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# Financial statements of the Canadian Railroad Historical Association

March 31, 2022

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## Independent Auditor's Report

To the Members of the  
Canadian Railroad Historical Association

### Opinion

We have audited the financial statements of Canadian Railroad Historical Association (the "CRHA"), which comprise the statement of financial position as at March 31, 2022, and the statements of revenue and expenses, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the CRHA as at March 31, 2022, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

### Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the CRHA in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the CRHA's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the CRHA or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the CRHA's financial reporting process.

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the CRHA's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the CRHA's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the CRHA to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the CRHA to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*Deloitte LLP*<sup>1</sup>

August 2, 2022

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<sup>1</sup> CPA auditor, public accountancy permit No.A120628

**Canadian Railroad Historical Association****Statement of revenue and expenses**

Year ended March 31, 2022

	Schedules	2022 \$	2021 \$
<b>Revenue</b>	A	<b>2,457,738</b>	2,052,897
<b>Expenses</b>	B	<b>2,338,525</b>	1,631,703
Excess of revenue over expenses before amortization		<b>119,213</b>	421,194
<b>Amortization</b>			
Capital assets	B	<b>(290,692)</b>	(289,475)
Intangible assets	B	<b>(2,039)</b>	(2,915)
Deferred contributions related to capital assets	A	<b>227,663</b>	235,534
		<b>(65,068)</b>	(56,856)
<b>Excess of revenue over expenses</b>		<b>54,145</b>	364,338

The accompanying notes and supporting schedules are an integral part of the financial statements.

## Canadian Railroad Historical Association

### Statement of changes in net assets

Year ended March 31, 2022

	<b>Invested in capital assets and intangible assets</b>	<b>Unrestricted</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Balance as at April 1, 2020	1,539,169	284,020	1,823,189
Excess (deficiency) of revenue over expenses <sup>1</sup>	(56,856)	421,194	364,338
Acquisition of capital assets	48,980	(48,980)	-
Increase in deferred contributions related to capital assets	(48,980)	48,980	-
Repayment of debt	268,657	(268,657)	-
Receipt of grants receivable	(245,159)	245,159	-
Balance as at March 31, 2021	1,505,811	681,716	2,187,527
Excess (deficiency) of revenue over charges <sup>1</sup>	<b>(65,070)</b>	<b>119,215</b>	<b>54,145</b>
Acquisition of capital assets	<b>148,263</b>	<b>(148,263)</b>	-
Increase in deferred contributions related to capital assets	<b>(17,649)</b>	<b>17,649</b>	-
Repayment of debt	<b>259,945</b>	<b>(259,945)</b>	-
Receipt of grants receivable	<b>(265,214)</b>	<b>265,214</b>	-
Balance as at March 31, 2022	<b>1,566,086</b>	<b>675,586</b>	<b>2,241,672</b>

<sup>1</sup> The amount included in the "Invested in capital assets and intangible assets" column represents the amortization of capital assets, intangible assets and deferred contributions related to capital assets.

The accompanying notes and supporting schedules are an integral part of the financial statements.

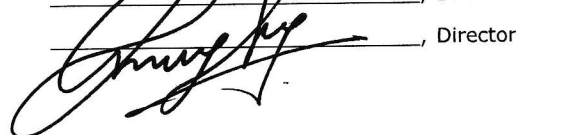
**Canadian Railroad Historical Association**  
**Statement of financial position**  
As at March 31, 2022

