

Financial Statements of

**CANADA SCIENCE AND TECHNOLOGY MUSEUMS
CORPORATION FOUNDATION /
FONDATION DES MUSÉES DE SCIENCES ET
TECHNOLOGIES DU CANADA**

Year ended March 31, 2020

**CANADA SCIENCE AND TECHNOLOGY MUSEUMS
CORPORATION FOUNDATION /
FONDATION DES MUSÉES DE SCIENCES ET
TECHNOLOGIES DU CANADA**

Financial Statements

Year ended March 31, 2020

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1.

INDEPENDENT AUDITOR'S REPORT

To the directors of
Canada Science and Technology Museum Corporation Foundation / La Fondation de la
Société du Musée des Sciences et de la Technologie du Canada

Qualified Opinion

We have audited the financial statements of Canada Science and Technology Museum Corporation Foundation / La Fondation de la Société du Musée des Sciences et de la Technologie du Canada (the Foundation), which comprise the statement of financial position as at March 31, 2020, and the statements of operations and changes in fund balances, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

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 Canada Science and Technology Museum Corporation Foundation / La Fondation de la Société du Musée des Sciences et de la Technologie du Canada as at March 31, 2020, 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, Canada Science and Technology Museum Corporation Foundation / La Fondation de la Société du Musée des Sciences et de la Technologie du Canada derives revenue from donations and fundraising, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, the verification of these revenues was limited to the amounts recorded in the records of the Foundation. Therefore, we were not able to determine whether any adjustments might be necessary with respect to donation and fundraising revenue, the excess (deficiency) of revenue over expenses, and cash flows from operations for the years ended March 31, 2020 and 2019, current assets as at March 31, 2020 and 2019, and net assets as at April 1 and March 31 for both the 2020 and 2019 years. Our audit opinion on the financial statements for the year ended March 31, 2019 was modified accordingly because of the possible effects of this limitation in scope.

We conducted our audit in accordance with Canadian generally accepted auditing standards. 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 Foundation 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 Foundation'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 Foundation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Foundation'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 these 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 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 Foundation'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 Foundation'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 Foundation 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.

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.



Chartered Professional Accountants, Licensed Public Accountants
Ottawa,
September 10, 2020.



**CANADA SCIENCE AND TECHNOLOGY MUSEUMS
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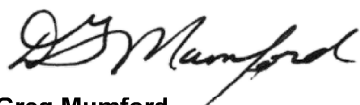
Statement of Financial Position

March 31, 2020

<i>(in thousands of dollars)</i>	General Fund	Special Purpose Funds	Total 2020	Total 2019
Assets				
<i>Current</i>				
Cash and cash equivalents	\$ 172	\$ 382	\$ 554	\$ 1,190
Current portion of investments (Note 3)	106	124	230	527
Accounts receivable	-	-	-	3
Prepaid expenses	-	-	-	14
Due from General Fund (Note 4)	-	111	111	4
	278	617	895	1,738
Investments (Note 3)	102	1,368	1,470	497
	\$ 380	\$ 1,985	\$ 2,365	\$ 2,235
Liabilities and Fund Balances				
Liabilities				
<i>Current</i>				
Due to Special Purpose Funds (Note 4)	\$ 111	\$ -	\$ 111	\$ 4
Amount payable to Ingenium - Canada's Museums of Science And Innovation (Note 9)	56	173	229	86
Deferred revenue (Note 5)	-	25	25	25
	167	198	365	115
Fund balances				
Externally restricted (Note 6)	-	1,787	1,787	1,797
Unrestricted	213	-	213	323
	213	1,787	2,000	2,120
	\$ 380	\$ 1,985	\$ 2,365	\$ 2,235

The accompanying notes form an integral part of these financial statements.

