



CANADIAN MUSEUM FOR  
HUMAN RIGHTS

# THE CONVERSATION BEGINS

## 2014–2015 Annual Report

Canada 

## About the Museum

A new era in human rights began with the opening of the Canadian Museum for Human Rights (CMHR) in the fall of 2014. By examining and celebrating stories from across Canada and around the world, the CMHR is stimulating thought, dialogue and action. Ultimately, the CMHR is creating inspiring encounters with human rights.

Located in the heart of Canada, at the confluence of major rivers and historic cultures, the CMHR is a place of hope and optimism; a place that encourages people from all walks of life to connect with something much larger than themselves and to acknowledge that they have a direct stake in building a better world.

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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

On September 19, 2014, the Canadian Museum for Human Rights opened its doors to the world. People from across Canada and around the world are visiting the Museum, both in person and online. Each visitor, each click, each “share,” each comment, each “like,” is an act of participating in a discussion about human rights — about where we have been, where we are now and where we want to go in the future. The conversation is beginning and it will continue for a long time to come.



**CONSTRUCTION** Many hands built the CMHR. Containing over 1,300 pieces of glass, 5,400 tonnes of steel, 35,000 tonnes of concrete and more than 175,000 pieces of limestone, basalt and alabaster, it is truly a marvel of engineering. But a museum is more than just the sum of its physical parts. The CMHR is also built on an idea as strong as any steel – the idea of human rights, and how it can serve as a force for positive change.





**OPERATION** Between September of 2014 and March of 2015, over 212,000 people from across Winnipeg, Manitoba, Canada and around the world visited the Museum. They were greeted by CMHR employees and some of the 302 volunteers recruited over the last year, all of whom received visitor service excellence training. The exhibits themselves are designed to spark conversation, with accessible features, creative storytelling techniques and cutting edge technology that allows visitors to experience the Museum in their own unique way.







## Acknowledgement of Ancestral Lands

This bronze cast of a 750-year-old footprint, found on the site of the Museum during construction, speaks to the presence of Indigenous peoples who have lived here for countless generations. Both the footprint and the circular artwork above it emphasize the connection of Indigenous peoples to the land. This acknowledgement becomes an invitation to dialogue.

*"It's not just about prom, it's not just about me. This is something that is global. All over the world, there are people that face racism."*

Maréshia Rucker, co-organizer of the first integrated prom at her high school in Wilcox County, Georgia, in 2013.

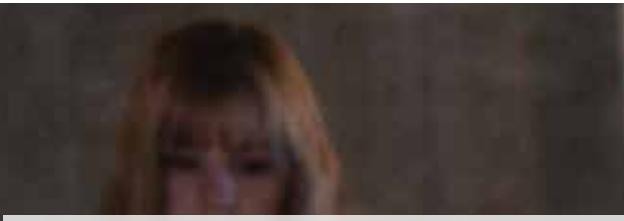


*"I am walking alone inside the Museum and suddenly everything is here: the past, the present and also the future."*

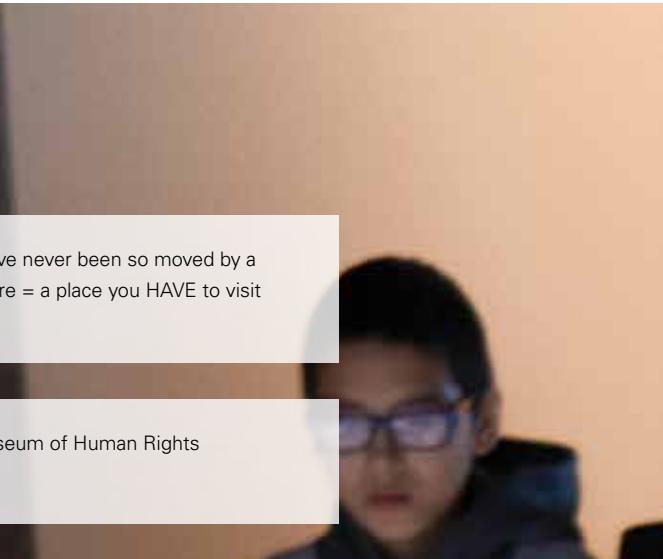
Marina Nemat, author, advocate for freedom of expression and anti-torture activist.



Every story in the Museum is a story about people – about their struggles, their tragedies and their triumphs. The Museum has told these stories using the actual voices of those who lived them whenever possible, through techniques such as oral history interviews, artifacts and images. Many of these individuals have had the chance to visit the Museum themselves – and when they do, they once again rejoin the conversation they helped start.



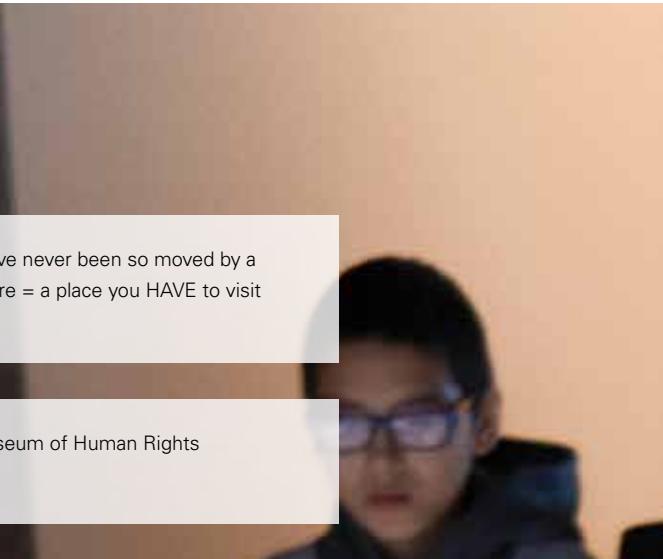
**technomade** Still recovering from my visit at the @cmhr\_mcdp. I've never been so moved by a museum. The content + the way they use technology + architecture = a place you HAVE to visit once in your lifetime. Really.



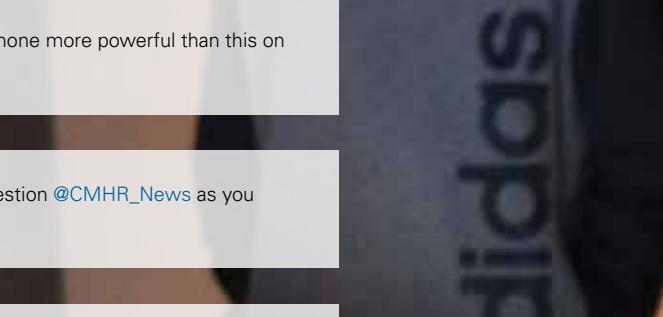
**@msprairiero** #MMIW conversation piece at the Canadian Museum of Human Rights  
@CMHR\_News



**@Nath\_Rche** Human rights are not interpreted the same way. Is it universal or specific to culture?  
#VisitCMHR



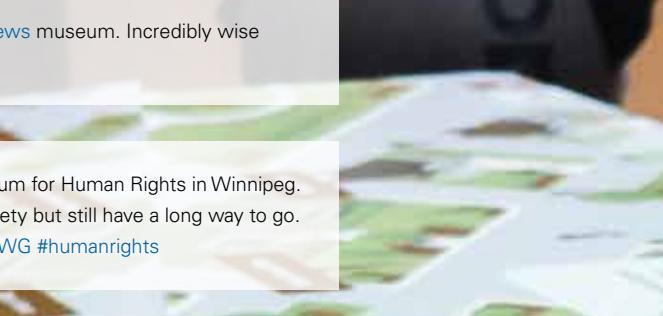
**@petermansbridge** Amazing visit to @CMHR. Powerful exhibits, none more powerful than this on murdered and missing aboriginal women



**@BrittAtGlobal** How do you imagine the future ... It's the last question @CMHR\_News as you walk through



**@chrisjstahl** Slowly "unpacking" my 5 hour tour of the @cmhr\_news museum. Incredibly wise words from Eleanor Roosevelt.



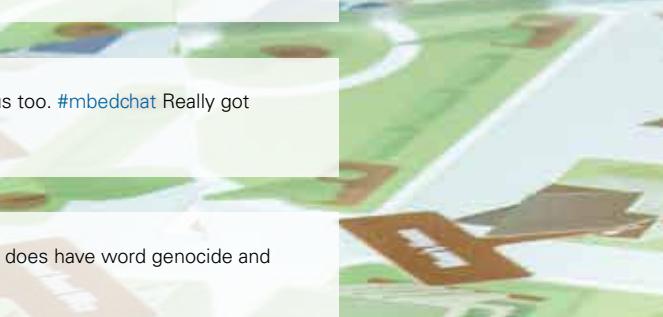
**serodgers4** Good afternoon checking out the new Canadian Museum for Human Rights in Winnipeg. Full of interesting exhibits, we've come a long way as a global society but still have a long way to go.  
#CMHR#thought #freedom #respect #equality #peace#dignity #YWG #humanrights



**@cjsLRSD** 1st CJS school visit to the @CMHR\_News. Thought-provoking and interactive experience. Thanks to all!



**@TeacherJenYoung** A3: @CMHR\_News was very influential for us too. #mbedchat Really got people thinking about helping people outside of Canada.

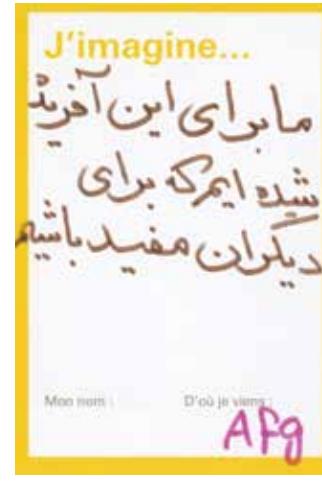
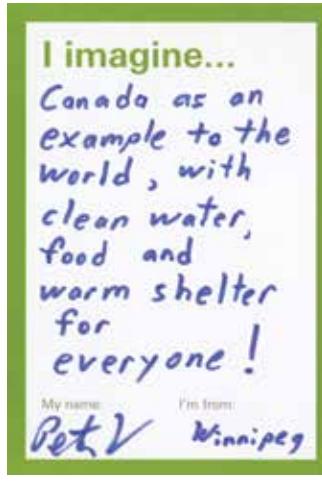
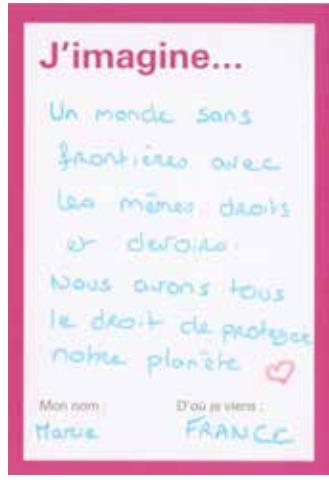
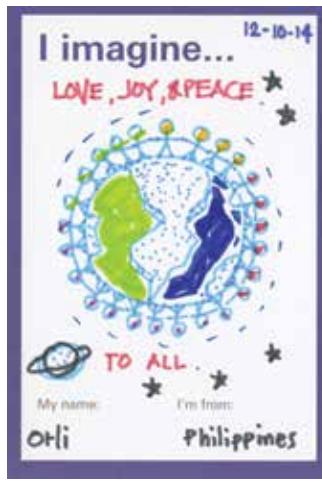
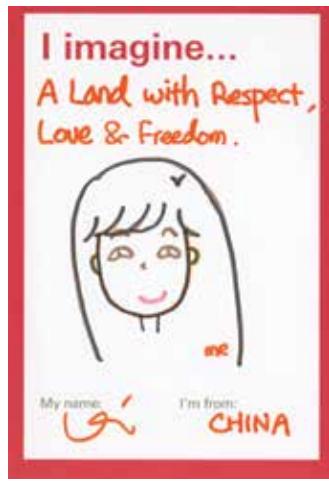
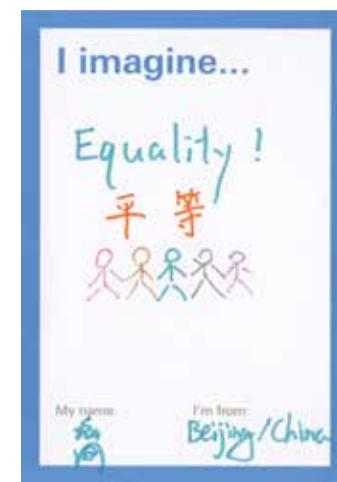
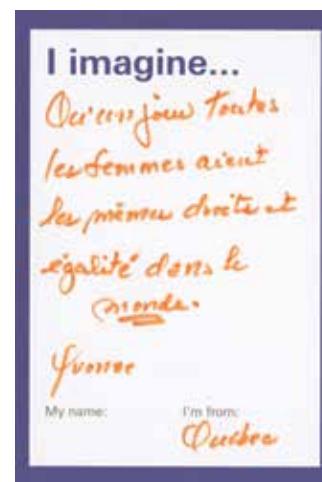
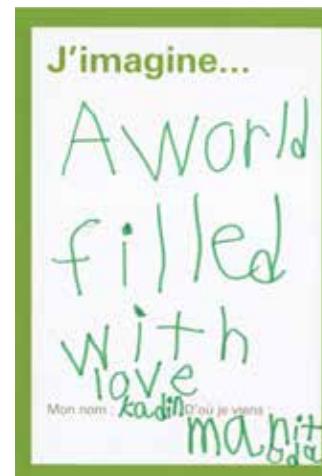
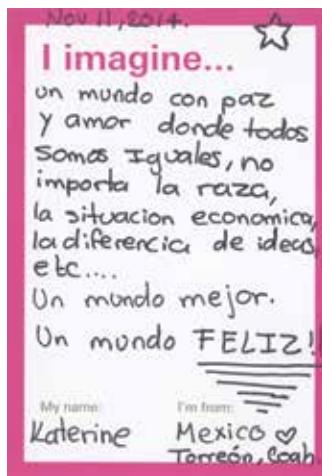


