



THE MUSEUM TAKES SHAPE

Watch the building rise in real time through the eye of the live construction site camera at www.humanrightsmuseum.ca

From idea to reality,
from ground to structure,
from dark to light.

WORLD CHANGE. NOW IN PROGRESS.

The Canadian Museum for Human Rights (CMHR) is more than a museum. It is a national conversation uniting the voices of thousands of Canadians from coast to coast to coast. It is also a new relationship with Aboriginal peoples where Canada's First Nations, Métis and Inuit are not only partners, but help lead the way. It is the embrace of new technology to level the barriers that divide us, and a celebration of traditions that point the way to common ground.

The CMHR is an emblem for what is possible when people come together for an extraordinary cause. It is a new definition of what a museum can aspire to be.

What was once an idea now emerges as a call to action.

Canada's new home for human rights is taking shape.

ENGLISH:

ISSN 1925-7465

Annual Report (Canadian Museum for Human Rights. Print)

Canadian Museum for Human Rights--Periodicals

Human rights--Museums--Canada--Periodicals

Museums--Canada--Periodicals

Museums--Manitoba--Winnipeg--Periodicals

Our Environmental Responsibility

We are committed to sustainable and responsible decisions that minimize our environmental footprint. Our Annual Report is no exception. Paper was chosen based on its impact on the environment.

To reduce the volume of waste, we have printed a limited number of Annual Reports. Please visit our website at www.humanrightsmuseum.ca to view the Report online.

PAPER SPECIFICATIONS

10% PCW
content

Elemental
Chlorine
Free

FSC
Certified



CMHR Annual Report 2010-2011

© Canadian Museum for Human Rights

Photos: CMHR, Raymond Friesen, Brian Gould, Dan Harper, Andrew Sikorsky, Tripwire Media

Design: Fusion Communications Inc.

Printing: Kromar

Printed in Canada

June 30, 2011

Report CONTENTS

INTRODUCTION

Message From Our Chair	06
Message From Our President & CEO	07
Corporate Governance	08

STRATEGIC DIRECTION 2010-2011

Museum Content & Program	12
Permanent Building & Temporary Accommodation	16
Stewardship & Corporate Management	18

FINANCIAL STATEMENTS

Management's Discussion & Analysis	22
Management Responsibility	26
Auditor's Report	27
Financial Statements	28
Notes to Financial Statements	32

**Canadian Museum for Human Rights
Interim Head Office:**

269 Main Street, 4th floor
Winnipeg, MB R3C 1B3
TEL (204) 289-2000 / 1-877-877-6037
TTY (204) 984-5730

WWW.HUMANRIGHTSMUSEUM.CA

Message From Our Chair

A FAMILIAR PROVERB REMINDS US THAT IT TAKES A VILLAGE TO RAISE A CHILD. BUT WHAT DOES IT TAKE TO ENSURE THAT CHILD CAN GROW UP IN A WORLD WITH DIGNITY, POSSIBILITY AND OPPORTUNITY, AND WITH FREEDOM FROM INJUSTICE, INEQUALITY OR WANT OF BASIC NEEDS?

Today, the Canadian Museum for Human Rights is taking shape, not only as an architectural marvel, but as the centre of an inclusive new dialogue where difficult questions are met not just with answers, but with action.

Thanks to the incredible partnership and support from those who share our vision, our “village” continues to grow larger each day. On behalf of the Board of Trustees, I wish to extend a heartfelt thanks to our partners both across Canada and around the world who are helping breathe life into this grand vision of a national museum fully dedicated to the cause of human rights.

Many of the Museum’s patrons and partners are widely known — we were tremendously privileged to welcome Her Majesty The Queen and His Royal Highness The Prince Philip, the Governor General, Canada’s Prime Minister, the Minister of Canadian Heritage, the Premier of Manitoba and Mayor of Winnipeg to the Museum site in the past year alone. But equally critical to our success are the partners who are not as well-recognized, from the junior-high students who made the Museum the beneficiary of their class fundraiser, to the individual citizens who made an invaluable, deeply personal contribution by allowing us to record their life stories.

The Board commends local leaders including Winnipeg’s city councilors, who this year voted unanimously to provide the Museum with additional support.

We were also pleased to welcome a new voice to our team. Dr. Lindy Ledohowski was appointed to the Board by the Government of Canada in March and brings a strong background in scholarship to the Board.

In the year ahead, the Museum’s Board of Trustees will continue to work in close partnership with the remarkably skilled team of innovators and changemakers who comprise the Museum’s dedicated staff. We will continue to leverage efficiencies and identify cost savings. We will build on our commitment to be both fiscally and socially accountable to the people of Canada by holding our first annual public meeting. Most important of all, we will continue to engage Canadians across the country in forging an inclusive new dialogue as we move forward with our commitment to build a destination that will truly be unlike any other.



A handwritten signature in black ink, reading "Arni C. Thorsteinson". The signature is written in a cursive style.

Arni C. Thorsteinson
Chair, Board of Trustees

Message From Our President & CEO

LAST YEAR, WE GAVE OURSELVES A CHALLENGE. WE ASKED OURSELVES A SIMPLE BUT VITAL QUESTION: HOW COULD WE BEGIN MAKING GOOD ON OUR PROMISE TO ADVANCE HUMAN RIGHTS NOT JUST ONCE OUR DOORS WERE OPEN, BUT RIGHT NOW?

We moved forward with a renewed commitment not only to build an iconic new destination dedicated to the cause for human rights, but to incorporate the spirit of that commitment into every aspect of our internal planning, our workplace structure, our external partnerships and our marketing.

What does that mean in real terms? It means strengthening our relationships with Canada's Aboriginal peoples, not just with words but by having an accomplished Aboriginal advisor join our executive to help guide our planning. It means an unparalleled commitment to accessibility, so that everything from our online content to tours around the perimeter of our construction site are accessible to all. It means working with youth advisors to ensure we are hearing directly from Canada's next generation of human rights leaders, and it means building on our unprecedented public engagement sessions to make sure we are hearing from Canadians from every province and territory as we continue with our work. It means building a workplace where staff organize film screenings and take part in the fair-trade challenge, and where everyone is encouraged to speak with their full voice, in either official language.

This report looks back on a year of accomplishment and achievement as we move closer to our ultimate goal of opening the doors to an iconic destination where visitors will be inspired to change the world.

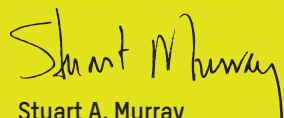
Our growing team has made immense progress. Meticulously gathered research, public feedback

and the advice of human rights scholars has been transformed into blueprints for exhibits that will redefine how Canadians think of museums. We have launched a new brand strategy that communicates our promise to empower people to change thought and action. We have commenced work to study everything from ticket purchasing preferences to finding new ways to deliver digital content to citizens around the globe, and we have embarked on an inspiring oral-history project to hear directly from those extraordinary Canadians who are on the front lines of the protection and promotion of universal human rights.

I am exceptionally grateful to each of the Museum's partners — all three levels of government, educators, ethnocultural leaders, businesses, labour organizations, rights advocates, community groups and individual donors who have joined us in taking a stand for human rights.

I salute the Museum's Board of Trustees for their guidance, insight and commitment to this unprecedented project. I thank and congratulate the Friends of the Canadian Museum for Human Rights for their remarkable stewardship in bringing the Museum to life.

Change is taking shape. I invite all Canadians to continue to be part of it.



Stuart A. Murray

President and Chief Executive Officer



Corporate Governance

THE CMHR IS CANADA'S FIFTH NATIONAL MUSEUM WHICH IS UNDER CONSTRUCTION IN WINNIPEG, MANITOBA. THE MUSEUM IS A CROWN CORPORATION ESTABLISHED BY THE *MUSEUMS ACT* AND OPERATES AT ARM'S LENGTH FROM THE GOVERNMENT IN ITS DAY-TO-DAY OPERATIONS, ACTIVITIES AND PROGRAMMING. AS A CROWN CORPORATION AND AS A MEMBER OF THE CANADIAN HERITAGE PORTFOLIO, WE CONTRIBUTE TO THE ACHIEVEMENT OF THE FEDERAL GOVERNMENT'S BROAD POLICY OBJECTIVES.

The Museum is governed by the control and accountability regime established under Part X of the *Financial Administration Act*. We are required to comply with a range of provisions in other statutes, including: the *Federal Accountability Act*; the *Access to Information Act*; the *Privacy Act*; the *Criminal Code of Canada*; the *Official Languages Act and Regulations*; and the *Canada Labour Code*.

Under the *Museums Act*, the CMHR is governed by a Board of Trustees appointed by the Governor-in-Council. The legislation provides for a Board of up to eleven members. The Board of Trustees is independent from Management and provides strategic direction and oversight to the Corporation. The Board reports to Parliament through the Minister of Canadian Heritage and Official Languages. The Minister is also the link between the Museum and the Cabinet.

The roles and responsibilities of the Board of Trustees and its Committees are set out in the Museums By-

Laws and in the Terms of Reference as appropriate. An Executive Committee was established in 2008; however, recognizing that all Trustees are heavily invested in the Museum project, the Executive Committee has not met separately, functioning instead within the Board as a Committee of the Whole. In 2009, an Audit Committee whose purpose is to assist the Board of Trustees to fulfill its oversight responsibilities to the Crown under the *Financial Administration Act* was established. The Audit Committee oversees and holds Management accountable for the Corporation's standards of integrity and behavior, its reporting on financial information, its internal control systems and its results.

The *Museums Act* vests responsibility for the day-to-day management of the Museum in its Director as the CEO of the Corporation. Management is accountable for the day-to-day operations of the Museum, its long-term viability and the achievement of its objectives.

Our Mandate

Established by the *Museums Act*, our mandate is, "To explore the subject of human rights, with special but not exclusive reference to Canada, in order to enhance the public's understanding of human rights, to promote respect for others and to encourage reflection and dialogue."

