

Financial Statements of

SCIENCE NORTH

And Independent Auditor's Report thereon

Year ended March 31, 2024

Management's Responsibility for the Financial Statements

The accompanying financial statements of Science North are the responsibility of Science North's management and have been prepared in compliance with legislation, and in accordance with Canadian public sector accounting standards for not-for-profit organizations, including the 4200 series of standards, as issued by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. A summary of the significant accounting policies are described in Note 1 to these financial statements. The preparation of the financial statements necessarily involves the use of estimates based on management's judgement, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

Science North's management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements and reliable financial information is available on a timely basis for preparation of the financial statements. These systems are monitored and evaluated by management.

The Board of Trustees meets with management and the external auditors to review the financial statements and discuss any significant financial reporting or internal control matters prior to their approval of the financial statements.

The financial statements have been audited by KPMG LLP, independent external auditors appointed by Science North. The accompanying Independent Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on Science North's financial statements.



Acting Director of Finance

June 26, 2024



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INDEPENDENT AUDITOR'S REPORT

To the Honourable Minister of Tourism, Culture and Sport, the Province of Ontario and the Board of Trustees of Science North

Opinion

We have audited the financial statements of Science North (the "Entity"), which comprise:

- the statement of financial position as at March 31, 2024
- the statement of operations and changes in fund balances for the year then ended
- the statement of cash flows for the year then ended
- and the notes and schedule to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements")

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at March 31, 2024, and its results of operations, its changes in remeasurement gains and losses and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibility under those standards are further described in the "***Auditor's Responsibilities for the Audit of the Financial Statements***" section of our auditor's report.

We are independent of the Entity 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.



Responsibility 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 public sector accounting standards, 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 Entity'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 Entity or to cease operations or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity'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 generally accepted auditing standards 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 the financial statements.

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

- Identify and assess the risk 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, internal 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 purposes of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



Page 3

- 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 the events or conditions that may cast significant doubt on the Entity'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 Entity's 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.
- 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.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

Sudbury, Canada

June 26, 2024

SCIENCE NORTH

Statement of Financial Position

March 31, 2024, with comparative information for 2023

| | 2024 | 2023 |
|---------------------------------|----------------------|----------------------|
| Assets | | |
| Current assets: | | |
| Cash | \$ 6,852,670 | \$ 3,065,417 |
| Short-term investments (note 3) | 2,153,491 | 2,029,893 |
| Accounts receivable | 4,600,732 | 8,708,166 |
| Prepayments and inventory | 866,538 | 927,580 |
| | <u>14,473,431</u> | <u>14,731,056</u> |
| Restricted investments (note 3) | 8,274,937 | 8,139,433 |
| Capital assets (note 4) | 42,799,279 | 40,646,077 |
| | <u>\$ 65,547,647</u> | <u>\$ 63,516,566</u> |

Liabilities and Fund Balances

| | | |
|--|----------------------|----------------------|
| Current liabilities: | | |
| Accounts payable and accrued liabilities | \$ 2,898,457 | \$ 4,077,278 |
| Deferred revenue (note 5) | 2,459,538 | 2,148,447 |
| | <u>5,357,995</u> | <u>6,225,725</u> |
| Loans payable (note 6) | 1,075,837 | 1,075,837 |
| | <u>6,433,832</u> | <u>7,301,562</u> |
| Fund balances: | | |
| General | 3,041,468 | 2,991,083 |
| Capital asset | 43,313,059 | 40,970,040 |
| Restricted and endowment (note 7) | 12,759,288 | 12,253,881 |
| | <u>59,113,815</u> | <u>56,215,004</u> |
| | <u>\$ 65,547,647</u> | <u>\$ 63,516,566</u> |

See accompanying notes to financial statements.

