and governance. Expenses attributed to these activities are primarily personnel costs.

- **Facilities**

The Corporation provides secure and functional facilities that meet all safety and building code requirements. These facilities are the Victoria Memorial Museum Building (“VMMB”) located in Ottawa, Ontario, and the Natural Heritage Campus (“NHC”) located in Gatineau, Quebec. Expenses attributed to these activities are primarily personnel costs, and costs associated with maintaining, cleaning, securing, heating, cooling, and otherwise operating the facilities.

Notes to the Financial Statements for the three and nine-month periods ended December 31, 2025 (Unaudited, in thousands of dollars, unless otherwise specified)

On July 16, 2015, the Corporation was directed by the Governor General in Council (P.C. 2015-1105) pursuant to Section 89 of the FAA to align its travel, hospitality, conference and event expenditure 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 its legal obligations, and to report on the implementation of this directive in the Corporation's Corporate Plan. Since February 2017, the Corporation has complied with this directive and has aligned its policies and practices to the Treasury Board policies, directives and related instruments for travel, conference, hospitality and event expenditures.

2. Significant Accounting Policies

A) Basis of Presentation

The financial statements were prepared in accordance with Canadian Public Sector Accounting Standards ("PSAS"). The Corporation has elected to apply the Section 4200 series for government not-for-profit organizations, and the deferral method of accounting for contributions, in addition to the following significant accounting policies:

B) Financial Instruments

The Corporation's financial assets and liabilities are measured at cost, amortized cost, or fair value. Financial assets include restricted and unrestricted cash, restricted and unrestricted investments, investments that include embedded derivatives, and accounts receivable, while financial liabilities include accounts payable and accrued liabilities.

Financial instruments are assessed annually for impairment at the date of the year-end financial statements. Any impairment losses resulting from these assessments are reported in the Statement of Operations. Accounts receivable are reported net of any provision for impairment or inability to collect. Accounts payable and accrued liabilities are derecognized only when the underlying liability has been extinguished.

Transaction costs are added to the carrying value of financial instruments at the time they are initially recognized. Transaction costs related to the acquisition of financial instruments measured at fair value are expensed.

C) Cash and Restricted Cash

Cash, both restricted and unrestricted, consist of deposits with a financial institution that can be withdrawn without prior notice or penalty. Restricted cash reflects the unused portion of deferred contributions received from individuals and corporate entities for a specified purpose.

D) Inventories

Inventory for resale is valued at the lower of cost and net realizable value, where cost is determined by using the weighted average cost method and net realizable value is based on retail price.

E) Collections

The Corporation holds and preserves an invaluable collection of natural history specimens for the benefit of Canadians, present and future. The Corporation divides the collection into the following four discipline-related groups:

- Earth Sciences, consisting of minerals, rocks, gems and fossils,
- Vertebrates, consisting of mammals, birds, fish, amphibians, and reptiles,
- Invertebrates, consisting of mollusks, insects, crustaceans, parasites and annelids, and
- Botany, consisting of algae, vascular plants, bryophytes and lichens

Notes to the Financial Statements for the three and nine-month periods ended December 31, 2025 (Unaudited, in thousands of dollars, unless otherwise specified)

The collections are shown as a nominal value of \$1.0 thousand in the Statement of Financial Position due to practical difficulties in determining a meaningful fair market value for these assets. Specimens purchased for the collections are recorded as an expense in the Statement of Operations in the year of their acquisition.

F) Investments and Restricted Investments

Investments within the Ottawa Community Foundation (“OCF”) and established as a 10-year term fund are recorded at amortized cost in the Statement of Financial Position. Investments in notes which have terms allowing redemption at the earlier of maturity or the redemption date, as determined by the issuer, are measured at amortized cost using the effective interest rate method through the Statement of Operations.

Restricted investments were funded from contributions made by external parties for use on specified initiatives. The restricted investments are held within the OCF and are established as a spend-down fund recorded at amortized cost in the Statement of Financial Position. Spend-down amounts and investment income distributed from the fund for the purchase of depreciable capital assets are recorded as deferred revenues in the Statement of Financial Position.