Our Vision

As articulated in the 2010-2011 CMHR Corporate Plan, our vision is, "To be an exceptional Canadian and international institution that provides Canadians and visitors with an understanding of the history of and continuing global struggle to defend human rights including Canada's important role in that journey; promotes respect for the dignity and rights of all citizens; encourages learning, debate, dialogue and scholarship on human rights issues; celebrates exemplars of the human spirit; and is a catalyst for positive individual action."



BOARD OF TRUSTEES

SEATED (LEFT TO RIGHT): **PRESIDENT AND CEO: Stuart A. Murray**, Winnipeg, MB, **VICE-CHAIRPERSON: Eric Hughes**, C.A. Calgary, AB, **The Hon. Constance R. Glube**, O.C., O.N.S., Q.C. Halifax, NS, **Dr. Lindy Ledohowski**, Ottawa, ON, **CHAIRPERSON: Arni C. Thorsteinson**, C.F.A. Winnipeg, MB.

STANDING (LEFT TO RIGHT): **Yves Laberge**, Ph.D. Québec City, QC, **Ronald Corey**, O.C. Westmount, QC, **CHAIR, AUDIT COMMITTEE: Lisa Pankratz**, F.C.A., C.F.A. Vancouver, BC.

ABSENT: **Gail Asper**, O.C., O.M. Winnipeg, MB, **Bill Barkley**, F.C.M.A., Victoria, BC, **Senator Vim Kochhar**, O.Ont., O.M.C. Toronto, ON, **Dr. Wilton Littlechild** Hobbema, AB.

Our Values

OBJECTIVITY: The Museum's programs and exhibits will be informed by multiple perspectives and address human rights issues in a proactive, balanced fashion.

INNOVATION: The Museum will take advantage of the latest digital technologies and interactive design methodologies to ensure the richest experience for its audiences.

ACCESSIBILITY & INCLUSIVENESS: The Museum will be a welcoming place in both official languages for Canadians and visitors of all ages, genders, orientation, abilities, cultures and beliefs.

COLLABORATION: The Museum will be engaged with local, national and global partners to achieve its mission.

ADVOCACY & SOCIAL RESPONSIBILITY: The Museum will be a voice for the promotion of human rights through its institutional programming and its engagement in the community.

ACCOUNTABILITY & TRANSPARENCY: The Museum will establish exceptional governance, corporate and financial management regime in the service of the public trust.

ENVIRONMENTAL STEWARDSHIP: The Museum building will be constructed to qualify for LEED Silver designation, and Museum operations will reflect a commitment to sustainable environmental practices.

Strategic Direction 2010-2011

KEY OBJECTIVES SET OUT IN THREE PROGRAM ACTIVITY ARCHITECTURE (PAA) AREAS, ORIGINALLY ESTABLISHED IN 2008, CONTINUE TO GUIDE THE MUSEUM'S PLANNING AND DEVELOPMENT. THE MUSEUM'S ACCOMPLISHMENTS IN EACH PRIORITY AREA ARE HIGHLIGHTED OVER THE FOLLOWING PAGES.

MUSEUM CONTENTS PROGRAM

OBJECTIVE: That the Museum's content and programming is objective, innovative and accessible, challenges the way people think and behave towards the rights of others, and is developed through ongoing consultation and engagement.

KEY RESULTS:

- The Museum develops accessible, engaging and enriching exhibits that provide a range of perspectives — in both official languages — that promote reflection and dialogue, create an environment for change and motivate visitors to take action to promote human rights.
- The Museum develops education, training, learning and community programs that complement and reinforce its exhibits.
- The Museum develops a framework for sound research and scholarship.
- The Museum develops an approach to global outreach, engagement, accessibility and service.

PERMANENT BUILDING & TEMPORARY ACCOMMODATION

OBJECTIVE: That all aspects of the Building Construction Project are managed in a fiscally sound, transparent and accountable manner, ensuring environmental stewardship and employing effective project and risk-management practices throughout.

KEY RESULTS:

- Decisions related to the building's design lead to the construction of an iconic facility that is appropriate to meet the Museum's mandate and objectives and will endure as a treasured landmark for generations.
- The building construction project is governed by an effective project management regime including a robust strategy to manage risks related to the project.
- The Museum engages the local Aboriginal community at appropriate times throughout the design and construction processes.
- Decisions related to the building (both capital and

operational) are sound, are based on appropriate analysis and study, and stand up to public scrutiny and provide for effective, long-term operational sustainability.

- Appropriate interim and permanent accommodations are provided.

STEWARDSHIP & CORPORATE MANAGEMENT

OBJECTIVE: That the Museum adopts sound and efficient governance and stewardship practices that facilitate the alignment of resources with priorities and full accountability and transparency to Canadians for results; and that the Museum recruits and retains the necessary human resources both for the start-up and the longer-term.

KEY RESULTS:

- The Corporation meets or exceeds recognized FAA and Treasury Board standards for Corporate Governance. Financial Resources are allocated in a manner designed to achieve the priorities of the Corporation.
- The Corporation has strong working relationships with all levels of government and other stakeholders to build support in the community for its mission.
- The Corporation has in place the policies, procedures and systems that are conducive to sound management and accountability.
- The Corporation attracts and recruits the talent and expertise necessary both for the start-up and the longer-term. The Museum has a workplace that is fair, enabling, healthy and safe and a workforce that is productive, principled, sustainable, adaptive and representative of both official languages and the diversity inherent in Canadian society.
- The Corporation establishes the capacity to generate ongoing private-sector contributed funds. Upon its opening, the Museum will be in a position to generate earned revenues.
- The Museum garners a high level of awareness and public support through strong, effective marketing and communications strategies and positive visitor experiences.



AN ICON EMERGES

Construction crews work on the Museum's concrete foundation. To put the Museum's size into perspective, if all the concrete used in the Museum were brought to the construction site at one time it would take 2,125 fully loaded cement trucks to deliver it. The building's skeleton has the same amount of steel as 27 diesel-electric locomotives, and the Museum's floor plan will be equal in size to four CFL football fields combined.

A Blueprint for a Brighter Future

MUSEUM CONTENT & PROGRAM

WE HAVE SET THE BAR HIGH. EVERYTHING WE DO IS FOCUSED ON OUR AIM OF BUILDING A MUSEUM WHERE PEOPLE COME TO CHANGE THE WORLD. OUR KEY OBJECTIVES RELATED TO CONTENT AND PROGRAMMING INCLUDE DESIGNING EXHIBITS THAT INSPIRE ACTION, EDUCATIONAL PROGRAMS THAT PROMOTE REFLECTION AND DIALOGUE, RESEARCH AND SCHOLARSHIP THAT OPEN NEW DOORS OF UNDERSTANDING AND NOURISHING A NATIONAL CONVERSATION THAT INCLUDES THE VOICES OF CANADIANS OF EVERY BACKGROUND.

FROM RESEARCH AND IDEAS TO EXHIBITS THAT INSPIRE

Fiscal 2010-2011 was a year of dramatic progress in the development of the exhibits visitors will encounter when the Museum opens its doors.

The Museum's in-house human rights experts have strived to set a new standard for exhibit research by focusing not only on gathering insight from other human rights scholars, but by opening up the research process to community leaders, activists, external experts and Canadians from coast to coast to coast. The aim? Fostering a broad, participatory conversation that would reflect the Museum's unyielding commitment to equality, inclusion and divergent points of view.

Building on the previous year's unprecedented national public engagement sessions to gather insight and feedback from 2,000 Canadians in 20 cities, the Museum continued to meet widely with ethnocultural leaders, human rights advocates and individual citizens in 2010-2011. **The Museum has now engaged with nearly 3,000 Canadians** through formal consultations, conversational roundtables and individual meetings, while hundreds of others have provided vital insight and feedback via the Museum's online "Share Your Story" tool.

Over the past fiscal year multi-departmental teams — in-house human rights experts and exhibit designers — compiled and then translated this extraordinary raft of research, scholarship and public input into distinct exhibit-design plans. These meticulously crafted plans will now ultimately serve as the blueprints that fabricators will use to bring the Museum's inaugural exhibits to life.

Included in these new blueprints are detailed 3D models that map out where in the Museum each exhibit will be built and specify the materials to be used. With this critical foundation in place, elevation work, graphic design, information visualization and media and technology design can now commence, setting the stage for the exhibit construction and carpentry that will begin next year.

The Museum's detailed exhibit plans reflect a fastidious adherence to best practices, from consultations with the Grammy Museum in Los Angeles to optimize sound and audio, to discussions with the award-winning Newseum in Washington, D.C. about making digital content not only engaging, but participatory and interactive.

Throughout the process, biweekly meetings with the internationally celebrated Ralph Appelbaum Associates, the CMHR's master exhibit planners, focused on ensuring every aspect of the visitor experience will not only captivate, but motivate and inspire action.

BUILDING ON A FOUNDATION OF LEARNING

Literally and figuratively, the Canadian Museum for Human Rights is built upon a foundation of human rights education. Not only are the Museum's ground-level "roots" the area where our classroom and learning spaces will be housed, the Museum has also continued to forge strong partnerships with some of Manitoba and Canada's best-recognized education leaders.

Members of the Museum team speak regularly in classrooms across the province, and the Museum has consulted four teacher advisory groups representing high-school and middle-years teachers from both



FROM THE MAGNA CARTA TO THE CMHR

Her Majesty Queen Elizabeth II presents the Canadian Museum for Human Rights with a stone from Runnymede, UK, in July 2010. Runnymede is the birthplace of the Magna Carta, widely considered the precursor to modern constitutions and charters of rights.

French and English schools. We have initiated relationships with schools, division representatives and provincial education departments across the country to integrate more human rights learning into the student curriculum, and participated in key conferences coordinated by the Manitoba Teachers' Society, the Council of Ministers of Education Canada, Manitoba school trustees and provincial social-justice leaders.