On behalf of the Board:



Chair, Board of Trustees



Chief Executive Officer

SCIENCE NORTH

Statement of Operations and Changes in Fund Balances

Year ended March 31, 2024, with comparative information for 2023

| | General | | Capital Asset | | Restricted and Endowment | | Total | |
|---|--------------|--------------|---------------|---------------|--------------------------|---------------|---------------|---------------|
| | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| Revenue: | | | | | | | | |
| Province of Ontario grants: | | | | | | | | |
| Operating | \$ 6,828,900 | \$ 6,828,900 | \$ - | \$ - | \$ - | \$ - | \$ 6,828,900 | \$ 6,828,900 |
| Specific | 502,024 | 3,628,584 | 3,240,698 | 3,049,687 | - | - | 3,742,722 | 6,678,271 |
| Government of Canada grants | 3,837,314 | 4,453,010 | 639,748 | 4,203,315 | - | - | 4,477,062 | 8,656,325 |
| Other Government grants | 100,000 | 230,000 | 490,000 | 635,000 | - | - | 590,000 | 865,000 |
| Admissions (schedule) | 2,615,095 | 2,379,292 | - | - | - | - | 2,615,095 | 2,379,292 |
| Workshops and events | 1,677,153 | 1,264,459 | - | - | - | - | 1,677,153 | 1,264,459 |
| Memberships | 629,196 | 524,014 | - | - | - | - | 629,196 | 524,014 |
| Business operations (schedule) | 3,777,302 | 3,034,959 | - | - | - | - | 3,777,302 | 3,034,959 |
| Fundraising and donations | 416,902 | 509,267 | 2,078,306 | 2,009,521 | 157,516 | 252,373 | 2,652,724 | 2,771,161 |
| Interest earned | 388,586 | 241,534 | - | - | 207,930 | 144,763 | 596,516 | 386,297 |
| Other | 84,728 | 311,390 | 25,359 | 12,508 | - | - | 110,087 | 323,898 |
| | 20,857,200 | 23,405,409 | 6,474,111 | 9,910,031 | 365,446 | 397,136 | 27,696,757 | 33,712,576 |
| Expenses (note 12): | | | | | | | | |
| Science program (schedule) | 8,653,757 | 12,385,032 | - | - | - | - | 8,653,757 | 12,385,032 |
| Business operations (schedule) | 4,335,938 | 3,747,740 | - | - | - | - | 4,335,938 | 3,747,740 |
| Maintenance and building | 2,210,628 | 2,124,910 | - | - | - | - | 2,210,628 | 2,124,910 |
| Administrative operations | 3,097,378 | 2,715,094 | - | - | - | - | 3,097,378 | 2,715,094 |
| Marketing and development | 1,544,911 | 1,952,852 | - | - | - | - | 1,544,911 | 1,952,852 |
| Program technical support | 689,928 | 718,976 | - | - | - | - | 689,928 | 718,976 |
| Amortization of capital assets | - | - | 4,265,406 | 4,017,961 | - | - | 4,265,406 | 4,017,961 |
| | 20,532,540 | 23,644,604 | 4,265,406 | 4,017,961 | - | - | 24,797,946 | 27,662,565 |
| Excess (deficiency) of revenue over expenses | 324,660 | (239,195) | 2,208,705 | 5,892,070 | 365,446 | 397,136 | 2,898,811 | 6,050,011 |
| Fund balances, beginning of year | 2,991,083 | 2,937,543 | 40,970,040 | 34,686,041 | 12,253,881 | 12,541,409 | 56,215,004 | 50,164,993 |
| Transfers for capital | (66,351) | (16,269) | 134,314 | 391,929 | (67,963) | (375,660) | - | - |
| Interfund transfers (note 8) | (207,924) | 309,004 | - | - | 207,924 | (309,004) | - | - |
| Fund balances, end of year | \$ 3,041,468 | \$ 2,991,083 | \$ 43,313,059 | \$ 40,970,040 | \$ 12,759,288 | \$ 12,253,881 | \$ 59,113,815 | \$ 56,215,004 |

See accompanying notes to financial statements.

SCIENCE NORTH

Statement of Cash Flows

Year ended March 31, 2024, with comparative information for 2023

| | 2024 | 2023 |
|--|--------------|--------------|
| Cash provided by (used in): | | |
| Operating activities: | | |
| Excess of revenue over expenses | \$ 2,898,811 | \$ 6,050,011 |
| Adjustment for: | | |
| Amortization of capital assets | 4,265,406 | 4,017,961 |
| | 7,164,217 | 10,067,972 |
| Changes in non-cash working capital (note 11) | 3,300,746 | (3,698,428) |
| | 10,464,963 | 6,369,544 |
| Capital activities: | | |
| Purchase of capital assets | (6,418,608) | (8,902,160) |
| Investing activities: | | |
| Net restricted acquisition/dispositions of investments | (259,102) | (200,792) |
| Net increase (decrease) in cash | 3,787,253 | (2,733,408) |
| Cash, beginning of year | 3,065,417 | 5,798,825 |
| Cash, end of year | \$ 6,852,670 | \$ 3,065,417 |

See accompanying notes to financial statements.