Approved by the Board of Directors



Greg Mumford
Chairman, Board of Directors



Jacey Kennedy
Member, Board of Directors

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Statement of Operations and Changes in Fund Balances

Year ended March 31, 2020

<i>(in thousands of dollars)</i>	General Fund	Special Purpose Funds	Total 2020	Total 2019
Revenue				
Donations	\$ 4	\$ 214	\$ 218	\$ 182
Other fundraising activities	-	18	18	83
Administration fee (Note 8)	18	(18)	-	-
Grant from Ingenium – Canada's Museums of Science and Innovation (Note 9)	185	-	185	161
Net investment income	4	-	4	6
Unrealized gain (loss) on investments	(115)	-	(115)	7
	96	214	310	439
Expenses				
Administration and fundraising	206	-	206	177
Excess (Deficiency) of revenue over expenses before contributions	(110)	214	104	262
Contributions to Ingenium - Canada's Museums of Science and Innovation (Note 9)	-	224	224	215
Excess (Deficiency) of revenue over expenses	\$ (110)	\$ (10)	\$ (120)	\$ 47
Fund balances – Beginning of year	323	1,797	2,120	2,073
Fund balances – End of year	\$ 213	\$ 1,787	\$ 2,000	\$ 2,120

The accompanying notes form an integral part of these financial statements.

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Statement of Cash Flows

Year ended March 31, 2020

<i>(in thousands of dollars)</i>	2020	2019
Operating activities		
Excess (Deficiency) of revenue over expenses	\$ (120)	\$ 47
Unrealized (gain) loss on investments	115	(7)
Change in non-cash working capital items:		
Accounts receivable	3	-
Prepaid expenses	14	(14)
Amount payable to Ingenium - Canada's Museums of Science and Innovation	143	(60)
	155	(34)
Investing activities		
Net purchase of investments	(791)	(5)
Decrease in cash	(636)	(39)
Cash – Beginning of year	1,190	1,229
Cash – End of year	\$ 554	\$ 1,190

The accompanying notes form an integral part of these financial statements.

CANADA SCIENCE AND TECHNOLOGY MUSEUMS CORPORATION FOUNDATION / FONDATION DES MUSÉES DE SCIENCES ET TECHNOLOGIES DU CANADA

Notes to Financial Statements

Year ended March 31, 2020

1. Purpose of the Foundation

The Canada Science and Technology Museums Corporation Foundation / Fondation de la Société des musées de sciences et technologies du Canada (Foundation) is a national, non-profit organization, the aims and objectives of which are to receive or maintain a fund for the purpose of gifting to the Ingenium - Canada's Museums of Science and Innovation (Corporation) and/or such other qualified one(s), as defined under the *Income Tax Act* (Canada). The Foundation also operates as the Ingenium Foundation, the Canada Science and Technology Museum Foundation, the Canada Agriculture and Food Museum Foundation and the Canada Aviation and Space Museum Foundation.

The Foundation was incorporated on November 14, 2007 under the *Canada Corporations Act* as a non-profit corporation without share capital and is a registered charity within the meaning of the *Income Tax Act* (Canada) and accordingly is exempt from income tax. The Foundation did not receive charitable status until April 1, 2008, as such, did not commence operations until such date.

2. Significant accounting policies

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. The significant accounting policies are summarized as follows:

(a) Fund accounting

(i) General Fund

The General Fund reports the unrestricted revenues and expenses related to the ongoing operations of the Foundation.

(ii) Special Purpose Funds

These Funds represent externally restricted resources for use in specific projects, as follows:

- Museum activities: The purpose of this fund is to support ongoing Museum activities, educational programs and exhibition development that allow all generations to discover the wonder of science and technology, aviation and space, and agriculture and food, respectively.

