

Summary of Corporate Plan, Operating and Capital Budgets

2010–2011 to 2014–2015

CANADIAN MUSEUM *for* HUMAN RIGHTS
MUSÉE CANADIEN *des* DROITS *de la* PERSONNE

Canada

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1 CORPORATE PROFILE

1.1 MANDATE

In amending the *Museums Act*, Parliament established the mandate for the Canadian Museum for Human Rights (CMHR; the Museum; the Corporation) 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.”

As a member of the Canadian Heritage Portfolio, the Museum has an important public policy role as defined in the *Museums Act* in that it:

“Plays an essential role, individually and together with other museums and like institutions, in preserving and promoting the heritage of Canada and all its peoples throughout Canada and abroad, and in contributing to the collective memory and sense of identity of all Canadians; and

Is a source of inspiration, research, learning and entertainment that belongs to all Canadians and provides, in both official languages, a service that is essential to Canadian culture and available to all.”

1.2 VISION

As a start up organization, the CMHR is in the ongoing process of articulating its vision and putting in place the mechanisms necessary to roll out one of Canada’s newest national cultural institutions. While the Corporation and the Museum exist as of August 2008, significant development work is still required before the CMHR becomes a full-fledged organization operating for the public good. The work accomplished during these early years is of strategic importance to the future success of this important public institution.

The Museum’s Board and the Executive Team expended significant effort over the past year exploring and refining vision and value statements for the CMHR. In this work, the Museum sought input from a variety of stakeholders. Feedback from individuals and groups who participated in the Public Engagement sessions that took place across the

country has also informed the discussion. While recognizing that the Museum's vision continues to evolve, a consensus around the following statement has been achieved.

"The Canadian Museum for Human Rights will be an exceptional Canadian and international institution that provides Canadians and visitors with an understanding of the history of and continuing global struggle to defend human rights including Canada's important role in that journey; promotes respect for the dignity and rights of all citizens; encourages learning, debate, dialogue and scholarship on human rights issues; celebrates exemplars of the human spirit; and is a catalyst for positive individual action."

1.3 FOUNDATIONAL PRINCIPLES

The following principles form the underpinning upon which the Museum's Vision is based:

- HUMAN RIGHTS, WHILE EVOLVING, ARE UNIVERSAL, INTERDEPENDENT, INDIVISIBLE AND INALIENABLE.
- HUMAN RIGHTS PERTAIN TO ORDINARY EXPERIENCES AND EVERYDAY LIFE; THEY DEPEND ON A CULTURE OF RIGHTS AND ON RELATIONSHIPS OF MUTUAL RESPECT.
- HUMAN RIGHTS REQUIRE AN ONGOING EFFORT TO BE DEFINED AND SECURED FOR ALL PEOPLE.
- EACH PERSON HAS A RESPONSIBILITY TO BE VIGILANT, TO BEAR WITNESS AND TO ACT.
- CANADA HAS STRUGGLED WITH HUMAN RIGHTS ISSUES BUT HAS ALSO PLAYED A UNIQUE ROLE IN ADVANCING HUMAN RIGHTS WORLDWIDE.
- A COMMITMENT TO HUMAN RIGHTS SHAPES CANADIAN VALUES.

1.4 VALUES

A clearly articulated and shared set of deeply rooted values is a critical ingredient in any organization's success. Nowhere is this more important than in a museum whose primary purpose is to explore human rights issues that, by their very nature, are heavily value based.

- OBJECTIVITY: THE MUSEUM'S PROGRAMS AND EXHIBITS WILL BE INFORMED BY MULTIPLE PERSPECTIVES AND ADDRESS HUMAN RIGHTS ISSUES IN A PROACTIVE, BALANCED FASHION.
- INNOVATION: THE MUSEUM WILL TAKE ADVANTAGE OF THE LATEST DIGITAL TECHNOLOGIES AND INTERACTION DESIGN METHODOLOGIES TO ENSURE THE RICHEST EXPERIENCE FOR ITS AUDIENCES.
- ACCESSIBILITY & INCLUSIVENESS: THE MUSEUM WILL BE A WELCOMING PLACE IN BOTH OFFICIAL LANGUAGES FOR CANADIANS AND VISITORS OF ALL AGES, GENDERS, ORIENTATION, ABILITIES, CULTURES, AND BELIEFS.

- COLLABORATION: THE MUSEUM WILL BE ENGAGED WITH LOCAL, NATIONAL AND GLOBAL PARTNERS TO ACHIEVE ITS MISSION.
- ADVOCACY & SOCIAL RESPONSIBILITY: THE MUSEUM WILL BE A VOICE FOR THE PROMOTION OF HUMAN RIGHTS THROUGH ITS INSTITUTIONAL PROGRAMMING AND ITS ENGAGEMENT IN THE COMMUNITY
- ACCOUNTABILITY & TRANSPARENCY: THE MUSEUM WILL ESTABLISH AN EXCEPTIONAL GOVERNANCE, AND CORPORATE AND FINANCIAL MANAGEMENT REGIME IN THE SERVICE OF THE PUBLIC TRUST.
- ENVIRONMENTAL STEWARDSHIP: THE MUSEUM BUILDING WILL BE CONSTRUCTED TO QUALIFY FOR LEED SILVER DESIGNATION AND MUSEUM OPERATIONS WILL REFLECT A COMMITMENT TO SUSTAINABLE ENVIRONMENTAL PRACTICES.

1.5 HISTORY

In April 2007, the Prime Minister announced the Government's intention to establish the new Canadian Museum for Human Rights, a national cultural institution, by amending the *Museums Act*, by contributing to the facility construction project, and by providing operating funds estimated at \$21.7 million annually. With this announcement, the dream of the late Israel Asper to establish in Winnipeg, Manitoba a national museum dedicated to the exploration of human rights came to fruition.

At that time, the Government also signed a Statement of Intentions with the four public and private stakeholders who had agreed to contribute to the \$265 million capital project:

- THE PROVINCE OF MANITOBA AGREED TO PROVIDE \$40 MILLION IN CASH.
- THE CITY OF WINNIPEG ANNOUNCED A CONTRIBUTION OF \$20 MILLION INCLUDING CASH AND CONTRIBUTIONS IN KIND.
- THE FORKS RENEWAL CORPORATION AGREED TO TRANSFER LAND TO THE FEDERAL GOVERNMENT FOR THE MUSEUM AT THE FORKS IN WINNIPEG.
- THE FRIENDS OF THE CANADIAN MUSEUM FOR HUMAN RIGHTS (THE FRIENDS) RE-AFFIRMED THEIR COMMITMENT TO RAISE \$105 MILLION FOR THE PROJECT.
- THE FEDERAL GOVERNMENT REAFFIRMED ITS COMMITMENT TO PROVIDE \$100 MILLION IN CAPITAL FUNDS.

These arrangements were confirmed in a historic *Definitive Agreement*, signed by the Minister of Canadian Heritage on behalf of the Government and by the four stakeholders on February 1, 2008. The Agreement would result in the establishment of Canada's first national museum to be created with funding from a province, a city and significant contributions from private donors.