The Corporation’s investments and restricted investments held with the OCF, are managed by the OCF. Management includes investing funds, issuing distributions to the Corporation, and administering the funds. Service fees charged by the OCF for the management of the fund are recorded as expenses in the Statement of Operations in the year incurred.

The Corporation also holds endowments with the OCF. The Corporation receives annual distributions from the endowment funds, but does not control the underlying endowment funds. The Corporation recognized the distributions as additions to restricted cash and to deferred revenues, contributions, parliamentary appropriations, and capital funding when they are issued by the OCF. The endowments are not recognized as investments or restricted investments on the Statement of Financial Position.

Investments that include an embedded derivative with economic characteristics and risks that are not considered to be closely related to the host contract are assessed on a contract-by contract basis. When the Corporation designates an entire hybrid instrument to be a financial instrument measured at fair value, then the entire hybrid instrument is recognized at fair value. When the Corporation does not make this designation, the embedded derivative is bifurcated and separately recognized at fair value, and the host contract is accounted for at cost or amortized cost. Subsequent to their initial recognition, these investments are remeasured quarterly at each reporting date based on trading prices in secondary markets. The unrealized gains or losses resulting from changes in the fair value of these investments is recognized through the Statement of Remeasurement Gains and Losses. When the investment is settled, any accumulated remeasurement gains or losses are recognized through the Statement of Operations.

Investments that do not include an embedded derivative or that include embedded derivatives that are considered to be closely related to the host contract are measured at amortized cost using the effective interest rate method through the Statement of Operations.

The Corporation’s investments in notes are issued by Schedule 1 Canadian Chartered Banks.

G) Capital Assets

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 their estimated historical cost less accumulated amortization for buildings. The historical net costs of the building have been credited to deferred contributions for the amortization of capital assets, and the estimated historical cost of the land has been credited to net assets.

Leasehold improvements are amortized over the lesser of the remaining lease term and estimated future life. Properties under capital lease are recorded at the present value of the minimum principal payments at the inception of the lease and are amortized

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by their annual principal payments, to associate the asset to the matching liability, which is most reflective of the expiration of the economic benefit.

Amounts included in capital projects in progress are transferred to the appropriate capital asset classification upon completion and are amortized accordingly. All other capital assets are recorded at cost and are amortized over their estimated useful life, using the straight-line method. Useful lives are as follows:

Capital Asset	Useful life (Years)
Victoria Memorial Museum Building	40
Property under capital lease	35
Permanent exhibitions	5 to 15
Leasehold improvements	The lesser of the lease term and the economic useful life of the asset
Building improvements	5 to 25
Equipment and furnishings	5 to 30
Collection cabinets and compactors	35
Website	5
Computer equipment	3 to 5

When conditions indicate that a capital asset is no longer able to contribute to the Corporation's ability to provide goods or services, the capital asset is written down to its residual value, if any, and the resulting impairment loss is recognized as an expense in the Statement of Operations. When the value of future economic benefits associated with the capital asset is less than the net book value of the capital asset, the capital asset is written down to its residual value, if any, and the resulting impairment loss is recognized as an expense in the Statement of Operations.

Management is required to estimate the expected useful lives of capital assets. In determining the expected useful lives of these assets, Management takes into account past experience, industry trends and specific factors such as changing technologies and expectations for the in-service period of these assets. The appropriateness of useful lives of these assets and depreciation method are assessed periodically, with the effect of any changes in estimates accounted for on a prospective basis.

H) Asset Retirement Obligation

The Corporation recognizes an asset retirement obligation associated with the Corporation's capital assets. The Corporation has an asset retirement obligation associated with certain of its operating equipment, including chillers, diesel reservoirs, piping, and freezers, as well as remaining asbestos in the Victoria Memorial Museum Building. The asset retirement obligation is recognized when, as of the financial reporting date, there is a legal obligation to incur retirement costs in relation to a capital asset that are the result of a past transaction or event that has occurred, where it is expected that future economic benefits will be given up, and a reasonable estimate of the amount can be made.