SCIENCE NORTH

Notes to Financial Statements

Year ended March 31, 2024

Science North (the “Organization”) is an Ontario Organization established as a Science Centre Organization under the Science North Act of the Province of Ontario. The Organization is a registered charity and is exempt from income taxes under the Income Tax Act.

1. Significant accounting policies:

(a) Basis of presentation:

These financial statements reflect the assets, liabilities, revenues and expenses of the unrestricted, capital and restricted and endowed funds of Science North.

The financial statements have been prepared by management in accordance with Canadian public sector accounting standards including the 4200 standards for government not-for-profit organizations. A statement of remeasurement gains and losses has not been included as there are no matters to report therein.

(b) Revenue recognition:

The Organization follows the restricted fund method of accounting. Under this method, the following principles have been applied:

- Contributions are recorded as revenue in the respective funds based on their nature, source and the restrictions stipulated by the donor.
- Contributions including pledges and donations are recognized as revenue when received or receivable if the amounts can be reasonably estimated and collection is reasonably assured.
- Revenue on contracts is recognized using the percentage-of-completion method. The percentage is determined by relating the actual cost of work performed to date to the current estimated total cost for each contract. Unearned advances are deferred. Projected losses, if any, are recognized immediately for accounting purposes.
- Revenue from film distribution and license / lease arrangements is recognized only when persuasive evidence of a sale or arrangement with a customer exists, the film is complete and the performance obligation, which is the contractual delivery arrangements have been satisfied, the arrangement fee is fixed or determinable, collection of the arrangement fee is reasonably assured and other conditions as specified in the respective agreements have been met.
- Cash received in advance of meeting the revenue recognition criteria described above is recorded as deferred revenue.

(c) Investments:

The short-term and restricted investments consist of bonds and coupons and are recorded at amortized cost.

SCIENCE NORTH

Notes to Financial Statements (continued)

Year ended March 31, 2024

1. Significant accounting policies (continued):

(d) Capital assets:

With the exception of the Bell Grove land, which is recorded at nominal value, capital assets are stated at cost or fair market value if donated.

Amortization on buildings is provided on the declining-balance basis at an annual rate of 5%.

Amortization on exhibits and equipment is provided on the straight-line basis at annual rates ranging from 5% to 20%.

Amortization on large format films, when available for use, is provided in proportion that current revenue bears to management's estimate of revenue expected from the film.

(e) Inventory:

Inventory consists of food and retail items. Inventory is valued at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the normal course of business operations.

(f) Financial instruments:

The Organization classifies its financial instruments as either fair value or amortized cost. The Organization's accounting policy for each category is as follows:

Fair Value

This category includes equity instruments and mutual funds quoted in an active market. At March 31, 2024, there are no investments designated at fair value.

Financial instruments classified as fair value are initially recognized at cost and subsequently carried at fair value. Unrealized changes in fair value are recognized in the Statement of Remeasurement Gains and Losses until they are realized, when they are transferred to the Statement of Operations.

Transaction costs related to financial instruments classified as fair value are expensed as incurred.

Where a decline in fair value is determined to be other than temporary, the amount of the loss is removed from accumulated remeasurement gains and losses and recognized in the Statement of Operations. On sale, the amount held in accumulated remeasurement gains and losses associated with that instrument is removed and recognized in the Statement of Operations.

Amortized cost

This category includes its fixed income portfolio, accounts receivable and accounts payable and accrued liabilities.

Financial instruments classified as amortized cost are initially recognized at cost and subsequently carried at amortized cost using the effective interest rate method, less any impairment losses on financial assets, except for contributions, which are initially recognized at fair value.

Transaction costs related to financial instruments classified as amortized cost are added to the carrying value of the instrument.

SCIENCE NORTH

Notes to Financial Statements (continued)

Year ended March 31, 2024

1. Significant accounting policies (continued):

(f) Financial instruments (continued):

Write-downs on financial assets classified as amortized cost are recognized when the amount of a loss is known with sufficient precision, and there is no realistic prospect of recovery. Financial assets are then written down to net recoverable value with the write-down being recognized in the Statement of Operations.

