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# Financial statements of the Canadian Railroad Historical Association

March 31, 2021

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Independent Auditor's Report	1 - 3
Statement of revenue and expenses	4
Statement of changes in net assets	5
Statement of financial position	6
Statement of cash flows	7
Notes to the financial statements	8 - 18
Supporting schedules	19 - 20

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## Independent Auditor's Report

To the Members of the  
Canadian Railroad Historical Association

### Qualified Opinion

We have audited the financial statements of the Canadian Railroad Historical Association (the "Association"), which comprise the statement of financial position as at March 31, 2021, 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, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Association as at March 31, 2021, 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 Qualified Opinion

In common with many not-for-profit organizations, the Association derives revenue from the public in the form of memberships, donations and other revenue, the completeness of which is not susceptible of satisfactory audit verification. Accordingly, our audit of these revenue was limited to the amounts recorded in the records of the Association and we were not able to determine whether any adjustments might be necessary to revenue from memberships, donations and other revenue, the excess (deficiency) of revenue over expenses, and cash flows from operations for the years ended March 31, 2021 and March 31, 2020, current assets as at March 31, 2021 and March 31, 2020, and net assets as at March 31, 2021, March 31, 2020 and April 1, 2019. Our audit opinion on the financial statements for the year ended March 31, 2020, was also modified because of the possible effects of this limitation in scope.

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 Association 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 qualified audit 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 Association'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 Association or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Association'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 Association'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 Association'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 Association 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 Association 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>

July 28, 2021

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

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

Year ended March 31, 2021

	Schedules	<b>2021</b>	2020
		<b>\$</b>	<b>\$</b>
<b>Revenue</b>	A	<b>2,052,897</b>	2,574,012
<b>Expenses</b>	B	<b>1,631,703</b>	2,649,213
Excess (deficiency) of revenue over expenses before amortization		<b>421,194</b>	(75,201)
<b>Amortization</b>			
Capital assets	B	<b>(289,475)</b>	(293,810)
Intangible assets	B	<b>(2,915)</b>	(4,164)
Deferred contributions related to capital assets	A	<b>235,534</b>	235,994
		<b>(56,856)</b>	(61,980)
<b>Excess (deficiency) of revenue over expenses</b>		<b>364,338</b>	(137,181)

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, 2021

	Invested in capital assets and intangible assets \$	Unrestricted \$	Total \$
Balance as at April 1, 2019	1,582,520	377,850	1,960,370
Deficiency of revenue over expenses <sup>1</sup>	(61,980)	(75,201)	(137,181)
Acquisition of capital assets	79,388	(79,388)	-
Increase in deferred contributions related to capital assets	(60,202)	60,202	-
Repayment of debt	258,659	(258,659)	-
Receipt of grants receivable	(259,216)	259,216	-
Balance as at March 31, 2020	1,539,169	284,020	1,823,189
Excess (deficiency) of revenue over charges <sup>1</sup>	<b>(56,856)</b>	<b>421,194</b>	<b>364,338</b>
Acquisition of capital assets	<b>48,980</b>	<b>(48,980)</b>	-
Increase in deferred contributions related to capital assets	<b>(48,980)</b>	<b>48,980</b>	-
Repayment of debt	<b>268,657</b>	<b>(268,657)</b>	-
Receipt of grants receivable	<b>(245,159)</b>	<b>245,159</b>	-
Balance as at March 31, 2021	<b>1,505,811</b>	<b>681,716</b>	<b>2,187,527</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