To determine the asset retirement obligation, the best estimate of the expenditures required to settle the present obligation at the statement of financial position date is recorded on a discounted basis using the risk-free interest rate at each reporting date. The value of the asset retirement obligation is added to the capital asset class of the underlying asset and is depreciated on a straight-line basis over the remaining useful life of the underlying asset. The asset retirement obligation is accreted over time and recognized as an expense on the statement of operations. The asset retirement obligation is revalued at the end of each reporting period for changes in estimates. Changes in the future cash flow estimates resulting from revisions to the estimated timing or amount of undiscounted cash flows or the discount rate are recognized as increases or decreases to the asset

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retirement obligation and associated asset retirement cost included in capital assets in the year they become known. Actual asset retirement obligation expenditures up to the recorded liability at the time are charged against the obligation as the costs are incurred.

Expenditures required to settle the Corporation's asset retirement obligation include, but are not limited to, costs required to decommission or dismantle a tangible capital asset that was acquired, constructed, or developed, to remediate contamination of a tangible capital asset created by its normal use, post-retirement activities such as monitoring, and to construct other tangible capital assets to perform post-retirement activities.

I) Employee Future Benefits

i) Pension benefits

Eligible 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 costs. 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 and sick leave benefits

Employees were entitled to severance benefits up to March 31, 2012, as provided for under labour contracts and conditions of employment.

The severance benefit obligation for employees who retire or resign, that accrued up to March 31, 2012, and remains unpaid, is measured using the projected benefit method. The actuarial gains (losses) are recognized on a systematic basis over the expected average remaining service life of the related employee group.

Other termination benefits are recognized in the period when the event that obligates the Corporation occurs.

The Corporation provides sick leave benefits for employees that accumulate but do not vest. The Corporation recognizes a liability and an expense for sick leave in the period in which employees render services in return for the benefits.

The cost of the accrued severance obligation is actuarially determined using the projected benefit method prorated on service and management's best estimates of future costs. The cost of the accrued sick leave obligation is actuarially determined using the Last-in-First-Out method and management's best estimates of future costs. Such estimates include inflation rates, discount rates, employee demographics and, for sick leave benefits, sick leave usage of active employees. Actuarial gains (losses) on the accrued benefit obligation arise from differences between actual and expected experience and from changes in the actuarial assumptions used to determine the accrued benefit obligation. Actuarial gains (losses) are recognized on a systematic basis over the remaining service life of active employees covered by these benefits.

J) Revenue Recognition

i) Admission and program fees, ancillary operations and other revenues

Admission and program fees

Admission and program fees include general admission, temporary exhibit admission, programming, and memberships. Revenues from admission and program fees are recognized when an arrangement exists, the price is fixed and determinable and payment has been collected in the case of admissions, or collection is reasonably assured for program fees that were not paid in advance of program delivery, and the Museum has granted access to view general exhibits, or temporary exhibits, or the delivered guided tours, workshops, or other specified programming.

For memberships, the Museum's performance obligations include providing unlimited access to the Museum during public operating hours and providing specified discounts on Museum goods and services. Memberships have a one-

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year term and are purchased by customers in advance. Membership purchases are recognized as deferred revenue when purchased, then recognized as revenue on a monthly basis over the one-year term.

Ancillary operations

Significant ancillary operations include boutique sales, parking, and VMMB facility rentals. Boutique revenues are generated from sales of merchandise at the Museum's Nature Boutique. The Museum's performance obligations are achieved when possession of purchased goods is transferred to the payor. Revenue is recognized at the time of sale.