The *Definitive Agreement* set forth in detail the terms, provisions and conditions for the parties' undertakings, including the transfer of land. It further stipulated that any Board of Trustees created pursuant to the *Museums Act* would be fully accountable for the

Museum, including for all strategic direction related to the construction project and museum content.

In October 2007, the Government of Canada appointed an Advisory Committee for the CMHR, charged with providing advice to the Minister of Canadian Heritage and the first Board of Trustees. To develop its recommendations, the Advisory Committee consulted Canadians widely through focus groups and the internet, hearing the views of over 2500 individuals and groups. In March 2008 the Committee submitted its findings, which included 78 recommendations, in the *Report to the Minister of Canadian Heritage on the Canadian Museum for Human Rights*.

On February 11, 2008, the Government of Canada introduced legislation in Parliament to create the Canadian Museum for Human Rights and the bill was passed by a unanimous decision of the Canadian Parliament. The amendments to the *Museums Act* received Royal Assent in the early spring of 2008 and came into force by Order in Council on August 10, 2008. The Governor-in-Council appointed eight members to the Board of Trustees on August 26, 2008 —from most regions of the country—and the Government launched a search for the Corporation's first CEO.

In the summer of 2008, an archaeological dig was completed in accordance with the requirements of Manitoba's *Heritage Resources Act*. The dig produced hundreds of thousands of artefacts that confirmed the site had been a meeting place for millennia; the Province of Manitoba is to make arrangements for the long-term storage and care of all finds. The construction monitoring by the archaeologists continued in 2009.

On December 19, 2008, following lengthy and extensive deliberation over the course of numerous meetings of the Board of Trustees, and recognizing the need to move quickly in an economy which was then very strong and with prices increasing rapidly, the Board announced that it had approved the Predock design for the building. Board members joined the Prime Minister, the Premier of Manitoba and the Deputy Mayor of Winnipeg at a historic ground-breaking ceremony to launch the construction of the Museum's facility at the Forks in Winnipeg.

Prior to the spring of 2008, cost estimates for the Museum building were based on a very preliminary design. From spring 2008 onwards, engineers and consultants were engaged to advance the Predock design so that more accurate cost estimating could be achieved. The Predock design was chosen because it would make the building an iconic architectural piece – assisting in drawing international attention and visitors to Winnipeg and Canada while still providing the significant space required for programming of a national museum.

An iterative process, advancing the design and refining the specific materials needed is a necessary process in all constructions projects. Moving from initial architectural concepts, through multiple phases of engineering and construction documents to schematic drawings, then construction drawings, is expensive and enormously time consuming. This iterative process was started on authority of the federal government

once it was anticipated that the project would proceed as a national museum. As a result, more accurate estimates of the total costs did not start to become available until fall of 2008 when the costs came in at \$323M for the project as originally scoped.

The Board of Trustees, after much deliberation and with Management's advice, cut \$12.4 million in design proposals – reducing the costs as much as possible while maintaining the integrity of the design – and announced in May 2009 that the total budget for the project would be \$310 million.

The Board of Trustees requested and The Friends agreed to raise the funds required to complete the building project from sources in the public and private sectors. The Friends has raised \$114.5 million in confirmed contributions from the private and public sectors and the Board and The Friends continue to work in close collaboration to achieve the revised fundraising target.

In June 2009, two additional Trustees, including the Vice-Chair, were appointed to the Board bringing the complement to ten individuals from across Canada. In September of the same year, the Government appointed the Museum's first Chief Executive Officer who joined the Executive Team in November.

1.6 GOVERNING LEGISLATION

Under the *Museums Act*, the Canadian Museum for Human Rights is a distinct legal entity, wholly-owned by the Crown, which operates at arm's length from the Government in its day-to-day operations, activities and programming. As a Crown corporation and as a member of the Canadian Heritage Portfolio, the Museum contributes to the achievement of the Federal Government's broad policy objectives.

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

1.7 GOVERNANCE STRUCTURE

Under the *Museums Act*, the Museum's Board of Trustees serves as its governing body and is accountable to Parliament for the stewardship of the Museum, through the Minister of Canadian Heritage and Official Languages. The Minister is also the link between the Museum and the Cabinet. The legislation provides for a Board of up to

eleven members, appointed by the Governor-in-Council on the advice of the Minister of Canadian Heritage and which represents all regions of the country. The ten current members on the Board of Trustees represent the following regions: Atlantic Canada, Québec, Ontario, Manitoba, Alberta and British Columbia. The Board of Trustees is independent from Management and provides strategic direction and oversight to the Corporation.

The roles and responsibilities of the Board of Trustees and its Committees are set out in the Museum's By-Laws and in the Terms of Reference as appropriate. An Executive Committee was established in 2008; however, recognizing that all Trustees are heavily invested in the Museum project, the Executive Committee does not meet separately functioning instead within the Board as a Committee of the Whole.

In 2009, the Board of Trustees established an Audit Committee whose purpose is to assist the Board of Trustees to fulfill its oversight responsibilities to the Crown under the *Financial Administration Act*. The Committee oversees and holds Management accountable for the corporation's standards of integrity and behaviour, its reporting on financial information, its internal control systems and its results.

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

2 STRATEGIC ISSUES – PLANNING PERIOD 2010-2011

The Museum's primary objective is to achieve the mandate established for it by Parliament in the most effective way possible. This section outlines the environment in which the Museum has been operating and the key strategic issues facing the Museum in future. Combined with the assessment of past performance, it forms the basis on which the Museum has defined its key objectives and strategies for the planning period.

2.1 ENVIRONMENTAL SCAN

The environment in which the Museum conducts its business has a direct impact on its success. Both external and internal factors affect the Museum's ability to construct its facility within budget, to attract visitors to the Museum once it has opened its doors, to recruit and retain a skilled and professional workforce and to fund its ongoing operations. While the overall environment is mostly positive, there are also a number of challenges. The Executive Team has developed its strategies and plans in a way that responds to these opportunities and challenges and these are summarized as follows:

STRENGTHS AND OPPORTUNITIES

- Strong government and institutional support at all levels
- Strong public support
- Strong private support and fundraising
- Significant external input from a broad range of stakeholders
- Location
- A well-advanced design process

RISKS AND CHALLENGES

- Economic uncertainty
- Risks related to capital construction and ongoing operations
- Controversial subject matter
- Museum detractors
- High expectations
- Governance and operational challenges

2.2 STRATEGIC PRIORITIES

The Board of Trustees has affirmed the following three priorities as appropriate for the planning period. They form the basis of the Museum's five-year commitments and key goals/activities for the first year of the plan:

- To manage all aspects of the Building Construction Project in a fiscally sound, transparent and accountable manner, employing effective risk-management practices throughout.
- To develop the Museum's content and programming through ongoing consultation and engagement of organizations, individuals and stakeholders across Canada and around the world.
- To adopt sound and efficient governance and stewardship practices that will facilitate the alignment of resources with priorities and full accountability to Canadians for results; to retain the necessary human resources both for the transition and the longer-term.