	2021	2020
	\$	\$
<b>Assets</b>		
<b>Current assets</b>		
Cash	1,218,284	638,886
Accounts receivable	14,096	28,609
Grants receivable		
Ministère de la Culture et des Communications		
Phase I	241,141	231,914
Réaménagement de la gare Hays	-	18,515
Dimanches gratuits	-	59,242
Government of Canada - Canada Emergency Wage Subsidy	57,383	-
Ville de Saint-Constant	11,738	11,738
Bibliothèque et Archives du Canada	24,073	-
Other	26,903	56,423
Taxes receivable	18,405	57,269
Inventories	77,096	84,836
Prepaid expenses	24,598	43,004
	<u>1,713,717</u>	<u>1,230,436</u>
Grants receivable		
Ministère de la Culture et des Communications		
Phase I	379,821	620,962
Réaménagement de la gare Hays	-	18,803
Capital assets	5,654,673	5,895,168
Collections and exhibits	1	1
Intangible assets	6,802	9,717
	<u>7,755,014</u>	<u>7,775,087</u>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	190,314	354,912
Government remittances	17,446	23,198
Amount payable to the Canadian Railroad Historical Association	-	200,000
Foundation	512,067	102,365
Deferred contributions	6,961	15,513
Deferred revenue	259,945	268,657
Current portion of debt	986,733	964,645
Debt	419,820	639,765
Deferred contributions related to capital assets	4,160,934	4,347,488
	<u>5,567,487</u>	<u>5,951,898</u>
Commitments		
<b>Net assets</b>		
Invested in capital assets and intangible assets	1,505,811	1,539,169
Unrestricted	681,716	284,020
	<u>2,187,527</u>	<u>1,823,189</u>
	<u>7,755,014</u>	<u>7,775,087</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, 2021

	Notes	<b>2021</b> \$	2020 \$
<b>Operating activities</b>			
Excess (deficiency) of revenue over expenses		<b>364,338</b>	(137,181)
Items not affecting cash			
Amortization of capital assets		<b>289,475</b>	293,810
Amortization of intangible assets		<b>2,915</b>	4,164
Amortization of deferred contributions related to capital assets		<b>(235,534)</b>	(235,994)
		<b>421,194</b>	(75,201)
Changes in non-cash operating working capital items and grants receivable	10	<b>386,861</b>	412,458
		<b>808,055</b>	337,257
<b>Investing activities</b>			
Acquisition of capital assets		<b>(48,980)</b>	(79,388)
<b>Financing activities</b>			
Repayment of debt		<b>(268,657)</b>	(258,659)
Increase in debt		<b>40,000</b>	-
Increase in deferred contributions related to capital assets	9	<b>48,980</b>	60,202
		<b>(179,677)</b>	(198,457)
Net increase in cash		<b>579,398</b>	59,412
Cash, beginning of year		<b>638,886</b>	579,474
<b>Cash, end of year</b>		<b>1,218,284</b>	638,886

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

**1. Status and nature of activities**

The Canadian Railroad Historical Association (the "Association") 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 Association 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 Association's principal activities are to retain, protect and preserve a collection of railroad objects for public exhibition, education and research purposes and to produce and distribute an information magazine to its members.

Following the COVID-19 pandemic, the Exporail museum operated by the Association was closed to the public from March 18, 2020 to June 25, 2020, and from September 28, 2020 to February 18, 2021, which impacted its financial results.

**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:

*Financial instruments*

Financial assets and financial liabilities, except for the amount payable to a related party, are initially recognized at fair value when the Association becomes a party to the contractual provisions of the financial instrument. Subsequently, all financial instruments are measured at amortized cost.

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 expenses.

With respect to financial assets measured at cost or at amortized cost, the Association recognizes in the statement of revenue and expenses an impairment loss, if any, when 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 shall be reversed in the statement of revenue and expenses in the period the reversal occurs.

*Revenue recognition*

The Association 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.

**2. Accounting policies (continued)**

*Capital assets*

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

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

The work of art is recorded at acquisition cost and has not been amortized.

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.

*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.

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

### *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 \$31,486 (\$106,078 in 2020), which is included in Schedule B under the section "Rental of rooms, gift shop and Le Tramway coffee shop expenses".

## **4. Canada Emergency Wage Subsidy**

In the current year, in relation to the pandemic of COVID-19, the Association 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 Association is entitled to a subsidy of up to 75% of eligible salaries for eligible employees. During the year, a grant of \$378,824 was recognized in revenue for which an amount of \$57,383 is receivable as at March 31, 2021.