For parking, the Corporation's performance obligations are satisfied when the payor is granted access to the Museum's parking lots at the VMMB. Parking is offered on a daily and monthly basis. For daily parking, revenue is recognized when the visitor leaves the Museum's parking lot. For monthly parking, parking is paid for and recognized in the same month. Monthly parking is unlimited and not tied to the frequency of use.

The Museum offers several spaces at the VMMB for rental by external parties for weddings, conferences, and other events. In addition to use of the physical space, the Museum also offers services such as audio-visual at the payor's discretion. The Museum's performance obligations are satisfied when access is provided to the Museum's facilities on the date of the event, and any contracted services are provided. Revenue is recognized when the event takes place. Payments received in advance are recognized as deferred revenue until the event takes place.

Other revenues

Other revenues consist primarily of temporary rentals of the Corporation's exhibits ("exhibit loans") for display at customer facilities. The Corporation's performance obligations related to exhibit loans include the delivery and permitted use of temporary exhibit structures, materials and collections items. When payments are received in advance of the exhibit loan or prior to the completion of the loan, any unearned portion is recorded as deferred revenue. Exhibit loan revenue is recognized equally over the term of the loan.

ii) Contributions

Contributions consist of cash contributions, sponsorships, specimen and in-kind donations.

Cash contributions

Contributions are comprised of donations received from individuals, foundations and corporations, and donations of specimens. The Corporation applies the deferral method to recognize its contributions as applicable for not-for-profit organizations.

Unrestricted contributions are recognized as revenue in the Statement of Operations when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Externally restricted contributions are recorded as deferred revenue until the related expenses are incurred, at which time revenue is recognized.

Contributions that are externally restricted for the purchase of depreciable capital assets are deferred in the Statement of Financial Position when funds are received. When the depreciable capital assets are purchased, the portion of the contribution used for acquisition of these capital assets is then reclassified as deferred capital funding in the Statement of Financial Position and recognized as revenue in the Statement of Operations on the same basis as the amortization of the corresponding capital assets.

Investment income related to restricted contributions is first recorded in the Statement of Financial Position as deferred revenues and then recognized as revenue in the Statement of Operations in the fiscal year in which the related expenses are incurred.

Sponsorships

Sponsorships are comprised of cash or in-kind support received from individuals, foundations and corporations for specific programs or initiatives. Sponsorships are accounted for as exchange transactions. Sponsorships are recorded as deferred revenue until the Corporation's performance obligations are met, at which time revenue is recognized.

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Performance obligations associated with sponsorships may include provision of marketing, use of designated space at Museum facilities during specified events, naming rights, admission to specific events, or other non-cash consideration.

Specimen and in-kind donations

Donations of specimens are recorded as in-kind contributions using the fair value at the date of the contribution when the fair value of the donation has been determined through a professional appraisal. If an appraisal value cannot be determined, no value is assigned to the specimen donation and no transaction is recognized for financial reporting purposes. For in-kind donations, including sponsorships, the transaction price is considered to be the fair value of goods or services received.

iii) Professional and scientific services

Professional and scientific services include externally restricted funding received for specific research, scientific, or other professional projects. When externally restricted project funding is received in advance of a project, it is recorded as deferred revenue. When expenses are incurred to progress or complete the projects in accordance with terms specified in the related funding agreement, an equal amount of deferred revenue is recognized as professional and scientific services revenue.

iv) Parliamentary appropriations

Parliamentary appropriations are recognized as revenue when the payments are authorized and all eligibility criteria have been met, except when there is a stipulation that gives rise to an obligation that meets the definition of a liability. In that case, the funding is recorded as deferred revenue and recognized as revenue in the year in which the related expenses are recognized. As such, appropriations for the purchase of capital assets are recorded as deferred revenue and recognized as revenue on the same basis as the amortization of the capital assets acquired.

v) Interest income

Interest on cash and unrestricted investments is recognized as revenue in the year it is earned using the effective interest rate method. Interest earned from externally restricted investments is recorded as deferred revenue and recognized as revenue in the year in which the related expenses are recognized, including on the same basis as amortization for those related to the purchase of capital assets.

vi) Investments and Restricted investments

Investment income distributed from the 10-year term fund is recognized as revenue in the Statement of Operations.