The Museum has forged growing partnerships with Manitoba post-secondary institutions, including the University of Winnipeg's Global College and noted human rights scholars at the University of Manitoba and Collège universitaire de Saint-Boniface, to develop human rights education programs for university students and the public. The Museum is also creating a unique Director of Learning and Programming position that will allow alliances with teachers, schools, researchers and universities to continue to grow.

AN OPEN DOOR TO ALL

The Canadian Museum for Human Rights is striving to set a new benchmark for accessibility. The Museum is creating new ways to incorporate inclusive design into all aspects of its exhibits, presentation of content and the building itself, ensuring the CMHR is a place where all who enter can fully participate. As one example, innovations now in preliminary design include touch screens that will be equally accessible to individuals with impaired vision or hearing, who have motor-skill impairments or use a seated mobility device.

A National Testing Group was also established, comprised of Canadians who use a range of adaptive technologies to access digital content. All digital content is now tested with this group prior to launch to ensure the Museum continues to not only meet, but wherever possible, exceed designated standards in accessibility.

EVERY VISITOR IS A CHANGEMAKER

Much of the museum's content will be interactive and participatory, with exhibits such as an educational game now in development that will connect museum visitors in Winnipeg with participants from around the globe. An online complement planned for many exhibits means international "visitors" will be able to take part in a dialogue about changing the world, no matter which part of it they are in.

A NEW BENCHMARK IN MANAGING COLLECTIONS

Most museums are built around a collection of artifacts. The Canadian Museum for Human Rights is built around an idea. In fiscal 2010-2011 the Museum arrived at a major milestone: a collections policy that reflects the CMHR's unique position as a new kind of museum: a predominantly digital institution without the supporting foundation of a legacy collection to build on.

The Museum's collections policy is the guiding document for the acquisition and care of the rich variety of material that will comprise official museum collections — the stories, memoirs, film, art, audio and artifacts that will make the evolving story of Canada's human rights history come alive.

The Museum has established an ambitious vision for its collections: to form a collective memory of the evolution of our human rights culture, both in Canada and beyond. The newly completed collections policy was built to support this quest, with unique considerations such as an acquisitions component that references traditional knowledge and intellectual property, and recognition of the significance of oral histories, memoirs and user contributions.

The Museum's collections policy will serve as the pillar for a collection unlike any that have come before it. And as cultural institutions continue to amass collections that focus less on the physical and more on the digital, this pioneering document will serve not just the Canadian Museum for Human Rights but partner institutions around the world.

A BRAND BEYOND A BUILDING

The CMHR is more than a museum. It is a call to action; a place where people come to change the world. Underneath that brand promise is a newly developed

brand strategy that will continue to position the Museum as Canada's cause-focused, action-oriented epicentre for the advancement of human rights. A fully redeveloped visual identity that reflects the Museum's goals has been unveiled on the Museum's website, marketing materials and on museum-branded apparel and giftware. More than just a new look, the Museum's comprehensive brand strategy reflects the story of who we are and invites Canadians and international visitors to join us in writing a bold new chapter in Canada's human rights history.

AN ONLINE CONVERSATION, A WEB PRESENCE REBRANDED

The Museum established a social-media presence with Facebook, Twitter, Flickr and YouTube offerings in both English and French. Web traffic continued to increase, aided by a reinvigorated website, while addressing numerous accessibility and usability issues.

MOVING FORWARD

Exhibit development including tendering, fit-up and production will be a key focus through 2011-2012. The Museum will continue to build enduring relationships with esteemed partners who share our commitment to advancing human rights. A memorandum of understanding with the National Film Board to assist with interactive and film content production is in development, and agreements with the Canadian Association of Statutory Human Rights Agencies and Ryerson University's School of Disability Studies are also planned for the coming year. A new Inclusiveness Design Advocacy Council will also be established to further guide the Museum's commitment to accessibility. The Museum will build on its public engagement efforts, continue development of a national education program to bring thousands of students to the Museum each year, and will introduce additional web and social-media offerings that will facilitate broad dialogue around human rights issues and the Museum itself.



TAKING OUR LEAD FROM THOSE WHO INSPIRE

Do the names Sheila Watt-Cloutier, Pumla Gobodo-Madikizela, Chris Morrissey, Grace Eiko Thomson and Art Miki ring a bell? Human rights champions are not always household names, so an important part of the Museum's mandate is to introduce our visitors to accomplished human rights advocates from both Canada and abroad. Over the past fiscal year, the Museum launched its "Champions" project, conducting interviews with 23 eminent human rights leaders. The project is a vital component of the Museum's growing oral history program and aims to bring the story of Canada's evolving human rights history to life, and to ensure the stories of these human rights champions will be preserved for generations to come.



A SUSTAINABLE FOUNDATION

You can not see it yet, but the CMHR's commitment to addressing environmental sustainability is reflected in every detail of the Museum's construction. Fifty percent of the water used in the Museum's toilets will be rainwater collected on site. The site plan includes an irrigation-free landscape design, low-flow plumbing throughout the building, high-efficiency boilers that both heat the building and regulate humidity, zero use of CFC-based refrigerants, plus a comprehensive recycling and reuse program on site. All aspects of construction are geared to supporting our design intention of achieving LEED Silver designation.

Human Rights has a New Home

PERMANENT BUILDING & TEMPORARY ACCOMMODATION

THE WORLD'S FINEST ARCHITECTS. AN ENDURING COMMITMENT TO THE ENVIRONMENT AND TO THE TERRITORY ON WHICH THE MUSEUM NOW RISES. BEACON. LANDMARK. ICON. CANADA'S HUMAN RIGHTS LANDSCAPE HAS BEEN REDRAWN.

CHANGING THE SKYLINE, RESHAPING THE LANDSCAPE

Tremendous progress was made on the building's construction in 2010-2011. Despite a particularly frigid winter, construction crews completed the Museum's cement foundation and core, pouring the last of nearly 35,000 tons of concrete. The Museum's now-complete concrete foundation, built upon caissons to preserve the cultural and archaeological heritage of the building site, will house the welcome and ticketing areas, the education wing, a theatre, a gallery for temporary exhibits, the Museum store and a restaurant.

Work progressed on the Museum's exterior steel skeleton and Tyndall stone façade, while brickwork commenced on the interior. Major mechanical equipment was installed with significant progress made on the installation of the electrical conduit and mechanical piping and venting.

Ninety-five percent of the building has now been tendered with costs confirmed by contract.

OUR TEMPORARY HOME

Museum employees continue to work from a temporary workspace leased in the Government of Canada Victory Building at 269 Main Street in Winnipeg. The office space directly overlooks the Museum site and continues to evolve to accommodate our growing staff complement. Later in 2011, some staff units will move to a neighbouring space as the Museum workforce continues to expand.

FULL PARTNERSHIP WITH CANADA'S FIRST NATIONS, MÉTIS AND INUIT COMMUNITIES

The Museum continued to build on a strong foundation of inclusion, participation and respect with Aboriginal communities. Each piling supporting the Museum stands atop a medicine bag of sage, sweetgrass, cedar and tobacco in reparation to Mother Earth. In recognition of the Treaty One Territory on which the Museum sits, the Museum worked to strengthen its relationships with local Aboriginal peoples, in addition to First Nations, Inuit and Métis communities across Canada in 2010-2011.

An Aboriginal advisor is now part of the Museum's executive to help guide all aspects of the Museum's development. Elders' guidance has also been incorporated in CMHR activities from planning to construction. The handling of artifacts retrieved during archaeological excavation, living elements in the Museum, modifications to the theatre structure and creation of a smudging terrace are outcomes of this engagement and demonstrate CMHR's commitment to honour and acknowledge the territory. An Aboriginal Youth Council was formed to ensure Canada's next generation of Aboriginal leadership has a prominent role in writing a new chapter of human rights successes.

The Museum continued to build on its relationship with the Truth and Reconciliation Commission (TRC), underpinned by a commitment to ensure that the opening of our doors marks a clear turning point in Canadians' understanding of Indian Residential Schools and more importantly the process of reconciliation. The Museum's **President and CEO Stuart Murray affirmed the CMHR's commitment to full partnership with Canada's Aboriginal communities** at a summit organized by the TRC in Vancouver in spring 2011. The Museum's President and CEO also presented a gesture of reconciliation on behalf of the CMHR at a TRC event in Winnipeg in June 2010.

MOVING FORWARD

The Museum's exterior glazed façade and secondary steel installation will continue over the coming fiscal year. The steel for the Museum's Tower of Hope will be erected beginning mid-fiscal. The basalt in the Stuart Clark Garden of Contemplation and the alabaster on the ramps will also begin to be installed. Final items related to building construction will be tendered including landscaping and finishings for office-floor levels. Sustainability planning to ensure the Museum meets LEED Silver designation continues.

A Museum that Stands on Principle

STEWARDSHIP & CORPORATE MANAGEMENT

WE WORK TO HONOUR THE SPIRIT OF OUR MANDATE IN EVERYTHING WE DO. FROM OUR WORKPLACE CULTURE TO CORPORATE PARTNERSHIPS THAT MAXIMIZE SAVINGS THAT CAN THEN BE REINVESTED IN THE MUSEUM, WE STRIVE TO LOOK AT EVERY DECISION THROUGH THE LENS OF HUMAN RIGHTS.

BRIGHT LIGHTS TO HELP SHOW THE WAY

The feedback generated from the Museum's exhaustive public engagement session helps us fulfill our mandate to create a destination that sets new standards for inclusion and diversity of representation. In 2010-2011, the Museum's President and CEO added a key team of human rights advisors to build on that effort and continue to help guide the Museum's work. **The CMHR's new Human Rights Advisory Council comprises some of Canada's most-respected and most-accomplished human rights authorities,** and their role is to provide critical analysis and feedback on all aspects of the Museum's content and operations. Whether examining the Museum's content plans or marketing strategies, these highly regarded experts are helping ensure all decision-making at the CMHR is examined from all angles through the lens of human rights.