	Notes	2022 \$	2021 \$
<b>Assets</b>			
Current assets			
Cash		852,029	1,218,284
Accounts receivable		24,214	14,096
Grants receivable			
Ministère de la Culture et des Communications			
Phase I		379,821	241,141
free Sundays		102,296	-
Government of Canada – Canada Emergency Wage Subsidy	4	61,549	57,383
Ville de Saint-Constant		11,738	11,738
Bibliothèque et Archives du Canada		-	24,073
Other		-	26,903
Taxes receivable		33,185	18,405
Inventories	3	63,956	77,096
Prepaid expenses		25,604	24,598
		<u>1,554,392</u>	<u>1,713,717</u>
Grants receivable			
Ministère de la Culture et des Communications			
Phase I		-	379,821
Capital assets	5	5,442,667	5,585,098
Collections and exhibits		1	1
Work of art		69,576	69,576
Intangible assets	6	4,763	6,801
		<u>7,071,399</u>	<u>7,755,014</u>
<b>Liabilities</b>			
Current liabilities			
Accounts payable and accrued liabilities		222,421	190,314
Government remittances		17,168	17,446
Deferred contributions	7	214,527	512,067
Deferred revenue		4,869	6,961
Current portion of debt	8	290,736	259,945
		<u>749,721</u>	<u>986,733</u>
Debt	8	129,085	419,820
Deferred contributions related to capital assets	9	3,950,921	4,160,934
		<u>4,829,727</u>	<u>5,567,487</u>
Commitments	12		
<b>Net assets</b>			
Invested in capital assets and intangible assets		1,566,086	1,505,811
Unrestricted		675,586	681,716
		<u>2,241,672</u>	<u>2,187,527</u>
		<u>7,071,399</u>	<u>7,755,014</u>

The accompanying notes and supporting schedules are an integral part of the financial statements.

Approved by the Board

  
\_\_\_\_\_, Director

  
\_\_\_\_\_, Director

# Canadian Railroad Historical Association

## Statement of cash flows

Year ended March 31, 2022

	Notes	2022 \$	2021 \$
<b>Operating activities</b>			
Excess of revenue over expenses		54,145	364,338
Items not affecting cash			
Amortization of capital assets		290,692	289,475
Amortization of intangible assets		2,039	2,915
Amortization of deferred contributions related to capital assets		(227,663)	(235,534)
		119,213	421,194
Changes in non-cash operating working capital items and grants receivable	10	(94,912)	386,861
		24,301	808,055
<b>Investing activities</b>			
Acquisition of capital assets		(148,261)	(48,980)
<b>Financing activities</b>			
Repayment of debt		(259,945)	(268,657)
Increase in debt		-	40,000
Increase in deferred contributions related to capital assets	9	17,650	48,980
		(242,295)	(179,677)
Net (decrease) increase in cash		(366,255)	579,398
Cash, beginning of year		1,218,284	638,886
<b>Cash, end of year</b>		<b>852,029</b>	<b>1,218,284</b>

The accompanying notes and supporting schedules are an integral part of the financial statements.



# Canadian Railroad Historical Association

## Notes to the financial statements

March 31, 2022

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### 1. Status and nature of activities

The Canadian Railroad Historical Association (the "CRHA") was incorporated on August 22, 1941, as a not-for-profit organization without share capital under Part II of the Canada Corporations Act. Its statutes were extended on June 18, 2014, under the Canada Not-for-Profit Corporations Act. The CRHA is exempt from income taxes under Section 149(1)(f) of the Income Tax Act (Canada) and Section 985.23 of the Taxation Act (Québec).

The CRHA's principal activity is the ownership and operation of an accredited museum known as Exporail, the Canadian Railway Museum, located in Saint-Constant and Delson, Quebec. Exporail is the largest railway museum in Canada, and has been recognized by the House of Commons as Canada's national railway museum. Its objectives are to retain, protect and preserve a collection of railroad objects for public exhibition, education and research purposes. The CRHA also possesses Canada's largest collection of railway-related documents in its archives, and produces and distributes a bi-monthly magazine, Canadian Rail, to its members.

In 2020-21, following government recommendations and regulations arising from the COVID-19 pandemic, the Exporail museum was closed from March 18, 2020 to June 25, 2020, and from September 28, 2020 to February 18, 2021, which impacted its financial results. In 2021-22 the museum was open to the public for the whole year.

### 2. Accounting policies

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and reflect the following significant accounting policies:

*Adoption of Amendments to section 3856, "Financial instruments", regarding the financial instruments created or exchanged within related parties' transactions.*

Effective April 1, 2021, the CRHA has adopted the amendments to *CPA Canada Handbook Section 3856, Financial Instruments* ("Section 3856") related to the recognition of financial instruments originated or exchanged in a related party transaction.

These amendments to Section 3856 establish new guidance for determining the measurement of a related party financial instrument. The related party financial instruments amendments require that such a financial instrument be initially measured at cost, which is determined based on whether the instrument has repayment terms.

The adoption of these amendments had no material impact on the amounts recognized in the CRHA's financial statements or disclosures.

