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Financial statements of the  
Canadian Railroad Historical  
Association

March 31, 2023

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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, 2023, and the statements of income, 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, 2023, 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*

July 27, 2023

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

**Canadian Railroad Historical Association**  
**Statement of income**  
Year ended March 31, 2023

		<b>2023</b>	2022
	Schedules	<b>\$</b>	<b>\$</b>
	A		
<b>Revenue</b>		<b>2,409,831</b>	2,457,738
	B		
<b>Expenses</b>		<b>2,527,246</b>	2,338,525
(Deficiency) excess of revenue over expenses before amortization		<b>(117,415)</b>	119,213
<b>Amortization</b>			
Capital assets	B	<b>(284,531)</b>	(290,692)
Intangible assets	B	<b>(1,430)</b>	(2,039)
Deferred contributions related to capital assets	A	<b>212,139</b>	227,663
		<b>(73,822)</b>	(65,068)
<b>(Deficiency) excess of revenue over expenses</b>		<b>(191,237)</b>	54,145

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, 2023

	<b>Invested in capital assets and intangible assets</b>		<b>Total</b>
	<b>Unrestricted</b>	<b>Unrestricted</b>	
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Balance as at April 1, 2021	1,505,811	681,716	2,187,527
Excess (deficiency) of revenue over expenses <sup>1</sup>	(65,070)	119,215	54,145
Acquisition of capital assets	148,263	(148,263)	-
Increase in deferred contributions related to capital assets	(17,649)	17,649	-
Repayment of debt	259,945	(259,945)	-
Receipt of grants receivable	(265,214)	265,214	-
Balance as at March 31, 2022	1,566,086	675,586	2,241,672
Deficiency of revenue over expenses <sup>1</sup>	<b>(73,822)</b>	<b>(117,415)</b>	<b>(191,237)</b>
Acquisition of capital assets	<b>18,420</b>	<b>(18,420)</b>	-
Repayment of debt	<b>250,736</b>	<b>(250,736)</b>	-
Receipt of grants receivable	<b>(250,736)</b>	<b>250,736</b>	-
Balance as at March 31, 2023	<b>1,510,684</b>	<b>539,751</b>	<b>2,050,435</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, 2023

	2023	2022
	\$	\$
<b>Assets</b>		
<b>Current assets</b>		
Cash	871,182	852,029
Investments	200,000	-
Accounts receivable	28,238	24,214
Grants receivable		
Ministère de la Culture et des Communications		
Phase I	129,085	379,821
Free Sundays	136,914	102,296
Government of Canada – Canada Emergency Wage Subsidy	-	61,549
Ville de Saint-Constant	11,738	11,738
Taxes receivable	17,803	33,185
Inventories	69,947	63,956
Prepaid expenses	109,968	25,604
	<b>1,574,875</b>	1,554,392
<b>Capital assets</b>		
Collections and exhibits	5,176,556	5,442,667
Work of art	1	1
Intangible assets	69,576	69,576
	<b>3,333</b>	4,763
	<b>6,824,341</b>	7,071,399
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	223,689	222,421
Government remittances	22,136	17,168
Deferred revenue	16,334	4,869
Deferred contributions	603,880	214,527
Current portion of debt	169,085	290,736
	<b>1,035,124</b>	749,721
<b>Debt</b>		
Deferred contributions related to capital assets	-	129,085
	<b>3,738,782</b>	3,950,921
	<b>4,773,906</b>	4,829,727
<b>Commitments</b>		
<b>Net assets</b>		
Invested in capital assets and intangible assets	1,510,684	1,566,086
Unrestricted	539,751	675,586
	<b>2,050,435</b>	2,241,672
	<b>6,824,341</b>	7,071,399