A SOCIAL CONSCIENCE, AN ECONOMIC MISSION

The Museum continued to build vital partnerships with tourism partners like Travel Manitoba, Tourism Winnipeg/Economic Development Winnipeg, including jointly hosting a luncheon for more than 1,360 delegates from around the world during the country's premier tourism conference, Rendez-Vous Canada, held in Winnipeg in May 2010. The opportunity was a chance to showcase the Museum to the national and international tourism industry and position the CMHR as a signature Canadian tourism experience. The Museum has also developed a comprehensive destination marketing plan, including a breakdown of focus markets, geographic audiences and potential niche segments, as well as a global blocking chart for a potential mix of activities that will leverage the Museum's presence in Winnipeg to drive new tourism opportunities.

A COMMITMENT TO RIGHTS, IN BOTH OFFICIAL LANGUAGES

The CMHR is mandated to function in both of Canada's official languages, but our commitment to language equity extends to all aspects of our operations. The Museum has drafted internal policies to ensure respect for the language choices of both employees and volunteers. Almost half of Museum employees are bilingual, and the Museum has offered in-house French classes for beginner and intermediate learners, contributing to an internal culture that shows respect for speakers of both English and French. The Museum also adopted a subtle-yet-significant name change this year. The original French-language identity changed from *le Musée canadien des droits de la personne* to *le Musée canadien pour les droits de la personne* to better reflect the Museum's active role as an advocate for human rights.

BUILDING BRIDGES WITH CANADA'S DECISION-MAKERS

In 2010-2011, the Museum welcomed the Minister of Canadian Heritage, the Premier of Manitoba, Members of Parliament, Senators, Members of the Legislative Assembly, the Mayor of Winnipeg, Aboriginal leaders and members of Winnipeg's city council to our site for both a tour and a presentation on our progress. Semi-annual visits were made to Ottawa to meet one-on-one with Members of Parliament and the Senate to discuss the Museum's planning and goals. In October 2010, the Museum's President and CEO presented to members of the Senate and the House of Commons at a "Breakfast on the Hill" hosted by Senator Donald Plett.

DEEPENING OUR OWN BENCH

Staffing continued to proceed in planned phases in 2010-2011, with a complement of 50 full-time employees at our year-end. The Museum was pleased to welcome



SUMMER TOURS

Tours of the perimeter of the construction site proved immensely popular. Winnipeggers, Manitobans and out-of-town visitors were invited to take in free tours that offered a close-up look at ongoing construction. Tours will again be offered in 2011-2012.

new talent to all units, including highly accomplished individuals working in our research and archives areas, new media, exhibits planning, human resources and Aboriginal relations.

SHARING OUR RESOURCES, EXPANDING ACCESS TO RESEARCH

The Canadian Museum for Human Rights is working to make learning and scholarship as accessible as possible. In 2010-2011, we continued to move forward with plans to remove barriers to information and improve access to research via the signing of a Memorandum of Understanding with Library and Archives Canada. This unique partnership will

make some of Canada's most notable human rights collections available to students and scholars from around the world, and will form the foundation for future research and information-sharing agreements with additional partners.

WELCOMING CRITICISM, CLARIFYING MISCONCEPTIONS

The issue of human rights, is a deeply human, highly personal and often emotional subject. The Museum will, at times, serve as a lightning rod for charged debate and will often be the subject of criticism itself. The Museum accepts this as integral to its mandate and considers it a core responsibility to meet voices of criticism with

respect and understanding. Similarly, the Museum also bears a responsibility to publicly clarify misconceptions of its mandate or exhibit plans, as we did on several occasions in 2010-2011. The

DID YOU KNOW?

His Excellency the Right Honourable David Johnston, Governor General of Canada, is an honorary patron of the Canadian Museum for Human Rights. His Excellency supports the Museum's commitment to promote and advocate human rights across Canada and abroad. The Right Honourable Michaëlle Jean, former governor general, was also an honorary patron of the Museum.

Museum will continue to move forward with a commitment to equity of representation and inclusion, and continue to build bridges with both voices of support and dissent.

A COMMITMENT TO ACCOUNTABILITY

The Canadian Museum for Human Rights bears a responsibility to fulfill its mandate with a fulsome commitment to transparency and accountability. The Museum is subject to the federal *Access to Information Act (ATIP)* and *Privacy Act*, and respects both the requirements and spirit of the legislation. The Museum is developing a comprehensive Access to Information and Privacy program and has established interim measures to manage ATIP requests.

STRONG PARTNERSHIPS TO MAXIMIZE VALUE

New corporate partnerships forged in the past year have allowed the Museum to realize significant savings while meeting the organization's growing infrastructure needs. Through the Museum's relationship with MTS Allstream we have now developed further partnerships with Cisco Canada for the design and purchase of our IT network, and with Mitel to implement a new phone system that will serve employees in the temporary space and can be migrated to the Museum site once construction is complete.

A CONTINUED COMMITMENT TO COST CONTAINMENT

Despite the financial realities inherent in any large-scale start-up enterprise, the Museum continued to pursue measures to minimize costs and maximize value throughout 2010-2011. Reducing travel costs by holding meetings of the Board of Trustees via conference call, as well as coordinating exhibit project meetings via Skype,

are examples of cost-containment measures implemented over the past fiscal year.

FOOD FOR THOUGHT, RESPONSIBLE RETAIL

The Museum has completed a detailed food and beverage feasibility study that will help ensure **the Museum can provide food service options that reflect our environmental, social, cultural and economic values.** Those same principles of fair trade and sustainability form the basis of the operating principles for our retail division. A study in partnership with the University of Manitoba MBA program, completed this year, will help identify ticketing options that reflect our commitment to accessibility. Our ethically sourced apparel and giftware are available for sale at a range of retail outlets.

MOVING FORWARD

The Museum's Board of Trustees will hold the CMHR's first annual public meeting in Winnipeg in December 2011 to provide an update on progress. In the coming year, key staff positions will be filled and bargaining of a first collective agreement for non-managerial staff will take place.

In 2011-2012 the Museum will expand its presence at select retailers, complete a study to identify booking, event and rental opportunities, and forge additional partnerships to promote the Museum around the world, particularly in growing niche markets such as LGBT tourism and "voluntourism." The CMHR will develop strategic plans for visitor services to align the visitor experience with the Museum's brand promise, and will develop additional strategies to maximize revenue-generation opportunities to augment operations funding.

Through the efforts of Friends of the Canadian Museum for Human Rights, fundraising for capital and student programming will carry on throughout the year. Initial engagement and vision plans for the Museum's opening ceremonies will also begin.



HUMAN RIGHTS BEGINS AT HOME

Our commitment to advancing human rights includes the Museum's partners and also those who work here. Today, the CMHR has a vibrant, active staff culture that includes human rights documentary film screenings, a human rights book club, social outings to human rights-themed events, active-transportation initiatives and participation in the annual fair-trade challenge. Museum staff have ratified membership in the Public Service Alliance of Canada and elected employee representatives.

Management's Discussion & Analysis

THE CANADIAN MUSEUM FOR HUMAN RIGHTS (CMHR) WAS ESTABLISHED AS A CORPORATION ON AUGUST 10, 2008 AND WAS THE FIRST NATIONAL CULTURAL INSTITUTION TO BE CREATED IN A GENERATION. THE MUSEUM ASPIRES TO EMPOWER PEOPLE TO CHANGE THOUGHT AND ACTION TO FURTHER THE CAUSE OF HUMAN RIGHTS BOTH IN CANADA AND AROUND THE WORLD. THE CORPORATION IS COMMITTED TO DEVELOPING A STRONG FINANCIAL AND OPERATIONAL FOUNDATION TO SUPPORT THIS VITAL WORK. IN IMPLEMENTING ITS MANDATE, THE CORPORATION IS STRIVING FOR EXCELLENCE, ADOPTING BEST PRACTICES AND DEMONSTRATING FULL ACCOUNTABILITY TO PARLIAMENT AND CANADIANS.

STRATEGIC DIRECTION

In 2008, the Corporation's Board of Trustees established a strategic direction to guide the organization through its first years of operation prior to opening. The Corporation's strategic direction includes three key priorities:

- To develop the exhibits, content and programs;
- To build a world-class building in a fiscally sound, transparent and accountable manner; and
- To create an organization with sound and efficient governance and stewardship practices.

Each year, a detailed set of goals and objectives are established for each priority area. In 2010-2011, the Museum's second full year of operations, the Corporation made significant progress towards the opening of the Museum.

Raising the full amount required to complete the capital project remains our highest priority. The funding of the capital project is dependent on the continued fundraising and collection of pledges by The Friends of the CMHR. The Friends has been very successful with the fundraising campaign and its collection history is exemplary. The Museum Board and The Friends continue to work in close collaboration to identify sources to secure the funds required to complete the project.

ENVIRONMENTAL SCAN

Both internal and external factors affect the Corporation's ability to construct its facility within budget, to recruit and retain a skilled and professional workforce, to attract visitors to the Museum once it has opened its doors and to fund its ongoing operations. The Museum's five-year Corporate Plan is designed to guide its continuing success in light of the following environmental factors:

STRENGTHS AND OPPORTUNITIES

- Government support at all levels;
- Public support;
- Fundraising by The Friends of the CMHR;
- Significant external input;
- Central location at The Forks in Winnipeg, a historic meeting place and the city's premier tourist attraction;
- The opportunity to "get it right" with a new model of engagement; and
- Building construction 95% tendered, 50% complete.

RISKS AND CHALLENGES

- Economic uncertainty;
- Complicated capital construction for which a detailed Risk Management Strategy has been developed;
- Some financial uncertainty related to ongoing operations (e.g. obligations under the *Federal Payments in Lieu of Taxes Act*, inflation and revenue generation);
- Capital cash management;
- Controversial subject matter; and
- High expectations from Museum supporters.