An urgent priority will be to continue to address the capital funding pressure that resulted largely from an escalation in construction costs after the Statement of Intentions was signed. The Board determined that the only realistic option was to proceed to build the Predock design, as any other option would have carried at least a similar total cost, with significantly reduced programming and architectural impact. This means, however, that the project is underfunded.

The Museum is also committed to undertaking further work over the coming year to enable it to provide more robust and substantive plans and risk mitigation strategies in its next Corporate Plan, specifically in the areas of museum content and programming, the construction project, and plans for its non-construction capital investments. The Corporation will also be developing a performance measurement framework, including targets and indicators to facilitate more comprehensive performance reporting.

3 PROGRAMS AND ACTIVITIES 2010-2011

As a start-up institution and a new federal Crown corporation, the Museum's Program Activity Architecture (PAA) reflects an organization in its early stage of development.

The approved PAA has three Program Activities:

- MUSEUM CONTENT AND PROGRAM
- TEMPORARY ACCOMMODATION AND PERMANENT BUILDING
- STEWARDSHIP AND CORPORATE MANAGEMENT

3.1 MUSEUM CONTENT AND PROGRAM

Description: The CMHR is intended to be an “idea museum,” focussed less on the collection of artefacts and more on the interpretation of ideas around sensitive and complex subjects. In becoming Canada's first such museum—also believed to be the first in the world dedicated to the broad exploration of human rights—the CMHR is breaking new ground. In its early years, the Museum will be spending considerable energy to establish an innovative and unique museum program. The appointment of a Chief Knowledge Officer and the recruitment of two Directors of respectively , Research, Content and Scholarship and Exhibits and Interpretation, have added momentum to the development of the unique programming which constitutes the core of the Museum's *raison d'être*.

Objective:

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

Key Results:

- *The Museum develops accessible, engaging and enriching exhibits that provide a range of perspectives—in both official languages—that promote reflection and dialogue, create an environment for change and motivate visitors to take action to promote human rights;*

- *The Museum develops education, training, learning and community programs that complement and reinforce its exhibits;*
- *The Museum develops a framework for sound research and scholarship;*
- *The Museum develops an approach to global outreach, engagement, accessibility and service.*

3.2 TEMPORARY ACCOMMODATION AND PERMANENT BUILDING

Description: The Museum is being built at the Forks, a breathtaking, national historical site located at the junction of the Red and Assiniboine Rivers in Winnipeg. The facility will be a world-class iconic structure worthy of its content and designed to inspire generations of Canadians and international visitors.

The Museum's Board and the Executive Team are heavily involved in managing all stages of the capital construction project leading to the public opening. The Board is fully accountable for overseeing all aspects of the building project, including establishing the time-frames for construction and managing risks throughout. In the interim, temporary accommodation at the Victory Building is being provided. By the Museum's opening, appropriate mechanisms to provide for effective, efficient operations and maintenance and its ongoing security, accessibility and sustainability will have to be established.

Objective:

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

Key Results:

- *Decisions related to the building's design lead to the construction of an iconic facility that is appropriate to meet the Museum's mandate and objectives and will endure as a treasured landmark for generations;*
- *The building construction project is governed by an effective project management regime including a robust strategy to manage risks related to the project;*
- *The Museum engages the local Aboriginal community at appropriate times throughout the design and construction processes;*
- *Decisions related to the building (both capital and operational) are sound, are based on appropriate analysis and study and stand up to public scrutiny and provide effective, long-term operational sustainability;*

- *Appropriate interim and permanent accommodations are provided.*

3.3 STEWARDSHIP AND CORPORATE MANAGEMENT

Description: The Museum is committed to establishing a governance and management regime that embodies the highest standards of efficiency, effectiveness, accountability and transparency in the service of the public trust. The Museum is adopting best practices in corporate governance and administration to provide for the sound and rigorous stewardship of its resources. Recruitment of the necessary talent to permit the Museum to attain its goals and to function in both official languages remains a priority. Appropriate structures, processes, policies, practices and tools—particularly in the areas of financial, human and information management have been established and continue to be refined.

The Government expects that its national museums will build the capacity to raise private sector funds and generate revenues, and these objectives will be pursued with vigour by the Museum. The Friends continue to play an important role in raising funds to meet the capital shortfall and Management is moving forward on a plan to establish an on-going mechanism for fundraising for the Museum. The Museum is also committed to optimizing its revenue-generation capacity once it is open to the public.

Objective:

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

Key Results:

- *The Corporation meets or exceeds Financial Administration Act and Treasury Board standards for Corporate Governance. Financial resources are allocated in a manner designed to achieve the priorities of the Corporation.*
- *The Corporation has strong working relationships with all levels of government and other stakeholders to build support in the community for its mission.*
- *The Corporation has the policies, procedures and systems that are conducive to sound management and accountability.*
- *The Corporation attracts and recruits the talent necessary for both the transition and the longer-term.*
- *The Corporation has a workplace that is fair, enabling, healthy and safe and a workforce that is productive, principled, sustainable, adaptive and representative of both official languages and the diversity inherent in Canadian society.*
- *The Corporation establishes the capacity to generate on-going private sector contributed funds. Upon its opening, the Museum will be in a position to generate earned revenues.*

- *The Museum garners a high level of awareness and public support through strong, effective marketing and communications strategies and positive visitor experience.*

4 ASSETS

4.1 REAL PROPERTY

The Museum is being built on two parcels of land in Winnipeg, transferred from the City of Winnipeg and the Forks Renewal Corporation. The Museum is currently occupying office space in the Federal Government's Victory Building at 269 Main Street in Winnipeg to house Museum staff during the construction.

4.2 FINANCIAL RESOURCES

CAPITAL FUNDS

The *Definitive Agreement* signed by the Federal Government and the contributing parties on February 1, 2008, established contributions of \$265 million for capital construction and fit-up of the Museum - \$100 million from the Government of Canada, \$40 million from the Province of Manitoba, \$20 million from the City of Winnipeg and \$105 million from the Friends.

The Federal Government initially disbursed \$30 million - \$3 million was provided to The Friends for project planning and \$27 million was provided through Western Economic Diversification (WED) and has been utilized to fund the capital costs incurred to date. In June, 2009 the Museum developed a detailed project proposal including a risk management strategy and received approval to include the remaining \$70 million of federal funding in the capital reference levels over 3 years - \$20 million in 2009-10, \$40 million in 2010-11 and \$10 million in \$2011-12. The \$20 million in 2009-10 has been received.

The cash contributions from the Province of Manitoba and the City of Winnipeg and the first instalment from The Friends in the amount of \$20.48 million were held in an escrow account until the two conditions of the release of funds had been met – that the Museum be established as a National Museum and that it sign a construction contract before April 1, 2011. The two conditions were met by March 31, 2009 therefore the escrow funds have been released to the Museum. The Friends paid the second cash instalment of \$24.55 million on April 1, 2009. There are 2 remaining instalments due from The Friends - \$24.43 million on April 1, 2010 and \$20.06 million on April 1, 2011.