**Canadian Railroad Historical Association**
**Notes to the financial statements**

March 31, 2021

**5. Capital assets**

	Cost \$	Accumulated amortization \$	2021 Net book value \$	2020 Net book value \$
Phases I and II				
Property fence and land improvements	161,641	93,436	68,205	68,205
Buildings	10,409,050	6,168,237	4,240,813	4,459,003
Furniture and equipment	208,291	203,362	4,929	6,162
Machinery, material and equipment	41,232	39,450	1,782	2,228
Computer equipment	18,555	18,502	53	76
	<b>10,838,769</b>	<b>6,522,987</b>	<b>4,315,782</b>	4,535,674
Others				
Land	506,594	-	506,594	506,594
Property fence and land improvements	262,848	231,918	30,930	34,569
Buildings	1,070,513	934,888	135,625	142,763
Buildings improvements	640,853	174,486	466,367	490,912
Furniture and equipment	159,654	145,829	13,825	17,281
Machinery, material and equipment	497,505	462,729	34,776	43,571
Automotive equipment	79,650	68,301	11,349	14,186
Signs	13,808	13,020	788	859
Computer equipment	153,543	84,482	69,061	39,183
Work of art	69,576	-	69,576	69,576
	<b>3,454,544</b>	<b>2,115,653</b>	<b>1,338,891</b>	1,359,494
	<b>14,293,313</b>	<b>8,638,640</b>	<b>5,654,673</b>	5,895,168

**6. Intangible assets**

	Cost \$	Accumulated amortization \$	2021 Net book value \$	2020 Net book value \$
Software	67,348	60,546	6,802	9,717

**Canadian Railroad Historical Association****Notes to the financial statements**

March 31, 2021

**7. Deferred contributions**

	<b>2021</b>	2020
	<b>\$</b>	\$
Ministère de la Culture et des Communications - grant for subsequent year received in advance	<b>389,041</b>	-
Donation for a future project and for wages	<b>87,518</b>	72,640
Dedicated donation from Canadian Heritage for the reserve redevelopment project	<b>21,128</b>	-
Dedicated donation for the repair of the John Molson steam locomotive	<b>9,555</b>	9,571
Dedicated donation for financing a permanent exhibit	<b>1,671</b>	5,000
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 the support of archive processing	-	12,000
	<b>512,067</b>	102,365

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

	<b>2021</b>	2020
	<b>\$</b>	\$
Balance, beginning of year	<b>102,365</b>	294,478
Amounts received during the year	<b>464,216</b>	34,180
Portion recognized as revenue	<b>(54,514)</b>	(226,293)
Balance, end of year	<b>512,067</b>	102,365

**Canadian Railroad Historical Association**

**Notes to the financial statements**

March 31, 2021

**8. Debt**

	<b>2021</b>	2020
	<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 \$4,652,203 and by a movable hypothec on the universality of receivables and assets with the exception of archives and exhibits	<b>620,962</b>	852,876
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, secured by a first-rank immovable hypothec of \$175,520*	<b>18,803</b>	55,546
Loan, Canada Emergency Business Account, no interest, secured by the government of Canada**	<b>40,000</b>	-
	<b>679,765</b>	908,422
Current portion	<b>259,945</b>	268,657
	<b>419,820</b>	639,765

Principal repayments required over the next years are as follows:

	\$
2022	259,945
2023	290,736
2024	129,084

\* As at March 31, 2021, the balance of the corresponding grant receivable totalled a nil value (\$37,318 as at March 31, 2020) as the expected amount receivable on April 30, 2021, of \$18,803 (the expected amount receivable on April 30, 2020, of \$18,828) was received before year-end.

\*\* No interest nor reimbursement is required until December 31, 2022. Repayment of the balance of the grant-loan in the amount of \$60,000, no later than December 31, 2022, will result in a write-off of 33.33% of the loan. The Association therefore recognized a grant revenue of \$20,000 during the year. Otherwise, from January 1, 2023, the loan of \$40,000 will be repayable over 36 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.