OPERATING BUDGET: OVERVIEW

In establishing the Canadian Museum for Human Rights as a national cultural institution and federal Crown corporation, the Government of Canada agreed to provide up to \$21.7 million in operating funds per year.

There are tremendous challenges inherent in starting up a new national cultural institution. The most recently established was the National Arts Centre, created over 40 years ago, with an entirely different focus and mandate from the CMHR. There is, therefore, little precedent to guide the Museum's

development. The CMHR is also unique in that at the time of its creation, the CMHR was the first national museum to be built outside the National Capital Region.

Evaluation of anticipated operating needs for both before and after opening is ongoing. As work continues on developing the Museum's corporate structure, information technology infrastructure, exhibitions, content, programs, archives, library and web presence, estimates and timing of the Museum's requirements can be made with greater precision.

For 2010-2011, the second full year of operations, the Museum forecasted a need for \$15.9 million in operating funding as it ramped up activities towards opening.

OPERATING BUDGET: YEAR-END RESULTS

In 2010-2011, the Museum operated within its operating budget of \$15.9 million. Operating expenses for the year ended March 31 were \$10.3 million. An additional \$2.3 million in expenses, primarily IT infrastructure, were incurred and deferred to the balance sheet based on the Museum's capitalization policy. The net result of operations for the year ended March 31, 2011 was an operating surplus of \$3.4 million. The funds have been allocated and will be spent upon completion of the related projects.

Media and technology development for the exhibits and computer software purchases for finance, and library and archives were budgeted for 2010-2011. These projects, totaling \$3.1 million, were initiated with request-for-proposal processes well underway, but were not completed by year-end. These projects will be completed in 2011-2012 utilizing the surplus from 2010-2011.

Staff salaries and benefits were lower than budgeted due to planned positions being filled later than anticipated. Public engagement and travel expenses were reduced and lower than budgeted to accord with the government's directive to reduce

travel costs. Increased use of social media and local committee meetings contributed to cost reductions for the second phase of the Museum's public engagement process.

Significant time was invested in 2010-2011 researching and designing the information technology architecture required for the Museum. The CMHR is a new kind of museum; an "idea" and "dialogue" museum that relies heavily on technology to deliver the stories, videos and digital "artifacts" that visitors will engage with both on site and from around the world. The Museum's unique IT requirements have necessitated greater investment than anticipated in earlier estimates. In 2010-2011, the Museum invested in network equipment — the first of the required information technology infrastructure. Further expenditures for servers and storage are planned for future years.

OPERATING BUDGET: OUTLOOK

For the fiscal year 2011-2012, the Museum is limited to and forecasts a need for \$21.7 million.

A significant amount of work is still required leading up to opening. As projected, an additional 35 full-time staff are slated to be hired in 2011-2012 to continue development of exhibitions, programs and web and social-media offerings. The Museum will continue to consult and engage Canadians in the development of content over the next fiscal year. Exhibit research and the recording of oral histories will also continue. Professional services will continue to be required to augment staff support in areas that are time sensitive or require specialized expertise.

In 2011-2012, the Museum will present its budgets for the next five years including the years immediately after opening. The Corporation may require more than the \$21.7 million funded by the Government of Canada after opening, but will generate revenue through donations, admissions, memberships, temporary exhibits and programming, facilities rental and events. The Museum will be

seeking the government's approval to augment the operating funds already committed by an amount sufficient to cover the required property tax (PILT) payments and to address ongoing pressures of inflation in operating, maintenance and capital repairs.

THE CONSTRUCTION PROJECT: OVERVIEW

The Canadian Museum for Human Rights will be a world-class, distinctive, architecturally exceptional Museum dedicated to human rights. The Museum is being constructed in Winnipeg at The Forks site at the confluence of the Red and Assiniboine rivers.

The Board of Trustees is fully accountable for overseeing all aspects of the building project, including establishing timeframes for construction and managing risks. The Board has ultimate responsibility for the approval of budgets, building design and completion of the project within budget.

Recognizing the importance of clearly establishing the Board of Trustees' overall management and oversight of the construction project, issues related to the building project have not been delegated to a sub-committee but rather are dealt with by the Board as a Whole.

THE CONSTRUCTION PROJECT: BUDGET

The construction project marks the first time a national museum in Canada has been built with financial contributions from federal, provincial and municipal levels of government, in addition to significant contributions from the private sector.

Contributions from the Province of Manitoba (\$38.8 million) and the City of Winnipeg (\$16 million) have been received, as well as the first three private sector installments from The Friends of CMHR (\$67.2 million). These amounts, plus the related investment income, are recorded as Other comprehensive income until the funds are utilized to purchase Assets under construction and then

transferred to Deferred funding related to property and equipment.

In addition, land was donated by the City of Winnipeg and The Forks Renewal Corporation with an estimated market value of \$4.9 million based on an independent valuation. The value was recorded in Other comprehensive income in 2009-2010.

The Government of Canada provided \$30 million in funding for the project through Western Economic Diversification. The first \$3 million was provided to the Friends of CMHR for a feasibility study and other start-up costs. The balance of \$27 million is for capital costs and has been transferred to the Museum.

The remaining \$70 million in federal funds are allocated over three years — \$20 million was received in 2009-2010, \$40 million in 2010-2011 and \$10 million is budgeted to be received in 2011-2012.

Increased capital funding requirements were a key challenge in the Museum's first year. This increase was a result of more accurate costing through the design development process, construction inflation in Manitoba since the project was estimated at \$265 million in 2006, and because the building was environmentally redesigned to meet LEED Silver environmental certification requirements. The Museum completed an extensive value engineering exercise to confirm the final \$310 million project budget which includes the building and the inaugural exhibitions.

By the end of 2010-2011, the Museum spent \$143.3 million in capital costs for the building and exhibit design and construction.

The Museum has \$83.3 million in restricted cash, cash equivalents and investments held for the capital project at March 31, 2011. Approximately \$20 million in capital funding will be received from The Friends and \$10 million from the Federal Government in 2011-2012.

At March 31, 2011, the construction of the building is 50 percent complete and 95 percent of the building costs have been tendered and confirmed.

In 2011-2012, the remaining five percent of the building costs will be tendered and the budgets for the exhibition fit-up, fabrication and installation will be finalized. The total project costs and the funds available are continually reviewed before additional commitments for exhibit contracts are made.

The Museum developed a financial Risk Mitigation Strategy in 2010-2011. Significant progress related to risk mitigation includes an additional commitment from the City of Winnipeg of \$3.6 million, as well as additional support from Friends beyond the \$105 million initial commitment for capital. Efforts continue to confirm other sources of funding to ensure capital cash flow needs are met.

THE CONSTRUCTION PROJECT: RISK MANAGEMENT

A complex and large-scale capital project presents a wide range of risks that need to be carefully managed, including the risk of delay and cost overruns. The Museum has identified potential risks facing the project, along with strategies to address them. These include plans to address the capital requirements and risks related to the project schedule, ensuring inflation is considered and complex architectural plans are fully implemented.

The architectural design for the Museum building is extremely complex. A project team including CMHR staff, executive and design architects, consultants and the construction manager has been established to reduce the likelihood of costly changes in design or additions or deletions to the work as the construction project proceeds. A design-assist procurement process is being used that, unlike traditionally bid projects, involves subcontractors during the design development and construction document stages of the project

to provide valuable input into the design, planning, scheduling, budgeting (including the identification of cost-saving measures) and tendering — a focused team effort towards delivery of the project. This approach has been used successfully with structural, mechanical and electrical trades and with the exterior glazed façade supplier.

The construction schedule also requires precise attention to deadlines — any significant delays in the key milestones will delay the completion date. Constant and regular review of the plans and schedules for the project are carried out by the project team in order to mitigate any design and cost issues that occur during the construction period.

At this stage of construction, with 95 percent of costs tendered and locked in, the largest remaining risk relates to change orders due to unknown conditions encountered during construction. The use of the team approach and the design-assist process, which involved the major trades from an early stage of design and construction, is expected to greatly reduce this risk.

In all cases, the Museum has developed a Risk Management Strategy, and the CMHR Board of Trustees and Executive Team have initiated steps to:

- Identify all necessary actions to reduce or eliminate the impact of risks;
- Continue to monitor and track all identified risks;
- Develop contingency plans to deal with significant risks; and
- Document and communicate the project risks to the project team, stakeholders and decision makers.

The Risk Mitigation Strategy has allowed the project to progress successfully to date.

Management Responsibility

for Financial Statements

Management has prepared the financial statements contained in this Annual Report in accordance with Canadian generally accepted accounting principles, and the integrity and objectivity of the data in these financial statements are Management's responsibility. The financial statements include some amounts that are necessarily based on management's estimates and judgment. Financial information presented throughout the Annual Report is consistent with the financial statements.

In discharging its responsibility for the integrity and fairness of the financial statements, Management has developed and maintains books of account, records, financial and management controls, information systems and management practices. These are designed to provide reasonable assurance as to the reliability of the financial information; that assets are safeguarded and controlled; and that transactions are in accordance with the *Financial Administration Act* and regulations as well as the *Museums Act* and the by-laws of the Corporation.

The Board of Trustees is responsible for ensuring that Management fulfills its responsibilities for financial reporting and internal control. The Board exercises its responsibilities through the Audit Committee. Four Trustees of the Corporation comprise the Audit Committee.

The Audit Committee meets with Management and the independent external auditor to review the manner in which the responsibilities for financial statements are being performed and to discuss auditing, internal controls and other relevant financial matters. The Audit Committee has reviewed the financial statements with the external auditor and has approved the financial statements.

The Corporation's external auditor, the Auditor General of Canada, examines the financial statements and reports to the Minister of Canadian Heritage and Official Languages, who is accountable to Parliament for the Canadian Museum for Human Rights.