The initial contributions were based on the \$265 million total project budget contained in the Statement of Intentions (April, 2007), which included a base building budget of \$165 million that was based on the early drawings of the Antoine Predock building

design, prior to the completion of the Schematic Design phase (initially completed in May, 2007 and updated in October of that year).

In the period following the Government's decision to make the CMHR a National Museum, the cost to build the Predock design – with no additions to the original design, other than those required to qualify the building for a LEED silver designation and to reduce long- term operating costs – rose to approximately \$323 million.

Prior to spring of 2008, cost estimates for the Museum building were based on a very preliminary design. From spring 2008 onwards, engineers and consultants were engaged to advance the Predock design so that more accurate cost estimating could be achieved. The Predock design was chosen because it would make the building an iconic architectural piece – assisting in drawing international attention and visitors to Winnipeg and Canada while still providing the significant space required for programming of a national museum.

An iterative process, advancing the design and refining the specific materials needed is a necessary process in all constructions projects. Moving from initial architectural concepts, through multiple phases of engineering and construction documents to schematic drawings then construction drawings is expensive and enormously time consuming. This iterative process was started on authority of the federal government once it was anticipated that the project would proceed as a national museum. As a result, more accurate estimates of the total costs did not start to become available until fall of 2008 and when the costs came in at \$323M for the project as originally scoped.

The Board of Trustees, after much deliberation and with Management's advice, cut \$12.4 million in design proposals – reducing the costs as much as possible while maintaining the integrity of the design – and announced in May 2009 that the total budget for the project would be \$310 million.

The Board of Trustees requested and The Friends agreed to raise the funds required to complete the building project from sources in the public and private sectors. Friends has raised \$114.5 million in confirmed contributions from the private and public sectors and the Board and The Friends continue to work in close collaboration to achieve the revised fundraising target.

OPERATING FUNDS

In establishing the Museum as a national cultural institution, the Federal Government agreed to provide operating funds, initially estimated by The Friends at \$21.7 million.

As the work continues on developing this new Crown Corporation, the Museum is able to bring greater precision to the estimates. The projected expenses of \$15.85 million for 2010-2011 and \$21.7 million for 2011-2012 represent the growth the Museum expects in the years prior to opening the museum to enable the performance of the key activities required as outlined in the Corporate Plan. Construction management, research, story gathering, content development, exhibit development, program

planning and IT development have all begun in 2009-2010 and will continue to ramp up in order to have the museum building complete with 47,000 square feet of interactive, engaging, informative, accessible and state of the art exhibitions and programs, as well as a robust web presence that provides access to the Museum globally.

Once the Museum opens, there are two issues that cannot be managed within The Friend's original operating budget of \$21.7 million and will need to be addressed when the Museum proposes its longer-term operating requirements. First, the operating budget estimated by The Friends did not take into account the requirement of national museums to make Payments-in-lieu-of-Taxes (PILT) as private museums generally do not pay property taxes; however national museums, under the *Payments in Lieu of Taxes Act*, are required to pay to municipalities an amount equivalent to municipal and school taxes. The Museum will be seeking the Government's approval to augment the operating funds already committed by an amount sufficient to cover the obligations placed on it by the Federal *Payments In Lieu of Taxes Act*, when it returns in 2011-2012 to seek approval of ongoing operating funding.

Second, the original estimate did not address inflation in operating and maintenance costs which will, as in any building operation, increase over time. The Museum will be working with the Department of Canadian Heritage to address future funding pressures related to inflation in operating costs.

The Museum expects to be in a position to offset some of its operating costs through fundraising and revenue-generation and is mindful that the Government expects the national museums to do so. One of the goals in 2010-2011, is to put in place a fundraising and development program to generate contributed revenue to assist in the future with operating costs.

The future operating budgets the Museum presents to the Government will reflect the further analysis that is required to project the scope for contributed and earned revenue generation.

5 PERFORMANCE AGAINST 2009-2010 OBJECTIVES

The Museum's 2009-2010 to 2013-2014 Corporate Plan established objectives and key results for each Program Activity and committed the Museum to numerous key activities to be completed before April 1, 2010. The Museum largely achieved its plan. The following highlights the Museum's performance against objectives:

5.1 MUSEUM CONTENT AND PROGRAM

KEY ACCOMPLISHMENTS

All the goals set for 2009-2010 were achieved by the end of the fiscal year with the exception of establishing a Youth Advisory Board and hiring a Director of Learning and Programming both of which will be a priority for 2010-2011. Between April 1, 2009 and March 31, 2010, the Museum's leadership:

- Hired a Chief Knowledge Officer, a Director of Research, Content and Scholarship and a Director of Exhibits and Interpretation.
- Signed a contract with Ralph Appelbaum Associates and continued to develop the Museum's content design.
- Established the first Content Advisory Committee to provide expert advice and participate in public engagement/national outreach initiatives.
- Signed a contract with LORD Cultural Resources to assist in the consultations and to collect and document the stories to be reflected in the Museum's programming.
- Implemented a first phase of the Public Engagement Strategy by holding sessions in 12 communities across Canada.
- Concluded the initial phase of the Public Engagement exercise.
- Began the implementation of a second phase of the Public Engagement exercise through stakeholder discussions on the Holocaust, Aboriginal experiences, Lesbian Gay Bisexual and Transgendered (LGBT) experiences and others.
- Completed Exhibit Design Development Phase 1.
- Hired a Manager, Design and New Media to begin developing the platforms for interactive exhibits and a web presence.
- Created and launched a transitional web site which has continued to grow and serve the museum and its audience.
- Implemented a content management system to allow easy web updating thereby creating more efficient business practices.
- Added E-commerce, careers and corporate report sections to the web site facilitating business practices and proactive disclosure.
- Redeveloped the virtual exhibit on the UDHR and John Peters Humphrey to meet universal accessibility guidelines.
- Developed CMHR's web presence. Domain names and social media sites have been transferred from The Friends to the Museum and the initial project stage (business analysis and planning) for the Museum's full and authoritative web presence is planned for next fiscal.
- Continued the development of the Museum's exhibition design development.
- Continued to build online presence and develop guidelines on the use of social media.
- Developed a framework for sound research and scholarship and hired a core research team.

- Began development of an international network of human rights organizations, including NGOs, universities and non-profit agencies.
- Began the extensive research required to provide the context for the physical and online exhibitions.

5.2 TEMPORARY ACCOMMODATION AND PERMANENT BUILDING

KEY ACCOMPLISHMENTS

Most of the goals identified for 2009-2010 were achieved by March 31, 2010. The concrete structure will be completed in 2010-2011. Developing a strategy to mitigate the risk of Payment in Lieu of Taxes, commissioning documentation to prepare for LEED certification and developing best practices for Facilities Management are carried forward and will be a focus in 2010-2011.

