

# **CANADIAN MUSEUM FOR HUMAN RIGHTS**

## **QUARTERLY FINANCIAL REPORT**

For the three and nine months ended December 31, 2018

(Unaudited)



CANADIAN MUSEUM FOR  
HUMAN RIGHTS

MUSÉE CANADIEN POUR LES  
DROITS DE LA PERSONNE

## **Canadian Museum for Human Rights**

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## **Narrative Discussion**

This section of the quarterly financial report presents management's narrative discussion of the Canadian Museum for Human Rights' (CMHR) (the Museum) financial performance during the nine months ended December 31, 2018. It must be read in conjunction with the March 31, 2018 Management Discussion and Analysis and Annual Audited Financial Statements.

### **FINANCIAL RESULTS**

A summary of the financial activity for the nine months ended December 31, 2018 includes the following:

#### **OVERVIEW**

The Museum had a strong third quarter for 2018-2019, the Museum's fourth full fiscal year of operations. It finished the period with a surplus of revenues over expenses of \$1.0 million.

Total visitation for the nine months ended December 31, 2018 was 237,200, on par with the 240,300 visitors in the nine months ended December 31, 2017. Visitation has been strong since the June 8 opening of *Mandela: Struggle for Freedom* in the Level 1 Gallery. This travelling exhibition, which was developed by CMHR in collaboration with the Apartheid Museum in South Africa, explores the life and legacy of Nelson Mandela.

The visitor survey, completed in the summer of 2018, indicates that visitor satisfaction continues to be very strong at 97%, up from 95% in the survey conducted in the summer of 2017. The CMHR continues to attract visitors from all over Canada and internationally. 70% of the Museum's visitors year-to-date were from outside of Winnipeg, coming from other parts of Manitoba, Canada, the United States and countries from around the world. The Museum's education programs continue to be well attended with 19,600 students, teachers and chaperones participating during the first nine months of the year.

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#### STATEMENT OF OPERATIONS

##### *Parliamentary Appropriations*

Total parliamentary appropriations, reported on an accrual basis, are \$21.8 million for the nine months ended December 31, 2018, or \$0.1 million higher than the \$21.7 million for the nine months ended December 31, 2017.

##### *Revenues*

Operating revenue for the nine months ended December 31, 2018 was \$2.9 million, \$0.1 million higher than the prior year. Operating revenue includes revenue from admissions, tours, education programs, boutique sales, facility rentals, commissions on the restaurant and catering sales and travelling exhibits.

Contributions of \$5.8 million are largely comprised of the amortization of deferred contributions related to capital assets received in previous periods from funding partners other than the Government of Canada (the Province of Manitoba, the City of Winnipeg and the Friends of the CMHR), which are amortized over the same period as the capital asset purchased with the contributions. Contributions increased from \$5.7 million in the prior year due to sponsorship revenue related to *Mandela: Struggle for Freedom*.

##### *Expenses*

Total operating expenses were \$29.8 million for the nine months ended December 31, 2018, compared to \$29.2 million for the nine months ended December 31, 2017. The increase of \$0.6 million is due to an increase in museum content, programs and engagement with the focus on digital reach as well as marketing and promotion for *Mandela: Struggle for Freedom*.

For the nine months ended December 31, 2018, the Museum finished in a positive operating position of \$1.0 million.

#### STATEMENT OF FINANCIAL POSITION

Total assets decreased by \$9.7 million from \$317.9 million at March 31, 2018 to \$308.2 million at December 31, 2018. The decrease was due to the amortization of capital assets and the decrease in short-term investments and accounts receivable.

## **Canadian Museum for Human Rights**

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Total liabilities decreased by \$10.8 million from \$308.8 million at March 31, 2018 to \$298.0 million at December 31, 2018. The decrease was due to the amortization of deferred contributions for capital assets received in previous years as well as a decrease in accounts payable and accrued liabilities.

Net assets increased by \$1.0 million from March 31, 2018 representing an excess of revenue over expenses.

### **RISK ANALYSIS & OUTLOOK**

The Museum employs a continually updated risk-management framework to identify, evaluate and mitigate all factors that pose a substantive threat to its ongoing operations or long-term success. The Museum completed a facilitated risk evaluation in 2015-2016 which is reviewed and updated regularly to ensure the organization is appropriately managing the identified risks through its first five years as a fully operating national museum.

The work of our organization is made possible through the financial support of the Government of Canada. The Museum will continue in its efforts to maximize its revenues from all possible sources. In partnership with the Friends, the Museum also plans to supplement its parliamentary appropriations through sponsorships and philanthropic support.