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, 2023

	2023	2022
	\$	\$
<b>Operating activities</b>		
(Deficiency) excess of revenue over expenses	<b>(191,237)</b>	54,145
Items not affecting cash		
Amortization of capital assets	<b>284,531</b>	290,692
Amortization of intangible assets	<b>1,430</b>	2,039
Amortization of deferred contributions related to capital assets	<b>(212,139)</b>	(227,663)
	<b>(117,415)</b>	119,213
	11	
Changes in non-cash operating working capital items and grants receivable	<b>605,724</b>	(94,912)
	<b>488,309</b>	24,301
<b>Investing activities</b>		
Acquisition of capital assets	<b>(18,420)</b>	(148,261)
Investment acquisition	<b>(200,000)</b>	-
	<b>(218,420)</b>	(148,261)
<b>Financing activities</b>		
Repayment of debt	<b>(250,736)</b>	(259,945)
Increase in deferred contributions related to capital assets	-	17,650
	19	
	<b>(250,736)</b>	(242,295)
Net increase (decrease) in cash	<b>19,153</b>	(366,255)
Cash, beginning of year	<b>852,029</b>	1,218,284
<b>Cash, end of year</b>	<b>871,182</b>	852,029

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, 2023

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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 activities are the ownership and operation of an accredited museum known as Exporail, the Canadian Railway Museum, located in Saint-Constant and Delson, Québec. 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.

#### 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*

###### 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.

###### 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 income 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 income 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 income in the period the reversal occurs.

## Canadian Railroad Historical Association

### Notes to the financial statements

March 31, 2023

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## 2. Accounting policies (continued)

### *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 methods and rates:

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 income. 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 income. 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.

## Canadian Railroad Historical Association

### Notes to the financial statements

March 31, 2023

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## 2. Accounting policies (continued)

### *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 12 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. Investments

Investments consist of term deposits with a Canadian chartered bank in a principal amount of \$200,000 (nil as at March 31, 2022), which earn interest at 2.25% to 4.15% (nil as at March 31, 2022) and mature in August 2023.

## 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 \$52,218 (\$97,161 in 2022) was recognized in revenue for which an amount of nil (\$61,549 in 2022) is receivable as at March 31, 2023.

## Canadian Railroad Historical Association

### Notes to the financial statements

March 31, 2023

#### 5. Inventories

The inventories recognized as an expense during the year amount to \$84,805 (\$101,618 in 2022), which is included in Schedule B under the section *Rental of rooms, gift shop and Le Tramway coffee shop expenses*.

#### 6. Capital assets

	Cost \$	Accumulated amortization \$	2023 Net book value \$	2022 Net book value \$
Phases I and II				
Property fence and land improvements	161,641	93,436	68,205	68,205
Buildings	10,409,050	6,572,434	3,836,616	4,033,532
Furniture and equipment	208,291	205,136	3,155	3,943
Machinery, material and equipment	41,232	40,092	1,140	1,525
Computer equipment	18,555	18,529	26	37
	<u>10,838,769</u>	<u>6,929,627</u>	<u>3,909,142</u>	<u>4,107,242</u>
Others				
Land	506,594	-	506,594	506,594
Property fence and land improvements	262,849	239,196	23,653	27,292
Buildings	1,070,513	948,112	122,401	128,843
Buildings improvements	649,113	220,567	428,546	451,102
Furniture and equipment	231,167	165,109	66,058	82,573
Machinery, material and equipment	532,680	490,817	41,863	52,329
Automotive equipment	91,095	74,983	16,112	16,337
Signs	13,808	13,268	540	550
Computer equipment	193,833	132,186	61,647	69,805
	<u>3,551,652</u>	<u>2,284,238</u>	<u>1,267,414</u>	<u>1,335,425</u>
	<u>14,390,421</u>	<u>9,213,865</u>	<u>5,176,556</u>	<u>5,442,667</u>

#### 7. Intangible assets

	Cost \$	Accumulated amortization \$	2023 Net book value \$	2022 Net book value \$
Software	67,348	64,015	3,333	4,763