Spend-down amounts and investment income distributed from the fund for the purchase of depreciable capital assets are recorded as deferred revenues in the Statement of Financial Position. When the depreciable capital assets are purchased, the portion of the revenues used for acquisition of these capital assets is then reclassified as deferred capital funding in the Statement of Financial Position and recognized as revenue in the Statement of Operations on the same basis as the amortization of the corresponding capital assets. Spend-down amounts and investment income distributed from the fund for specific expenses are deferred in the Statement of Financial Position and recognized as revenue in the Statement of Operations in the fiscal year in which related obligations are fulfilled and the related expenses are incurred.

K) Volunteer Services

Volunteers contribute a significant number of hours every year. Due to the difficulty of determining their fair value, those contributed services are not recognized in the financial statements.

L) Inter-Entity Transactions

Related party transactions, other than inter-entity transactions, are recorded at their exchange amount. Inter-entity transactions are transactions between two commonly controlled entities, which are recorded on a gross basis and are measured at the carrying amount, except for the following:

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- 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 the costs provided are covered.
- Goods or services received without charge between commonly controlled entities are not recognized in the financial statements, including audit services from the Office of the Auditor General of Canada and pension services from Public Services and Procurement Canada.

M) Measurement Uncertainty

The preparation of financial statements requires Management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities, at the date of the financial statements and the reported amounts of the revenue and expenses for the year. Employee future benefits, the estimated useful lives of capital assets, and asset retirement obligations are the most significant items for which estimates are used. Actual results could differ significantly from those estimates. These estimates are reviewed periodically and as adjustments become necessary, they are recorded in the fiscal year in which they become known.

N) Contingent Liabilities

Contingent liabilities are potential liabilities which 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 is recorded. If the likelihood is not determinable, or the amount cannot be reasonably estimated, the contingency is disclosed in the notes to the financial statements.

O) Allocation of Expenses

The Corporation does not apply the method of allocating costs for the purpose of distributing expenses between functions.

3. Inter-Entity Transactions

The Corporation is related to all Government of Canada departments, agencies and Crown corporations. The Corporation conducted transactions with these entities in the normal course of operations, under the same terms and conditions that applied to outside parties and recorded these transactions at the exchange amount.

	Three-month period ended December 31		Nine-month period ended December 31	
	2025	2024	2025	2024
Revenues from Government of Canada related parties:				
Contributions	(18)	26	389	33
Professional and scientific services	6	216	98	476
Ancillary operations	15	7	21	24
Other	1	30	16	67
	4	279	524	600

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	Three-month period ended December 31		Nine-month period ended December 31	
	2025	2024	2025	2024
Expenses with Government of Canada related parties:				
Personnel costs	609	487	1,987	1,793
Real property taxes	330	315	993	950
Professional and special services	-	2	110	53
Marketing and communications	2	-	25	20
Information management, infrastructure and systems	6	4	16	14
Freight and cartage	2	2	7	7
Travel	-	7	-	7
Operation and maintenance of buildings	6	-	6	1
	955	817	3,144	2,845

The following balances with Government of Canada related parties were outstanding at the end of the period:

	December 31 2025	March 31 2025
Due from related parties	199	558
Due to related parties	347	715

4. Restricted Investments and Investments

As at December 31, 2025 the Corporation held restricted investments in a spend-down fund and an endowment fund within the OCF. The restricted investments are measured at amortized cost.

As at December 31, 2025, the Corporation's investments consist of two unsecured AA-rated bank-callable accrual notes held with a Schedule 1 Canadian Chartered Bank with principal amounts of \$5,250,000 each, and a term fund held with the OCF. The investments are measured at amortized cost.

During the nine months ended December 31, 2025, the Corporation's AA-rated principal-protected deposit note held through a Schedule 1 Canadian Chartered Bank was settled. The note had a principal amount of \$6,000,000 and accrued remeasurement gains of \$0.5 million at the time of settlement. The note was accounted for at fair value.