Stuart Murray
President & Chief Executive Officer



Susanne Robertson, C.A.
Chief Financial Officer

June 22, 2011

Auditor's Report



Auditor General of Canada
Vérificateur général du Canada

INDEPENDENT AUDITOR'S REPORT

To the Minister of Canadian Heritage and Official Languages

Report on the Financial Statements

I have audited the accompanying financial statements of the Canadian Museum for Human Rights, which comprise the balance sheet as at 31 March 2011, and the statement of operations and comprehensive income, the statement of changes in shareholder's equity and the statement of cash flow for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles, 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.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Canadian Museum for Human Rights as at 31 March 2011, and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Report on Other Legal and Regulatory Requirements

As required by the *Financial Administration Act*, I report that, in my opinion, Canadian generally accepted accounting principles have been applied on a basis consistent with that of the preceding year.

Further, in my opinion, the transactions of the Canadian Museum for Human Rights that have come to my notice during my audit of the financial statements have, in all significant respects, been in accordance with Part X of the *Financial Administration Act* and regulations, the *Museums Act* and regulations and the by-laws of the Canadian Museum for Human Rights.

John Rossetti, CA
Assistant Auditor General
for the Interim Auditor General of Canada

22 June 2011
Ottawa, Canada

240 rue Sparks Street, Ottawa, Ontario K1A 0S8

Balance Sheet

(In thousands of dollars)

As at March 31,	2011	2010
Assets		
Current Assets:		
Cash	\$ 4,356	\$ 737
Accounts receivable (note 4)	1,496	522
Prepaid expenses and other assets	231	143
Current portion of holdback account (note 6)	4,114	1,155
	10,197	2,557
Restricted cash, cash equivalents, and investments (note 5)	83,280	87,979
Holdback account (note 6)	2,305	1,949
Property and equipment (note 7)	7,544	5,512
Assets under construction (note 8)	143,318	71,558
Total Assets	\$ 246,644	\$ 169,555
Liabilities and Shareholder's Equity		
Current liabilities:		
Accounts payable and accrued liabilities (note 9)	\$ 10,616	\$ 5,571
Current portion of holdback account (note 6)	4,114	1,155
	14,730	6,726
Deferred funding related to property and equipment (note 11)	172,973	86,673
Holdback payable (note 6)	2,305	1,949
Deferred parliamentary appropriations	2,565	532
	177,843	89,154
Shareholder's equity		
Retained earnings	3,482	105
Accumulated other comprehensive income	50,589	73,570
	54,071	73,675
Total Liabilities and Shareholder's Equity	\$ 246,644	\$ 169,555

Commitments and Contingencies (notes 16 and 17)

The accompanying notes and schedule from an integral part of the financial statements.

Approved by the Board of Trustees:



Arni C. Thorsteinson
Chairperson



Lisa Pankratz
Chair, Audit Committee

June 22, 2011

Statement of Changes in Shareholder's Equity

(In thousands of dollars)

For the year ended March 31,	2011	2010
Retained earnings, beginning of year	\$ 105	\$ 82
Net results of operations	3,377	23
Retained earnings, end of year	3,482	105
Accumulated other comprehensive income, beginning of year	73,570	77,321
Other comprehensive loss	(22,981)	(3,751)
Accumulated comprehensive income, end of year	50,589	73,570
Shareholder's equity, end of year	\$ 54,071	\$ 73,675

The accompanying notes and schedule form an integral part of the financial statements.

Statement of Operations & Comprehensive Income

(In thousands of dollars)

For the year ended March 31,	2011	2010
Expenses (schedule 1):		
Museum Content and Program	\$ 3,853	\$ 3,178
Permanent Building and Temporary Accommodation	1,218	901
Stewardship and Corporate Management	5,209	3,959
Total Expenses	\$ 10,280	\$ 8,038
Net result of operations before government funding	(10,280)	(8,038)
Government Funding:		
Parliamentary appropriations (note 12)	13,621	8,040
Other income	36	21
Net result of operations	\$ 3,377	\$ 23
Other comprehensive loss:		
Restricted contributions from non-owners	22,158	29,850
Restricted contributions used and transferred to deferred funding related to property and equipment	(45,668)	(34,032)
Earnings on restricted balances	529	382
Government assistance recognized	-	49
Other comprehensive loss	(22,981)	(3,751)
Comprehensive loss	\$ (19,604)	\$ (3,728)

The accompanying notes and schedule form an integral part of the financial statements.

Statement of Cash Flow

(In thousands of dollars)

For the year ended March 31,	2011	2010
Operating activities:		
Cash receipts (parliamentary appropriations)	\$ 13,129	\$ 7,786
Cash receipts (other income)	36	21
Cash paid (employees and suppliers)	(9,945)	(7,890)
	3,220	(83)
Investing activities:		
Investment in building project	(66,915)	(52,311)
Acquisition of property and equipment	(2,302)	(567)
Net acquisition of investments	(8,179)	(33,742)
	(77,396)	(86,620)
Financing activities:		
Parliamentary appropriation for the acquisition of property and equipment	2,302	595
Other Government of Canada funding for the building project and related investment income	40,158	20,278
Non-Owner funding for the building project and related investment income	21,929	102,180
	64,389	123,053
(Decrease)/Increase in cash	(9,787)	36,350
Opening cash and cash equivalents, beginning of year		
Operating cash	737	820
Restricted cash and cash equivalents	44,489	8,056
	45,226	8,876
Cash and cash equivalents, end of year		
Operating cash	4,356	737
Restricted cash and cash equivalents	31,083	44,489
	\$ 35,439	\$ 45,226

The accompanying notes and schedule form an integral part of the financial statements.

Notes to Financial Statements

For the year ended March 31, 2011

(In thousands of dollars, unless otherwise noted)

1. AUTHORITY, MANDATE AND OPERATIONS:

The Canadian Museum for Human Rights (the "Corporation") was established through amendments to the *Museums Act* on August 10, 2008 and is a Crown corporation named in Part I of Schedule III to the *Financial Administration Act*. The Corporation is not subject to income tax under the provisions of the *Income Tax Act*.

The Canadian Museum for Human Rights, being built in Winnipeg, Manitoba, was the first national museum to be located outside of the National Capital Region at the time of its creation and the first to be constructed with funding from levels of government other than the Government of Canada. The Province of Manitoba, the City of Winnipeg, and the Friends of the Canadian Museum for Human Rights (the "Friends of the CMHR") (representing private sector donors) are also funding the project. A Definitive Agreement, setting forth the terms, provisions and conditions for the parties' undertakings, including the transfer of land, was signed by all parties on February 1, 2008.

The Canadian Museum for Human Rights reports to Parliament through the Minister of Canadian Heritage and Official Languages.

The mandate, as stated in the amendments to the *Museums Act*, is as follows:

"To explore the subject of human rights, with special but not exclusive reference to Canada, in order to enhance the public's understanding of human rights, to promote respect for others and to encourage reflection and dialogue."

The operations of the Corporation are divided into three mutually supportive activities which work together to meet all aspects of its mandate. These activities and their respective descriptions are:

Museum Content and Program

To create content and programming that is objective, innovative and accessible and challenges the way people think and behave towards the rights of others, and is developed through ongoing consultation and engagement.

Permanent Building and Temporary Accommodation

To build a world-class, distinctive, architecturally exceptional museum dedicated to human rights. To ensure that all aspects of the Building Construction Project are managed in a fiscally sound, transparent and accountable manner, employing effective risk-management practices throughout. By the time the facility opens, to establish the appropriate mechanisms to provide for effective, efficient operations and maintenance of the building and its ongoing security, accessibility and sustainability.

Stewardship and Corporate Management

To ensure that the private and public funds invested are managed in a transparent, accountable manner and that the Corporation optimizes the value to Canadians. To adopt sound and efficient governance and stewardship practices that facilitate the alignment of resources with priorities and full accountability to Canadians for results.

Notes to Financial Statements (Continued)

2. SIGNIFICANT ACCOUNTING POLICIES:

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles. Significant accounting policies follow.

(a) Financial statement presentation and comparative figures

The financial statements for the year ended March 31, 2011 are presented in thousands of dollars.

(b) Financial assets and financial liabilities

Cash, investments and the Holdback Account are classified as Financial assets held for trading. These financial assets are recorded at fair value as determined by reference to their quoted bid price at the reporting date. Fair value adjustments to investments of restricted cash are recorded as deferred funding related to property and equipment on the Balance Sheet while fair value adjustments to investments of non-restricted cash are recorded in the Statement of Operations and Comprehensive Income. Purchases of investments are recorded on the trade date.

Cash equivalents are assets that are readily convertible into cash, such as money market holdings, short-term government bonds or treasury bills, marketable securities and commercial paper. Cash equivalents are distinguished from other investments through their short-term existence; they mature within three months.

Accounts receivable are classified as Loans and Receivables. After the initial fair value measurement, they are measured at amortized

cost using the effective interest rate method with changes in value recorded in the Statement of Operations.

Accounts payable, accrued liabilities and the holdback account liability are classified as Other financial liabilities. After their initial fair value measurement, they are measured at amortized cost using the effective interest rate method with changes in value recorded in the Statement of Operations.

(c) Property and equipment

Property and equipment owned by the Corporation are valued at cost, net of accumulated amortization.

Amortization is calculated using the straight-line method, over the estimated useful lives of assets as follows:

Asset	Useful Life
Leasehold improvements	Lesser of term of lease and 5 years
Furniture and equipment	3 to 10 years
Website development	2 to 5 years
Computer equipment and hardware	3 years

Assets are not amortized until they are placed in use.

(d) Employee future benefits

Pension Benefits: All eligible employees participate in the Public Service Pension Plan administered by the Government of Canada. The Corporation's contributions to the plan reflect the full cost of the employer contributions. The amount is currently based on a multiple of the employee's

Notes to Financial Statements (Continued)

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

required contributions, and may change over time depending on the experience of the Plan. The Corporation's contributions are expensed during the year in which the services are rendered and represent its total pension obligation. The Corporation is not currently required to make contributions with respect to any actuarial deficiencies of the Public Service Pension Plan.