**@BerniMAHCP** Second #legend: Buffy Sainte-Marie said #CMHR does have word genocide and does mention #MMIW. Powerful moment here!



Inspiration and education aren't just happening inside the Museum – they are happening everywhere across this country: in classrooms, in kitchens and in the workplace. Perhaps above all, in today's information age, online. When the CMHR opened its doors in September 2014, the Museum was mentioned over 13,000 times on Twitter alone. Since then the Museum has continued to engage with virtual visitors through various social media platforms discussing different human rights issues.







In the Museum's final gallery, visitors are invited to fill out "I imagine" cards by writing down what kind of change they would like to see in the world. They can then place these cards on the gallery wall and read what others have said about the future they hope to see. It is a small gesture, but small gestures can sometimes lead to big conversations – and it can be how change begins.

# Thank-you

In every sense, the development of the Canadian Museum for Human Rights has been an effort that has brought Canadians together. Many people have contributed to making this Museum a reality, starting with the more than 8,000 donors from across Canada who supported the CMHR. These donors contributed over \$150 million, the largest ever fundraising campaign for a national museum. The CMHR also recognizes the Forks North Portage Partnership, the City of Winnipeg and the Province of Manitoba for their generous support. The Museum also wishes to acknowledge the Government of Canada's contributions towards construction and ongoing operations. The Government of Canada's financial support has been instrumental in ensuring the Museum can carry out its mandate and provide Canadians from coast to coast to coast with inspiring encounters with human rights.







## Message from the Chair of the Board of Trustees

The 2014–15 year was the year that the Canadian Museum for Human Rights made the shift from a capital project to an operational museum. While the year was filled with tremendous success and accomplishment, we regret that we were unable to open all galleries for the full visitor experience on September 27 as planned. The response to our guided tours and events over the first six weeks was tremendous. We were able to welcome over 1,000 people a day from all across Canada and around the world and were pleased to fully open all exhibits in November 2014.

Now that Canadians are coming to know their new national museum, we are at the start of another journey. The Board will continue to fulfill its obligations to set the tone and direction for the Museum to ensure that all visitors are provided with inspiring encounters with human rights and that Canada's commitment to fundamental freedoms and democratic rights is exemplified. We remain focused on providing the strategic support and direction necessary to achieving the CMHR's mandate: to explore the subject of human rights, with special but not exclusive reference to Canada, in order to enhance the public's understanding of these rights, to promote respect for others, and to encourage reflection and dialogue. Our mandate extends beyond the walls of the Museum as well. We believe the CMHR can get every Canadian talking about human rights, celebrating our triumphs and working through our challenges in order to build a better future. This can best be done by telling stories that educate, inspire and create conversations. The work of the CMHR allows current and future generations to learn about and appreciate the history of the struggle for human rights in our country and around the world. It gets them thinking about how human rights affect their own lives, and how they can work for human rights every day.

The Board of Trustees would like to congratulate the management and staff for the opening of this first new national museum in more than 40 years and also express our appreciation to the hundreds of volunteers and thousands of donors who have poured their hearts, souls and dollars into this new landmark. This museum stands as a testament to the importance that the Government of Canada and all Canadians place on human rights.

I would like to acknowledge the rich expertise and experience brought by the dedicated members of our Board, who are leaders in the fields of culture, business, research and academics from across the country. We work as a group to ensure the long-term success of the Museum. I would also like to extend the Board's thanks to former President & CEO Stuart Murray for his tireless efforts to move the CMHR from an abstract concept to an operating museum. Last but not least, I'd like to thank interim President and CEO Gail Stephens for providing stability and leadership as the Museum moved from opening to operating.

As we move forward, the Board of Trustees remains committed to providing stability, leadership and guidance as the CMHR works towards realizing its mandate.

**Eric Hughes**  
*Chair, Board of Trustees*



## Message from the Interim President and CEO

The past year was truly a momentous time in the history of the Canadian Museum for Human Rights. At the start of April 2014, the Museum's galleries were largely empty, although the building itself was already a hive of activity as our staff prepared to open in the fall of 2014. Just 12 months later, we are all working in a fully operational national museum that has already welcomed hundreds of thousands of visitors from across our city, our province, our country and from all over the world.

Even before the Museum's opening ceremonies in September, we had begun to welcome our very first guests, hosting a reception for the Junos and welcoming delegates during the Canadian Tourism Commission's GoMedia conference, through which we hosted over 140 members of the tourism industry and more than 110 Canadian and international travel journalists. Our goal has been to put our Museum on the map nationally and around the world.

As we prepared to open, we continued to work with partners, from launching a new stamp in collaboration with Canada Post to signing a memorandum of understanding with l'Institut international des droits de l'Homme et de la paix in Caen, France. We also collaborated with the Canadian Teachers' Federation to create the Canadian Human Rights Toolkit, a new central online hub for education resources on human rights, free to teachers everywhere.

September's inaugural weekend focused the attention of Canada and the world onto the CMHR, with thousands of articles and mentions of Canada's newest national museum, creating a sense of optimism and excitement. Work on the CMHR's exhibits finished over the fall of 2014, and on December 10, International Human Rights Day, we held a free admission day with many special events including a citizenship ceremony for new Canadians. In total, more than 4,000 visitors passed through our doors in one day.

A visitor survey conducted at the end of December confirmed that our visitors were inspired and engaged by what they were seeing at the CMHR, with 94 percent of respondents declaring themselves either satisfied or very satisfied with their experience. Our visitor survey also highlighted the progress we have been making around our goal of starting human rights conversations, with three-quarters of respondents telling us they would discuss human rights issues with others.

As we entered 2015, we continued to grow our offerings. In January we began offering our school tours program, which has been operating at full capacity since it opened. By the end of June, some 20,000 students from kindergarten all the way to Grade 12 will have visited the CMHR and participated in engaging and informative human rights programs.

Over the past year, there has been much discussion – in the news, on social media and on the street – about the CMHR, its mandate, its vision and its place. Many strong opinions were expressed, both positive and negative. This is a good thing.

The Museum welcomes the discussion that has begun, as well as those that are to come. We strive to facilitate this dialogue in a safe and respectful manner and inspire all Canadians to recognize that for all the hard-fought progress we've made, there remains much work to be done. We invite everyone to come to the CMHR as part of their own human rights journey. As you pass through our doors, you will be touched by the stories you encounter and you will leave inspired.

The conversation has begun. Join in.

**Gail Stephens**

*Interim President and Chief Executive Officer*

# Corporate Governance

## Mandate

“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 CMHR is a Crown corporation established by the *Museums Act*, governed by the control and accountability regime established under Part X of the *Financial Administration Act*.

The Museum is 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 the *Canada Labour Code*.

## Board of Trustees

Under the *Museums Act*, the CMHR is governed by a Board of Trustees whose members are appointed by the Minister of Canadian Heritage and Official Languages with the approval of the Governor in Council. 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 roles and responsibilities of the Board of Trustees and its Committees are set out in the Museum’s Bylaws and Terms of Reference. The *Museums Act* vests responsibility for the day-to-day management of the Museum in its President and 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.

In 2014–15, the Board of Trustees met six times.

The Board has five committees: four standing committees and one ad hoc committee.

### Standing Committees:

The Audit Committee is responsible for overseeing the CMHR’s obligations under the *Financial Administration Act* as well as overseeing the Museum’s standards of integrity and behavior, financial reporting, risk management and internal controls. The committee met eight times in 2014–15.

The Human Resources & Governance Committee is responsible for assisting the Board in fulfilling its obligations related to human resources, compensation, succession planning and CEO performance assessment. The Committee also takes a lead on establishing and overseeing processes related to Board governance, effectiveness, training and skills development, and nominations for future appointments. The Committee met seven times in 2014–15.

The Content Committee is responsible for matters affecting the overall visitor experience, particularly as it relates to the fulfillment of the Museum’s mandate, vision and guiding principles. The committee met five times in 2014–15.

The Executive Committee is delegated the authority to make decisions between meetings of the Board if necessitated by unusual circumstances and is comprised of the Chair of the Board and the chairs of each standing committee. The Executive Committee met three times in 2014-15.

#### Ad hoc Committee:

The Inaugural Committee was formed for the specific purpose of overseeing the planning and implementation of pre-opening, opening, and post-opening activities related to the Museum's inauguration in September 2014. The committee met eight times in 2014-15.

As the Corporation has grown, the Museum's Board of Trustees has maintained a strong working relationship with management and has continued working to strengthen the structure and operations of Board activities to improve organizational efficiency and accountability.

### Annual Public Meeting

The CMHR's 2014-15 Annual Public Meeting was held on International Human Rights Day December 10, 2014. Admission to the Museum was free for the entire day, and members of the public were welcome to attend.

Presentations were made by the CMHR's Interim President and CEO Gail Stephens, Director of Revenue and Visitor Services Jacques Lavergne, and Vice-Chair of the Board of Trustees John Young. Among other things, they reported on the Museum's inaugural weekend and about the CMHR's first few months of operation. They provided information on visitor numbers, revenue and upcoming projects for the Museum. David Courchene, Leader and founder of Turtle Lodge, also spoke about a unique partnership between Aboriginal Elders and the CMHR to develop a new cultural experience exploring rights and responsibilities from a First Nations perspective.

### Guiding Principles

#### Core operations

The CMHR aspires to offer its visitors an inspiring encounter with human rights while exceeding Canadians' expectations for balance, transparency, sound business practices and meaningful public consultation.