- Began construction of the building in April 2009.
- Continued to provide, through the Board of Trustees and the Audit Committee, rigorous oversight to the construction project in order to ensure due diligence and risk mitigation.
- Continued to work with The Friends to secure the remaining funds required to complete the building.
- Continued with the design assist process on the electrical and mechanical systems with a particular focus on maximizing efficiency and cost.
- Developed a Price and Quality Assurance Control system and a detailed Risk Management Matrix to guide decisions and manage the budget within the available contingency.
- Hired a Construction Consultant on contract to work with the construction design team and provide expert advice.
- Continued to engage the local Aboriginal community as the construction of the Museum progresses.
- Made commitments to environmental sustainability, for example by including the cost related to obtaining LEED Silver Certification in the construction budget.
- Leased and set up larger temporary office space to accommodate growing staff complements.
- Continued the construction drawings phase using 3D modeling software.
- Completed the caissons for the foundations.
- Submitted the final mill order for the structural steel.
- Completed the design assist process for the mechanical contract.
- Finalized the supply and install contracts for the ramp cladding.
- Issued the tender packages for masonry, roofing and miscellaneous curtainwall.

5.3 STEWARDSHIP AND CORPORATE MANAGEMENT

KEY ACCOMPLISHMENTS

The Museum achieved the majority of the goals identified under this Program Activity. Corporate policies related to Communications, Records and Information Management, Facilities Planning and Integrated Risk Management are carried forward and will be a focus for completion in 2010-2011, as will the development of a Board Self-Assessment mechanism.

- Prepared and obtained the Government's approval of the Museum's second Corporate Plan and Operating and Capital Budgets for 2009-2010.
- Prepared and obtained the Government's approval of the Museum's first Annual Report.
- Continued to build the foundation for an effective corporate governance regime:
 - Adopted a Code of Conduct for the Board of Trustees.
 - Appointed three Trustees to the Audit Committee and held the first two meetings.
 - Appointed a Chief Executive Officer.
 - Named a permanent Corporate Secretary.
 - Developed Vision and Value statements for the Museum.
 - Amended the Delegation of Financial Authorities to incorporate new Corporate Officers.
- Continued to build the foundation for effective financial management and control including:
 - Developed the budget process, including departmental operating plans, to align resources with overall priorities and objectives.
 - Continued to establish financial and accounting systems, procedures and structures that reflect best practices.
 - Facilitated the successful year-end financial audit for the first fiscal year by the Office of the Auditor General which was considered to be a model for a start up operation.
- Continued to monitor the developments related to International Financial Reporting System (IFRS) and the implications on the Museum's accounting and reporting systems.
- Continued to refine the organizational structure taking into account transitional and longer-term requirements:
 - Filled all Executive Team and Director Level positions with the exception of the Director of Learning and Programming.
 - Adopted an organizational structure and developed a Human Resources Management Framework.

- Developed a comprehensive Compensation Framework for the Corporation, established a classification and pay structure, and created policies around hours of work, leave and training and professional development.
 - Implemented an online system for recruitment.
 - Finalized arrangements to participate in the federal government pension and benefits plans.
- Continued working with The Friends to put in place a long-term strategy for generating contributed revenue for the Museum.
 - Signed a contract with Sid Lee Inc of Montreal to develop a comprehensive Brand Strategy for the Museum.
 - Adopted a Naming Rights Policy for donations in excess of \$1 million.
 - Submitted the Corporate Plan and Operating and Capital Plans for 2010-2011 to 2014-2015.
 - Issued a Request for Proposal and selected firms for investment management and custody of the investment funds.
 - Began the work to develop the budgets for the years immediately after the opening of the museum, including the long-term operating funding levels.
 - Further documented policies and procedures related to financial management
 - Supported the Office of the Auditor General on the 2009-2010 year-end audit.
 - Tendered and selected a fully integrated payroll and human resources management system.
 - Completed the first phase of the Corporate Brand exercise.

6 OBJECTIVES, STRATEGIES AND PERFORMANCE MEASURES

The following tables describe the Museum's commitments for the five-year planning period and objectives, strategies and performance measures for the 2010-2011 fiscal year.

6.1 MUSEUM CONTENT AND PROGRAM

Objective: That the Museum’s content and programming affects the way people think and behave towards the rights of others, and that it is developed through ongoing consultation and engagement of Canadians. Sub Program Activities: Exhibitions and New Media, Learning, Research& Scholarship		
Key Results	Key Activities for 2010-2011 (Year One)	Key Five-Year Commitments (By Year-End 2015)
<p>The Museum develops accessible, engaging and enriching exhibits that provide a range of perspectives—in both official languages—that promote reflection and dialogue, create an environment for change and motivate visitors to take action to promote human rights.</p>	<ul style="list-style-type: none"> • Complete the Design Development of the Exhibition Plan: working with the Exhibition Content Designer, the Museum will continue to develop the draft Exhibition Plan developed by The Friends and, taking into consideration the recommendations of the Minister’s Advisory Committee, will establish the structure of the Exhibition Plan/Gallery Space. • Develop a strategy that sets the tone and voice for the Museum’s content and programming, aligning with the Vision and Values set by the Board of Trustees. • Establish a data network including access to databases and distributed network from exhibits, kiosks, web site, 3rd party web platforms through multiple devices. 	<ul style="list-style-type: none"> • The base Exhibition Plan will be completed for the opening of the Museum and a learning and educational program developed and implemented. • The Museum will be recognized as a world-class venue for the exploration and discussion of issues within its mandate, in collaboration with diverse groups of Canadians. • The Museum’s exhibitions will be at the forefront of new media applications. • The Museum will have developed metrics to assess the impact of its programming on visitors.

MUSEUM CONTENT AND PROGRAM (CONTINUED)

	Key Activities for 2010-2011 (Year One)	Key Five-Year Commitments (By Year-End, 2015)
The Museum develops education, training, learning and community programs that complement and reinforce its exhibits.	<ul style="list-style-type: none"> • Hire staff. • Complete outlines and define detailed programs with respect to the programming framework for education training and learning. • Develop and approve policy and framework for community programs. 	<ul style="list-style-type: none"> • The Museum will be recognized for the innovation, quality and scope of its education, training, learning and community programming.
The Museum develops a framework for sound research and scholarship.	<ul style="list-style-type: none"> • Complete the research and approve the final text for the Permanent Exhibition. • Develop medium-term research plan and values and principles for the Museum's research function. • Establish a reference centre and develop values, principles and policies for the reference function including a Collections Policy. • Develop an Applied Scholarship Program and its associated values and principles. 	<ul style="list-style-type: none"> • The Museum will be recognized for the quality, integrity, balance and impact of its research and scholarship, based on a strategy for ongoing research.