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Notes to Financial Statements (continued)

Year ended March 31, 2020

2. Significant accounting policies (continued)

- Youth Programs: The purpose of this fund is to support museum initiatives aimed at underprivileged and special needs children, as well as to support on-site initiatives which will enhance or contribute towards the overall experience enjoyed by these individuals when visiting the Museums.
- Canada Science and Technology Museum – Rail: The purpose of this fund is to support the railway collection, which is broadly representative of the technological trends that have characterized Canadian railway operations from the 1850s to the 1990s. The railway collection comprises over 1,000 artifacts. These objects range from documents and engineering drawings to steam locomotives, streetcars and signaling devices – each representing an important aspect of our railway technology and the people who made it work.
- Canada Science and Technology Museum: New Museum Building: The purpose of this fund is to obtain support for the new Canada Science and Technology Museum building.
- Canada Science and Technology Museum – Bring Research to Life: The purpose of this fund is to provide for the development of educational programs and exhibitions on medical sciences and on the history of pharmaceutical research in Canada.
- Canada Science and Technology Museum - Travelling Exhibits: The purpose of this fund is to provide for the fabrication, transportation and maintenance costs associated with travelling exhibits.
- Canada Science and Technology Museum - Energy Literacy: The purpose of this fund is to enhance Canadians' energy awareness and literacy, thereby contributing to a sustainable energy future for Canada.
- Canada Science and Technology Museum - Teens for Tech: The purpose of this fund is to support programming and educational activities that encourage teens to consider Science and Technology as a career path.
- Canada Science and Technology Museum - Girls and STEM: The purpose of this fund is to support activities associated with the initiative to inspire Canadian girls to pursue career opportunities in science, technology, engineering and mathematics, or "STEM".

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Notes to Financial Statements (continued)

Year ended March 31, 2020

2. Significant accounting policies (continued)

- STEAM Effect Initiative – The purpose of this fund is to engage under-served communities - especially youth - with outreach programming from the Canada Science and Technology Museum with a particular emphasis on STEAM (science, technology, engineering, arts, and math) skills. This fund may also be used to support direct fundraising expenses in support of this purpose.
- Curatorial Activities: The purpose of this fund is to support curatorial activities. Funds are accumulated in this account in order to advance the Collection Development Strategy and to develop the Research Strategy, mainly with the help of curatorial fellowships, internships, practicum, summer students and visiting scholars.
- Canada Aviation and Space Museum – North Star: The purpose of this fund is for the conservation and restoration of the North Star, as well as for supporting the management of such activities and any educational and interpretation initiatives linked to the North Star.
- Canada Aviation and Space Museum – General Restoration: The purpose of this fund is to support activities associated with the preservation and restoration of more than 120 aircraft and countless artifacts such as engines, propellers, instruments, armament, flying gear and wind tunnel models in order to showcase Canada's rich aviation heritage.
- Canada Aviation and Space Museum – Bristol Beaufighter: The purpose of this fund is to support activities associated with the conservation and restoration of the Bristol Beaufighter T.F.X., as well as for supporting the management of such activities and any educational and interpretation initiatives linked to the Bristol Beaufighter T.F.X.
- Canada Aviation and Space Museum - Legacy Project: The purpose of this fund is to help capture and understand the legacy that Veterans of the Second World War forged and link their stories with Canada's youth so that they continue to build a great nation and forge their own legacy.
- Canada Aviation and Space Museum – Avro Arrow: The purpose of this fund is to support research, acquisitions, exhibition development, and programming related to the Avro Arrow and its historical context. This fund may also be used to support direct fundraising expenses in support of this purpose.

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Notes to Financial Statements (continued)

Year ended March 31, 2020

2. Significant accounting policies (continued)

- Canada Aviation and Space Museum – Lecture Series: The purpose of this fund is to support the presentation of inspirational series of lectures highlighting Canadian aeronautical innovations.
- Canada Agriculture and Food Museum – Adopt-an-animal: The purpose of this fund is to support animal acquisition, animal care and public education programs related to animals at the Canada Agriculture and Food Museum.
- Canada Agriculture and Food Museum – Learning Centre: The purpose of this fund is to support equipment acquisition for the learning labs, lecture hall, and other improved amenities within the new Learning Centre.