#### *Financial instruments*

##### Initial measurement

Financial assets and financial liabilities originated or exchanged in arm's length transactions are initially recognized at fair value when the CRHA becomes a party to the contractual provisions of the financial instrument. Financial assets and financial liabilities originated or exchanged in related party transactions are initially recognized at cost.

The cost of a financial instrument in a related party transaction depends on whether the instrument has repayment terms. The cost of financial instruments with repayment terms is determined using its undiscounted cash flows, excluding interest and dividend payments, less any impairment losses previously recognized by the transferor. The cost of financial instruments without repayment terms is determined using the consideration transferred or received by the CRHA in the transaction.

##### Subsequent measurement

All financial instruments are subsequently measured at amortized cost.

**2. Accounting policies (continued)***Financial instruments (continued)*

## Transaction costs

Transaction costs are added to the carrying value of the asset or netted against the carrying value of the liability and are then recognized over the expected life of the instrument using the straight-line method. Any premium or discount related to an instrument measured at amortized cost is amortized over the expected life of the item using the straight-line method and recognized in the statement of revenue and expenses as interest income or expense.

## Impairment

With respect to financial assets measured at cost or amortized cost, the CRHA recognizes an impairment loss, if any, in the statement of revenue and expenses when there are indicators of impairment and it determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows. When the extent of impairment of a previously written-down asset decreases and the decrease can be related to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed in the statement of revenue and expenses in the period the reversal occurs.

*Revenue recognition*

The CRHA uses the deferral method to account for contributions. Restricted contributions are recognized as revenue in the period in which related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount receivable can be reasonably estimated and collection is reasonably assured.

Revenue from admissions, sales and rental is recognized when the service is rendered.

*Capital assets*

Capital assets are recorded at cost and amortized over their useful life according to the following method:

Property fence and land improvements	Straight-line	20 years
Buildings	Diminishing balance	5%
Buildings improvements	Diminishing balance	5%
Furniture and equipment	Diminishing balance	20%
Machinery, material and equipment	Diminishing balance	20%
Automotive equipment	Diminishing balance	20%
Signs	Diminishing balance	20%
Computer equipment	Diminishing balance	30%

When conditions indicate that a tangible capital asset is impaired, the net carrying amount of the tangible capital asset shall be written down to the asset's fair value or replacement cost. The write-downs of tangible capital assets shall be accounted for as expenses in the statement of revenue and expenses. A write-down shall not be reversed.

*Intangible assets*

Intangible assets are recorded at cost and amortized over their useful life using the declining balance method at the annual rate of 30%.

When conditions indicate that an intangible asset is impaired, the net carrying amount of the intangible asset shall be written down to the asset's fair value or replacement cost. The write-downs of intangible assets shall be accounted for as expenses in the statement of revenue and expenses. A write-down shall not be reversed.

## **2. Accounting policies (continued)**

### *Inventories*

Merchandise inventories of finished goods are valued at the lower of cost and net realizable value. Cost is determined on the first-in, first-out basis.

### *Collections and exhibits*

Collections and exhibits are reflected in the expenses upon acquisition and are recorded at a nominal amount of \$1.

### *Deferred contributions related to capital assets*

Restricted contributions for the purchase of capital assets that will be amortized are deferred and recognized as revenue on the same basis as the amortization expense related to the acquired capital assets.

Restricted contributions for the repayment of debt incurred to fund expenses for one or more future periods are deferred and recognized as revenue in the same period or periods as the related expenses are recognized.

### *Expenses allocation*

Wages and benefits are classified by the following key distribution, in proportion to the estimated time that employees allocate activity:

- Administrative and office supplies;
- Demonstration, education and railroad research;
- Archives, collection and documentation;
- Philanthropic development and fundraising activities;
- Communications and advertising;
- Maintenance of the buildings and the site;
- Exhibits;
- Rental of rooms, gift shop and Le Tramway coffee shop expenses.

The amounts allocated to various activities are disclosed in Note 11 to the financial statements.

### *Use of estimates*

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses recognized during the reporting period. Actual results could differ from these estimates.

## **3. Inventories**

The inventories recognized as an expense during the year amount to \$101,618 (\$31,486 in 2021), which is included in Schedule B under the section "Rental of rooms, gift shop and Le Tramway coffee shop expenses".