#### Inspiring human rights reflection and dialogue

The Museum fosters an appreciation for the importance of human rights, spurs informed dialogue and invites participants to identify the contemporary relevance of past and present human rights events, both at home and abroad. The Museum exemplifies Canadians' commitment to freedom and democracy and aims to ignite an informed, ever-evolving global conversation.

#### Celebrating Canadians' commitment to human rights

The citizens of Canada are endowed with inherent human rights and responsibilities, codified over time in treaties, policies, laws and declarations. The CMHR provides a safe and engaging space to cultivate respect, gratitude, understanding and ongoing improvement of this human

rights inheritance. The Museum connects its visitors with opportunities to explore the global development of human rights concepts and Canada's important role within it.

#### Meaningful encounters between architecture and human rights

The CMHR is purposefully situated at a historic junction of the Red and Assiniboine rivers, an important meeting place and starting point for new journeys for more than 6,000 years. The Museum honours this tradition by inviting guests to participate in a human rights journey of their own, in a building significant for its architectural symbolism of human rights advancement.

#### Dynamic and accessible human rights content

The Museum aims to deliver an immersive, interactive and memorable experience for visitors of every background, age and level of ability. All participants will have access to a fully reinvented museum experience that reflects a design approach that sets new Canadian and world standards for inclusion and universal accessibility.

#### A credible and balanced learning resource

As a global human rights learning resource, the Museum bears a responsibility to ensure the accuracy, integrity and credibility of its research and collected knowledge. The Museum strives to serve as a trusted international source for human rights learning, at all times encouraging critical engagement with museum scholarship and content.

### Values

Our shared core values of respect, integrity, service and excellence drive the behavior expected of every employee and volunteer in the CMHR workplace.

**Respect:** to value all people and bring trust to every relationship.

**Integrity:** to do the right thing and demonstrate a commitment to ethical behavior.

**Service:** to assist freely and with enthusiasm; to provide the highest degree of quality and safety.

**Excellence:** to strive for quality results and celebrate success.

## Board of Trustees

(As of March 2015)



**Chairperson**  
Eric Hughes, C.A.  
*Calgary, AB*  
22-Nov-2012 – 21-Nov-2015



**Vice-Chairperson**  
John Young, Ph. D.  
*Prince George, BC*  
07-Feb-2013 – 06-Feb-2017



**Trustee**  
Lisa M. Pankratz, C.P.A.,  
F.C.A, C.F.A.  
*Vancouver, BC*  
07-Nov-2013 – 06-Nov-2017



**Trustee**  
Gail Asper, O.C., O.M.,  
LL.D. (Hon.)  
*Winnipeg, MB*  
04-Oct-2012 – 03-Oct-2016



**Trustee**  
Anthony Dale  
*Toronto, ON*  
06-Jun-2013 – 05-Jun-2017



**Trustee**  
Lindy Ledohowski, Ph. D.  
*Ottawa, ON*  
15-Mar-2015 – 14-Mar-2019



**Trustee**  
Wilton Littlechild, Ph. D.  
*Maskwacis, AB*  
17-Dec-2013 – 16-Dec-2017



**Trustee**  
J. Pauline Rafferty  
*Victoria, BC*  
31-May-2012 – 30-May-2016



**Trustee**  
Margaret Vandenberg  
*Vancouver, BC*  
05-Feb-2015 – 04-Feb-2019

### Not pictured

**Trustee**  
Deena Spiro  
*Toronto, ON*  
31-May-2012 – 30-May-2016

### COMMITTEE MEMBERSHIP

#### Audit Committee

Lisa Pankratz (Chair)  
Gail Asper  
Eric Hughes

#### Content Committee

J. Pauline Rafferty (Chair)  
Gail Asper  
Lindy Ledohowski  
John Young

#### Human Resources and Governance Committee

John Young (Chair)  
Anthony Dale  
Lindy Ledohowski  
Lisa Pankratz

#### Inaugural Committee

Deena Spiro (Chair)  
Gail Asper  
Lisa Pankratz

## Executive Officers



**Interim President and Chief Executive Officer (CEO)**  
Gail Stephens, FCGA, ICD.D



**Chief Financial Officer (CFO)**  
Susanne Robertson, C.A.

**Chief Operating Officer (COO)**  
Vacant



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## Year in Review

### Building up to a conversation

This was the year the CMHR went from being a construction project to a fully operational national museum. It was also the year the conversation truly began. It started in countless different ways – in the media, on the street, through social media and for the first time, inside the Museum's galleries.

Even before opening, the Museum had been advancing its mandate to promote reflection and dialogue. April and May of 2014 saw the final lecturers in the Fragile Freedoms lecture series speak inside the Museum. The series was organized by the University of Manitoba's Centre for Professional and Applied Ethics, in partnership with the CMHR and the CBC. All lectures were broadcast nationally and internationally by CBC Radio as part of its Ideas programme.

Fragile Freedoms brought some of the world's preeminent human rights thinkers to Winnipeg for this well-attended lecture series. Many speakers presented provocative ideas and all presentations got people talking.

The summer of 2014 saw the Museum launch programs and forge partnerships. In June, the CMHR announced its first international education agreement – a memorandum of understanding with the International Human Rights Institute for Peace (2idhp), located in Caen, France. Partnerships such as this are enabling the CMHR to become a truly global institution for human rights education.

In July, we began to see the results of another partnership forged closer to home, with the Faculty of Education at the University of Manitoba. That month saw the launch of a unique pilot summer institute for teachers that provided training opportunities in teaching and learning about human rights issues. Called "The Fourth R: Teaching and Leadership for Human Rights Education," the program helped address educators' needs for greater knowledge and skill in teaching about human rights. The training ensures human rights takes a central place in education – not just as a subject to be taught, but also as something that



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(1) Visitors walk the alabaster-clad ramps linking the different galleries in the CMHR. (Photo: Dan Harper/CMHR) (2) Canada Post unveils a new stamp of the CMHR, August 20, 2014. (Photo: Dan Harper/CMHR) (3) Visitors explore an interactive study table in the CMHR's Breaking the Silence gallery. (Photo: Chronic Creative/CMHR) (4) The Museum's mobile app is fully accessible. (Photo: Aaron Cohen/CMHR).

informs how educators teach. Response to the pilot institute was overwhelmingly positive, with planning for the second institute started in the fall.

The CMHR recognizes one of the best ways to educate students about human rights and responsibilities is to support their teachers and it was with this goal in mind that we collaborated with the Canadian Teachers' Federation to create a valuable new online human rights toolkit. The partnership began in the spring and culminated in the launch of the toolkit in the fall of 2014. This fully bilingual resource is a central online hub, free to all teachers across the country from kindergarten to grade 12. Teachers can search the toolkit for more than 200 teacher-reviewed resources and tools focusing on human rights, including lesson plans, teacher's guides, manuals, handbooks, study guides and more. In the 2014–15 year, educators from coast to coast to coast accessed 67,000 resource pages in the toolkit.

In August the Museum collaborated with Canada Post to unveil a stamp featuring the CMHR. This stamp emphasized the Museum's national importance and commemorated Canada's efforts and achievements in the field of human rights. Whenever the stamp is used, it spreads awareness of the Museum – and its mandate – across the country and around the world.

In the same month, the CMHR also announced a partnership with the Canadian Museum of History. "Peace: The Exhibition," created by the Canadian War Museum, was the CMHR's first temporary exhibit.

In addition to building these partnerships, the Museum continued working towards the September 2014 inauguration. One particularly unique innovation was the CMHR's Enterprise Content Management System (ECMS). As an 'ideas' museum, much of the CMHR's content is digital and ECMS was built to efficiently manage the huge amount of information that can be found in the Museum. ECMS was built in-house using open source technology, enabling the CMHR to be nimble and responsive in curating its digital content, even with a smaller staff than many other museums of similar size. Moving forward, the ability to modify and change digital content will be an important aspect of allowing conversations to develop, and ECMS is a powerful and efficient tool in ensuring this can happen.

Technology is critical at the CMHR – it ensures conversations around human rights remain accessible to all. Inclusive design has been embraced and the CMHR has set new Canadian and world standards for universal accessibility. Many of the pillars of accessibility are very simple, such as ramp access to each level, braille and tactile floor markers. Other are more linked to innovative technology, such as Universal Keypads and films with inclusive design features.



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**(1)** Visitors enjoy the CMHR's Boutique, which offers an eclectic array of ethically sourced and fair trade products and gifts. (Photo: Dan Harper/CMHR) **(2)** Musician and activist Buffy Sainte-Marie performs at the Canadian Museum for Human Rights Concert, September 20, 2014. (Photo: Dan Harper/CMHR) **(3)** Hip-hop artist Shad performs at the Canadian Museum for Human Rights Concert, September 20, 2014. (Photo: Dan Harper/CMHR) **(4)** An Aboriginal dancer performs at the Forks National Historic Site during the CMHR's opening weekend, September 20, 2014. (Photo: Jessica Sigurdson/CMHR)

The CMHR also developed a free mobile app to enhance the journey of visitors and allow them to experience the Museum at their own pace – the first of its kind of any Museum in the world. Like much of the CMHR's technology, the app is fully accessible, allowing people of all abilities to participate.

Technology is an important part of the visitor experience at the CMHR, but in order to have the most impact, the human element is also pivotal. The CMHR hired employees in the last fiscal year to deliver Museum programs and services. In the spring of 2014, the CMHR put out a call for volunteers, with hundreds applying and over 300 chosen and trained. CMHR staff and volunteers come from across Canada and just under half of all staff are bilingual. In addition to French and English, our staff and volunteers speak an additional 34 languages.

### Opening the conversation

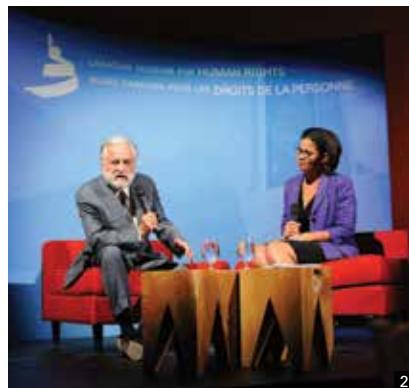
On the evening of Monday, September 15, 2014, CMHR staff sat down with Elders and other prominent members of the Indigenous community for a Pipe Ceremony, held in the Bonnie & John Buhler Hall. A drum was shared with the CMHR and the building was smudged, cleansing the space and preparing it for its role as Canada's newest national museum. In many ways, this quiet ceremony prepared the Museum to move forward in respect and open to the many voices that would soon fill its halls and galleries.

In a ceremony held on Friday, September 19, 2014, His Excellency the Right Honourable David Johnston, the Governor General of Canada, declared the CMHR officially open. It was the start of a grand opening weekend. Free preview tours of the Museum took place on Saturday and Sunday and visitors could also take in over 40 performances on the grounds of the Forks National Historic site. On the evening of Saturday, September 20, a concert featuring performances by a number of accomplished Canadian musicians from across the country was held, including Ashley MacIsaac, Bruce Cockburn, Shad, Marie-Pierre Arthur and Buffy Sainte-Marie.

Over the weekend there were also protests by various groups concerned about the Museum or using the opening weekend as a venue to raise awareness of different issues. From the start, the CMHR was a place for passionate discussion and debate and a place where many different voices would be heard.