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Changes in restricted investments and investments are as follows:

	Investments (OCF)	(Accrual Notes)	Investments (Deposit Note)	Total Investments	Restricted Investments
Balance, March 31, 2024	950	-	-	950	1,059
Acquisitions	-	10,500	6,000	16,500	-
Accrued interest	-	419	-	419	-
Income	94	-	-	94	145
Net remeasurement gains	-	-	402	402	-
Fees	(11)	-	-	(11)	(31)
Distributions	(52)	-	-	(52)	(200)
Balance, March 31, 2025	981	10,919	6,402	18,302	973
Accrued interest	-	406	-	406	-
Income	-	-	-	-	-
Net remeasurement gains	-	-	119	119	-
Disposition of investments	-	-	(6,521)	(6,521)	-
Balance, December 31, 2025	981	11,325	-	12,306	973

5. Capital Assets

Cost

	March 31 2025			December 31 2025
	Opening Balance	Additions	Transfers	Closing Balance
Victoria Memorial Museum Building	205,016	(102)	-	204,914
Property under capital lease	35,040	-	-	35,040
Building improvements	10,160	54	122	10,336
Permanent exhibitions	13,279	-	-	13,279
Leasehold improvements	12,933	7	-	12,940
Equipment and furnishings	8,031	170	143	8,344
Capital projects in progress	441	790	(349)	882
Collection cabinets and compactors	3,985	-	-	3,985
Land	627	-	-	627
Computer equipment	4,863	17	84	4,964
Website	486	-	-	486
	294,861	936	-	295,797

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Accumulated Amortization

	March 31 2025		December 31 2025
	Opening Balance	Additions	Closing Balance
Victoria Memorial Museum Building	89,151	3,754	92,905
Property under capital lease	28,757	743	29,500
Building improvements	5,052	401	5,453
Permanent exhibitions	10,220	592	10,812
Leasehold improvements	10,779	288	11,067
Equipment and furnishings	6,184	297	6,481
Collection cabinets and compactors	3,089	86	3,175
Computer equipment	4,639	84	4,723
Website	292	72	364
	158,163	6,317	164,480

Net Book Value

	December 31 2025	March 31 2025
Victoria Memorial Museum Building	112,009	115,865
Property under capital lease	5,540	6,283
Building improvements	4,883	5,108
Permanent exhibitions	2,467	3,059
Leasehold improvements	1,873	2,154
Equipment and furnishings	1,863	1,847
Capital projects in progress	882	441
Collection cabinets and compactors	810	896
Land	627	627
Computer equipment	241	224
Website	122	194
	131,317	136,698

Amortization expense for the nine months ended December 31, 2025 was \$6.3 million (December 31, 2024 - \$6.4 million). No assets were sold and no capital projects in progress were derecognized during the nine months ended December 31, 2025 and December 31, 2024.

6. Obligation Under Capital Lease

The Natural Heritage Campus houses the Corporation's natural history collections and administrative functions, on the Corporation's site in Gatineau, Quebec. The Corporation is acquiring the building through a lease-purchase agreement with a

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term of 35 years. It is committed to pay rent under all circumstances and in the event of termination of the lease, at the Corporation's option or otherwise, pay sufficient rent to repay all financing on the building. Management intends to completely discharge its obligation under the lease and obtain free title to the building in 2031, after the Corporation uses its right to purchase the building for ten dollars.

Future minimum lease payments in aggregate, under the financing obligation are as follows:

		December 31 2025	March 31 2025
Total minimum future payments	(1)	20,125	22,750
Less: Interest component of minimum future payments		(4,839)	(6,037)
Present value of principal payments		15,286	16,713
Current liability		2,075	1,926
Long term liability		13,211	14,787
		15,286	16,713

1) The amounts payable under the capital lease are based on the fixed interest rate of 9.88%, for a period of 35 years, established at the time of signing the lease.