<p>The Museum develops an approach to global outreach, engagement, accessibility and service.</p>	<ul style="list-style-type: none"> • Complete the initial Public Engagement process and incorporate the report of the Content Advisory Committee into the content plan. • Continue online story gathering on the web. • Continue targeted engagement through stakeholder discussions to further the research and gather stories related to the threads/themes. • Implement an ongoing strategy to consult with stakeholders for the development of the opening Exhibition Plan and beyond. • Establish a Youth Advisory Board to provide advice and feedback on exhibits and programs. 	<ul style="list-style-type: none"> • The Museum will be seen as a Canadian institution that reaches all citizens across the country and international audiences through its programming and services. • A strategy will be in place for ongoing global outreach, engagement, accessibility and service following the opening of the Museum.
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6.2 TEMPORARY ACCOMMODATION AND PERMANENT BUILDING

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

Sub Program Activities: Capital Construction and Building Operations.

Key Results	Key Activities for 2010-2011 (Year One)	Key Five-Year Commitments (By Year-End, 2015)
<p>Decisions related to the building's design lead to the construction of an iconic facility that is appropriate to meet the Museum's mandate and objectives and will endure as a treasured landmark for generations.</p>	<ul style="list-style-type: none"> • Tender and award 100% of contract budget for building construction. • Complete the concrete structure. • Complete 90% of the structural steel. • Commence the exterior curtainwall installation. 	<ul style="list-style-type: none"> • The building will be completed in 2012 within a total project budget of \$310 million; • The completed building will be widely recognized in the media and by visitors as a national treasure, whose design is an integral part of the transformative impact of the Museum visit.
<p>The building construction project is governed by an effective project management regime including a robust strategy to manage risks related to the project.</p>	<ul style="list-style-type: none"> • Lock in 100% of the costs and determine whether to establish a Guaranteed Maximum Price Contract. • Report regularly to the Board on the building construction progress and the management of risks. 	<ul style="list-style-type: none"> • The Auditor General's Annual Audits will acknowledge the sound governance, project management and risk management practices around the construction project.

TEMPORARY ACCOMMODATION AND PERMANENT BUILDING (CONTINUED)

Key Results	Key Activities for 2010-2011 (Year One)	Key Five-Year Commitments (By Year-End 2015)
The Museum engages the local Aboriginal community at appropriate times throughout the design and construction processes.	<ul style="list-style-type: none"> • Develop and implement plan for ongoing engagement of Aboriginal community. • Continue to engage the Aboriginal community at key stages. 	<ul style="list-style-type: none"> • Strong partnerships will be in place with the local Aboriginal community for ongoing dialogue and input into exhibits, programs and services.
Decisions related to the building (both capital and operational) are sound, are based on appropriate analysis and study and stand up to public scrutiny and provide for effective, long-term operational sustainability.	<ul style="list-style-type: none"> • Develop a strategy to mitigate the risk of the Payments-in-Lieu of Taxes issue. • Begin commissioning documentation to prepare for LEED certification. • Begin developing best practice policies and procedures for Facilities Management. 	<ul style="list-style-type: none"> • The building commissioning process will have ensured that the building is fully operational, with optimized systems on day one. • Appropriate maintenance and security of the Museum's capital assets will be performed efficiently, meeting or exceeding recognized standards.
Appropriate interim and permanent accommodations are provided.	<ul style="list-style-type: none"> • Complete facilities plan for both the temporary space and permanent structure. 	<ul style="list-style-type: none"> • The completed building will operate under best practices and policies and offer a high quality working environment for its employees.

6.3 STEWARDSHIP AND CORPORATE MANAGEMENT

<p>Objectives: That the Museum adopts sound and efficient governance and stewardship practices that facilitate the alignment of resources with priorities and full accountability to Canadians for results; and that the Museum recruits and retains the necessary human resources both for the start-up and the longer-term. Sub Program Activities: Corporate Governance, Administration and Private Sector Fundraising and Other Revenue Generation.</p>		
Key Results	Key Activities for 2010-2011 (Year One)	Key Five-Year Commitments (By Year-End 2015)
<p>The Corporation meets or exceeds FAA and Treasury Board standards for Corporate Governance. Financial Resources are allocated in a manner designed to achieve the priorities of the Corporation. The Corporation has in place the policies, procedures and systems that are conducive to sound management and accountability including:</p> <ul style="list-style-type: none"> • Clarity of objectives and expectations. • Clear lines of accountability. • Transparency in the application of and compliance with rules. • A culture based on a solid ethical foundation. 	<ul style="list-style-type: none"> • Refine Mission, Vision and Values Statements and develop mechanisms to ensure values are reflected in day-to-day decision-making. • Update and maintain an Operational Plan to implement the Corporate Plan. • Develop and implement a program to manage the Corporation's obligations under the <i>Access to Information Act</i>. • Establish Corporate Performance Management Regime that allows for on-going course correction, risk management and transparent reporting. • Develop and implement a Performance Management regime for employees that 'cascades' from the Corporate Plan. • Develop Board self-assessment mechanism and initiate succession planning. 	<ul style="list-style-type: none"> • The Museum will meet or exceed recognized FAA and Treasury Board standards for Corporate Governance, including a robust performance management regime and integrated risk management. • The Museum will fully exercise its responsibilities under federal legislation and in accordance with best governance practices. • Human, material and financial resources will be aligned with Museum priorities.

STEWARDSHIP AND CORPORATE MANAGEMENT (CONTINUED)

Key Results	Key Activities for 2010-2011 (Year One)	Key Five-Year Commitments (By Year-End 2015)
The Corporation has strong working relationships with all levels of government and other stakeholders to build support in the community for its mission.	<ul style="list-style-type: none"> • Develop, manage and maintain effective relationships with government and other stakeholders and establish partnerships with federal Crown corporations and agencies. • Develop and implement an issues management process. 	<ul style="list-style-type: none"> • The Corporation is a recognized leader in the federal Crown corporation network and has influence on and input into government policies at all levels that may impact on the Museum's effective delivery on its mandate.
The Corporation has the policies, procedures and systems that are conducive to sound management and accountability.	<ul style="list-style-type: none"> • Further the development of corporate and operational policies and procedures with a focus on the following priorities: <ul style="list-style-type: none"> ○ Communications ○ Records and Information Management ○ Facilities Planning and Management. ○ Integrated Risk Management. 	<ul style="list-style-type: none"> • The Museum will have appropriate policies and financial controls in place to provide for sound management of its human, financial, information and IT resources. • The Office of the Auditor General will have given an unqualified opinion on the Museum's annual financial statements and its Special Examination will recognize the soundness of the Museum's management system.
<p>The Corporation attracts and recruits the talent and expertise necessary for both the transition and the longer-term.</p> <p>The Corporation has a workplace that is fair, enabling, healthy and safe</p>	<ul style="list-style-type: none"> • Establish the CEO's objectives and performance measures. • Finalize the organizational structure and recruit staff as required and appropriate. The Museum expects to hire up to 40 FTEs through a combination of means including permanent staffing and contracts. • Implement the Strategic Framework for Human Resources management. • Implement and formalize a full suite of policies and procedures that are designed to support the objectives 	<ul style="list-style-type: none"> • All positions will have been staffed. • Succession Plans will be in place for key positions. • The Museum's workforce reflects the diversity of Canadian society and is representative of both official languages. • Regular employee satisfaction surveys confirm that employees: <ul style="list-style-type: none"> ○ Understand the Museum's mission and