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(1) Several thousand visitors line up for free preview tours of the CMHR, September 20, 2014. (Photo: Jessica Sigurdson/CMHR) (2) Ralph Applebaum of Ralph Applebaum Associates talks to Angela Cassie, Director of Communications and External Relations, about designing a museum of ideas at the GoMedia conference, August 19, 2014. (Photo: Lindsay Winter/CMHR) (3) Wanda Robson visits the CMHR to see an exhibit about her sister Viola Desmond, a Canadian civil rights pioneer, October 27, 2014. (Photo: Chronic Creative/CMHR)

## Operating

From September 27 until November 9, as construction continued on some of the galleries, the CMHR offered two separate tours of the Museum – one focused on the stunning architecture and another that visited some of the completed galleries. Attendance on the tours exceeded expectations – interest was high, with tens of thousands of people wanting to find out what the new national museum had to offer.

In addition to the tours, the Museum was also holding special events and meetings. This had begun even before opening weekend – in August 2014 Canadians received a televised sneak peek into the CMHR when *The Amazing Race Canada* aired an episode partially filmed inside the Museum. Also in August, GoMedia, the Canadian Tourism Commission's largest annual travel media conference, was held at the Museum with more than 140 members of the Canadian tourism industry and over 110 Canadian and international travel journalists in attendance. It was just the beginning.

Between September 1, 2014 and March 31, 2015, the CMHR hosted 326 meetings and events. Of the groups that attended such events, approximately 75 percent toured the Museum. In early November, work in the galleries was completed. Visitors from across Winnipeg, Manitoba, Canada and the world came to explore the Museum. By the beginning of December, more than 100,000 visitors had passed through the CMHR's doors, and by the end of our 2014–15 fiscal year, March 31, 2015, that number had risen to over 212,000 visitors.

## Sharing Their Stories

For the Museum's exhibit about same-sex marriage in Canada, the CMHR had asked for submissions of wedding photographs. In total, the CMHR received 325 photos from 115 couples in almost every province and territory and a number of those photos are now featured in the exhibit.

Included in our first rush of visitors were some of the people who contributed to the content. In October, RBC sponsored the visits of two human rights advocates. The CMHR was proud to welcome Travis Price, the co-founder of Pink Shirt Day. We were also honoured by a visit from Wanda Robson, the sister of Canadian civil rights pioneer Viola Desmond, whose story is featured in the Canadian Journeys gallery in the Museum.



(1) The Dene Hand Drum Singers perform at the CMHR as part of events organized by the Assembly of First Nations on International Human Rights Day, December 10, 2014 (Photo: Dan Harper/CMHR) (2) Hoop dancer Shanley Spence performs at the CMHR as part of events organized by the Assembly of First Nations on International Human Rights Day, December 10, 2014 (Photo: Dan Harper/CMHR) (3) Marina Nemat, author, advocate for freedom of expression and anti-torture activist, explores an exhibit about her story at the CMHR, November 24, 2014. (Photo: Lyle Stafford/CMHR) (4) Travis Price, co-founder of Pink Shirt Day, at the CMHR's exhibit about the first Pink Shirt Day, October 27, 2014. (Photo: Chronic Creative/CMHR)

In November, the Museum held a content contributors event, attended by people whose stories were shared in different galleries throughout the CMHR. There was Marina Nemat, an author, advocate for freedom of expression and anti-torture activist, who had herself been imprisoned in Iran. There was Sigi Wasserman, who was sent to England to escape Nazi persecution and whose parents died in the Holocaust. There was Andréanne Pâquet, who organized a photo exhibit about Muslim women in Quebec who choose to wear the hijab, which is a head-covering or scarf. Her exhibit worked to break down barriers to understanding and encourage dialogue. Last but not least, the Museum was also pleased to welcome Maréshia Rucker, one of the teens who had organized the first integrated prom for her high school in Wilcox County, Georgia, in 2013. All expressed pride that they were contributing to conversations about human rights across Canada and around the world.

## Programming

Over the course of the Museum's first six months of operation, Canadians were invited to take part in diverse and engaging programs prepared by staff and volunteers, including:

- On October 27, 2014, to mark the 100th anniversary of the Komagata Maru incident, the Museum partnered with the Sikh Heritage Museum of Canada, hosting a traveling exhibit and lecture on the incident, entitled "Lions of the Sea";
- On December 10, 2014, the Museum marked International Human Rights Day by offering extended hours and free admission – welcoming more than 4,000 visitors. Special events included the CMHR's Annual Public Meeting, a citizenship ceremony for new Canadians and a series of performances organized with the Assembly of First Nations;
- On February 4, 2015, in partnership with the Ukrainian Canadian Congress- Manitoba Provincial Council, Holodomor Awareness and Education Committee, the Museum held a public event focused on the role of journalists (including those in Canada) who covered the Ukrainian Holodomor famine-genocide in the 1930s;
- On February 13, 2015, the Museum marked the beginning of the Festival du Voyageur – Manitoba's largest winter festival and a celebration of the province's Francophone community – with the inaugural torch walk beginning at the CMHR;
- On February 18, 2015, the Museum used the occasion of Louis Riel Day to hold activities in several galleries exploring Métis rights.

In addition to events programming, the CMHR launched its school programs in January of 2015. These programs are curriculum-based, age-appropriate, inclusive and accessible and are designed for a diverse range of students, using various Museum exhibits to educate



**(1)** Children visit the Museum as part of the CMHR's school programs. (Photo: Jessica Sigurdson/CMHR) **(2)** New Canadians participate in a citizenship ceremony at the CMHR on International Human Rights Day, December 10, 2014. (Photo: Dan Harper/CMHR) **(3)** A staff member helps visitors fill out I imagine cards. (Photo: Aaron Cohen/CMHR) **(4)** Museum members attend a special event at the CMHR, January 26, 2015. (Photo: Dan Harper/CMHR)



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and encourage discussion about human rights. Demand for the school programs was high from the very beginning – registration opened at midnight on November 15 and the first booking request was received at 12:02 am. By the end of the 2014–15 school year, some 20,000 schoolchildren from kindergarten to grade 12 will have participated in the program.

### The Conversation Continues

The reaction from visitors to the Museum has been overwhelmingly positive. In December 2014, a visitor survey found 94 percent of respondents were either satisfied or very satisfied by their experience at the Museum. Just as importantly, three-quarters of respondents told us they had been inspired to discuss human rights issues with others.

The wider community in Winnipeg, Manitoba and Canada has also enthusiastically joined the conversation. The Winnipeg Symphony Orchestra's concert season was held in honour of the Museum's opening this year. At the same time, the Royal Manitoba Theatre Centre produced *Cabaret* and the Manitoba Opera mounted *Fidelio* because of the human rights issues featured in both stories. The internationally acclaimed Royal Winnipeg Ballet's show *Going Home Star – Truth and Reconciliation* also debuted, tackling the issue of Indian Residential Schools.

A significant human rights discussion is taking place in Canada today regarding Indian Residential Schools, colonization, and genocide. Many Canadians have expressed a deep interest in exploring whether the entire process of colonization in Canada would fall within the definition of genocide. This is an important and complex question, and there are multiple perspectives on it.

The role of the Museum is to be a public space where visitors can participate in this human rights discussion. The Museum looks forward to the report of the Truth and Reconciliation Commission of Canada (TRC) and will continue to examine ways to reflect the significance of the TRC's findings and to work with others to advance reconciliation and the human rights of all. The Museum is committed to providing essential spaces for discussion, education and reflection. Each of us has a responsibility to take part in these conversations, within families, within schools and workplaces and within the broader community.

People are talking about human rights and what they mean today. Many of these conversations are difficult, but they need to happen and they have begun. The CMHR must continue to offer a forum through which all Canadians can add their voice.

# Management Discussion and Analysis

**The Canadian Museum for Human Rights, established as a Crown corporation in 2008, aims to deliver inspiring encounters with human rights, to promote respect for others and to encourage reflection and dialogue.**

The Corporation's primary objective is to fulfill its national mandate within the context of the governance and accountability regime established in the *Museums Act* and in Part X of the *Financial Administration Act*. In implementing its mandate, the Corporation embraces best practices through a management culture that promotes continuous improvement and full accountability to the Parliament of Canada and Canadians.

## Strategic Direction

The Corporation's Board of Trustees establishes the strategic direction to guide the organization. The Corporation's four strategic priorities, as outlined in the 2013-2014 Corporate Plan were as follows:

1. **Project management** – The Museum will continue to diligently manage all aspects of the project with a particular focus on ensuring that the master project schedule leading up to an inaugural opening in 2014 is met and that expenses do not surpass the \$351 million budget.
2. **Inaugural opening** – The Museum will focus its efforts on completing a suite of inaugural exhibits and programming that fulfill the mandate of the organization, meet the expectations of Canadians, and are a source of pride for all Canadians at the inaugural opening.
3. **Bringing the museum to Canadians** – The Museum will continue to make efforts to ensure that it is accessible to all Canadians across the country and will continue to engage various communities in the development of programs and activities.
4. **Efficiency & optimization** – The Museum will make ongoing efforts to improve productivity, contain costs, increase efficiency and maximize savings wherever it is possible to do so without compromising the other strategic priorities.

## Environmental Scan

Both internal and external factors affect the Corporation's ability to meet its strategic priorities. The Museum's Corporate Plan is designed to guide its continuing success in light of the following environmental factors:

### Strengths and opportunities

- *Shifting demographics* – To address changes in Canada's demographic composition the Museum must be accessible to all visitors;
- *Education and programming environment* – Growing public awareness and action related to human rights is creating interest in the Museum's subject matter from educators across the country, fuelling increasing demand for accessible programs and resources;
- *Economic environment* – The continued period of slow economic growth and fiscal restraint provides an opportunity to form strategic partnerships with others to share costs and resources to achieve mutually complementary goals and the Museum considers this good practice, regardless of the economic conditions;

- *New media and technology* – As a new entity the Museum has the opportunity to implement the current trends in museum technology that focus on providing visitors with a seamless experience across personal devices, providing collection-rich media, making online resources readily available, engaging visitors in creating exhibits, digitizing collections and facilitating civic and social engagement; and
- *Tourism* – Winnipeg and Manitoba's tourism figures are on the rise and are predicted to continue to increase.

### Risks and Challenges

- *Completing the Museum on schedule for the 2014 inaugural opening and within the \$351 million budget* – An experienced Project Director was engaged to drive the integration of all project components, to ensure adherence to schedule and to deliver the project on budget.
- *Retaining and attracting key staff who are integral to the development and progress of the Museum* – The Museum is engaging team resources to drive a common vision and strategy and foster teamwork among staff, while also enhancing its hiring techniques and completing an analysis of staff retention.
- *Meeting earned and contributed revenue targets after opening and helping ensure the Friends of the Canadian Museum for Human Rights raise funds necessary to meet its financing obligations* – The Museum will form strategic relationships with other organizations to share resources and achieve mutual goals in an effort to offset costs for programming, opening events, ongoing content development and other operational expenses. The Museum will also continue to support the Friends' fundraising efforts.
- *Managing and/or meeting the expectations of donors, partners and the Canadian public* – Supported by a stakeholder relations work unit, the Museum continues to engage with communities and individuals. A comprehensive strategic communications plan has been developed to further achieve key communications objectives to targeted audiences in addition to the broader public.

The Museum employs a continually updated risk management framework to identify, evaluate and mitigate all factors that pose substantive threat to its ongoing operations or long-term success. A process of facilitated risk evaluation through 2015–16 will ensure the organization can appropriately manage and respond to identified risks through its first five years as a fully operating national museum.

### Financial Overview

The Museum's opening in September 2014 was a pivotal point in the transition from completing the capital project to becoming a fully operational Museum. Five of the Museum's permanent galleries, as well as the Museum's retail and restaurant operations, were opened to the public following the September inaugural weekend. All eleven galleries were open to visitors beginning November 12, 2014.

The Corporation is very pleased to confirm that all the work forecast for completion as part of the capital project was achieved within the \$351 million capital budget.