## Canadian Railroad Historical Association

### Notes to the financial statements

March 31, 2023

#### 8. Deferred contributions

	2023 \$	2022 \$
Ministère de la Culture et des Communications – grant for subsequent year received in advance	<b>222,528</b>	-
Donation for a future project	<b>47,189</b>	44,436
Dedicated donation for the repair of the John Molson steam locomotive	-	1,339
Dedicated donation for the restoration of railway vehicles	<b>187,196</b>	139,083
Dedicated donation for the miniature trains room	<b>778</b>	1,718
Dedicated donation from CN for the exhibit on railway security	<b>1,436</b>	1,436
Grant from Library and Archives Canada for Heckman and Van Horne projects	<b>12,173</b>	2,023
Dedicated donation to the archives	<b>10,000</b>	-
Grant from Bibliothèque et Archives nationales du Québec for the support of archive processing	<b>7,268</b>	3,364
Grant for the reorganization of the reserves from the Museums Assistance Program	<b>21,128</b>	21,128
Dedicated donation to build the John Molson passenger car	<b>94,184</b>	-
	<b>603,880</b>	214,527

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

	2023 \$	2022 \$
Balance, beginning of year	<b>214,527</b>	512,067
Amounts received during the year	<b>518,254</b>	165,598
Portion recognized as revenue	<b>(128,901)</b>	(463,138)
Balance, end of year	<b>603,880</b>	214,527

#### 9. Debt

	2023 \$	2022 \$
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 \$2,928,016 and by a movable hypothec on the universality of receivables and assets with the exception of archives and exhibits	<b>129,085</b>	379,821
Loan, Canada Emergency Business Account, no interest, secured by the government of Canada*	<b>40,000</b>	40,000
	<b>169,085</b>	419,821
Current portion	<b>169,085</b>	290,736
	-	129,085

## Canadian Railroad Historical Association

### Notes to the financial statements

March 31, 2023

#### 9. Debt (continued)

\* 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 2021. Otherwise, from January 1, 2024, the outstanding loan will be converted to a two-year loan with an interest rate of 5.00% per year starting January 1, 2024, and must be repaid no later than December 31, 2025.

#### 10. 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:

	2023 \$	2022 \$
Balance, beginning of year	3,950,921	4,160,934
Additions	-	17,650
Amortization	(212,139)	(227,663)
Balance, end of year	<b>3,738,782</b>	3,950,921

The ending balance includes:

	Cost \$	Accumulated amortization \$	2023 Net book value \$	2022 Net book value \$
Phase I				
Economic Development Canada	3,000,000	1,924,536	1,075,464	1,132,067
Ministère de la Culture et des Communications	3,415,000	2,190,770	1,224,230	1,288,663
CLD de Roussillon	26,100	16,742	9,358	9,850
Ville de Saint-Constant	93,436	-	93,436	93,436
	<b>6,534,536</b>	<b>4,132,048</b>	<b>2,402,488</b>	2,524,016
Transfer to capital assets	93,436	-	93,436	93,436
	<b>6,441,100</b>	<b>4,132,048</b>	<b>2,309,052</b>	2,430,580
Phase II				
Economic Development Canada	1,200,000	751,702	448,298	471,892
Ministère de la Culture et des Communications	1,200,000	751,702	448,298	471,892
	<b>2,400,000</b>	<b>1,503,404</b>	<b>896,596</b>	943,784
Transfer to capital assets	70,444	-	70,444	70,444
	<b>2,329,556</b>	<b>1,503,404</b>	<b>826,152</b>	873,340