(b) Revenue recognition

(i) Donations

Contributions are recognized in accordance with the restricted fund method.

Donations are recognized as revenue in the year received. Because of the uncertainty of the collectability of pledges, the Foundation recognizes fundraising revenue in the year received.

Unrestricted donations are recorded in the General Fund. Restricted donations are recorded in the appropriate Special Purpose Fund.

Donations in-kind are recorded at fair value in the year in which the donations are received.

Directors of the Corporation volunteer their time to assist in the Foundation's activities. While these services benefit the Foundation considerably, a reasonable estimate of the amount and fair value of these services cannot be made and accordingly, these contributed services are not recognized in the financial statements.

(ii) Other fundraising activities

Revenues from ticket sales for fundraising events, sponsorships and other revenues are recognized in the year in which the goods or the services are provided by the Foundation. Revenue received that relates to the following fiscal year is reflected as deferred revenue.

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Notes to Financial Statements (continued)

Year ended March 31, 2020

2. Significant accounting policies (continued)

(iii) Investment revenue

Net investment income is recognized in the General Fund in the period in which it is earned.

(b) Financial instruments

(i) Measurement of financial instruments

The Foundation initially measures its financial assets and liabilities at fair value. The Foundation subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in unrealized gain (loss) on investments in period incurred.

(ii) Impairment

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized to net investment income in the period incurred.

(iii) Transaction costs

Transaction costs are recognized to net investment income for the period incurred. However, financial instruments that will not be subsequently measured at fair value are adjusted by the transaction costs that are directly attributable to their origination, issuance, or assumption.

(c) Use of estimates

The preparation of financial statements in conformity with Canadian accounting for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and 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. These estimates are reviewed annually and as adjustments become necessary, they are recognized in the financial statements in the period they become known.

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Notes to Financial Statements (continued)

Year ended March 31, 2020

2. Significant accounting policies (continued)

(d) Cash and cash equivalents

Cash and cash equivalents can include cash on hand, balances with financial institutions (net of temporary overdrafts) and excludes money market investments such as treasury bills and bonds, as they are considered to be part of the Foundation's portfolio, and as such are not available for general operations.

3. Investments

<i>(in thousands of dollars)</i>	General Fund	Special Purpose Funds	Total 2020	Total 2019
Cash	\$ -	\$ 2	\$ 2	\$ 25
High-interest savings	-	122	122	397
Term deposit, 1.00%, maturing September 14, 2020	106	-	106	105
Corporate bond, 1.58%, maturing September 13, 2021	102	-	102	497
Investment Fund held by the Ottawa Community Foundation	-	1,368	1,368	-
	\$ 208	\$ 1,492	\$ 1,700	\$ 1,024
Current portion of investments	(106)	(124)	(230)	(527)
	\$ 102	\$ 1,368	\$ 1,470	\$ 497

The Ottawa Community Foundation (OCF) is a non-profit organization and registered charity offering asset management services to non-profit organizations. In January 2020, the Foundation decided to transfer \$ 1,500,000 of its Special Purpose Funds to the investment portfolio managed by OCF. OCF uses its comprehensive investment knowledge to maximize the return on investment by investing in multiple asset classes per its board approved fair-value targets and thresholds.

OCF's portfolio is carried at fair-value and regroups multiple organizations besides the Foundation. As at March 31, 2020, OCF's overall portfolio was allocated to the following asset classes: Cash (2.7%), Canadian bonds (21.2%), Canadian equity (20.4%), Foreign equity (30.9%), Real Estate and Infrastructure (21.8%), and Alternative investments (3.0%).

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Notes to Financial Statements (continued)

Year ended March 31, 2020

4. Interfund balances

Interfund balances outstanding are non-interest bearing, with no specific terms for repayment.

5. Deferred revenue

The Foundation received \$25,000 in 2018, which was to be contributed to the Corporation to develop an accessibility mobile application. As of March 31, 2020, the Corporation is not going to develop the application and the Foundation is in discussion with the funder on how the \$25,000 is to be spent.