The Museum experienced significant change over the 2014–15 fiscal year. During the first six months the museum completed the fit-up of the gallery spaces, installation of the exhibits, development of the infrastructure, content and programs, hired and trained the front-line staff, implemented marketing and

awareness strategies and planned and delivered an inaugural weekend of activities. The conversation began with the opening ceremonies on September 19, 2014 and from that date on the Museum focused on welcoming visitors, delivering a world-class museum experience and engaging public and education programs and maximizing earned revenues. The 2014–15 fiscal year was a particularly challenging year financially for the Museum, given the overlapping costs of completing the development work with those of preparing and beginning to operate the Museum.

Strong interest leading up to and during the inaugural weekend raised awareness of the CMHR across Canada, with thousands participating in opening weekend ceremonies, including the official opening ceremony and concert that were broadcast and livestreamed nationally. Awareness of the Museum increased by 18% in Manitoba, from 76% to 90%, and by 311% across Canada, from 9% to 28%. The cost of the opening event and broadcast was \$0.6 million and the cost of the weekend's community outreach activities was \$1.3 million. Through prudent fiscal management of other costs, the expenses related to the opening and inaugural weekend activities were managed within existing resources.

The response from the public to this new national museum has been overwhelmingly positive with total visitation of 212,000 people between September 1, 2014 and March 31, 2015, far exceeding the initial projection of 100,000 visitors. The Museum has become the venue of choice for a wide range of events, meetings, and conferences resulting in the revenue from facility rentals and restaurant and catering commissions also exceeding projections. The Museum began booking school visits as part of our education programming in November 2014, with the program starting in January, 2015. The demand for the program was high, with all available spaces fully booked from January through to year end.

As a Crown corporation the Museum falls under the *Payments in Lieu of Taxes* (PILT) Act which governs the payment of property taxes. The final PILT amount is currently being negotiated between Public Works and Government Services Canada (PWGSC) and the City of Winnipeg and is not yet known. In the interim, an allowance for the taxes has been made using the amounts paid by PWGSC. Based on a recent decision, the base value of the land has been settled, resulting in an additional accrual of \$0.7 million.

### Statement of Operations

The net loss from operations for the 2014–15 fiscal year was \$0.2 million due to the additional accrual for PILT of \$0.7 million related to the recent decisions on the land value for tax purposes. Without this accrual, the operating income for the year would have been \$0.5 million. In 2014–15, \$1.9 million of deferred media and technology development expenditures were used to complete the exhibits. The use of these funds, received in 2010–11, resulted in a net excess of expenses over revenue in this fiscal year of \$2.1 million. The Museum was able to defer use of these funds closer to the Museum's official opening through prudent fiscal management.

### Parliamentary Appropriations

In establishing the CMHR as a national cultural institution and federal Crown corporation, the Government of Canada committed to provide up to \$21.7 million in operating funds per year. The full \$21.7 million was received in 2014–15.

Due to amortizing appropriations received in previous years for capital assets, the parliamentary appropriations reported in the financial statements for 2014–15 were \$28.1 million, an increase of \$8.2 million from \$19.9 million in 2013–14. The increase is largely due to an increase of \$5.5 million in the amortization of the deferred contributions received in previous periods.

#### **Revenues**

Operating revenues for the fiscal year were \$1.8 million. This represents revenue from operations since September 1, 2014 and includes revenue from admissions, tours, education programs, boutique sales, facility rentals and commissions on the restaurant and catering sales.

Contributions increased from \$1.5 million in 2013–14 to \$5.2 million in 2014–15. The increase is due to the increase of \$3.7 million in the amortization of deferred contributions related to capital assets received in previous periods from funding partners other than the Government of Canada, (the Province of Manitoba, the City of Winnipeg and the Friends of the CMHR), which are amortized over the same period as the capital asset purchased with the contributions.

#### **Expenses**

Total operating expenses were \$37.5 million for the year ended March 31, 2015, compared to \$21.2 million in the previous year. The increase of \$16.3 million is largely due to a \$9.1 million increase in the amortization of the building and exhibits as these assets are now in use. The increase in the expenses due to amortization is exactly offset by the increase in appropriation and contributed revenue due to amortizing the contributions received in previous years to fund the capital assets.

The breakdown by program activity is as follows:

- Permanent building and temporary accommodation expenses saw the largest increase of \$10.6 million, largely due to a \$9.1 million increase in the amortization of capital assets related to the base building and exhibits and a \$0.7 million additional accrual for PILT related to recent decisions related to the value of the land for tax purposes.
- Museum content and program expenses increased by \$5.0 million largely due to the inaugural opening events and community outreach activities as well as hiring additional front-line staff to develop and deliver tours, in gallery interpretation, public and educational programs and to provide visitor services as the Museum became fully operational.
- Stewardship and corporate management expenses increased by \$0.7 million largely due to the additional cost of goods and other costs to earn commercial revenue through boutique sales and rental events.

#### **Statement of Financial Position**

Total assets increased by \$1.6 million from \$349.4 million at March 31, 2014 to \$351.0 million at March 31, 2015 primarily due to an increase in capital assets available for use, which reflects the completion of the capital project, offset by a decrease in restricted cash used in the funding of the capital assets.

Total liabilities increased \$3.8 million from March 31, 2014 primarily due to an increase in deferred contributions related to capital assets offset by a decrease in accounts payable.

Net assets decreased by \$2.2 million primarily due to using a portion of the unrestricted surplus to fund the \$1.9 million of planned media and technology development expenditures for the exhibits, offset by net loss for the current fiscal year of \$0.2 million due to an additional accrual for PILT of \$0.7 million related to the recent decisions related to the land value for tax purposes.

### The Construction Project: Overview

CMHR stands as an architectural icon unlike any other, now complete with world-class digitally-based exhibits that provide inspiring encounters with human rights and exemplify Canadians' commitment to freedom and democracy. The fit-up of the gallery spaces and the fabrication and installation of the exhibits were completed in 2014–15.

The construction of the CMHR marks the first time a national museum in Canada has been built with financial contributions from federal, provincial and municipal levels of government with the largest contributions coming from private corporations, unions, organizations and individual Canadians.

In June 2012, the Government of Canada approved the use of \$35 million of future years' appropriations to allow the Museum to complete the capital project and confirm its inauguration for 2014. These funds were received by the Museum in 2012–13 and 2013–14.

In 2014–15, contributions of \$17.8 million were received from the Friends of CMHR, to assist in completing the capital project.

The inherent complexity of the Museum project presented a range of challenges that required careful management and effective risk identification and mitigation strategies.

The Audit Committee of the Board of Trustees provided oversight of the capital project.

### Outlook

The Museum will work closely with its partners, the Government of Canada and the Friends of CMHR to assess its long-term funding requirements taking into consideration the following issues:

- The original business plan assumption was that the Museum would be a private museum and, therefore did not account for PILT, a program reserved for federal institutions. As a Crown corporation, payments to the City of Winnipeg are required under the *Payments in Lieu of Taxes Act*, although the full amount of these payments has yet to be determined;
- The amount of the Museum's annual appropriations was determined from a comprehensive, yet preliminary, business plan commissioned by the Friends of the CMHR and completed in February 2006. The Museum's long-term funding needs to be updated for the inflation and escalation of costs over the decade;

- The impact of being a digitally-based museum was not fully understood in 2006. The Museum's long-term funding needs to consider that CMHR's collection is largely human rights stories told through film, video pieces and interactive digital presentations requiring sophisticated computer and audio-visual equipment, some of which will have relatively short life-cycles. More staff and professional services are also required in the areas of design, new media and information technology to develop, operate, maintain and update the exhibits;
- With more improved knowledge from fully operating the Museum since November, the Museum will be able to more accurately predict the operating costs and staffing levels;
- New museums often see their revenues drop after the first full year of operations, when they are less of a novelty. CMHR is developing long-term programming and revenue strategies to attract new and repeat visitation in order to maximize revenues.;
- The final capital replacement plan for facilities equipment, IT infrastructure and exhibit equipment will need to be incorporated into the long-term funding. As a digitally based Museum much of the exhibit audio-visual equipment will require replacement on a regular basis in order to meet visitor expectations and the IT infrastructure will need to be kept current in order to deliver a quality visitor experience; and
- The completion of the fit-up of the Theatre is also extremely important. The ability to use this space is required in order to provide additional opportunities to deliver on the mandate of the Museum as well as to maximize programming and facilities rental revenue opportunities.

CMHR expects to supplement its parliamentary appropriations through a number of funding sources including revenues, sponsorships and philanthropic support. The Museum will aim to maximize revenues from all possible sources including:

- Developing new revenue-generating programs and opportunities;
- Working with Friends on creative sponsorship opportunities and donors interested in supporting programming and education.

In 2015–16, the Friends will prepare their long-term funding strategies and forecasts based on the funding opportunities developed in collaboration with the Museum. The Friends' capacity to shift from leading a capital campaign to new fundraising approaches will be a major component in the CMHR's long-term financial sustainability. The support of the private sector will always be important to the Museum and the ongoing partnership between the Museum and Friends will be critical.

# Financial Statements

## Management Responsibility for Financial Statements

Management has prepared the financial statements contained in this Annual Report in accordance with Canadian Public Sector Accounting Standards 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 regulations 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. Three 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 them.

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.



**Gail Stephens**  
*Interim President & Chief Executive Officer*



**Susanne Robertson**  
*Chief Financial Officer*

June 24, 2015



## 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 statement of financial position as at 31 March 2015, and the statement of operations, statement of remeasurement (losses) gains, statement of changes in net assets and statement of cash flows 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 public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

#### *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 2015, and the results of its operations, its remeasurement gains and losses, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

**Report on Other Legal and Regulatory Requirements**

As required by the *Financial Administration Act*, I report that, in my opinion, the accounting principles in Canadian public sector accounting standards 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 the by-laws of the Canadian Museum for Human Rights.



Maurice Laplante, CPA, CA  
Assistant Auditor General  
for the Auditor General of Canada

24 June 2015  
Ottawa, Canada

# Financial Statements

Year ended March 31, 2015

## Statement of Financial Position

(In thousands of dollars)

<b>As at March 31,</b>	<b>2015</b>		<b>2014</b>					
<b>Assets</b>								
Current assets:								
Cash and restricted cash (note 3)	\$	9,866	\$	17,922				
Accounts receivable (note 4)		1,014		696				
Inventories		123		14				
Prepaid expenses		432		450				
Holdback account (note 5)		79		1,558				
		11,514		20,640				
Collections (note 6)		1		-				
Capital assets (note 7):								
Assets available for use		338,865		290,721				
Assets under construction		586		38,051				
<b>Total Assets</b>	\$	<b>350,966</b>	\$	<b>349,412</b>				
<b>Liabilities and Net Assets</b>								
Current liabilities:								
Accounts payable and accrued liabilities (notes 8 and 9)	\$	9,900	\$	12,205				
Holdback payable (note 5)		79		1,558				
Deferred revenues		27		-				
		10,006		13,763				
Deferred contributions (note 10)		980		2,117				
<b>Deferred contributions related to capital assets (note 11)</b>		<b>332,510</b>		<b>323,793</b>				
<b>Total Liabilities</b>		<b>343,496</b>		<b>339,673</b>				
Net assets:								
Unrestricted		2,493		4,604				
Invested in capital assets (note 12)		4,979		4,979				
Accumulated remeasurement (losses) gains		(2)		156				
		7,470		9,739				
<b>Total Liabilities and Net Assets</b>	\$	<b>350,966</b>	\$	<b>349,412</b>				

Contractual obligations and Contingent liabilities (notes 18 and 19)

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

Approved by the Board of Trustees:

**Eric Hughes**  
Chair, Board of Trustees

**Lisa Pankratz**  
Chair, Audit Committee

## FINANCIAL STATEMENTS

Year ended March 31, 2015

### Statement of Operations

(In thousands of dollars)