**Canadian Railroad Historical Association**

**Notes to the financial statements**

March 31, 2021

**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.

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

	<b>2021</b>	2020
	\$	\$
Balance, beginning of year	<b>4,347,488</b>	4,523,280
Additions	<b>48,980</b>	60,202
Amortization	<b>(235,534)</b>	(235,994)
Balance, end of year	<b>4,160,934</b>	4,347,488

The ending balance includes:

	<b>Cost</b>	<b>Accumulated amortization</b>	<b>2021 Net book value</b>	2020 Net book value
	\$	\$	\$	\$
Phase I				
Economic Development				
Canada	<b>3,000,000</b>	<b>1,808,350</b>	<b>1,191,650</b>	1,254,368
Ministère de la Culture et des Communications	<b>3,415,000</b>	<b>2,058,513</b>	<b>1,356,487</b>	1,427,881
CLD de Roussillon	<b>26,100</b>	<b>15,732</b>	<b>10,368</b>	10,914
Ville de Saint-Constant	<b>93,436</b>	-	<b>93,436</b>	93,436
	<b>6,534,536</b>	<b>3,882,595</b>	<b>2,651,941</b>	2,786,599
Transfer to capital assets	<b>93,436</b>	-	<b>93,436</b>	93,436
	<b>6,441,100</b>	<b>3,882,595</b>	<b>2,558,505</b>	2,693,163
Phase II				
Economic Development				
Canada	<b>1,200,000</b>	<b>703,272</b>	<b>496,728</b>	522,872
Ministère de la Culture et des Communications	<b>1,200,000</b>	<b>703,272</b>	<b>496,728</b>	522,872
	<b>2,400,000</b>	<b>1,406,544</b>	<b>993,456</b>	1,045,744
Transfer to capital assets	<b>70,444</b>	-	<b>70,444</b>	70,444
	<b>2,329,556</b>	<b>1,406,544</b>	<b>923,012</b>	975,300
Permanent exhibit				
Volet B				
North American Railway Foundation	<b>130,633</b>	<b>56,324</b>	<b>74,309</b>	78,220
Ministère de la Culture et des Communications	<b>486,360</b>	<b>204,888</b>	<b>281,472</b>	296,286
	<b>616,993</b>	<b>261,212</b>	<b>355,781</b>	374,506



**Canadian Railroad Historical Association**
**Notes to the financial statements**

March 31, 2021

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

	Cost \$	Accumulated amortization \$	2021 Net book value \$	2020 Net book value \$
Collections management software project				
Canadian Heritage	30,060	28,676	1,384	1,977
Canadian Railroad Historical Association Foundation	12,000	11,588	412	588
Municipalité régionale de comté de Roussillon	2,100	2,027	73	104
	<b>44,160</b>	<b>42,291</b>	<b>1,869</b>	<b>2,669</b>
Other projects				
Heller-Smith Family Foundation	35,000	12,862	22,138	30,275
Bibliothèque et Archives Canada	48,980	7,347	41,633	-
	<b>83,980</b>	<b>20,209</b>	<b>63,771</b>	<b>30,275</b>
Renewal of the permanent exhibit				
Canadian Heritage	187,603	18,291	169,312	178,223
Ministère de la Culture et des Communications	97,602	8,918	88,684	93,352
	<b>285,205</b>	<b>27,209</b>	<b>257,996</b>	<b>271,575</b>
	<b>9,800,994</b>	<b>5,640,060</b>	<b>4,160,934</b>	<b>4,347,488</b>

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

	2021 \$	2020 \$
<i>Changes in non-cash operating working capital items and grants receivable</i>		
Accounts receivable	14,513	19,059
Grants receivable	276,538	219,637
Taxes receivable	38,864	(45,599)
Inventories	7,740	(9,024)
Prepaid expenses	18,406	(13,555)
Accounts payable and accrued liabilities	(164,598)	226,748
Government remittances	(5,752)	7,862
Amount payable to the Canadian Railroad Historical Association Foundation	(200,000)	200,000
Deferred contributions	409,702	(192,113)
Deferred revenue	(8,552)	(557)
	<b>386,861</b>	<b>412,458</b>