<p>and a workforce that is productive, principled, sustainable, adaptive and representative of both official languages and the diversity inherent in Canadian society.</p>	<p>established in the Framework.</p> <ul style="list-style-type: none"> • Develop and implement a Performance Management Program and review process. • Develop mechanisms to promote effective internal communications. • Implement an employee engagement survey. 	<p>how their work contributes.</p> <ul style="list-style-type: none"> ○ Have the skills and competencies required to do what is expected. ○ Have the tools and working environment required to perform effectively. ○ Are rewarded for their contributions.
<p>The Corporation establishes the capacity to generate ongoing private-sector contributed funds. Upon its opening, the Museum will be in a position to generate earned revenues.</p>	<ul style="list-style-type: none"> • Finalize a framework to establish an ongoing fundraising function for the Museum. • Develop a plan for generating earned revenue including: <ul style="list-style-type: none"> ○ Develop a retail operations strategy. ○ Select a restaurant and food services operations firm. 	<ul style="list-style-type: none"> • The Museum will be attracting contributed private sector income to support ongoing programming and activities, through a strong and effective foundation. • The Museum will have established the necessary plans and infrastructure to generate earned revenues through a range of sources, including special events and on-site sales.
<p>The Museum garners a high level of awareness and public support through strong, effective marketing and communications strategies and positive visitor experiences.</p>	<ul style="list-style-type: none"> • Expand the Museum's online presence, building a reputation of being a reliable, authoritative source of information and learning. • Develop and deliver a marketing plan. • Develop guidelines on the use of social media. • Develop and implement a Museum brand and identity strategy. • Begin to develop a plan for the Museum's opening. 	<ul style="list-style-type: none"> • The Museum will be positioned as the premier global human rights destination and an internationally recognized centre for learning and dialogue. • Visitors to the Museum will have an experience that exceeds expectations and generates return visits.

7 OPERATING AND CAPITAL BUDGETS

7.1 CAPITAL BUDGET

The capital budget reflects the total project budget of \$310 million, which includes the increased cost of building the Predock design discussed earlier. The funding is required over the period of construction and fit out of the exhibition spaces. The projected capital expenditures will peak in 2010-2011 when the concrete structure will be completed, the majority of the steel structure will be erected and the glass curtainwall will commence.

In 2008-2009, the Western Economic Diversification funds for capital were transferred to the Museum. The remaining funding from the Government of Canada has been approved for inclusion in the reference levels - \$20 million in 2009-2010, \$40 million in 2010-2011 and \$10 million in 2011-2012. The \$20 million in 2009-2010 was received.

The cash contributions from the Province of Manitoba and the City of Winnipeg and the initial contribution of \$20.48 million from The Friends were initially held in escrow and released to the Museum in 2008-2009 when the conditions for release were met. The second cash contribution from The Friends was received early in 2009-2010 and the two remaining cash contributions are due early in 2010-2011 and 2011-2012.

Due to the increase in the construction costs and despite significant cost-savings achieved, an additional \$45 million in funding is required. The Board has requested that The Friends of CMHR continue their fundraising efforts until the difference between the original and the final total project budget has been raised.

7.2 OPERATING BUDGET

In 2008-2009 the Museum received parliamentary appropriations of \$3.1 million to cover the expenses for the first seven months of operations after the creation of the Museum in August, 2008.

Appropriations of \$8.6 million have been made available for 2009-2010 through the initial main estimates of \$1.5 million plus an approved re-profiling of \$5.2 million from 2010-2011 and a carry-forward from 2008-2009 of \$1.9 million.

The reference levels for the appropriations in 2010-2011 are \$15.85 million (after the re-profiling of \$5.2 million to 2009-2010) and in 2011-2012 are \$21.7 million.

The projected expenses for 2010-2011 and 2011-2012 reflect the growth the Museum expects in the years prior to opening and that will enable it to deliver on the key activities outlined in the Corporate Plan. The 2010-2011 Budget includes appropriations of \$15.85 million which will be used to fund staffing, professional services and exhibit development costs required to develop this new national museum from the ground up.

The budget also allows for marketing costs to begin promoting the Museum across Canada and around the world. Conference and tour operators plan at least 2 years in advance therefore marketing of the Museum in 2010-2011 is tantamount in order to attract these events and visitors to the Museum in its opening year.

The Museum will establish a framework for the on-going fundraising function of the Museum and the associated costs in 2010-2011, to come into effect on April 1, 2011.

The Operating budgets increase significantly year over year as the operations of the Museum ramp up. Staffing levels increase from an initial staff of 2 in September 2008 to an estimated 150 FTE's upon the Museum's opening. Research, content acquisition and exhibit development, and marketing will also accelerate resulting in increased expenditures each year. Temporary office facilities are being leased while the Museum is under construction and additional space for training purposes is anticipated to be required in 2011-2012.

The Museum will be seeking the Government's approval to augment the operating funds already committed by an amount sufficient to cover the obligations placed on it by the *Federal Payments In Lieu of Taxes Act*.

Construction management, research, story gathering, content development, exhibit development, program planning and IT development have all begun in 2009-2010 and will continue to ramp up to have the museum building complete with 47,000 square feet of interactive, engaging, informative, accessible and state of the art exhibitions and programs ready for opening, as well as a robust web presence that provides access to the Museum globally.

8. FINANCIAL STATEMENTS

8.1 BALANCE SHEET, MARCH 31, 2009 TO 2015 (IN THOUSANDS OF DOLLARS)

	FY 2008-2009	FY 2009-2010	FY 2010-2011	FY 2011-2012	FY 2012-2013	FY 2013-2014	FY 2014-2015
Assets							
Cash & cash equivalents	819	172	172	172	172	172	172
Accounts Receivable and other current assets	77,673	830	830	830	830	830	830
Restricted cash & investments	17,718	79,223	25,735	14,997	-	-	-
Building Project in Progress	16,488	84,524	201,774	289,110	-	-	-
Capital Assets							
Land	-	2,549	2,549	2,549	2,549	2,549	2,549
Building	-	-	-	-	252,107	252,107	252,107
Furniture & Fixtures	201	347	817	487	6,686	6,523	6,443
Exhibits	-	-	-	-	37,747	37,747	37,747
Total Assets	112,899	167,645	231,877	308,145	300,091	299,928	299,848
Liabilities & Equity of Canada							
Accounts Payable and other current liabilities	2,912	10,811	10,811	10,811	920	920	920
Deferred funding related to property & equipment							
Deferred capital contributions (Note 2)	1,172	35,792	113,042	190,378	197,484	197,484	197,484
Deferred capital funding (Note 1)	27,000	47,000	87,000	97,000	97,000	97,000	97,000
Interest earned	4,171	4,232	4,232	4,232	4,232	4,232	4,232
Deferred Parliamentary Appropriations	241	396	866	536	373	210	130
Equity of Canada							
Other Comprehensive Income (Note 2)							
Province	40,001	40,001	40,001	40,001	40,001	40,001	40,001
City	16,000	18,868	19,500	19,800	19,800	19,800	19,800
Friends	20,492	45,042	67,672	90,782	90,782	90,782	90,782
Other Assistance	0	0	0	43,000	45,000	45,000	45,000
Interest earned	76,493	103,911	127,173	193,583	195,583	195,583	195,583
Less: deferred / recognized	-1,213	-37,259	-114,509	-191,845	-198,951	-198,951	-198,951
Retained earnings	77,321	69,332	15,844	5,106	0	0	0
	82	82	82	82	82	82	82
Total Liabilities & Equity of Canada	112,899	167,645	231,877	308,145	300,091	299,928	299,848

Note 1:

Deferred capital funding includes the WED funds of \$27 million and federal capital funding of \$70 million. The deferred funding is amortized over the same period as the asset purchased.