<b>Year ended March 31,</b>	<b>2015</b>	<b>2014</b>
Revenue (Schedule 1):		
Operating	\$ 1,808	\$ -
Contributions	5,154	1,527
Other income	327	164
Total revenue	7,289	1,691
Expenses (Schedule 2):		
Museum content and program	12,665	7,619
Permanent building and temporary accommodation	18,404	7,785
Stewardship and corporate management	6,461	5,749
Total expenses	37,530	21,153
Excess of expenses over revenue before Parliamentary appropriations	(30,241)	(19,462)
Parliamentary appropriations (note 13)	28,130	19,894
<b>Excess of (expenses over revenue) revenue over expenses</b>	<b>\$ (2,111)</b>	<b>\$ 432</b>

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

### Statement of Remeasurement (Losses) Gains

(In thousands of dollars)

<b>Year ended March 31,</b>	<b>2015</b>	<b>2014</b>
Accumulated remeasurement gains, beginning of year	\$ 156	\$ 45
Unrealized (losses) gains attributable to:		
Foreign exchange	(1)	92
Amounts reclassified to the Statement of Operations:		
Foreign exchange (loss) gain	(67)	19
Amounts reclassified to deferred contributions:		
Foreign exchange (loss)	(90)	-
Net remeasurement (loss) gain for the year	(158)	111
<b>Accumulated remeasurement (losses) gains, end of year</b>	<b>\$ (2)</b>	<b>\$ 156</b>

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

**Statement of Changes in Net Assets**  
(In thousands of dollars)

	Unrestricted	Invested in capital assets	Accumulated remeasurement gains (losses)	Total
Net Assets, March 31, 2013	\$ 4,172	\$ 4,979	\$ 45	\$ 9,196
Excess of revenue over expenses	432	-	-	432
Net change in accumulated remeasurement gains	-	-	111	111
Net Assets, March 31, 2014	\$ 4,604	\$ 4,979	\$ 156	\$ 9,739
Excess of expenses over revenue	(2,111)	-	-	(2,111)
Net change in accumulated remeasurement losses	-	-	(158)	(158)
<b>Net Assets, March 31, 2015</b>	<b>\$ 2,493</b>	<b>\$ 4,979</b>	<b>\$ (2)</b>	<b>\$ 7,470</b>

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

**FINANCIAL STATEMENTS**  
Year ended March 31, 2015

## **Statement of Cash Flows**

(In thousands of dollars)

<b>Year ended March 31,</b>	<b>2015</b>	<b>2014</b>
Operating activities:		
Cash receipts (customers)	\$ 1,730	\$ -
Cash receipts (Parliamentary appropriations)	20,089	20,834
Cash receipts (other income)	15	61
Cash payments to and on behalf of employees	(11,593)	(8,851)
Cash payments to suppliers	(11,613)	(7,574)
Interest received	100	105
	(1,272)	4,575
Capital activities:		
Payments for acquisition of assets under construction	(18)	(48,707)
Payments for acquisition of assets available for use	(27,480)	(2,582)
	(27,498)	(51,289)
Investing activities:		
Revaluation of US currency	-	107
	-	107
Financing activities:		
Parliamentary appropriation for the acquisition of capital assets available for use	1,854	432
Government of Canada funding for assets under construction	-	11,327
Contributions from non-government sources for assets under construction	17,381	13,500
	19,235	25,259
Decrease in cash	(9,535)	(21,348)
Cash, beginning of year		
Cash and restricted cash	17,922	29,031
Holdback account	1,558	11,797
	19,480	40,828
Cash, end of year		
Cash and restricted cash	9,866	17,922
Holdback account	79	1,558
	<b>\$ 9,945</b>	<b>\$ 19,480</b>

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

# Notes to the Financial Statements

FOR THE YEAR ENDED MARCH 31, 2015

(In thousands of dollars, unless otherwise noted)

## 1 (a). Authority and mandate:

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 Corporation is the first national museum established outside of the National Capital Region and the first to be constructed with funding received from the Government of Canada as well as other levels of government. The Province of Manitoba, the City of Winnipeg, and the Friends of the Canadian Museum for Human Rights (CMHR), (representing mostly private sector donors) are also funding the Capital Project (building and exhibits). 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.”*

## 1 (b). Operations:

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:

That the Museum's content and programming is objective, innovative and accessible and affects the way people think and behave towards the rights of others and that it is developed through ongoing community engagement.

### Permanent Building and Temporary Accommodation:

That the Corporation provides a secure and functional facility that meets or exceeds all safety and building code requirements and is easily accessible to the public. 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.

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2015

(In thousands of dollars, unless otherwise noted)

### **Stewardship and Corporate Management:**

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; the Museum recruits and retains the necessary human resources both for the start-up and the longer-term; and the Museum supports the Friends of the CMHR's fundraising campaign to assist with capital costs in the short term and to support programming and other activities within the Museum in the long-term.

## **2. Significant accounting policies:**

### **(a) Basis of presentation:**

These financial statements have been prepared in accordance with the 4200 series of the Canadian Public Sector Accounting Standards (PSAS) for government not-for-profit organizations. The Corporation applies the deferral method of accounting for contributions for not-for-profit organizations.

### **(b) Financial assets and financial liabilities:**

Cash is composed of deposits with financial institutions that can be withdrawn without prior notice or penalty.

Cash, restricted cash and the holdback account are classified in the fair value category. Changes in fair value of financial assets are recognized through the Statement of Remeasurement Gains (Losses) as determined by reference to their quoted bid price at the reporting date. Any realized gains and losses are recognized on the Statement of Operations.

Accounts receivable and accounts payable and accrued liabilities are classified in the cost category. They are recorded at cost.

### **(c) Inventories:**

Inventories consist of boutique materials which are valued at the lower of cost and net realizable value. Cost is determined using the weighted average cost method.

### **(d) Collections:**

The Permanent collection comprised of archives, artifacts and artworks forms a part of the assets of the Corporation and is presented in the Statement of Financial Position at a nominal value of \$1,000, due to the practical difficulties of determining a meaningful value for these assets.

Objects purchased for the collection are recorded as an expense in the year of acquisition. Objects received as a donation are recorded as an expense along with the offsetting donation revenue in the year of acquisition.

**(e) Capital assets:**

Property and equipment owned by the Corporation are valued at cost, net of accumulated amortization. When the construction of a capital asset is completed, it is transferred from assets under construction to the appropriate capital asset. Component classification is applied to the building and exhibits and amortization is calculated using the straight-line method, over the estimated useful lives of assets or components as follows:

<b>Asset</b>	<b>Useful Life</b>
<b>Building:</b>	
Base	40 years
Electrical and electrical	20 years
Exhibits	5 to 15 years
Computer equipment, hardware and software	3 to 5 years
Building improvements	5 to 20 years
Leasehold improvements	Term of lease
Furniture and equipment	3 to 10 years
Enterprise program development	5 years
Films	2 to 3 years
Website development	2 to 5 years

**(f) Employee future benefits:****i) Pension Benefits:**

Substantially all of the employees of the Corporation are covered by the Public Service Pension Plan (the “Plan”), a contributory defined benefit plan established through legislation and sponsored by the Government of Canada. Contributions are required by both the employees and the Corporation to cover current service cost. Pursuant to legislation currently in place, the Corporation has no legal or constructive obligation to pay further contributions with respect to any past service or funding deficiencies of the Plan. Consequently, contributions are recognized as an expense in the year when employees have rendered service and represent the total pension obligation of the Corporation.

**ii) Sick leave benefits:**

The Corporation provides sick leave benefits for employees that accumulate but do not vest. The accrued benefit obligation related to sick leave entitlement earned by employees is determined by Management using a method based upon assumptions and best estimates on employee demographics and sick leave usage of active employees.

**iii) Maternity/Parental benefits:**

Employees are entitled to maternity/parental benefits as provided for under labour contracts and conditions of employment. The cost of these benefits is event driven. Management determined the accrued benefit obligation using a method based upon assumptions and best estimates relating to maternity/parental leave.

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2015

(In thousands of dollars, unless otherwise noted)

### (g) Revenue recognition:

#### (i) Museum operations:

Revenues from museum operations include the sale of general admission and programs, boutique sales, facility rentals, memberships and a percentage of restaurant and catering sales. They are recognized in the year in which the sale of goods is completed or the services are provided.

#### (ii) Parliamentary appropriations:

The Government of Canada provides funding to the Corporation through Parliamentary appropriations.

Parliamentary appropriations which are explicitly or implicitly restricted for the purchase of capital assets subject to amortization are deferred and recognized as revenue on the same basis and over the same periods as the related capital assets acquired.

Parliamentary appropriations that are not restricted to a specific purpose are recognized as revenue on the Statement of Operations in the year for which the appropriation is authorized.

#### (iii) Contributions from other governments and non-government sources:

Funding may be provided by various levels of government, other than the Government of Canada and other non-government sources.

Contributions from other governments, assistance from non-government sources and donations which are explicitly or implicitly restricted for the purchase of capital assets subject to amortization are deferred and recognized as revenue on the same basis and over the same periods as the related capital assets acquired.

Contributions from other governments, non-government sources and donations that are not restricted to a specific purpose are recognized as revenue on the Statement of Operations when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

#### (iv) In-kind contributions and artifact donations:

Revenues and offsetting expenses from goods and services received in-kind are recorded at fair market value upon receipt. Artifact donations are recorded at fair market value in the period when the last of three specific criteria are met i) the artifact donation has been approved by the Corporation's Collections Department ii) legal transfer has taken place between the donor and the Corporation and iii) a fair market value has been assigned to the artifact donation. If the donated artifact is designated as part of the Corporation's Library or Working Collection:

- it will be capitalized if fair market value exceeds established capitalization threshold; or
- it will be recorded as revenue with an offsetting expense to collection acquisitions if fair market value is less than established capitalization threshold.

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2015

(In thousands of dollars, unless otherwise noted)

If the donated artifact is designated as part of the Corporation's Permanent Collection, it will be recorded as revenue with an offsetting expense to collection acquisitions.

Contributions-in-kind related to capital assets subject to amortization are recorded as deferred contributions related to capital assets on the Statement of Financial Position.

Contributions-in-kind related to capital assets not subject to amortization are recorded as net assets invested in capital assets on the Statement of Financial Position.

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

**(v) Interest revenue:**

Interest revenue is recognized in the period it is earned.

Restricted interest revenue is recognized as income in the Statement of Operations in the year that the related expenditures are recognized.

**(vi) Volunteer services:**

Contributed services are recorded at their estimated fair value at the date they are received by the Corporation. Volunteers contribute a significant number of hours of service per year. Because of the difficulty of determining their fair value, contributed services are not recognized in these financial statements.

**(vii) Deferred revenues:**

Deferred revenues represent funds received by the Corporation from the sale of gift cards and specific boutique sales proceeds that are designated to support the youth admission program that are not yet earned through the provision of goods and services.

**(h) Expenses:**

An expense that contributes directly to an activity as described in note 1 (b) is allocated fully to that activity. Certain expenses contribute to more than one activity and are allocated based on the estimated time spent on each activity.

**(i) Foreign exchange:**

Monetary assets and liabilities denominated in US dollars are translated into Canadian dollars using the exchange rate at the Statement of Financial Position date. Foreign exchange is recorded on US dollar denominated transactions at the noon exchange rate on the invoice payment date.

Realized foreign currency gains and losses are recorded in Other income on the Statement of Operations.

Unrealized foreign currency gains and losses on monetary assets are recorded on the Statement of Remeasurement Gains (Losses).