6. Special Purpose Funds

The balance at the end of the year was in respect of the following:

	2020	2019
Canada Science and Technology Museum – Museum Activities	\$ 164,947	\$ 147,082
Canada Science and Technology Museum – Youth Program	179,665	189,602
Canada Science and Technology Museum – Rail	36,789	34,009
Canada Science and Technology Museum – New Museum Building	-	2,414
Canada Science and Technology Museum – Bring Research to Life	14,422	14,422
Canada Science and Technology Museum – Travelling Exhibits	59,359	58,009
Canada Science and Technology Museum – Energy Literacy	219,627	219,627
Canada Science and Technology Museum – Teens for Tech	45,888	45,888
Canada Science and Technology Museum - Girls and STEM	16,231	45
STEAM Effect Initiative	60,414	99,000
Curatorial Activities	3,381	1,170
Canada Aviation and Space Museum – Museum Activities	278,262	270,852
Canada Aviation and Space Museum – Youth Program	2,958	7,961
Canada Aviation and Space Museum – North Star	54,000	55,636
Canada Aviation and Space Museum – General Restoration	16,467	14,095
Canada Aviation and Space Museum – Bristol Beaufighter	24,212	24,212
Canada Aviation and Space Museum – Legacy Project	9,707	9,572
Canada Aviation and Space Museum – Avro Arrow	376,092	348,755
Canada Aviation and Space Museum – Lecture Series	117,159	119,659
Canada Agriculture and Food Museum – Museum Activities	101,596	103,916
Canada Agriculture and Food Museum – Youth Program	-	22,504
Canada Agriculture and Food Museum – Adopt-an-animal	3,466	3,285
Canada Agriculture and Food Museum – Learning Centre	2,058	4,877
	\$1,786,700	\$1,796,592

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Notes to Financial Statements (continued)

Year ended March 31, 2020

7. In-kind donations

During the year, the Foundation did not receive donations in-kind from organizations and from the public. The donations in-kind received in 2019 have been recognized in the Foundation's Statement of Operations as follows:

STATEMENT OF OPERATIONS

(in thousands of dollars)

	2020	2019
Revenue:		
Donations	\$ -	\$34
Contributions to Ingenium – Canada's Museums of Science and Innovation:		
Artwork	\$ -	\$34

8. Administration fee

A portion of restricted donations and sponsorships is retained by the Foundation for administrative purposes. The sponsorships are presented under 'Other fundraising activities' in the Statement of Operations. The amount of the administration fee is calculated at 10% for restricted donations and sponsorships less than \$100,000, and 5% on restricted donations and sponsorships greater than \$100,000. During the year, administration fees of \$18,159 (2019 - \$20,749) were allocated from the Special Purpose Funds to the General Fund.

9. Related party transactions

The National Museum of Science and Technology was established by the Museums Act on July 1, 1990, and operates as Ingenium - Canada's Museums of Science and Innovation (Corporation). The mandate of the Corporation, as stated in the Museums Act, is to foster scientific and technological literacy throughout Canada by establishing, maintaining and developing a collection of scientific and technical objects, with special but not exclusive reference to Canada, and by demonstrating the products and processes of science and technology and their economic, social and cultural relationships with society.

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Notes to Financial Statements (continued)

Year ended March 31, 2020

9. Related party transactions (continued)

The Corporation manages three museum sites: the Canada Science and Technology Museum, the Canada Aviation and Space Museum and the Canada Agriculture and Food Museum.

The Foundation is a separate legal entity from the Corporation. Two of the Foundation Board directors are directly associated with the Corporation.