## Canadian Railroad Historical Association

### Notes to the financial statements

March 31, 2021

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#### 11. Expenses allocation

Wages and benefits are distributed as follows:

	<b>2021</b>	2020
	<b>\$</b>	\$
Administrative and office supplies	<b>157,680</b>	147,614
Demonstration, education and railroad research	<b>178,760</b>	304,161
Archives, collections and documentation	<b>152,932</b>	168,525
Philanthropic development and fundraising activities	<b>23,423</b>	15,005
Communications and advertising	<b>48,794</b>	58,249
Maintenance of the buildings and the site	<b>44,837</b>	51,887
Exhibits	<b>71,241</b>	66,882
Rental of rooms, gift shop and Le Tramway coffee shop expenses	<b>53,807</b>	104,475
	<b>731,474</b>	916,798

#### 12. Commitments

The Association is committed under agreements for services and equipment rental until 2024. The total payments amount to \$29,026 and are as follows:

	\$
2022	23,386
2023	2,945
2024	2,695

## Canadian Railroad Historical Association

### Notes to the financial statements

March 31, 2021

#### 13. Canadian Railroad Historical Association Foundation

The Canadian Railroad Historical Association Foundation (the "Foundation"), incorporated under Part II of the *Canada Corporations 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 Association, as well as to manage these funds. The Association controls the Foundation since the majority of the Foundation's directors are also the Association's directors.

The financial statements of the Foundation are as follows:

	2021 \$ (audited)	2020 \$ (audited)
Statement of financial position		
Assets	<b>2,107,750</b>	1,103,979
Liabilities	<b>180,450</b>	211,632
Net assets*	<b>1,927,300</b>	892,347

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

	2021 \$ (audited)	2020 \$ (audited)
Statement of revenue and expenses		
Revenue	<b>364,321</b>	20,734
Expenses	<b>79,212</b>	62,489
Excess (deficiency) of revenue over expenses	<b>285,109</b>	(41,755)

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

During the year, the Foundation donated \$67,516 (\$54,103 in 2020) to the Association, which has been recorded in the Association's donations revenue. The Association did not donate to the Foundation in 2021 (a donation of \$50,000 was made in 2020). During the year, the Association did not receive any donation for the Foundation (a donation of \$200,000 was cashed in 2020 for the Foundation as per the agreement with the donor). These Funds were presented under "Amount payable to the Canadian Railroad Historical Association Foundation" on the statement of financial position as at March 31, 2020. These funds were transferred to the Foundation to be held in perpetuity in a specific endowment fund, in order to permit the filing of a matching grant request under the program Mécénat Placements Culture of the Ministère de la Culture et des Communications du Québec.

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 15,898 hours of work to the Association throughout the year (24,986 hours in 2020). 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.

Management has determined that, throughout the year, it has received collections and exhibits contributions valued at approximately \$235,254 (\$375,153 in 2020), which have not been recorded.

## Canadian Railroad Historical Association

### Notes to the financial statements

March 31, 2021

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#### 14. Other information (continued)

##### *Municipal taxes*

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

#### 15. Financial instruments

##### *Currency risk*

The statement of financial position includes the following amounts expressed in Canadian dollars with respect to financial assets for which cash flows are denominated in U.S. dollars:

	<b>2021</b>	2020
	<b>\$</b>	\$
Cash	<b>2,677</b>	4,497

##### *Credit risk*

The Association 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 Association not being able to meet its financial obligations when they are due. The Association monitors its cash balances and cash flows generated from operations to meet its requirements. As at March 31, 2021, the most significant financial liabilities were accounts payable and accrued liabilities and debt.