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2015

(In thousands of dollars, unless otherwise noted)

### (j) Friends of the CMHR:

The Corporation and the Friends of the CMHR are related by virtue of the Corporation's significant influence over the Friends of the CMHR. The Friends of the CMHR is a separate legal entity, with a mandate to seek and obtain major donations to support the Corporation's mandate and assist in achieving the Corporation's vision. The financial statements of the Friends of the CMHR have been audited but have not been consolidated in the Corporation's financial statements.

### (k) Contingent liabilities:

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.

### (l) Measurement uncertainty:

The preparation of financial statements in accordance with PSAS 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 capital assets are the most significant items where estimates are used. Actual results could differ significantly from those estimates. These estimates are reviewed quarterly and as adjustments become necessary, they are recorded in the financial statements in the period which they become known.

### (m) Services received without charge:

The Corporation receives audit services free of charge from the Office of the Auditor General of Canada. These services are not recorded in the financial statements.

## 3. Cash and Restricted cash:

Restricted cash consists of cash held in the Corporation's separate bank account and is restricted for use in the Capital Project and arise from contributions received from non-government entities, assistance from other governments and Parliamentary appropriations.

March 31,	2015		2014	
	Cost	Fair value	Cost <sup>1</sup>	Fair value <sup>1</sup>
Operating cash <sup>1</sup>	\$ 8,537	\$ 8,537	\$ 9,443	\$ 9,443
Restricted cash <sup>1</sup>	1,329	1,329	8,479	8,479
	\$ 9,866	\$ 9,866	\$ 17,922	\$ 17,922

<sup>1</sup> Certain amounts in the prior year have been adjusted to reflect capital purchases made in fiscal 2014 from the restricted cash balance. This resulted in the reclassification of \$2.5 million from Restricted cash to Operating cash.

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2015

*(In thousands of dollars, unless otherwise noted)*

The change in Restricted cash is comprised of the following:

<b>Year ended March 31,</b>	<b>2015</b>	<b>2014</b>
Balance, beginning of year	\$ 8,479	\$ 22,160
Add contributions received during the year	17,280	24,000
Add deferred Parliamentary appropriations	290	3,194
Add deferred interest income	152	160
(Less) add unrealized (loss) gain on cash	(2)	82
Less amounts used to purchase capital assets <sup>1</sup>	(24,870)	(41,117)
<b>Balance, end of year<sup>1</sup></b>	<b>\$ 1,329</b>	<b>\$ 8,479</b>

<sup>1</sup> Certain amounts in the prior year have been adjusted to reflect capital purchases made in fiscal 2014 from the restricted cash balance. This resulted in the reclassification of \$2.5 million from Restricted cash to Operating cash.

### 4. Accounts receivable:

<b>March 31,</b>	<b>2015</b>	<b>2014</b>
Contributions due from Friends of the CMHR	\$ 500	\$ -
Refundable taxes	356	424
Facility rentals and commissions	134	-
Government appropriations	-	243
Other	24	29
	<b>\$ 1,014</b>	<b>\$ 696</b>

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

### 5. Holdback account and holdback payable:

<b>Year ended March 31,</b>	<b>2015</b>	<b>2014</b>
Balance, beginning of year	\$ 1,558	\$ 11,797
Additions for the year	649	1,773
Holdback paid during year	(2,128)	(11,807)
Interest paid during the year	-	(205)
<b>Balance, end of year</b>	<b>\$ 79</b>	<b>\$ 1,558</b>

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2015

(In thousands of dollars, unless otherwise noted)

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 are 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, 2015 was \$0.1 million (2014 - \$1.6 million), of which \$0.1 million (2014 - \$1.6 million) is current. As of March 31, 2015 the holdback relates to the flood pumping station and earned interest on the holdback cash account.

## 6. Collections:

The Corporation maintains three separate, but related collections that support Museum activities and programs in fulfillment of the CMHR mandate, as noted below:

- Permanent collection – archives, artifacts and artworks,
- Library collection – bilingual published materials including electronic publications; and
- Working collection – materials constructed or purchased for public programming or exhibits and may be deemed expendable.

Only acquisitions designated as part of the Permanent collection meet the accounting requirements of a Collection as defined in PSAS. Objects purchased for the collection are recorded as an expense in the year of acquisition. Objects received as a donation are recorded as an expense along with the offsetting donation revenue in the year of acquisition.

Acquisitions designated as part of the Library or Working collection are subject to regular capitalization or expense accounting rules based on the Corporation's established capitalization threshold level.

During the year ended March 31, 2015, the Corporation acquired \$421 K of artifacts and received \$1 K of donated artifacts for the Permanent collection.

The Corporation did not record any revenues for the year ended March 31, 2015 related to sales of Permanent collection items.

**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended March 31, 2015

(In thousands of dollars, unless otherwise noted)

**7. Capital assets:**

	<b>Cost</b>	<b>Additions</b>	<b>Disposals</b>	<b>Cost</b>
	<b>March 31, 2014</b>	<b>(Transfers)</b>		<b>March 31, 2015</b>
Land	\$ 4,979	\$ -	\$ -	\$ 4,979
Building				
Base	234,671	3,430	-	238,101
Mechanical and electrical	48,059	447	-	48,506
Exhibits	-	48,659	-	48,659
Computer equipment, hardware and software	5,681	801	-	6,482
Building improvements	-	4,494	-	4,494
Furniture and equipment	1,099	628	-	1,727
Website development	57	922	-	979
Enterprise program development	-	842	-	842
Leasehold improvements	563	-	563	-
Films	61	36	-	97
<b>Sub-total - Assets available for use</b>	<b>295,170</b>	<b>60,259</b>	<b>563</b>	<b>354,866</b>
Assets under construction	38,051	(37,435)	30	586
	<b>\$ 333,221</b>	<b>\$ 22,824</b>	<b>\$ 593</b>	<b>\$ 355,452</b>

**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended March 31, 2015

(In thousands of dollars, unless otherwise noted)

	<b>Accumulated amortization March 31, 2014</b>	<b>Amortization expense</b>	<b>Disposals</b>	<b>Accumulated amortization March 31, 2015</b>
Land	\$ -	\$ -	\$ -	\$ -
Building				
Base	1,388	5,914	-	7,302
Mechanical and electrical	569	2,419	-	2,988
Exhibits	-	1,482	-	1,482
Computer equipment, hardware and software	1,684	1,851	-	3,535
Building improvements	-	126	-	126
Furniture and equipment	188	141	-	329
Website development	57	78	-	135
Enterprise program development	-	73	-	73
Leasehold improvements	563	-	563	-
Films	-	31	-	31
<b>Sub-total - Assets available for use</b>	<b>4,449</b>	<b>12,115</b>	<b>563</b>	<b>16,001</b>
Assets under construction	-	-	-	-
	<b>\$ 4,449</b>	<b>\$ 12,115</b>	<b>\$ 563</b>	<b>\$ 16,001</b>

**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended March 31, 2015

(In thousands of dollars, unless otherwise noted)

	<b>Net book value March 31, 2014</b>	<b>Net book value March 31, 2015</b>
Land	\$ 4,979	\$ 4,979
Building		
Base	233,283	230,799
Mechanical and electrical	47,490	45,518
Exhibits	-	47,177
Computer equipment, hardware and software	3,997	2,947
Building improvements	-	4,368
Furniture and equipment	911	1,398
Website development	-	844
Enterprise program development	-	769
Leasehold improvements	-	-
Films	61	66
<b>Sub-total – Assets available for use</b>	<b>290,721</b>	<b>338,865</b>
Assets under construction	38,051	586
	<b>\$ 328,772</b>	<b>\$ 339,451</b>

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 land reverts back to the City of Winnipeg and The Forks Renewal Corporation should the land no longer be 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.

The amortization expense for the year ended March 31, 2015 is \$12.1 million (2014 - \$2.9 million).

During the year ended March 31, 2015, \$0.5 million of fully-depreciated leasehold improvements related to previously-leased space were written off.

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

<b>March 31,</b>	<b>2015</b>	<b>2014</b>
Building design and construction	\$ 586	\$ 726
Exhibit fit-up, design and fabrication	-	36,529
Website development (Version 3)	-	371
Enterprise Content Management System	-	425
	<b>\$ 586</b>	<b>\$ 38,051</b>

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2015

(In thousands of dollars, unless otherwise noted)

### 8. Accounts payable and accrued liabilities:

March 31,	2015	2014
Payment in lieu of taxes	\$ 3,392	\$ 1,897
Operational payables	3,029	2,419
Capital assets accounts payables	2,902	7,040
Other holdback payable	577	849
	\$ 9,900	\$ 12,205

As a Crown corporation, the Museum falls under the *Payments in Lieu of Taxes Act* which governs the payment of property taxes. An allowance for property taxes on land and building has been made based on the amounts paid by Public Works and Government Services Canada (PWGSC) on the Museum's behalf and based on the advice of the Dispute Advisory Board on the land valuation. The final assessment amount is being negotiated between the City of Winnipeg and PWGSC and when finalized, could result in a property tax amount which is higher than the amount recorded above. Management estimates that the liability for payment in lieu of taxes calculated as of March 31, 2015 could be between the range of \$3.4 million to \$8.0 million. Until negotiations are complete, the final amount of PILT cannot be determined.

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

### 9. Employee future benefits:

#### (a) Pension benefits:

Substantially all of the employees of the Corporation are covered by the Public Service Pension Plan (the "Plan"), a contributory defined benefit plan established through legislation and sponsored by the Government of Canada. Contributions are required by both the employees and the Corporation. The President of the Treasury Board of Canada sets the required employer contributions based on a multiple of the employees' required contribution. The general contribution rate for employees effective at March 31, 2015 was 8.1% (2014 - 7.5%) for employees with an employment date prior to January 1, 2013 and for employees with an employment date on or after January 1, 2013 was 7.0% (2014 - 6.7%). Total contributions of \$995 were recognized as an expense for the year ended March 31, 2015 (2014 - \$785).

Due to the *Jobs and Growth Act, 2012*, important changes were made to the Plan. These changes include: contribution rates for current service for all active and future Plan members were increased gradually starting January 2013 with the objective of reaching a more balanced cost-sharing ratio for employer/employee contribution of 50:50 over time; and the normal retirement age and other age-related thresholds for new employees who began participating in the Plan on or after January 1, 2013 were raised from age 60 to 65.

**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended March 31, 2015

(In thousands of dollars, unless otherwise noted)

The Government of Canada holds a statutory obligation for the payment of benefits relating to the Plan. Pension benefits generally accrue up to a maximum period of 35 years at an annual rate of 2 percent of pensionable service times the average of the best five consecutive years of earnings. The benefits are coordinated with Canada/Québec Pension Plan benefits and they are indexed to inflation.

**(b) Sick leave and maternity/parental benefits:**

The Corporation provides sick leave benefits for employees that accumulate but do not vest. The accrued benefit obligation related to sick leave entitlement earned by employees is determined by Management using a method based upon assumptions and best estimates on employee demographics and sick leave usage of active employees.

The Corporation provides maternity/parental benefits for benefits as provided for under labour contracts and conditions of employment. The cost of the accrued benefit obligations related to maternity/parental entitlement earned by employees is determined using Management's best estimates.