(g) Employee future benefits:

The Organization has defined contribution plans providing pension benefits. The cost of the defined contribution plans is recognized based on the contributions required to be made during each year.

(h) Use of estimates:

The preparation of financial statements in conformity with Canadian Public Sector Accounting Standards, including the 4200 standards for government not-for-profit organizations, requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the period. Actual results could differ from these estimates. Areas of key estimation include determination of fair value for investments, allowance for doubtful accounts, amortization of capital assets and estimated costs and timing of asset retirement obligations.

Financial instruments are classified into value hierarchy levels 1, 2 or 3 for the purposes of describing the basis of inputs used to determine the fair market value of those amounts recorded at fair value as described below:

- Level 1 – Fair value measurements are those derived from unadjusted quoted market prices in active markets for identical assets or liabilities;
- Level 2 – Fair value measurements are those derived from observable or corroborated inputs, other than level 1, such as quoted prices for similar assets or liabilities in inactive markets or market data for substantially the full term of the assets or liabilities; and
- Level 3 – Fair value measurements are those derived from unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets and liabilities.

SCIENCE NORTH

Notes to Financial Statements (continued)

Year ended March 31, 2024

1. Significant accounting policies (continued):

(i) Asset retirement obligations:

The Organization recognizes the fair value of an Asset Retirement Obligation (“ARO”) when all of the following criteria have been met:

- There is a legal obligation to incur retirement costs in relation to a tangible capital asset;
- The past transaction or event giving rise to the liability has occurred;
- It is expected that future economic benefits will be given up; and
- A reasonable estimate of the amount can be made.

A liability for asset retirement obligations has not been recorded in these financial statements. Give the nature of the assets, the age of the facilities and the remediation work completed to date it was determined there is no further legal obligation on the part of the Organization to complete remediation efforts.

2. Change in accounting policy:

On April 1, 2023, the Entity adopted Canadian public sector accounting standard PS 3400 Revenue. The new accounting standard establishes a single framework to categorize revenue to enhance the consistency of revenue recognition and its measurement. As at March 31, 2024 the Entity determined that the adoption of this new standard did not have an impact on the amounts presented in the financial statements.

3. Investments:

| | 2024 | 2023 |
|------------------------|----------------------|----------------------|
| Short-term investments | \$ 2,153,491 | \$ 2,029,893 |
| Restricted investments | 8,274,937 | 8,139,433 |
| | <u>\$ 10,428,428</u> | <u>\$ 10,169,326</u> |

The investments are recorded at amortized cost and include the following:

| | 2024 | 2023 |
|---------------------------------|----------------------|----------------------|
| Cash and short-term investments | \$ 578,114 | \$ 148,260 |
| Fixed income | 9,843,564 | 10,014,316 |
| Mutual funds | 6,750 | 6,750 |
| | <u>\$ 10,428,428</u> | <u>\$ 10,169,326</u> |

SCIENCE NORTH

Notes to Financial Statements (continued)

Year ended March 31, 2024

4. Capital assets:

| 2024 | Cost | Accumulated Amortization | Net Book Value |
|-------------------------|----------------|-----------------------------|-------------------|
| Land and buildings: | | | |
| Bell Grove | \$ 60,768,284 | \$ 39,089,865 | \$ 21,678,419 |
| Dynamic Earth | 19,235,939 | 8,424,001 | 10,811,938 |
| Exhibits and equipment: | | | |
| Bell Grove | 17,841,138 | 15,883,595 | 1,957,543 |
| Dynamic Earth | 10,222,901 | 8,464,013 | 1,758,888 |
| Travelling exhibits | 10,599,723 | 7,384,877 | 3,214,846 |
| Large format film | 11,895,550 | 8,517,905 | 3,377,645 |
| | \$ 130,563,535 | \$ 87,764,256 | \$ 42,799,279 |

| 2023 | Cost | Accumulated Amortization | Net Book Value |
|-------------------------|----------------|-----------------------------|-------------------|
| Land and buildings: | | | |
| Bell Grove | \$ 58,756,969 | \$ 37,948,895 | \$ 20,808,074 |
| Dynamic Earth | 17,962,936 | 8,095,356 | 9,867,580 |
| Exhibits and equipment: | | | |
| Bell Grove | 17,291,197 | 15,176,522 | 2,114,675 |
| Dynamic Earth | 9,466,212 | 7,984,698 | 1,481,514 |
| Travelling exhibits | 9,598,289 | 6,406,664 | 3,191,625 |
| Large format film | 11,094,681 | 7,912,072 | 3,182,609 |
| | \$ 124,170,284 | \$ 83,524,207 | \$ 40,646,077 |