**Canadian Railroad Historical Association**  
**Notes to the financial statements**  
 March 31, 2023

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

	Cost \$	Accumulated amortization \$	2023 Net book value \$	2022 Net book value \$
Permanent exhibit				
Volet B				
North American Railway Foundation	<b>130,633</b>	<b>63,570</b>	<b>67,063</b>	70,593
Ministère de la Culture et des Communications	<b>486,360</b>	<b>232,331</b>	<b>254,029</b>	267,399
	<b>616,993</b>	<b>295,901</b>	<b>321,092</b>	337,992
Collections management software project				
Canadian Heritage	<b>30,060</b>	<b>29,382</b>	<b>678</b>	969
Canadian Railroad Historical Association Foundation	<b>12,000</b>	<b>11,798</b>	<b>202</b>	288
Municipalité régionale de comté de Roussillon	<b>2,100</b>	<b>2,065</b>	<b>35</b>	50
	<b>44,160</b>	<b>43,245</b>	<b>915</b>	1,307
Other projects				
Heller-Smith Family Foundation	<b>35,000</b>	<b>23,017</b>	<b>11,983</b>	16,254
Bibliothèque et Archives Canada	<b>48,980</b>	<b>28,580</b>	<b>20,400</b>	29,143
	<b>83,980</b>	<b>51,597</b>	<b>32,383</b>	45,397
Renewal of the permanent exhibit				
Canadian Heritage	<b>205,253</b>	<b>36,103</b>	<b>169,150</b>	178,055
Ministère de la Culture et des Communications	<b>97,602</b>	<b>17,564</b>	<b>80,038</b>	84,250
	<b>302,855</b>	<b>53,667</b>	<b>249,188</b>	262,305
	<b>9,818,644</b>	<b>6,079,862</b>	<b>3,738,782</b>	3,950,921

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

	2023 \$	2022 \$
<i>Changes in non-cash operating working capital items and grants receivable</i>		
Accounts receivable	<b>(4,024)</b>	(10,118)
Grants receivable	<b>277,667</b>	185,656
Taxes receivable	<b>15,382</b>	(14,779)
Inventories	<b>(5,991)</b>	13,140
Prepaid expenses	<b>(84,364)</b>	(1,008)
Accounts payable and accrued liabilities	<b>1,268</b>	32,107
Government remittances	<b>4,968</b>	(278)
Deferred revenue	<b>11,465</b>	(2,092)
Deferred contributions	<b>389,353</b>	(297,540)
	<b>605,724</b>	(94,912)



## Canadian Railroad Historical Association

### Notes to the financial statements

March 31, 2023

#### 12. Expenses allocation

Wages and benefits are distributed as follows:

	<b>2023</b>	2022
	<b>\$</b>	\$
Administrative and office supplies	<b>196,711</b>	182,650
Demonstration, education and railroad research	<b>369,662</b>	284,575
Archives, collections and documentation	<b>191,240</b>	191,707
Philanthropic development and fundraising activities	<b>22,942</b>	28,402
Communications and advertising	<b>53,403</b>	94,002
Maintenance of the buildings and the site	<b>40,496</b>	43,636
Exhibits	<b>76,896</b>	72,119
Rental of rooms, gift shop and Le Tramway coffee shop expenses	<b>98,590</b>	68,583
	<b><u>1,049,940</u></b>	<u>965,674</u>

#### 13. Commitments

The CRHA is committed under agreements for services and equipment rental until 2026. The total payments amount to \$16,685 and are as follows:

	\$
2024	14,084
2025	2,229
2026	372

#### 14. Canadian Railroad Historical Association Foundation

The Canadian Railroad Historical Association Foundation (the "Foundation"), incorporated under Part II of the *Canada Corporations Act*, constituted 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:

	<b>2023</b>	2022
	<b>\$</b>	\$
	<b>(audited)</b>	(audited)
Statement of financial position		
Assets	<b>2,946,173</b>	2,319,531
Liabilities	<b>180,450</b>	180,450
Net assets*	<b><u>2,765,723</u></b>	<u>2,139,081</u>

\* Net assets as at March 31, 2023, include endowments received during the year in the amount of \$349,789 (\$200,000 in 2022).

## Canadian Railroad Historical Association

### Notes to the financial statements

March 31, 2023

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#### 14. Canadian Railroad Historical Association Foundation (continued)

	2023 \$ (audited)	2022 \$ (audited)
Statement of revenue and expenses		
Revenue	<b>408,727</b>	116,498
Expenses	<b>131,874</b>	104,717
Excess of revenue over expenses	<b>276,853</b>	11,781

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

During the year, the Foundation donated \$115,000 (\$90,000 in 2022) 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.