Information about the plans, measured as at year end, is as follows:

<b>Year ended March 31,</b>	<b>2015</b>	<b>2014</b>
Accrued benefit obligations, beginning of the year	\$ 139	\$ 98
Cost of benefits related to the year	48	311
Benefits paid during the year	(140)	(270)
Accrued benefit obligations, end of the year	\$ 47	\$ 139

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2015

(In thousands of dollars, unless otherwise noted)

### 10. Deferred contributions:

Deferred contributions recorded by the Corporation are as follows:

<b>March 31,</b>	<b>2015</b>	<b>2014</b>
Deferred contributions restricted for the purchase of capital assets	\$ 980	\$ 2,117

Changes in the deferred contributions balance during the year were as follows:

<b>Year ended March 31,</b>	<b>2015</b>	<b>2014</b>
Balance, beginning of year	\$ 2,117	\$ 11,320
Additions:		
Government of Canada appropriations <sup>1</sup>	-	10,000
Restricted deferred Parliamentary appropriations	290	3,194
Non-government and other government sources	17,780	13,500
Deferred interest income	192	160
	18,262	26,854
Deductions:		
Amounts transferred to deferred contributions related to capital assets	(17,817)	(34,973)
Amounts recognized as revenue	(1,582)	(1,084)
	(19,399)	(36,057)
Balance, end of year	\$ 980	\$ 2,117

<sup>1</sup> In June 2012, the Government of Canada approved the use of \$35 million of future years' operating and capital appropriations, of which \$25 million was authorized for 2012-2013 and \$10 million for 2013-2014. The Corporation plans to decrease its level of appropriations over six years commencing in 2018-2019.

**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended March 31, 2015

(In thousands of dollars, unless otherwise noted)

## **11. Deferred contributions related to capital assets:**

Changes in the deferred contributions related to capital assets are composed of:

<b>Year ended March 31,</b>	<b>2015</b>	<b>2014</b>
Balance, beginning of year	\$ 323,793	\$ 289,783
Amounts transferred from deferred contributions	17,817	34,973
Government contributions:		
Other Government of Canada assistance	1,854	1,539
Non-government contributions:		
Capital contributions-in-kind from Friends of the CMHR and other	1,035	369
Capital contributions-in-kind from the City of Winnipeg	156	123
Amortization of deferred contributions related to capital assets under construction	(30)	-
Amortization of deferred contributions related to capital assets available for use	(12,115)	(2,994)
Balance, end of year	\$ 332,510	\$ 323,793

## **12. Net assets invested in capital assets:**

The net investment in capital assets consists of the land donated by the City of Winnipeg and The Forks Renewal Corporation as follows:

<b>March 31,</b>	<b>2015</b>	<b>2014</b>
Capital assets	\$ 339,451	\$ 328,772
Less amounts financed by deferred contributions related to capital assets	(332,510)	(323,793)
Less amounts to be financed by deferred contributions <sup>1</sup>	(1,962)	-
	\$ 4,979	\$ 4,979

<sup>1</sup> Non-government deferred contributions to finance this portion of capital assets were received in April, 2015.

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2015

(In thousands of dollars, unless otherwise noted)

### 13. Parliamentary appropriations:

<b>Year ended March 31,</b>	<b>2015</b>	<b>2014</b>
Main estimates amount provided for operating and capital expenditures	\$ 21,700	\$ 21,700
Reimbursement of paylist expenditures	-	376
Total Parliamentary appropriations approved in year	21,700	22,076
Less current year Parliamentary appropriations not recognized as revenue:		
Restricted for capital asset acquisitions (deferred contributions)	(290)	(3,194)
Amounts used to purchase capital assets	(1,854)	(1,539)
Add prior year Parliamentary appropriations recognized as revenue in the current year:		
Amortization of deferred contributions related to capital assets available for use	7,043	1,467
Restricted amounts used in current year for items expensed for accounting purposes	1,531	1,084
	\$ 28,130	\$ 19,894

### 14. Friends of the CMHR:

The Friends of the CMHR raises funds from individuals, foundations, governments and corporations to support the Capital Project for the Corporation. Friends of the CMHR is responsible for funding its operating expenditures through private sector donations and other revenue. Upon completion of the Museum building, the Corporation licensed space and services including security, janitorial, information technology support and other services and amenities at a fee of \$1.00 per annum. For the year ended March 31, 2015, indirect administrative support costs of approximately \$0.2 million were incurred by the Corporation (2014 - \$0.2 million). The amounts contributed to the Corporation by the Friends of the CMHR are recorded as Deferred contributions on the Statement of Financial Position and are transferred to Deferred contributions related to capital assets as the funds are used for the Capital Project. Contributions from Friends of the CMHR that are restricted for a specific purpose will be deferred and recognized as the related expenditures are incurred. Unrestricted contributions will be recognized as revenue in the year received.

### 15. Financial risk management:

The Corporation has exposure to the following risks from its use of financial instruments: credit risk; market risk; and liquidity risk. These risks have no significant impact on the Corporation's financial statements. There has been no change to the level of risk as compared to the prior year as well as no change in risk management practices used to manage risks.

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2015

(In thousands of dollars, unless otherwise noted)

The Audit Committee's mandate includes ensuring that the Corporation has identified its major risks and ensuring 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, holdback account as well as accounts receivable.

The maximum exposure to credit risk of the Corporation at March 31, 2015 is the carrying value of these assets.

#### (i) Accounts receivable:

The Corporation is exposed to credit risk from customers in the normal course of business. Concentration of credit risk with respect to receivables is limited, due to the small value of transactions with clients other than Government departments. The Corporation's accounts receivable balance as at March 31, 2015 is comprised mainly of a contribution receivable from Friends of the CMHR, refundable GST due from the Government of Canada and facility rentals and all are current. No allowance for doubtful accounts has been recorded by the Corporation as at March 31, 2015.

#### (ii) Cash and holdback account:

The Corporation manages its credit risk surrounding cash by dealing solely with reputable banks and financial institutions, and utilizing an investment policy approved by the Board of Trustees to guide their investment decisions. At March 31, 2015, the Corporation only held cash.

### (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. At March 31, 2015, the Corporation did not have any material interest rate or other price risks.

#### (i) Currency 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 Capital Project which may be denominated in foreign currencies, specifically the US dollar. At March 31, 2015 the Corporation did not have any material foreign currency risks.

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 THE FINANCIAL STATEMENTS

For the year ended March 31, 2015

(In thousands of dollars, unless otherwise noted)

### (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, 2015, the Corporation had cash and restricted cash of \$9.9 million (2014 - \$17.9 million) and current portion of holdback account asset of \$0.1 million (2014 - 1.6 million).

The maturities of the Corporation's financial liabilities at March 31, 2015 are estimated by management to be as follows:

Accounts payable and accrued liabilities	\$9.2 million	not later than six months
Current portion holdback account	\$0.1 million	not later than six months

### (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:

- (1) Level 1 – Financial instruments are considered Level 1 when valuation can be based on quoted prices in active markets for identical assets and liabilities.
- (2) 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.
- (3) 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 presented as fair value are classified as Level 1 -quoted prices (unadjusted) in active markets for identical assets or liabilities. There were no transfers between levels for the year ended March 31, 2015.

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2015

(In thousands of dollars, unless otherwise noted)

### 16. Related party transactions:

The Corporation is related to the Friends of the CMHR (as disclosed in note 14) and 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 fair value amount, which is the amount of consideration established and agreed to by the related parties. The Corporation incurred expenses totaling \$3.3 million for personnel costs and facilities and recorded revenues of \$33.5 million from related parties for the year ended March 31, 2015 (2014 – \$3.2 million and \$21.4 million, respectively).

The Corporation incurred expenses totaling \$0.9 million for personnel costs for the Board of Trustees and Senior Management for the year ended March 31, 2015 (2014 – \$1.2 million). These transactions are recorded at fair value.

As at March 31, 2015 the Corporation recorded the following amounts on the Statement of Financial Position for transactions with related parties:

<b>March 31,</b>	<b>2015</b>	<b>2014</b>
Accounts receivable	\$ 857	\$ 667
Accounts payable and accrued liabilities	3,777	1,837
Deferred contributions	980	2,117
Deferred contributions related to capital assets	273,904	265,343

The Corporation recorded cash contributions for the Capital Project from related parties of \$18.1 million for the year ended March 31, 2015 (2014 – \$26.7 million). These amounts are included in Deferred contributions and Deferred contributions related to capital assets on the Statement of Financial Position.

### 17. Allocation of expenses:

Corporate communication, general support services and information technology department expenses of \$4.2 million (2014 – \$2.9 million) have been allocated as follows:

<b>Year ended March 31,</b>	<b>2015</b>	<b>2014</b>
Museum content and program	\$ 2,407	\$ 1,276
Stewardship and corporate management	1,461	1,276
Permanent building and temporary accommodation	362	340
	\$ 4,230	\$ 2,892

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2015

(In thousands of dollars, unless otherwise noted)

### 18. Contractual obligations:

As of March 31, 2015, the Corporation had entered into long-term contracts/commitments for equipment and services with a remaining value of \$5.6 million (2014 - \$3.5 million) and for construction services with a remaining commitment of \$3.1 million (2014 - \$6.8 million).

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

2015-2016	\$ 5,586
2016-2017	2,071
2017-2018	601
2018-2019	86
2019-2020	343
	<hr/>
	\$ 8,687

### 19. Contingent liabilities:

A statement of claim related to the base building construction has been filed by a sub-trade against the Construction Manager for an amount higher than has been accrued in the financial statements. A reasonable estimate of any additional liability cannot be made at this time.

### 20. Comparative figures:

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

**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended March 31, 2015

(In thousands of dollars, unless otherwise noted)

## Schedule 1 – Schedule of Revenues

### Operating Revenues

<b>Year ended March 31,</b>	<b>2015</b>	<b>2014</b>
Admissions and Programs		
General Admission	\$ 704	\$ -
Memberships	171	-
Public Program	93	-
Education Program	46	-
Retail Boutique Sales	350	-
Facility Rental	299	-
Restaurant and catering	145	-
<b>Total</b>	<b>\$ 1,808</b>	<b>\$ -</b>

The Museum opened September 20, 2014 therefore there are no comparative operating revenues.

### Contributions

<b>Year ended March 31,</b>	<b>2015</b>	<b>2014</b>
Revenue related to the amortization of deferred contributions from other donors	\$ 5,072	\$ 1,527
Restricted amounts from other donors used in current period for items expensed for accounting purposes	82	-
<b>Total</b>	<b>\$ 5,154</b>	<b>\$ 1,527</b>

Amortization of deferred contributions from other donors commenced when the building was put into use in January, 2014 and when exhibits and public areas were fully opened in November, 2014.

### Other income

<b>Year ended March 31,</b>	<b>2015</b>	<b>2014</b>
In kind and artifact donations	\$ 145	\$ 32
Interest revenue	100	105
Miscellaneous	82	27
<b>Total</b>	<b>\$ 327</b>	<b>\$ 164</b>

**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended March 31, 2015

(In thousands of dollars, unless otherwise noted)

**Schedule 2 – Schedule of Expenses**

<b>Year ended March 31,</b>		<b>2015</b>	<b>2014</b>
Amortization of capital assets	\$ 12,115	\$ 2,994	
Personnel costs	11,527	9,056	
Building operations	2,459	1,717	
Information management infrastructure and systems	2,120	1,597	
Property taxes	1,495	798	
Professional and special services	1,361	1,736	
Inaugural community outreach activities	1,306	107	
Exhibit and programming development	891	1,293	
Protection services	718	236	
Office supplies and administration	644	798	
Inaugural opening event & broadcast	642	81	
Marketing and promotion	500	203	
Exhibit maintenance	488	-	
Utilities	476	275	
Collection acquisitions (note 6)	422	-	
Cost of goods sold	187	17	
Travel	179	245	
<b>Total expenses</b>	<b>\$ 37,530</b>	<b>\$ 21,153</b>	

## 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.humanrights.ca](http://www.humanrights.ca) to view the report online.

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### **CMHR Annual Report 2014–2015**

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Photos: CMHR  
Design: Parable Communications  
Printing: The Lowe-Martin Group  
Printed in Canada





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