## Canadian Railroad Historical Association

### Notes to the financial statements

March 31, 2022

#### 4. Canada Emergency Wage Subsidy

In the current year, in relation to the pandemic of COVID-19, the CRHA has qualified as an admissible employer for the Canada Emergency Wage Subsidy by demonstrating that it reached a required percentage of decrease in its revenue during the admissibility period of the program. Therefore, the CRHA is entitled to a subsidy of up to 75% of eligible salaries for eligible employees. During the year, a grant of \$97,161 (\$378,824 in 2021) was recognized in revenue for which an amount of \$61,549 (\$57,383 in 2021) is receivable as at March 31, 2022.

#### 5. Capital assets

	Cost \$	Accumulated amortization \$	2022 Net book value \$	2021 Net book value \$
Phases I and II				
Property fence and land improvements	161,641	93,436	68,205	68,205
Buildings	10,409,050	6,375,518	4,033,532	4,240,813
Furniture and equipment	208,291	204,348	3,943	4,929
Machinery, material and equipment	41,232	39,707	1,525	1,782
Computer equipment	18,555	18,518	37	53
	<b>10,838,769</b>	<b>6,731,527</b>	<b>4,107,242</b>	<b>4,315,782</b>
Others				
Land	506,594	-	506,594	506,594
Property fence and land improvements	262,849	235,557	27,292	30,930
Buildings	1,070,513	941,670	128,843	135,625
Buildings improvements	649,113	198,011	451,102	466,367
Furniture and equipment	231,167	148,594	82,573	13,825
Machinery, material and equipment	532,680	480,351	52,329	34,777
Automotive equipment	87,715	71,378	16,337	11,349
Signs	13,808	13,258	550	788
Computer equipment	178,793	108,988	69,805	69,566
	<b>3,533,232</b>	<b>2,197,807</b>	<b>1,335,425</b>	<b>1,269,821</b>
	<b>14,372,001</b>	<b>8,929,334</b>	<b>5,442,667</b>	<b>5,585,603</b>

#### 6. Intangible assets

	Cost \$	Accumulated amortization \$	2022 Net book value \$	2021 Net book value \$
Software	67,348	62,585	4,763	6,801

**7. Deferred contributions**

	<b>2022</b>	2021
	<b>\$</b>	\$
Ministère de la Culture et des Communications – grant for subsequent year received in advance	-	389,041
Donation for a future project and for wages	<b>44,436</b>	87,518
Dedicated donation from Canadian Heritage for the reserve redevelopment project	-	21,128
Dedicated donation for the repair of the John Molson steam locomotive	<b>1,339</b>	9,555
Dedicated donation for the restoration of railway vehicles	<b>139,083</b>	-
Dedicated donation for the miniature trains room	<b>1,718</b>	1,718
Dedicated donation from CN for the exhibit on railway security	<b>1,436</b>	1,436
Dedicated donation from Bibliothèque et archives nationales du Québec for Heckman and Van Horne projet	<b>2,023</b>	-
Dedicated donation from Bibliothèque et Archives nationales du Québec for the support of archive processing	<b>3,364</b>	-
Dedicated donation for reorganization of the Museums Assistance Program	<b>21,128</b>	-
Dedicated donation for financing a permanent exhibit	-	1,671
	<b>214,527</b>	512,067

Changes that have occurred in the balance of deferred contributions are as follows :

	<b>2022</b>	2021
	<b>\$</b>	\$
Balance, beginning of year	<b>512,067</b>	102,365
Amounts received during the year	<b>165,598</b>	464,216
Portion recognized as revenue	<b>(463,138)</b>	(54,514)
Balance, end of year	<b>214,527</b>	512,067

**8. Debt**

	<b>2022</b>	2021
	<b>\$</b>	\$
Twenty-year bank loan totalling \$3,415,000, bearing interest at 3.94%, repayable by semi-annual instalments of \$131,628, capital and interest, using the grant from the Ministère de la Culture et des Communications for Phase I, until July 22, 2023, secured by a first-rank immovable hypothec on land and buildings with a net book value amounting to \$3,079,327 and by a movable hypothec on the universality of receivables and assets with the exception of archives and exhibits	<b>379,821</b>	620,962
Five-year loan totalling \$175,520, bearing interest at 3.13%, repayable in 10 equal semi-annual instalments of \$19,098, capital and interest, using the grant from the Ministère de la Culture et des Communications for "Réaménagement de la Gare Hays", until April 29, 2021	-	18,803
Loan, Canada Emergency Business Account, no interest, secured by the government of Canada*	<b>40,000</b>	40,000
	<b>419,821</b>	679,765
Current portion	<b>290,736</b>	259,945
	<b>129,085</b>	419,820