When the Foundation was created in 2007, the Corporation agreed to:

- (a) provide office space at the premises of the Corporation for use by the Foundation at no cost to the Foundation;
- (b) provide such personnel to the Foundation, at no cost, in order to carry out the fundraising activities and other activities of the Foundation;
- (c) provide such equipment and supplies needed by the Foundation from time to time at no cost to the Foundation;

Additional Foundation related-expenditures for a total of \$185,000 (2019 – \$161,000) have been absorbed by the Corporation to recognize the Foundation's efforts to bring in sponsorships that have been recorded directly in the Corporation.

During the year, \$224,000 (2019 – \$181,000) in contributions and no in-kind donations (2019 - \$34,000) were made to the Corporation.

These amounts are measured at the exchange amount which is the amount established and agreed to by the related parties. At the end of the year, \$229,000 (2019 – \$86,000) is payable to the Corporation. This amount is non-interest bearing and is due on demand.

10. Financial instruments

The Foundation is exposed to various risks through its financial instruments. The following analysis provides a measure of the Foundation's risk exposure and concentrations.

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Notes to Financial Statements (continued)

Year ended March 31, 2020

10. Financial instruments (continued)

(a) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Foundation is exposed to this risk mainly in respect of its amounts payable to Ingenium - Canada's Museums of Science and Innovation (Corporation). Due to the COVID-19 pandemic (Note 11), a significant portion of private enterprises have been temporarily closed and accordingly, they have experienced a considerable decrease in revenues. As such, numerous enterprises and their employees are seeking government assistance in order to meet their financial obligations. As a non-profit-organization and charity, the Foundation's revenues consist mainly in donations and sponsorships. Consequently, the economic climate surrounding the pandemic has affected the Foundation's revenues.

The amount payable to the Corporation bears no specific terms for repayment. Approximately 90% of the Foundation's expenses consist in expenses absorbed by the Corporation to recognize the Foundation's effort to bring in sponsorships (Note 9). Additionally, the Foundation's mandate is to receive funds to gift to the Corporation. Therefore, the Foundation has determined that the risk related to its amounts payable is not significant.

(b) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk, and other price risk.

(c) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. A portion of the Foundation's investments are allocated to foreign equities (Note 3), which exposes the investments to foreign exchange fluctuations.

(d) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fixed-rate instruments subject the Foundation to a fair value risk while the floating-rate instruments subject it to a cash flow risk. The Foundation's investments bear fixed interest rates and consequently, the risk exposure is minimal.

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Notes to Financial Statements (continued)

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10. Financial instruments (continued)

(e) Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Foundation is exposed to other price risk through its investment in quoted shares, which have been considerably affected by the COVID-19 pandemic (Note 11), and the unrealized loss as at March 31, 2020 has been recognized as a reduction of revenue. As a result of uncertainty surrounding the economic climate, it is not possible to estimate the future impact the pandemic will have on the fair value of the investments.

11. COVID-19 pandemic

On March 11, 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organization and has had a significant financial market and social dislocating impact. As such, based on public health recommendations, Ingenium – Canada's Museums of Science and Innovation (Corporation) and the Foundation have taken actions to slow the transmission of the virus. Since March 11, the Corporation closed its office spaces used by the Foundation and mandatory working from home requirements were implemented for those able to do so. The Foundation's loss of revenues up to March 31, 2020 was not significant, with the exception of the unrealized loss that was recognized during the year.

As a result of uncertainty surrounding the economic climate, specifically the financial position of potential donors and sponsors, the loss of revenues during the pandemic may have a significant impact on operations. The measurement of the estimated impact of the financial effect related to the COVID-19 pandemic on the Foundation's operations is not practicable at this time.

The Corporation and the Foundation are presently looking at potential measures for the return to work and funding campaigns to increase online accessibility to the museum facilities and programs during the pandemic. The Foundation is actively monitoring the recommendations of public health agencies and will adapt its strategies accordingly.

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Notes to Financial Statements (continued)

Year ended March 31, 2020

12. Comparative figures

Certain 2019 comparative figures have been reclassified to conform with the presentation adopted in 2020.