(e) Contributions

Unrestricted contributions are recognized as revenue on the Statement of Operations and Comprehensive Income when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Contributions externally restricted, and related investment income, are recorded in other comprehensive income and recognized as either revenue in the Statement of Operations and Comprehensive Income or deferred funding related to property and equipment on the Balance Sheet in the year in which the related expenses are incurred. Deferred funding related to property and equipment is amortized on the same basis and over the same periods as the related property and equipment.

(f) Contributions-in-kind

Contributions-in-kind are recognized as revenue on the Statement of Operations and Comprehensive Income when received. Contributions-in-kind related to depreciable property and equipment are recorded as deferred funding related to property and equipment on the Balance Sheet.

Contributions-in-kind are recorded at the estimated fair value of the asset received.

(g) Government funding

i) Parliamentary appropriations:

The Government of Canada provides funding to the Corporation. The portion of the parliamentary appropriation used or to be used for the Building Project and to purchase depreciable property and equipment are recorded as deferred funding related to property and equipment and deferred parliamentary appropriations, respectively, and amortized on the same basis and over the same periods as the related property and equipment. Parliamentary appropriations for specific projects are deferred and recognized on the Statement of Operations and Comprehensive Income in the year in which the related expenses are incurred. The remaining portion of the appropriation is recognized in the Statement of Operations and Comprehensive Income in the year for which it is approved.

ii) Other government assistance:

Funding may be provided by various levels of government, excluding Canada. Unrestricted government funding is recognized as other government assistance on the Statement of Operations and Comprehensive Income when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Externally restricted government assistance and related investment income are recorded in other

Notes to Financial Statements (Continued)

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

comprehensive income and recognized as either other government assistance in the Statement of Operations and Comprehensive Income or deferred funding related to property and equipment on the Balance Sheet in the year in which the related expenses are incurred. Deferred funding related to property and equipment is amortized on the same basis and over the same periods as the related property and equipment.

(h) Foreign Exchange

Assets and liabilities denominated in US dollars are translated into Canadian dollars using the exchange rate at the balance sheet date. Foreign exchange is recorded on US dollar denominated transactions at the noon exchange rate on the invoice payment date.

Foreign currency gains and losses on restricted monetary assets are recorded as deferred funding related to property and equipment on the Balance Sheet and other comprehensive income in the Statement of Operations and Comprehensive Income. Other foreign currency gains and losses are recorded in Other Income on the Statement of Operations and Comprehensive Income.

(i) Measurement uncertainty

The preparation of financial statements in accordance with Canadian generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of income and expenses for the year. Accrued liabilities, contingent liabilities, and

estimated useful lives of property and equipment are the most significant items where estimates are used. Actual results could differ significantly from those estimates.

3. FUTURE ACCOUNTING STANDARDS:

Public Sector Accounting Standards

Currently, the Corporation is classified as a Government Business-Type Organization (GBT0). In 2010, the Public Sector Accounting Board (PSAB) approved an amendment to the Introduction to Public Sector Accounting Standards directing all government not-for-profit organizations to follow the CICA Public Sector Accounting Handbook for fiscal years beginning on or after January 1, 2012. Management has concluded that the Corporation is a Government Not-For-Profit Organization. As a result, the Corporation will early adopt Public Sector Accounting Standards (PSAS) on April 1, 2011 and will elect to use the Not-for-profit accounting standards which have been incorporated within PSAS.

4. ACCOUNTS RECEIVABLE:

At March 31,	2011	2010
Interest	\$ 711	\$ 36
Refundable taxes	558	466
Government appropriations	223	-
Other	4	20
	\$ 1,496	\$ 522

The carrying amounts of the Corporation's accounts receivable approximate their fair values due to their short term nature.

Notes to Financial Statements (Continued)

5. RESTRICTED CASH, CASH EQUIVALENTS AND INVESTMENTS:

At March 31,	2011			2010	
	Cost	Unrealized gains/(losses)	Fair Value	Cost	Fair Value
Restricted Cash	\$ 1,897	\$ -	\$ 1,897	\$ 4,490	\$ 4,490
Cash Equivalents					
Government of Canada T-bills	8,847	15	8,862	39,997	39,999
Provincial T-bills	18,210	17	18,227	-	-
Promissory Notes	2,096	1	2,097	-	-
Sub-total - Cash Equivalents	29,153	33	29,186	39,997	39,999
Investments					
Guaranteed Investment Certificates	-	-	-	36,849	37,053
Government of Canada Bonds	2,752	(1)	2,751	4,993	4,997
Provincial Bonds	7,436	(170)	7,266	1,496	1,440
Asset-Backed Securities	15,287	(103)	15,184	-	-
Corporate Bonds	23,585	(101)	23,484	-	-
Mortgage-Backed Securities	3,545	(33)	3,512	-	-
Sub-total - Investments	52,605	(408)	52,197	43,338	43,490
	\$ 83,655	\$ (375)	\$ 83,280	\$ 87,825	\$ 87,979

6. HOLDBACK CASH ACCOUNT:

In accordance with the construction contract for the Museum building and the *Builder's Lien Act* of Manitoba, the Corporation is required to holdback 7.5% of progress billings. These amounts are restricted in nature and recorded as an asset and liability. The restricted funds will be paid out upon certified completion of the subcontracts in accordance with the *Builder's Lien Act* of Manitoba. The total holdback cash account balance and related liability at March 31, 2011 was \$6.4 million (2010 - \$3.1 million), of which \$4.1 million (2010 - \$1.2 million), related to concrete and structural steel, is current.

Notes to Financial Statements (Continued)

7. PROPERTY AND EQUIPMENT:

At March 31,	2011			2010
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Land	\$ 4,979	\$ -	\$ 4,979	\$ 4,979
Computer equipment and hardware	2,272	38	2,234	38
Leasehold improvements	510	324	186	371
Furniture and equipment	151	33	118	71
Website development	70	43	27	53
	\$ 7,982	\$ 438	\$ 7,544	\$ 5,512

On April 15, 2009, the Corporation acquired land for the Museum project from the City of Winnipeg and The Forks Renewal Corporation. The ownership of the land reverts back to the City of Winnipeg and The Forks Renewal Corporation when the land is no longer used for the purposes of the Museum, or such other purposes as approved by the previous owners. The Corporation's Management estimated that the Museum's river-front parcel should be valued at \$4.9 million plus related legal costs based on the information provided by an independent market evaluation.

8. ASSETS UNDER CONSTRUCTION:

Assets under construction represent costs incurred for the development and construction of the museum building. The assets under construction are comprised of the following costs incurred to date:

At March 31,	2011	2010
Building design and construction	\$ 137,825	\$ 68,060
Exhibit design and construction	5,493	3,498
	\$ 143,318	\$ 71,558

Notes to Financial Statements (Continued)

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES:

At March 31,	2011	2010
Trade accounts payable	\$ 1,315	\$ 819
Building construction project accounts payable	9,129	4,312
Government agencies and departments	68	372
Vacation pay	104	68
	\$ 10,616	\$ 5,571

The carrying amounts of accounts payable and accrued liabilities approximate their fair values due to their short term nature.

10. EMPLOYEE FUTURE BENEFITS:

Pension benefits:

The Corporation and all eligible employees contribute to the Public Service Pension Plan. This pension plan provides benefits based on years of service and average earnings of the employee's best five years up to retirement. The benefits are fully indexed to the increase in the Consumer Price Index. The actual contributions made by the Corporation and the employees' contributions to the Public Service Pension Plan for the periods were as follows:

	2011	2010
Corporation's contributions	\$ 567	\$ 290
Employees' contributions	\$ 240	\$ 94

Employee's and Corporation's contributions totaling \$58 were payable at March 31, 2011 (2010 - \$199).

11. DEFERRED FUNDING RELATED TO PROPERTY AND EQUIPMENT:

(a) The sources of the deferred funding related to property and equipment are:

At March 31,	2011	2010
Deferred funding - Government of Canada	\$ 92,100	\$ 51,469
Deferred contributions - Province of Manitoba	26,389	14,243
Deferred contributions - City of Winnipeg	10,802	5,765
Deferred contributions - Friends of CMHR	43,682	15,196
	\$ 172,973	\$ 86,673

- i) Deferred funding represents the unamortized portion of parliamentary appropriations from the Government of Canada or other government assistance used or to be used to pay for building project costs and depreciable equipment. Deferred funding is recognized as parliamentary appropriation revenue or other government assistance on the same basis and over the same periods as the related property and equipment is amortized.
- ii) Deferred contributions (from non-owners) represent the unamortized portion of contributions used for building project costs. Deferred contributions are recognized as contribution revenue on the same basis and over the same periods as the related property and equipment is amortized.

Notes to Financial Statements (Continued)

11. DEFERRED FUNDING RELATED TO PROPERTY AND EQUIPMENT (Continued)

(b) Changes in the deferred funding related to property and equipment is composed of:

	2011	2010
Balance, beginning of year	\$ 86,673	\$ 32,343
Government of Canada funding	40,000	20,000
Province of Manitoba funding	12,146	13,083
City of Winnipeg funding	5,037	5,765
Capital contributions from Friends of CMHR	28,486	15,184
Other Government assistance	419	219
Interest and investment income on deferred funding	212	79
Balance, end of year	\$ 172,973	\$ 86,673

12. GOVERNMENT FUNDING – PARLIAMENTARY APPROPRIATIONS:

	2011	2010
Main estimates amount provided for operating and capital expenditures	\$ 15,850	\$ 1,500
Carry forward from 2008-09	-	1,900
Re-profiled from 2010-11	-	5,200
Reimbursement of payroll expenditures	222	-
Amounts used to purchase property and equipment	(2,302)	(595)
Amounts used to purchase assets under construction	(419)	(219)
Amortization of deferred funding related to property and equipment	270	254
	\$ 13,621	\$ 8,040

13. FINANCIAL RISK MANAGEMENT:

The Corporation has exposure to the following risks from its use of financial instruments: credit risk, market risk and liquidity risk.