5. Deferred revenue:

| | 2024 | 2023 |
|--------------------------------|--------------|--------------|
| Grants | \$ 414,578 | \$ 309,400 |
| Memberships and workshops | 1,072,627 | 1,119,270 |
| Exhibit and theatre production | 683,631 | 393,723 |
| Other | 288,702 | 326,054 |
| | \$ 2,459,538 | \$ 2,148,447 |

SCIENCE NORTH

Notes to Financial Statements (continued)

Year ended March 31, 2024

5. Deferred revenue (continued):

Details of the continuity of these funds are as follows:

| | 2024 | 2023 |
|-----------------------------------|--------------|--------------|
| Balance, beginning of year | \$ 2,148,447 | \$ 2,439,138 |
| Additional contributions received | 2,818,232 | 495,187 |
| Amounts taken to revenue | (2,507,141) | (785,878) |
| | \$ 2,459,538 | \$ 2,148,447 |

6. Loans payable:

| | Principal Outstanding | | Payment Terms |
|---------------------------------------|-----------------------|--------------|--|
| | 2024 | 2023 | |
| Province of Ontario: | | | |
| IMAX Theatre | \$ 75,837 | \$ 75,837 | 50% of average annual IMAX Theatre profits, if any, for previous two fiscal years. |
| Wings Over the North | 1,000,000 | 1,000,000 | One third of remaining distribution profits received by Science North once a third party contributor has recouped its investment against such profits. |
| Total | 1,075,837 | 1,075,837 | |
| Less current portion of loans payable | — | — | |
| | \$ 1,075,837 | \$ 1,075,837 | |

SCIENCE NORTH

Notes to Financial Statements (continued)

Year ended March 31, 2024

7. Restricted and endowment funds:

The restricted and endowment funds are comprised of the following:

| | 2024 | 2023 |
|-------------------------------|---------------|---------------|
| Externally restricted: | | |
| Capital renewal fund | \$ 3,522,471 | \$ 3,434,976 |
| Program and exhibit funds | 1,697,905 | 1,511,398 |
| Endowment fund | 48,326 | 46,392 |
| | 5,268,702 | 4,992,766 |
| Internally restricted: | | |
| Funds: | | |
| Operating reserve fund | 676,146 | 894,119 |
| Insurance reserve | 1,767,816 | 1,723,904 |
| Waterfront development | 443,459 | 432,443 |
| Human resources | 118,814 | 119,870 |
| Funded reserves | 8,274,937 | 8,163,102 |
| Other | 773,654 | 812,497 |
| Program and exhibit funds | 100,763 | 301,567 |
| Replacement of capital assets | 3,096,051 | 2,182,439 |
| Human resources | 513,883 | 794,276 |
| | 4,484,351 | 4,090,779 |
| | \$ 12,759,288 | \$ 12,253,881 |

8. Interfund transfers:

The interfund transfers are comprised of:

- net assets (deficit) of \$(903,380) (2023 - \$932,318) which were internally allocated between the General Fund and the Restricted Fund, to cover certain general fund purchases;
- net assets of \$71,667 (2023 - \$152,500) which were internally allocated between the General Fund and the Restricted Fund for capital acquisitions (future capital acquisitions); and
- net assets of \$1,039,637 (2023 - \$470,814) which were internally allocated between the General Fund and the Restricted Fund to cover future operational expenditures.

SCIENCE NORTH

Notes to Financial Statements (continued)

Year ended March 31, 2024

9. Risk management:

(a) Credit risk:

Credit risk refers to the risk that a counterparty may default on its contractual obligations, resulting in a financial loss. The Organization is exposed to credit risk relating to its cash, grants and accounts receivable and current and long-term investments. The Organization holds its cash accounts with federally regulated chartered banks who are insured by the Canadian Deposit Insurance Corporation. In the event of default, the Organization's cash accounts are insured up to \$100,000 (2023 - \$100,000).