**Canadian Museum for Human Rights**

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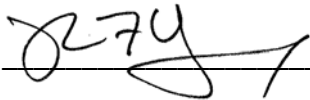
For the three and nine months ended December 31, 2018

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**STATEMENT OF MANAGEMENT RESPONSIBILITY BY SENIOR OFFICIALS**

Management is responsible for the preparation and fair presentation of these quarterly financial statements in accordance with the Treasury Board of Canada Standard on Quarterly Financial Reports for Crown Corporations, and for such internal controls as management determines 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.



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John Young, President & Chief Executive Officer



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Susanne Robertson, Chief Financial Officer

February 26, 2019

Quarterly Financial Statements of

## **CANADIAN MUSEUM FOR HUMAN RIGHTS**

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## Canadian Museum for Human Rights

### Statement of Financial Position

(Unaudited)

(In thousands of dollars)

As at	December 31, 2018	March 31, 2018
<b>Assets</b>		
Current assets		
Cash and restricted cash	\$ 10,173	\$ 10,156
Investments	2,190	3,115
Accounts receivable	518	962
Inventories	235	192
Prepaid expenses	288	357
	13,404	14,782
Collections	1	1
Capital assets	294,793	303,138
<b>Total Assets</b>	<b>\$ 308,198</b>	<b>\$ 317,921</b>
<b>Liabilities and net assets</b>		
Current liabilities		
Accounts payable and accrued liabilities	\$ 3,167	\$ 5,504
Deferred revenue	82	168
	3,249	5,672
Deferred contributions (note 4)	4,957	5,211
Deferred contributions related to capital assets (note 5)	289,814	297,870
Total liabilities	298,020	308,753
Net assets		
Unrestricted	5,199	4,189
Invested in capital assets (note 6)	4,979	4,979
	10,178	9,168
<b>Total liabilities and net assets</b>	<b>\$ 308,198</b>	<b>\$ 317,921</b>

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

## Canadian Museum for Human Rights

### Statement of Operations

(Unaudited)

(In thousands of dollars)

	Three months ended		Nine months ended	
	December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017
Revenue (Schedule 1)				
Operating	\$ 839	\$ 789	\$ 2,929	\$ 2,752
Contributions	1,884	1,877	5,845	5,660
Other income	70	27	173	72
Total revenue	2,793	2,693	8,947	8,484
Expenses (Schedule 2)				
Museum content, programs and engagement	2,966	3,087	9,563	8,919
Accommodation	5,599	5,359	16,271	16,177
Internal services	1,291	1,400	3,939	4,128
Total expenses	9,856	9,846	29,773	29,224
Excess of expenses over revenue before parliamentary appropriations	(7,063)	(7,153)	(20,826)	(20,740)
Parliamentary appropriations (note 7)	6,688	7,158	21,836	21,675
<b>Excess of revenue over expenses (expenses over revenue)</b>	\$ (375)	\$ 5	\$ 1,010	\$ 935

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



## Canadian Museum for Human Rights

### Statement of Changes in Net Assets

(Unaudited)

(In thousands of dollars)

Nine months ended December 31,			2018	2017
	Unrestricted	Invested in capital assets		
Net assets, beginning of period	\$ 4,189	\$ 4,979	\$ 9,168	\$ 8,851
Excess of revenue over expenses	1,010	-	1,010	935
Net change in accumulated remeasurement losses	-	-	-	(8)
<b>Net assets, end of period</b>	<b>\$ 5,199</b>	<b>\$ 4,979</b>	<b>\$ 10,178</b>	<b>\$ 9,778</b>

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

## Canadian Museum for Human Rights

### Statement of Cash Flows

(Unaudited)

(In thousands of dollars)

	Three months ended		Nine months ended	
	December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017
<b>Operating activities</b>				
Cash receipts from customers	\$ 883	\$ 822	\$ 2,625	\$ 2,643
Cash receipts from contributions	11	-	246	-
Cash receipts from parliamentary appropriations	5,914	6,190	17,579	18,059
Cash receipts from other income	8	-	8	1
Cash payments to and on behalf of employees	(3,101)	(2,436)	(10,417)	(8,988)
Cash payments to suppliers	(2,436)	(5,890)	(10,629)	(9,452)
Interest received	57	25	116	65
	1,336	(1,289)	(472)	2,328
<b>Capital activities</b>				
Payments for acquisition of capital assets	(652)	(573)	(2,395)	(1,296)
	(652)	(573)	(2,395)	(1,296)
<b>Investing activities</b>				
Net acquisition of investments	2,000	(3,100)	928	(3,100)
	2,000	(3,100)	928	(3,100)
<b>Financing activities</b>				
Parliamentary appropriation for the acquisition of capital assets	763	447	825	578
Parliamentary appropriations (capital) funding for the acquisition of capital assets	317	97	567	397
Contributions from non-government sources for capital assets	25	15	564	536
	1,105	559	1,956	1,511
(Decrease) increase in cash	3,789	(4,403)	17	(557)
<b>Cash, beginning of period</b>				
Cash and restricted cash	10,156	13,458	10,156	9,613
Holdback account	-	43	-	42
	10,156	13,501	10,156	9,655
<b>Cash, end of period</b>				
Cash and restricted cash	10,173	9,055	10,173	9,055
Holdback account	-	43	-	43
	\$ 10,173	\$ 9,098	\$ 10,173	\$ 9,098