#### 15. Other information

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

Management has determined that volunteers donated approximately 22,173 hours of work to the CRHA throughout the year (22,137 hours in 2022). 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 \$96,935 (\$93,379 in 2022), 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.

#### 16. 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, 2023, the most significant financial liabilities were accounts payable and accrued liabilities and debt.

**Canadian Railroad Historical Association**  
**Supporting schedules**  
Year ended March 31, 2023

**Revenue – Schedule A**

	2023	2022
	\$	\$
	<b>2023</b>	2022
	<b>\$</b>	<b>\$</b>
Admissions	<b>570,930</b>	584,825
Sales from the gift shop and Le Tramway coffee shop	<b>176,215</b>	165,785
Rental of rooms and site	<b>126,023</b>	91,895
Memberships	<b>35,869</b>	39,636
Donations	<b>302,263</b>	336,218
Other revenue	<b>123,664</b>	119,525
	<b>1,334,964</b>	1,337,884
Grants		
Employment and Social Development Canada	<b>28,992</b>	30,146
Canadian Heritage	<b>14,309</b>	47,729
Museums Assistance Program	<b>29,433</b>	-
Ministère de la Culture et des Communications	<b>691,629</b>	550,246
Ministère de la Culture et des Communications – Free Sundays	<b>132,008</b>	102,296
Bibliothèque et Archives nationales du Québec	<b>60,872</b>	40,893
Ministère du Tourisme	<b>561</b>	12,008
Ville de Saint-Constant	<b>46,950</b>	46,950
Ville de Delson	<b>15,200</b>	15,200
Tourisme Montérégie	<b>2,694</b>	225
	<b>1,022,648</b>	845,693
Grants – COVID-19		
Canada Emergency Wage Subsidy	<b>52,219</b>	97,161
Canadian Heritage	-	100,000
Ministère de la Culture et des Communications	-	77,000
	<b>52,219</b>	274,161
	<b>2,409,831</b>	2,457,738
Amortization of deferred contributions related to capital assets		
Economic Development Canada	<b>80,198</b>	84,419
Ministère de la Culture et des Communications	<b>114,513</b>	120,075
CLD de Roussillon	<b>492</b>	519
North American Railway Foundation	<b>3,530</b>	3,715
Canadian Heritage	<b>392</b>	560
Heller-Smith Family Foundation	<b>4,271</b>	5,885
Library and Archives Canada	<b>8,743</b>	12,490
	<b>212,139</b>	227,663
	<b>2,621,970</b>	2,685,401

**Canadian Railroad Historical Association**  
**Supporting schedules**  
Year ended March 31, 2023

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**Expenses – Schedule B**

	<b>2023</b>	2022
	<b>\$</b>	\$
Administrative and office supplies	<b>381,558</b>	380,949
Demonstration, education and railroad research	<b>613,591</b>	455,710
Archives, collection and documentation	<b>220,457</b>	284,122
Insurance	<b>114,568</b>	100,566
Conservation and restoration	<b>33,768</b>	43,825
Philanthropic development and fundraising activities	<b>22,942</b>	28,402
Communications and advertising	<b>165,784</b>	152,085
Maintenance of the buildings and the site	<b>474,662</b>	417,909
Exhibits	<b>96,930</b>	121,422
Professional fees	<b>139,062</b>	108,043
Interest on debt	<b>10,626</b>	20,341
Rental of rooms, gift shop and Le Tramway coffee shop	<b>209,258</b>	182,659
Publications	<b>44,040</b>	42,492
	<b>2,527,246</b>	2,338,525
Amortization of capital assets	<b>284,531</b>	290,692
Amortization of intangible assets	<b>1,430</b>	2,039
	<b>2,813,207</b>	2,631,256