Accounts receivable are comprised of government and other receivables. Government receivables are ultimately due primarily from the Ministry of Tourism, Culture and Sport, as well as other government entities, and credit risk is mitigated by the governmental nature of the funding source. Other receivables arise during the course of the Organization's normal operations and are due from a diverse customer base. The Organization measures its exposure to credit risk based on how long the amounts have been outstanding. An impairment allowance is set up based on the Organization's historical experience regarding collections.

The maximum exposure to credit risk of the Organization at March 31, 2024 is the carrying value of these assets.

The amounts outstanding at year end were as follows:

| As at March 31, 2024 | 1 - 90 days | 91 - 180 days | 181 - 270 days | 270+ days | Total |
|-------------------------|----------------|------------------|-------------------|--------------|--------------|
| Grants receivable | \$ 2,808,470 | \$ 151,892 | \$ 4,192 | \$ 115,000 | \$3,079,554 |
| Accounts receivables | 1,348,291 | 232,467 | – | 70,759 | 1,651,517 |
| Gross receivables | 4,156,761 | 384,359 | 4,192 | 185,759 | 4,731,071 |
| Impairment allowances | – | – | – | (130,339) | (130,339) |
| Net receivables | \$ 4,156,761 | \$ 384,359 | \$ 4,192 | \$ 55,420 | \$ 4,600,732 |

SCIENCE NORTH

Notes to Financial Statements (continued)

Year ended March 31, 2024

9. Risk management (continued):

(a) Credit risk (continued):

| As at March 31, 2023 | 1 - 90 days | 91 - 180 days | 181 - 270 days | 270+ days | Total |
|-------------------------|----------------|------------------|-------------------|--------------|--------------|
| Grants receivable | \$ 3,884,935 | \$2,546,703 | \$ 573,556 | \$ 641,321 | \$ 7,646,515 |
| Accounts receivables | 806,487 | 163,998 | – | 221,505 | 1,191,990 |
| Gross receivables | 4,691,422 | 2,710,701 | 573,556 | 862,826 | 8,838,505 |
| Impairment allowances | – | – | (8,834) | (121,505) | (130,339) |
| Net receivables | \$ 4,691,422 | \$2,710,701 | \$ 564,722 | \$ 741,321 | \$ 8,708,166 |

When compared to the prior year, there have been no significant changes in the Organization's exposure to credit risk or its policies, procedures and methods used to measure the risk.

(b) Market risk:

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of market factors. Market factors include three types of risk: currency risk, interest rate risk and equity risk.

The investment policies of the Organization operate within the constraints of the investment guidelines approved by the Board of Directors. The policies' application is monitored by management and the Board of Directors. Diversification techniques are utilized to minimize risk.

There have been no significant changes from the previous year in the Organization's exposure to market risk or its policies, procedures and methods used to measure the risk.

(i) Currency risk:

Currency risk arises from the Organization's operations in different currencies and converting non-Canadian earnings at different points in time at different foreign currency levels when adverse changes in foreign currency rates occur. The Organization does not have any material transactions or financial instruments denominated in foreign currencies.

(ii) Interest rate risk:

Interest rate risk is the potential for financial loss caused by fluctuations in fair value or future cash flows of financial instruments because of changes in market interest rates. The Organization is exposed to this risk through its interest-bearing investments and long-term debt.

SCIENCE NORTH

Notes to Financial Statements (continued)

Year ended March 31, 2024

9. Risk management (continued):

(c) Liquidity risk:

Liquidity risk is the risk that the Organization will not be able to meet all of its cash outflow obligations as they come due. The Organization mitigates this risk by monitoring cash activities and expected outflows through extensive budgeting and maintaining investments that may be converted to cash in the near-term if unexpected cash outflows arise. Accounts payable are all current and the terms of the long-term debt are disclosed in note 6.

There have been no significant changes from the previous year in the Organization's exposure to liquidity risk or policies, procedures and methods used to measure the risk.