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

## Canadian Museum for Human Rights

### Notes to Quarterly Financial Statements

For the three and nine months ended December 31, 2018

(Unaudited)

(In thousands of dollars, unless otherwise noted)

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#### 1 (a). Authority and mandate:

The Canadian Museum for Human Rights (the “Museum”) was established through an amendment to the *Museums Act* on August 10, 2008 and is a Crown corporation named in Part I of Schedule III to the *Financial Administration Act* (FAA). The Museum is not subject to income tax under the provisions of the *Income Tax Act*.

The Museum is the first national museum established outside of the National Capital Region and the first to be constructed with funding received from the Government of Canada as well as other levels of government. The Province of Manitoba, the City of Winnipeg, and the Friends of the Canadian Museum for Human Rights (Friends of the CMHR), (representing mostly private sector, organizational and individual donors) also funded the Capital Project (building and exhibits). The Canadian Museum for Human Rights reports to Parliament through the Minister of Canadian Heritage.

The mandate, as stated in the amendments to the *Museums Act*, is as follows:

*“to explore the subject of human rights, with special but not exclusive reference to Canada, in order to enhance the public’s understanding of human rights, to promote respect for others and to encourage reflection and dialogue.”*

The Government of Canada recently approved the Museum’s five years of Corporate Plans for 2014-2015 to 2018-2019 and we anticipate that the Corporate Plan Summaries will be tabled in early 2019.

#### (b) Operations

The operations of the Museum are divided into three mutually supportive Core Responsibilities which work together to meet all aspects of its mandate. Effective April 1, 2018, these activities are:

##### **Museum content, programs and engagement**

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

##### **Accommodations**

- Building operations
- Protection services
- Information technology infrastructure

## **Canadian Museum for Human Rights**

### **Notes to Quarterly Financial Statements**

For the three and nine months ended December 31, 2018

(Unaudited)

(In thousands of dollars, unless otherwise noted)

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#### **Internal services**

- Corporate governance
- Administration
- Earned-revenue generation

#### **2. Significant accounting policies**

The quarterly financial statements have been prepared in accordance with the 4200 series of the Canadian Public Sector Accounting Standards (PSAS) for government not-for-profit organizations. The same accounting policies and methods of computation are followed in the quarterly financial statements as compared to the March 31, 2018 Annual Audited Financial Statements.

#### **3. Basis of presentation**

The note disclosures in these unaudited financial statements do not conform in all respects to the requirements of Canadian Public Sector Accounting Standards for government not-for-profit organizations for annual audited financial statements. These unaudited financial statements should be read in conjunction with the Narrative Discussion for the three and nine months ended December 31, 2018 and with the Museum's annual audited financial statements for the year ended March 31, 2018.

## Canadian Museum for Human Rights

### Notes to Quarterly Financial Statements

For the three and nine months ended December 31, 2018

(Unaudited)

(In thousands of dollars, unless otherwise noted)

#### 4. Deferred contributions

Deferred contributions recorded by the Museum are as follows:

	December 31, 2018	March 31, 2018
Deferred contributions restricted for the future purchase of capital assets	\$ 4,957	\$ 5,211

Changes in the deferred contributions balance during the period were as follows:

Nine months ended	December 31, 2018
Balance, beginning of period	\$ 5,211
Additions:	
Parliamentary appropriations (capital)	567
Restricted deferred parliamentary appropriations (capital)	1,300
Deferred interest income	64
	1,931
Deductions:	
Amounts transferred to deferred contributions related to capital assets	(2,137)
Amounts recognized as revenue	(48)
	(2,185)
Balance, end of period	\$ 4,957

## Canadian Museum for Human Rights

### Notes to Quarterly Financial Statements

For the three and nine months ended December 31, 2018

(Unaudited)

(In thousands of dollars, unless otherwise noted)