Principal repayments required over the next years are as follows:

	\$
2023	290,736
2024	129,085

\* No interest nor reimbursement is required until December 31, 2023. Repayment of the balance of the grant-loan in the amount of \$60,000, no later than December 31, 2023, will result in a write-off of 33.33% of the loan. The CRHA therefore recognized a grant revenue of \$20,000 during the year. Otherwise, from January 1, 2024, the loan of \$40,000 will be repayable over 24 months and will bear interest at a rate to be determined by the financial institution. The loan must be repaid no later than December 31, 2025.

**9. Deferred contributions related to capital assets**

Deferred contributions are the unamortized portion of contributions restricted for the purchase of amortizable capital assets. Deferred contributions are added to revenue in the same manner that the acquired capital assets are amortized.

**9. Deferred contributions related to capital assets (continued)**

Changes that have occurred in the balance of deferred contributions are as follows:

	<b>2022</b>	2021
	\$	\$
Balance, beginning of year	<b>4,160,934</b>	4,347,488
Additions	<b>17,650</b>	48,980
Amortization	<b>(227,663)</b>	(235,534)
Balance, end of year	<b>3,950,921</b>	4,160,934

The ending balance includes:

	<b>Cost</b>	<b>Accumulated amortization</b>	<b>2022 Net book value</b>	2021 Net book value
	\$	\$	\$	\$
<b>Phase I</b>				
Economic Development				
Canada	<b>3,000,000</b>	<b>1,867,933</b>	<b>1,132,067</b>	1,191,650
Ministère de la Culture et des Communications	<b>3,415,000</b>	<b>2,126,337</b>	<b>1,288,663</b>	1,356,487
CLD de Roussillon	<b>26,100</b>	<b>16,250</b>	<b>9,850</b>	10,368
Ville de Saint-Constant	<b>93,436</b>	<b>-</b>	<b>93,436</b>	93,436
	<b>6,534,536</b>	<b>4,010,520</b>	<b>2,524,016</b>	2,651,941
Transfer to capital assets	<b>93,436</b>	<b>-</b>	<b>93,436</b>	93,436
	<b>6,441,100</b>	<b>4,010,520</b>	<b>2,430,580</b>	2,558,505
<b>Phase II</b>				
Economic Development				
Canada	<b>1,200,000</b>	<b>728,108</b>	<b>471,892</b>	496,728
Ministère de la Culture et des Communications	<b>1,200,000</b>	<b>728,108</b>	<b>471,892</b>	496,728
	<b>2,400,000</b>	<b>1,456,216</b>	<b>943,784</b>	993,456
Transfer to capital assets	<b>70,444</b>	<b>-</b>	<b>70,444</b>	70,444
	<b>2,329,556</b>	<b>1,456,216</b>	<b>873,340</b>	923,012
<b>Permanent exhibit</b>				
<b>Volet B</b>				
North American Railway Foundation	<b>130,633</b>	<b>60,040</b>	<b>70,593</b>	74,309
Ministère de la Culture et des Communications	<b>486,360</b>	<b>218,961</b>	<b>267,399</b>	281,472
	<b>616,993</b>	<b>279,001</b>	<b>337,992</b>	355,781
<b>Collections management software project</b>				
Canadian Heritage	<b>30,060</b>	<b>29,091</b>	<b>969</b>	1,384
Canadian Railroad Historical Association Foundation	<b>12,000</b>	<b>11,712</b>	<b>288</b>	412
Municipalité régionale de comté de Roussillon	<b>2,100</b>	<b>2,050</b>	<b>50</b>	73
	<b>44,160</b>	<b>42,853</b>	<b>1,307</b>	1,869