The Audit Committee was appointed in August 2009. It ensures that the Corporation has identified its major risks and ensures that management monitors and controls them. The Board oversees the Corporation's systems and practices of internal control, and ensures that these controls contribute to the assessment and mitigation of risk.

(a) Credit risk:

Credit risk is the risk of financial loss to the Corporation if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Such risks arise principally from certain financial assets held by the Corporation consisting of restricted cash, cash equivalents and investments as well as accounts receivable.

The maximum exposure to credit risk of the Corporation at March 31, 2011 is the carrying value of these assets.

(i) Accounts receivable:

The Corporation's exposure to credit risk associated with accounts receivable is influenced mainly by the demographics of the Corporation's debtors, including the risk associated with the type of debtor. The Corporation's accounts receivable balance as at March 31, 2011 is comprised mainly of interest receivable and refundable GST due from the Government of Canada, and is current. No allowance for doubtful accounts has been recorded by the Corporation as at March 31, 2011.

Notes to Financial Statements (Continued)

13. FINANCIAL RISK MANAGEMENT (Continued)

(ii) Cash, cash equivalents and investments:

The Corporation manages its credit risk surrounding cash, cash equivalents and investments by dealing solely with reputable banks and financial institutions, and utilizing an investment policy approved by the Board of Directors to guide their investment decisions.

Investments are limited to short-term highly liquid cash equivalents issued by governments and their agencies or corporations maturing within one year or fixed income investments beyond one year. They must be denominated in Canadian dollars and maintain the following credit ratings of the Dominion Bond Rating Service, Standard & Poor's Rating Services or a recognized rating agency:

- Cash equivalents must be rated R-1 low or A1 low or equivalent;
- Government Bonds must be rated A or better; and
- Corporate Bonds must be rated AA low or better.

No part of the portfolio may be invested in equities, options, futures or derivative products.

(iii) Future contributions:

The contributions received by the Corporation in accordance with the Definitive Agreement are restricted for use in the building project. The strategy with respect to capital risk management is to ensure that the restricted

funds are segregated and utilized in accordance with the budget for the building project. The Corporation expects to deliver the construction project within the funds to be raised.

(b) Market risk:

Market risk is the risk that changes in market prices, such as foreign exchange rates or interest rates will affect the Corporation's income or the value of its holdings of financial instruments. The objective of market risk management is to control market risk exposures within acceptable parameters while optimizing return.

(i) Foreign exchange risk:

The Corporation's financial assets and liabilities are in Canadian dollars which is the functional currency of the Corporation. Foreign exchange risk may arise from certain contracts related to the building project which may be denominated in foreign currencies, specifically the US dollar. At March 31, 2011 the Corporation did not have any material foreign currency risks.

The Corporation purchased US dollars during the fiscal year in order to mitigate foreign exchange risk on US denominated contracts.

Although management monitors exposure to such fluctuations, it does not employ any external hedging strategies to counteract the foreign currency fluctuations. The effect of fluctuations in foreign exchange rates on the financial statements is insignificant.

Notes to Financial Statements (Continued)

13. FINANCIAL RISK MANAGEMENT (Continued)

(ii) 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 the market interest rates.

Financial assets and financial liabilities with variable interest rates expose the Corporation to cash flow interest rate risk. The Corporation's restricted cash, cash equivalents and investments mainly include short-term, highly liquid investments that earn interest at fixed rates. The Corporation does not have any debt instruments at March 31, 2011.

The Corporation manages its interest rate risk by maintaining a mix of highly liquid investments. The Corporation has contracted an investment manager in the fiscal year ended March 31, 2011 in order to further manage interest rate risk.

If interest rates at March 31, 2011 had been 1% lower or higher with all other variables held constant, other comprehensive income and deferred funding related to property and equipment would have been \$150 lower (2010 - \$214) or \$150 higher (2010 - \$317), respectively, arising mainly as a result of a decrease or increase, respectively, in the fair value of fixed rate financial assets classified as held for trading.

(c) Liquidity risk:

Liquidity risk is the risk that the Corporation will not be able to meet its financial obligations as they become due.

The Corporation manages liquidity risk by continually monitoring actual and forecasted cash flows from operations and anticipated investing and financing activities to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Corporation's reputation.

At March 31, 2011, the Corporation had cash and cash equivalents of \$35.4 million (2010 - \$45.2 million).

The maturities of the Corporation's financial liabilities at March 31, 2011 are estimated by management to be as follows:

Accounts payable and accrued liabilities	\$ 10.6 million	Due within 1 year
Current portion holdback account	\$ 4.1 million	Due within 1 year
Holdback account	\$ 2.3 million	Due after 1 year

(d) Fair value measurement hierarchy:

All financial instruments must be classified in accordance with the significance of the inputs used in making fair value measurements. The fair value hierarchy prioritizes the valuation techniques used to determine the fair value of a financial instrument based on whether the inputs to those techniques are observable or unobservable:

- (i) Level 1 – Financial instruments are considered Level 1 when valuation can be based on quoted prices in active markets for identical assets and liabilities.

Notes to Financial Statements (Continued)

13. FINANCIAL RISK MANAGEMENT (Continued)

(ii) Level 2 – Financial instruments are considered Level 2 when they are valued using quoted prices for similar assets and liabilities, quoted prices in markets that are not active, or models using inputs that are observable.

(iii) Level 3 – Financial instruments are considered Level 3 when their values are determined using pricing models, discounted cash flow methodologies or similar techniques and at least one significant model assumption or input is unobservable.

All of the Corporation's financial assets and liabilities can be classified as Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities.

14. CAPITAL MANAGEMENT:

The Corporation defines capital that it manages as the aggregate of its shareholder's equity which is comprised of retained earnings and accumulated other comprehensive income, and its deferred funding related to property and equipment. Deferred funding consists of government appropriations and donations received to fund the design and construction of the building and the acquisition of property and equipment. The Corporation's objectives in managing capital are to safeguard its ability to continue as a going concern. No changes were made to these objectives since the last period.

The following table provides a summary of the Corporation's capital:

	Balance at March 31, 2010	Change in period Increase/ (Decrease)	Balance at March 31, 2011
Shareholder's equity:			
Retained Earnings	\$ 105	\$ 3,377	\$ 3,482
Accumulated Other Comprehensive Income	\$ 73,570	\$(22,981)	\$ 50,589
Deferred funding related to property and equipment	\$ 86,673	\$ 86,300	\$172,973

15. RELATED PARTY TRANSACTIONS:

The Corporation is related to all Government of Canada departments, agencies and Crown corporations. The Corporation enters into transactions with these entities in the normal course of business. These transactions are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties. During the year, the Corporation incurred expenses totaling \$1.0 million (2010 - \$0.8 million) and recorded operating revenue of \$13.6 million (2010 - \$8.0 million) with related parties.

Notes to Financial Statements (Continued)

15. RELATED PARTY TRANSACTIONS (Continued)

As at March 31, 2011 the Corporation recorded the following amounts on the Balance Sheet for transactions with related parties:

	2011	2010
Accounts receivable	\$ 792	\$ 466
Prepaid expenses and other assets	\$ 25	\$ -
Restricted cash, cash equivalents, and investments	\$ 11,613	\$ 44,996
Property and equipment purchases	\$ -	\$ 420
Accounts payable and accrued liabilities	\$ 68	\$ 372
Deferred funding related to property and equipment - additions	\$ 40,000	\$ 20,000
Deferred parliamentary appropriations	\$ 2,565	\$ 532
Deferred parliamentary appropriations related to Assets under Construction - additions	\$ 419	\$ 219

16. COMMITMENTS:

As at March 31, 2011, the Corporation had entered into long-term contracts for equipment and services with a remaining value of \$1.7 million (2010 - \$1.4 million). As of March 31, 2011, the Corporation has also entered into long-term contracts for \$235.4 million (2010 - \$171.9 million) relating to construction services for the Building Project with a remaining commitment of \$98.5 million (2010 - \$107.4 million). The Base Building is planned for completion in 2012.

The future minimum payments for both construction and operational contracts are as follows:

2011-2012	\$ 91,527
2012-2013	8,576
2013-2014	39
2014-2015	39
2015-2016	14
	\$ 100,195

17. CONTINGENCIES:

In the normal course of its operations, the Corporation may become involved in various claims or legal actions. Some of these potential liabilities may become actual liabilities when one or more future events occur or fail to occur. To the extent that the future event is likely to occur or fail to occur, and a reasonable estimate of the loss can be made, a liability will be accrued and an expense recorded in the Corporation's financial statements.

There are no outstanding claims against the Corporation and no amount has been included in the Balance Sheet as at March 31, 2011.

18. SUBSEQUENT EVENTS:

In April 2011, The Friends of CMHR paid the fourth installment of their contribution to the building project as required by the Definitive Agreement in the amount of \$20.1 million. The payment was not due until April 1, 2011 and, accordingly, the contribution was not recorded as receivable on the Balance Sheet at March 31, 2011.

Notes to Financial Statements (Continued)

19. COMPARATIVE FIGURES:

Certain comparative figures have been reclassified to conform to the presentation adopted in the current year.

Schedule 1 - Expenses

	2011	2010
Personnel costs	\$ 5,329	\$ 2,534
Professional and special services	1,242	772
Office supplies and administration	830	503
Exhibit content development	677	2,129
Marketing and promotion	621	647
Facilities	548	406
Travel	519	521
Amortization of property and equipment	270	254
Computers and furniture	244	220
Development and fundraising	-	52
Total expenses	\$ 10,280	\$ 8,038