#### 5. Deferred contributions related to capital assets

Changes in the deferred contributions related to capital assets, purchased but not fully amortized, are composed of:

<b>Nine months ended</b>	<b>December 31, 2018</b>	
Balance, beginning of period	\$	297,870
Amounts transferred from deferred contributions		2,137
Parliamentary appropriation for the acquisition of capital assets		825
Amortization of deferred contributions related to capital assets		(11,018)
Balance, end of period	\$	289,814

#### 6. Net assets invested in capital assets:

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

	<b>December 31, 2018</b>		<b>March 31, 2018</b>	
Capital assets	\$	294,793	\$	303,138
Less amounts financed by deferred contributions related to capital assets		(289,814)		(297,870)
Less amounts to be financed by deferred contributions		-		(289)
Land	\$	4,979	\$	4,979

## Canadian Museum for Human Rights

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For the three and nine months ended December 31, 2018

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#### 7. Parliamentary appropriations:

	Three months ended		Nine months ended	
	December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017
Main estimates amount provided for operating and capital expenditures	\$ 6,967	\$ 6,247	\$ 18,944	\$ 18,547
Supplementary Estimates B	27	487	27	487
Less current period Parliamentary appropriations not recognized as revenue:				
Operating contribution received in advance	(1,300)	(1,000)	(1,300)	(2,100)
Capital appropriations deferred	(317)	(97)	(567)	(397)
Amounts used to purchase capital assets	(763)	(447)	(825)	(578)
Add prior year Parliamentary appropriations recognized as revenue in the current period:				
Amortization of deferred contributions related to capital assets	2,061	1,689	5,509	5,166
Restricted amounts used in the current period for items expensed for accounting purposes	13	279	48	550
	\$ 6,688	\$ 7,158	\$ 21,836	\$ 21,675

## Canadian Museum for Human Rights

### Notes to Quarterly Financial Statements

For the three and nine months ended December 31, 2018

(Unaudited)

(In thousands of dollars, unless otherwise noted)

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#### 8. Allocation of expenses:

For the period ending December 31, 2018, \$2.3 million of personnel costs, information management infrastructure and systems, and protection services have been allocated. For the nine months ended December 31, 2017, \$3.9 million of personnel costs, information management infrastructure and systems, marketing and promotion, and protection services were allocated. The new Core Responsibilities adopted in the current year require fewer allocations compared to the prior period related to communications, marketing and stakeholder relations.

The expenses have been allocated as follows:

<b>Nine months ended December 31,</b>	<b>2018</b>		<b>2017</b>	
Museum content, programs and engagement	\$	1,222	\$	2,228
Internal services		810		1,342
Accommodation		285		323
	\$	2,317	\$	3,893

#### 9. Comparative figures:

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



## Canadian Museum for Human Rights

### Notes to Quarterly Financial Statements

For the three and nine months ended December 31, 2018

(Unaudited)

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#### Schedule 1 – Schedule of Revenues

##### Operating Revenues

Nine months ended December 31,	2018	2017
Admissions and programs		
General admission	\$ 1,200	\$ 1,073
Memberships	127	105
Public program	66	58
Education program	95	74
Retail boutique sales	692	670
Facility rental	559	563
Restaurant and catering	185	202
Travelling exhibits	5	7
Total	\$ 2,929	\$ 2,752

##### Contributions

Nine months ended December 31,	2018	2017
Revenue related to the amortization of deferred contributions from other donors	\$ 5,509	\$ 5,513
Cash donations and sponsorships	208	17
In kind and artifact donations	128	130
Total	\$ 5,845	\$ 5,660

##### Other income

Nine months ended December 31,	2018	2017
Interest revenue	\$ 119	\$ 66
Miscellaneous	54	6
Total	\$ 173	\$ 72

## Canadian Museum for Human Rights

### Notes to Quarterly Financial Statements

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(Unaudited)

(In thousands of dollars, unless otherwise noted)

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#### Schedule 2 – Schedule of Expenses

<b>Nine months ended December 31,</b>	<b>2018</b>		<b>2017</b>	
Amortization of capital assets	\$	11,018	\$	10,679
Personnel costs		9,478		9,396
Payment in lieu of taxes		1,975		2,029
Building operations		1,473		1,717
Marketing and promotion		1,065		668
Information management infrastructure and systems		907		794
Professional and special services		513		453
Protection services		501		483
Office supplies and administration		401		338
Digital reach		397		127
Travel		395		416
Programming		379		247
Cost of goods sold		359		344
Exhibitions		333		807
Utilities		331		315
Exhibits maintenance		169		347
Other		68		36
Permanent collection acquisitions		11		28
Total expenses	\$	29,773	\$	29,224