Future minimum lease payments under the financing obligation, by year, are as follows:

	2026	2027	2028	2029	2030	Thereafter
Future minimum payments	875	3,500	3,500	3,500	3,500	5,250

7. Deferred Revenues, Contributions and Capital Funding

Deferred revenues and contributions represent payments received from customers, donors, sponsors, partners, or the federal government that are restricted for specific purposes. The funding is deferred when it is received and is recognized when the funding has been used for the specified purposes. Changes in deferred revenues and contributions are as follows:

Deferred revenues and contributions

	March 31 2025			December 31 2025
	Opening Balance	Funding received	Funding recognized	Closing Balance
Contributions	3,936	613	(1,197)	3,352
Operating revenues	747	1,693	(1,682)	758
	4,683	2,306	(2,879)	4,110

	March 31 2024			March 31 2025
	Opening Balance	Funding received	Funding recognized	Closing Balance
Contributions	3,946	2,165	(2,175)	3,936
Operating revenues	697	1,851	(1,801)	747
	4,643	4,016	(3,976)	4,683

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Deferred capital funding represents the portion of the parliamentary appropriations and restricted contributions from non-government sources used to purchase depreciable capital assets. Deferred capital funding is as follows:

Deferred capital funding

	March 31 2025			December 31 2025
	Opening Balance	Capital assets acquired	Recognized as revenue	Closing Balance
Parliamentary appropriations	129,088	868	(5,434)	124,522
Contributions	691	-	(120)	571
	129,779	868	(5,554)	125,093

	March 31 2024			March 31 2025
	Opening Balance	Capital assets acquired	Recognized as revenue	Closing Balance
Parliamentary appropriations	135,186	1,273	(7,371)	129,088
Contributions	856	-	(165)	691
	136,042	1,273	(7,536)	129,779

8. Asset Retirement Obligation

The asset retirement obligation represents the present value of estimated future cash flows required to settle the Corporation's legal obligations associated with the retirement of its tangible capital assets. The Corporation has an asset retirement obligation associated with certain of its operating equipment, including chillers, diesel reservoirs, piping, and freezers, as well as asbestos in the Victoria Memorial Museum Building. A risk-free rate of 3.85% (March 31, 2025: 3.23%) and inflation rate of 2.00% (March 31, 2025: 2.00%) were used to determine the present value of the obligation. The Corporation uses Bank of Canada bond yields as the basis for the risk-free rate. The undiscounted, uninflated asset retirement obligation at December 31, 2025, was \$1.2 million (March 31, 2025 - \$1.2 million). No asset retirement obligation was identified or settled during the nine months ended December 31, 2025, nor the year ended March 31, 2025. The asset retirement obligation is expected to be incurred between 2036 and 2046. The Corporation does not have any legal requirements for financial assurance or funding for its current asset retirement obligation.

Changes in the asset retirement obligation are as follows:

	Equipment and Furnishings	Leasehold Improvements	Victoria Memorial Museum Building	Total Asset Retirement Obligation
Balance, March 31, 2024	16	29	800	845
Changes in estimates	-	1	43	44
Accretion of asset retirement obligation	-	2	28	30
Balance, March 31, 2025	16	32	871	919
Changes in estimates	(1)	(2)	(102)	(105)
Accretion of asset retirement obligation	-	1	21	22
Balance, December 31, 2025	15	31	790	836

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9. Investment in Capital Assets

The investment in capital assets is internally restricted and consists of the following:

	December 31 2025	March 31 2025
Capital assets (Note 5)	131,317	136,698
Less amounts financed by:		
Asset retirement obligation (Note 8)	(836)	(919)
Capital lease (Note 6)	(15,286)	(16,713)
Deferred capital funding (Note 7)	(125,093)	(129,779)
	(9,899)	(10,713)

Net change in investment in capital assets for the nine months ended December 31, 2025, and year ended March 31, 2025, is calculated as follows:

	December 31 2025	March 31 2025
Capital asset additions	936	1,409
Add: repayment of obligation under capital lease	1,427	1,745
Deduct: accretion of asset retirement obligation	(22)	(30)
Add (deduct): impact of changes in estimates to asset retirement estimate	105	(44)
Deduct: capital assets financed with deferred capital funding	(868)	(1,273)
Capital assets purchased with the Corporation's funds	1,576	1,807
Net disposition of capital assets	-	(12)
Amortization of deferred capital funding	5,554	7,536
Amortization of capital assets	(6,317)	(8,539)
Net change in investment in capital assets	814	792

10. Revenue

Components of the Corporation's primary sources of revenue are detailed as follows:

Admission and program fees

	Three-month period ended December 31		Nine-month period ended December 31	
	2025	2024	2025	2024
Admission fees	709	708	3,376	3,569
Memberships	84	136	315	406
Programs	126	117	449	388
	919	961	4,140	4,363

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Ancillary operations

	Three-month period ended		Nine-month period ended	
	December 31		December 31	
	2025	2024	2025	2024
Boutique revenues	187	209	864	857
Parking	273	199	985	710
VMMB facility rentals	269	305	619	701
NHC collection services	87	85	261	256
NHC facility rentals	49	49	149	148
Cafeteria leases	16	25	62	60
	881	872	2,940	2,732

Interest

	Three-month period ended		Nine-month period ended	
	December 31		December 31	
	2025	2024	2025	2024
Cash	220	272	750	1,219
Investments	136	237	406	501
Realized remeasurement gains	-	-	521	-
	356	509	1,677	1,720

Contributions

	Three-month period ended		Nine-month period ended	
	December 31		December 31	
	2025	2024	2025	2024
Cash contributions and sponsorships	265	306	1,284	1,099
Specimen and in-kind donations	62	156	377	459
	327	462	1,661	1,558

Professional and Scientific Services

	Three-month period ended		Nine-month period ended	
	December 31		December 31	
	2025	2024	2025	2024
Professional and scientific services - cash	21	265	127	545
Professional and scientific services - in-kind	72	72	216	216
	93	337	343	761

Other

	Three-month period ended		Nine-month period ended	
	December 31		December 31	
	2025	2024	2025	2024
Exhibit loans	153	-	464	-
Other	21	39	59	80
	174	39	523	80

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11. Summary of Expenses by Object

	Three-month period ended December 31		Nine-month period ended December 31	
	2025	2024	2025	2024
Personnel costs	5,557	4,943	17,071	15,614
Amortization of capital assets	2,109	2,134	6,317	6,391
Professional and special services	1,242	1,321	4,041	3,976
Operation and maintenance of buildings	1,401	1,271	3,912	3,827
Real property taxes	704	644	2,105	1,953
Information management infrastructure and systems	586	343	1,438	1,216
Interest on capital lease obligation	387	434	1,198	1,333
Exhibits	133	350	1,099	1,021
Marketing and communications	177	176	613	464
Repairs and maintenance	140	96	454	441
Travel	132	109	439	536
Cost of goods sold - natureBOUTIQUE	81	95	376	378
Objects for collections	51	62	166	116
Freight and cartage	16	6	42	35
Accretion of asset retirement obligation	7	7	22	22
Other expenses	15	68	222	202
	12,738	12,059	39,515	37,525

12. Parliamentary Appropriations

To achieve its mission, the Corporation relies on government funding. This government funding is comprised as follows:

	Three-month period ended December 31		Nine-month period ended December 31	
	2025	2024	2025	2024
Operating	7,356	6,931	21,933	20,792
Supplementary	-	1,204	-	3,610
Amortization of deferred contributions related to capital assets	1,813	1,835	5,433	5,507
Appropriations used to purchase amortizable capital assets	(414)	(141)	(868)	(757)
Appropriations recognized during the period	8,755	9,829	26,498	29,152

13. Comparative Figures

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