#### 16. Comparative figures

Certain figures for 2020 have been reclassified to conform to the presentation adopted in 2021.

# Canadian Railroad Historical Association

## Supporting schedules

Year ended March 31, 2021

### Revenue – Schedule A

	2021	2020
	\$	\$
Admissions	<b>195,906</b>	575,778
Sales from the gift shop and Le Tramway coffee shop	<b>56,426</b>	178,025
Rental of rooms and site	<b>62,908</b>	112,508
Memberships	<b>35,067</b>	37,988
Donations	<b>265,942</b>	510,693
Other revenue	<b>68,827</b>	80,071
	<b>685,076</b>	1,495,063
Grants		
Employment and Social Development Canada	<b>32,616</b>	29,065
Canadian Heritage	<b>49,320</b>	55,258
Ministère de la Culture et des Communications	<b>560,633</b>	660,391
Ministère de la Culture et des Communications – Dimanches gratuits	<b>10,419</b>	206,026
Ministère du Travail, de l'Emploi et de la Solidarité sociale Emploi-Québec	<b>817</b>	4,353
Ville de Saint-Constant	<b>46,950</b>	52,568
Bibliothèque et Archives nationales du Québec	<b>49,706</b>	36,519
Ville de Delson	<b>15,200</b>	15,200
Tourisme Montérégie	<b>4,041</b>	-
Municipalité régionale de comté de Roussillon	<b>7,000</b>	7,000
YMCA of Greater Toronto	-	2,569
Caisse Desjardins des Moissons-et-de-Roussillon	-	10,000
	<b>776,702</b>	1,078,949
Grants - COVID-19		
Canada Emergency Wage Subsidy	<b>378,824</b>	-
Canada Emergency Business Account	<b>20,000</b>	-
Canadian Heritage	<b>100,000</b>	-
Ministère de la Culture et des Communications	<b>87,000</b>	-
Other grants	<b>5,295</b>	-
	<b>591,119</b>	-
	<b>2,052,897</b>	2,574,012
Amortization of deferred contributions related to capital assets		
Economic Development Canada	<b>88,862</b>	93,539
Ministère de la Culture et des Communications	<b>117,020</b>	122,516
CLD de Roussillon	<b>546</b>	574
North American Railway Foundation	<b>3,911</b>	4,117
Canadian Heritage	<b>9,504</b>	10,227
Canadian Railroad Historical Association Foundation	<b>176</b>	252
Heller-Smith Family Foundation	<b>8,137</b>	4,725
Municipalité régionale de comté de Roussillon	<b>31</b>	44
Bibliothèque et Archives Canada	<b>7,347</b>	-
	<b>235,534</b>	235,994
	<b>2,288,431</b>	2,810,006

**Canadian Railroad Historical Association****Supporting schedules**

Year ended March 31, 2021

**Expenses – Schedule B**

	<b>2021</b>	2020
	<b>\$</b>	<b>\$</b>
Administrative and office supplies	<b>273,699</b>	304,021
Demonstration, education and railroad research	<b>278,943</b>	571,259
Archives, collection and documentation	<b>197,809</b>	207,260
Insurance	<b>86,506</b>	96,145
Conservation and restoration	<b>31,340</b>	51,926
Philanthropic development and fundraising activities	<b>23,423</b>	15,005
Communications and advertising	<b>67,348</b>	145,542
Maintenance of the buildings and the site	<b>348,720</b>	450,894
Exhibits	<b>118,961</b>	399,516
Professional fees	<b>45,723</b>	56,612
Interest on debt	<b>30,562</b>	40,642
Rental of rooms, gift shop and Le Tramway coffee shop	<b>88,076</b>	220,978
Publications	<b>40,593</b>	39,413
Donation to the Canadian Railroad Historical Association Foundation	-	50,000
	<b>1,631,703</b>	2,649,213
Amortization of capital assets	<b>289,475</b>	293,810
Amortization of intangible assets	<b>2,915</b>	4,164
	<b>1,924,093</b>	2,947,187