**9. Deferred contributions related to capital assets (continued)**

	Cost \$	Accumulated amortization \$	2022 Net book value \$	2021 Net book value \$
Other projects				
Heller-Smith Family Foundation	35,000	18,746	16,254	22,138
Bibliothèque et Archives Canada	48,980	19,837	29,143	41,633
	<b>83,980</b>	<b>38,583</b>	<b>45,397</b>	<b>63,771</b>
Renewal of the permanent exhibit				
Canadian Heritage Ministère de la Culture et des Communications	205,253	27,198	178,055	169,312
	97,602	13,352	84,250	88,684
	<b>302,855</b>	<b>40,550</b>	<b>262,305</b>	<b>257,996</b>
	<b>9,818,644</b>	<b>5,867,723</b>	<b>3,950,921</b>	<b>4,160,934</b>

**10. Additional information related to the statement of cash flows**

	2022 \$	2021 \$
<i>Changes in non-cash operating working capital items and grants receivable</i>		
Accounts receivable	(10,118)	14,513
Grants receivable	185,656	276,538
Taxes receivable	(14,779)	38,864
Inventories	13,140	7,740
Prepaid expenses	(1,008)	18,406
Accounts payable and accrued liabilities	32,107	(164,598)
Government remittances	(278)	(5,752)
Amount payable to the Canadian Railroad Historical Association Foundation	-	(200,000)
Deferred contributions	(297,540)	409,702
Deferred revenue	(2,092)	(8,552)
	<b>(94,912)</b>	<b>386,861</b>

**11. Expenses allocation**

Wages and benefits are distributed as follows:

	2022 \$	2021 \$
Administrative and office supplies	182,650	157,680
Demonstration, education and railroad research	284,575	178,760
Archives, collections and documentation	191,707	152,932
Philanthropic development and fundraising activities	28,402	23,423
Communications and advertising	94,002	48,794
Maintenance of the buildings and the site	43,636	44,837
Exhibits	72,119	71,241
Rental of rooms, gift shop and Le Tramway coffee shop expenses	68,583	53,807
	<b>965,674</b>	<b>731,474</b>



**12. Commitments**

The CRHA is committed under agreements for services and equipment rental until 2024. The total payments amount to \$5,640 and are as follows:

	\$
2023	2,945
2024	2,695

**13. Canadian Railroad Historical Association Foundation**

The Canadian Railroad Historical Association Foundation (the "Foundation"), incorporated under Part II of the *Canada Corporations Act*, provided under the *Canadian non-for-profit organizations Act*, is a public foundation whose objective is to retain, present, interpret and publish information on the Canadian railroad heritage, and to solicit funds, bequests and other contributions to benefit the CRHA, as well as to manage these funds. The CRHA controls the Foundation since the majority of the Foundation's directors are also the CRHA's directors.

The financial statements of the Foundation are as follows:

	2022 \$ (audited)	2021 \$ (audited)
Statement of financial position		
Assets	<b>2,319,531</b>	2,107,750
Liabilities	<b>180,450</b>	180,450
Net assets*	<b>2,139,081</b>	1,927,300

\* Net assets as at March 31, 2022, include endowments received during the year in the amount of \$200,000 (\$749 844 in 2021).

	2022 \$ (audited)	2021 \$ (audited)
Statement of revenue and expenses		
Revenue	<b>116,498</b>	364,321
Expenses	<b>104,717</b>	79,212
Excess of revenue over expenses	<b>11,781</b>	285,109

The accounting policies adopted by the Foundation are identical to those of the CRHA.

During the year, the Foundation donated \$90,000 (\$67,516 in 2021) to the CRHA, which has been recorded in the CRHA's donations revenue.

These transactions were made in the normal course of activities and have been recorded at the exchange amount.

**14. Other information**

*Contributions received in the form of capital assets, supplies, services, collections and exhibits equipment*

Management has determined that volunteers donated approximately 22,137 hours of work to the CRHA throughout the year (15,898 hours in 2021). These hours were not recorded in the books. Management estimates that the cost of this work, if contracted out, would vary from \$20 to \$50 per hour.

#### **14. Other information (continued)**

*Contributions received in the form of capital assets, supplies, services, collections and exhibits equipment (continued)*

Management has determined that, throughout the year, it has received collections and exhibits contributions valued at approximately \$93,379 (\$235,254 in 2021), which have not been recorded.

*Municipal taxes*

Ville de Delson and Ville de Saint-Constant support the CRHA's activities by way of a municipal tax exemption.