The following table sets out the contractual maturities (representing undiscounted contractual cash flows) of financial liabilities:

| As at March 31, 2024 | Within 6 months | 6 - 12 months | 1 - 5 years | 5+ years | Total |
|-------------------------|--------------------|------------------|----------------|--------------|--------------|
| Accounts payable | \$ 1,736,839 | \$ 811,000 | \$ 350,618 | \$ – | \$ 2,898,457 |
| Long-term debt | – | – | – | 1,075,837 | 1,075,837 |
| | \$ 1,736,839 | \$ 811,000 | \$ 350,618 | \$ 1,075,837 | \$ 3,974,294 |

| As at March 31, 2023 | Within 6 months | 6 - 12 months | 1 - 5 years | 5+ years | Total |
|-------------------------|--------------------|------------------|----------------|--------------|--------------|
| Accounts payable | \$ 2,849,836 | \$ 763,285 | \$ 347,564 | \$ 116,594 | \$ 4,077,277 |
| Long-term debt | – | – | – | 1,075,837 | 1,075,837 |
| | \$ 2,849,836 | \$ 763,285 | \$ 347,564 | \$ 1,192,431 | \$ 5,153,114 |

10. Employee future benefits:

The contributions to the defined contribution pension plans were \$546,309 (2023 - \$529,544).

11. Change in non-cash operating working capital:

| | 2024 | 2023 |
|---|--------------|----------------|
| Cash provided by (used in): | | |
| Decrease (increase) in accounts receivable | \$ 4,107,434 | \$ (3,479,735) |
| Decrease in prepayments and inventory | 61,042 | 426,458 |
| Decrease in accounts payable and accrued liabilities | (1,178,820) | (354,460) |
| Increase (decrease) in deferred revenue | 311,090 | (290,691) |
| | \$ 3,300,746 | \$ (3,698,428) |

SCIENCE NORTH

Notes to Financial Statements (continued)

Year ended March 31, 2024

12. Expenses by object:

| | 2024 | 2023 |
|--|---------------|---------------|
| Salaries and benefits | \$ 10,869,229 | \$ 11,030,567 |
| Program delivery | 3,549,476 | 6,549,181 |
| Maintenance and utilities | 1,621,656 | 1,637,926 |
| Administration | 1,198,051 | 1,441,952 |
| Cost of programming and products | 1,329,342 | 978,243 |
| Marketing and communications | 619,180 | 767,728 |
| Restaurant and food services | 539,275 | 418,685 |
| Gift shop and retail | 363,439 | 365,992 |
| Fleet and security | 235,158 | 214,763 |
| Occupancy and leasing costs | 138,983 | 122,993 |
| Fundraising and membership development | 68,751 | 116,575 |
| | <hr/> | <hr/> |
| | \$ 20,532,540 | \$ 23,644,605 |

SCIENCE NORTH

Schedule of General Fund Revenues and Expenditures

Year ended March 31, 2024, with comparative information for 2023

| | 2024 | 2023 |
|--------------------------------------|---------------------|----------------------|
| Admissions: | | |
| Science Centre | \$ 1,547,557 | \$ 1,512,494 |
| Dynamic Earth | 668,160 | 607,431 |
| IMAX Theatre | 277,944 | 177,905 |
| Planetarium | 121,434 | 81,462 |
| | \$ 2,615,095 | \$ 2,379,292 |
| Business operations: | | |
| Exhibit and theatre production sales | \$ 1,491,191 | \$ 1,654,812 |
| Food and Retail | 1,989,683 | 1,303,346 |
| Film production services | 154,568 | 1,074 |
| Parking | 141,860 | 75,727 |
| | \$ 3,777,302 | \$ 3,034,959 |
| Science program: | | |
| Science Centre operations | \$ 3,072,717 | \$ 3,517,703 |
| Education and Northern programs | 4,938,083 | 8,281,835 |
| Dynamic Earth operations | 642,957 | 585,494 |
| | \$ 8,653,757 | \$ 12,385,032 |
| Business operations: | | |
| Cost of exhibit sales | \$ 1,835,569 | \$ 1,521,558 |
| Food and Retail | 1,587,104 | 1,366,482 |
| Box office and sales | 591,469 | 583,151 |
| IMAX Theatre | 261,121 | 218,919 |
| Cost of film services | 27,413 | 24,450 |
| Planetarium | 33,262 | 33,180 |
| | \$ 4,335,938 | \$ 3,747,740 |