#### **15. Financial instruments**

*Credit risk*

The CRHA provides credit to its customers in the normal course of its operations. It carries out, on a continuing basis, credit checks on its customers and maintains provisions for doubtful accounts.

*Interest rate risk*

The debt bears interest at fixed rates. Interest is repayable using payments from the grant from the Ministère de la Culture et des Communications. Consequently, cash flow risk is minimal.

*Liquidity risk*

Liquidity risk is the risk of the the CRHA not being able to meet its financial obligations when they are due. The CRHA monitors its cash balances and cash flows generated from operations to meet its requirements. As at March 31, 2022, the most significant financial liabilities were accounts payable and accrued liabilities and debt.

#### **16. Comparative figures**

Certain figures for 2021 have been reclassified to conform to the presentation adopted in 2022.

## Canadian Railroad Historical Association

### Supporting schedules

Year ended March 31, 2022

#### Revenue – Schedule A

	2022	2021
	\$	\$
Admissions	<b>584,825</b>	195,906
Sales from the gift shop and Le Tramway coffee shop	<b>165,785</b>	56,426
Rental of rooms and site	<b>91,895</b>	62,908
Memberships	<b>39,636</b>	35,067
Donations	<b>336,218</b>	265,942
Other revenue	<b>119,525</b>	68,827
	<b>1,337,884</b>	685,076
Grants		
Employment and Social Development Canada	<b>30,146</b>	32,616
Canadian Heritage	<b>47,729</b>	49,320
Ministère de la Culture et des Communications	<b>550,246</b>	560,633
Ministère de la Culture et des Communications – Free Sundays	<b>102,296</b>	10,419
Ministère du Travail, de l'Emploi et de la Solidarité sociale Emploi-Québec	-	817
Ville de Saint-Constant	<b>46,950</b>	46,950
Bibliothèque et Archives nationales du Québec	<b>40,893</b>	49,706
Ville de Delson	<b>15,200</b>	15,200
Tourisme Montérégie	<b>225</b>	4,041
Municipalité régionale de comté de Roussillon	-	7,000
Ministère du Tourisme	<b>12,008</b>	-
	<b>845,693</b>	776,702
Grants – COVID-19		
Canada Emergency Wage Subsidy	<b>97,161</b>	378,824
Canada Emergency Business Account	-	20,000
Canadian Heritage	<b>100,000</b>	100,000
Ministère de la Culture et des Communications	<b>77,000</b>	87,000
Other grants	-	5,295
	<b>274,161</b>	591,119
	<b>2,457,738</b>	2,052,897
Amortization of deferred contributions related to capital assets		
Economic Development Canada	<b>84,419</b>	88,862
Ministère de la Culture et des Communications	<b>120,075</b>	117,020
CLD de Roussillon	<b>519</b>	546
North American Railway Foundation	<b>3,715</b>	3,911
Canadian Heritage	<b>560</b>	9,504
Canadian Railroad Historical Association Foundation	-	176
Heller-Smith Family Foundation	<b>5,885</b>	8,137
Municipalité régionale de comté de Roussillon	-	31
Library and Archives Canada	<b>12,490</b>	7,347
	<b>227,663</b>	235,534
	<b>2,685,401</b>	2,288,431

**Expenses – Schedule B**

	<b>2022</b>	2021
	<b>\$</b>	\$
Administrative and office supplies	<b>380,949</b>	273,699
Demonstration, education and railroad research	<b>455,710</b>	278,943
Archives, collection and documentation	<b>284,122</b>	197,809
Insurance	<b>100,566</b>	86,506
Conservation and restoration	<b>43,825</b>	31,340
Philanthropic development and fundraising activities	<b>28,402</b>	23,423
Communications and advertising	<b>152,085</b>	67,348
Maintenance of the buildings and the site	<b>417,909</b>	348,720
Exhibits	<b>121,422</b>	118,961
Professional fees	<b>108,043</b>	45,723
Interest on debt	<b>20,341</b>	30,562
Rental of rooms, gift shop and Le Tramway coffee shop	<b>182,659</b>	88,076
Publications	<b>42,492</b>	40,593
	<b>2,338,525</b>	1,631,703
Amortization of capital assets	<b>290,692</b>	289,475
Amortization of intangible assets	<b>2,039</b>	2,915
	<b>2,631,256</b>	1,924,093