Note 2:

Other Comprehensive Income represents the contributions in cash and in kind by the other parties to the Definitive Agreement. The Contributions are transferred to the deferred capital contributions as they are used to fund the Building Project in Process. The deferred Contributions are amortized over the same period as the asset purchased.

8.2 STATEMENT OF INCOME AND RETAINED EARNINGS, YEAR-ENDED MARCH 31, 2009-2015

(In thousands of dollars)

	Actual FY 2008-2009	Projected Results FY 2009-2010 (Note 1)	Budget FY 2010-2011 (Note 1)	Budget FY 2011-2012 (Note 1)	Budget FY 2012-2013 (Note 2)	Budget FY 2013-2014 (Note 2)	Budget FY 2014-2015 (Note 2)
Government Funding							
Parliamentary Appropriations							
Main Estimates	5,000	1,500	21,050	21,700			
Supplementary Estimates B	0	5,200	-5,200				
Carry-forward to 2009/2010	-1,900	1,900	0				
Subtotal	3,100	8,600	15,850	21,700	0	0	0
Amounts used to Purchase Depreciable Assets	-400	-517	-650				
Amortization of Deferred Capital Funding	159	363	180	330			
Total Parliamentary Appropriation	2,859	8,446	15,380	22,030	0	0	0
Revenue of the Corporation							
General Admissions & Programs	0	0	0	0			
Facility Rentals & Food Services	0	0	0	0			
Boutique Sales & Other	0	48	25	150			
Other government assistance	41	0	0	0			
	41	48	25	150	0	0	0
Expenses							
Museum Content and Program	584	3,367	7,855	10,980			
Accommodation	506	1,145	1,710	3,284			
Stewardship & Corporate Management	1,728	3,982	5,840	7,916			
	2,818	8,494	15,405	22,180	0	0	0
Variance	82	0	0	0	0	0	0

Note 1:

In 2009 the corporation requested and received approval for the operating funding reference levels for 2009-2010 to be increased by \$5.2 million (providing a total of \$8.6 million for 2009-2010) and for the reference levels for 2010-2011 to be \$15.85 million (\$21,050 million net of the reprofiled amount of \$5.2 million) and 2011-2012 to be \$21.7 million. Supplementary Estimates B have been submitted in order to receive the reprofiled amount of \$5.2 million in 2009-2010, commencing in December, 2009.

Note 2:

In 2011-2012, the last full year before the projected opening date of the museum, the corporation will present the Government with detailed operating budgets to seek approval for an appropriate level of ongoing operational funding for the corporation. Once it is fully operational, the museum will seek funding to address Payments in Lieu of Taxes (PILT). Based on estimates provided by Manitoba, PILT for the proposed building is estimated to be between \$5 million and \$9 million annually. PILT has not been included in the operating budget at this time.

8.3 STATEMENT OF CASH FLOWS, YEAR-ENDED MARCH 31, 2009-2015 (In thousands of dollars)

						FY												
						2008-2009		2009-2010		2010-2011		2011-2012		2012-2013		2013-2014		2014-2015
								(Note 1)										
Operating activities:																		
	Cash receipts (parliamentary appropriation)		(Note 1)			3,100		8,600		15,850		21,700		0		0		0
	Cash paid (employees and suppliers)					-2,618		-8,083		-15,200		-21,700		0		0		0
	Net change in accounts payable/accounts receivable					737		317		0		-19		-946				
						1,219		834		650		-19		-946		0		0
Investing activities:																		
	Investment in building project					-6,349		-62,030		-116,118		-86,286		-16,063		0		0
	Interest received on restricted cash					4,140		2,741		500		219		0		0		0
	Acquisition of property and equipment					-400		-517		-650		0		0		0		0
	Investments - (Increase)/decrease in restricted cash					-17,718		-61,505		53,488		10,726		15,009		-		-
						-20,327		-121,311		-62,780		-75,341		-1,054		0		0
Financing activities:																		
	Other Government of Canada funding (WED funds)					19,927		0		0		0		-		-		-
	Parliamentary appropriation for the																	
	investment in building project		(Note 2)			0		20,000		40,000		10,000		0		0		0
	Restricted contributions from non-owners					0		99,830		22,130		65,360		2,000		0		0
						19,927		119,830		62,130		75,360		2,000		0		0
Increase in cash and cash equivalents						819		-647		0		0		0		0		0
Cash and cash equivalents, beginning of year						0		819		172		172		172		172		172
Cash and cash equivalents, end of year						819		172		172		172		172		172		172

Note 1:

In 2009 the corporation requested and received approval for reference levels to be increased by \$5.2 million for 2009-2010 (the reprofiled amount), \$15.85 million for 2010-2011 (net of reprofiled amount) and \$21.7 million for 2011-2012. Supplementary Estimates B have been submitted to receive the funding of the reprofiled amount of \$5.2 million. In 2011-2012, the last full year before the projected opening date of the Museum, the Museum will again seek the Government's approval for an appropriate level of ongoing operating funding for the corporation.

Note 2:

In June, 2009, Treasury Board approved \$70 million of capital funding to be included in the reference levels over three years; \$20 million in 2009-2010,

8.4 CAPITAL BUDGET, YEAR-ENDED MARCH 31, 2009-2015 (In thousands of dollars)

	FY 2008/09 (Note 2)	FY 2009/10	FY 2010/11	FY 2011/12	FY 2012/13	FY 2013/14	FY 2014/15	Total
Projected Capital Expenditures: (Note 1)								
Base Building Construction	1,356	49,976	95,900	56,400	1,200			204,832
Architects, Engineers & other consultants	12,977	7,800	3,700	1,498	-			25,975
Permits and Fees	-	400	150	-	-			550
Contingency	-	8,000	4,000	4,900	-			16,900
Schedule Recovery Plan and Other Contingency	-	-	1,500	1,087	1,263			3,850
Communication, Data Cabling, Interior F&F, Signage	-	-	2,000	3,719	643			6,362
Exhibit Space Fit Out	-	-	-	5,247	-			5,247
Exhibit Design & Construction	2,115	1,900	10,000	14,485	4,000			32,500
Total Building in Progress	16,448	68,076	117,250	87,336	7,106	-	-	296,216
Funded by: (Note 1)								
Government of Canada - appropriations	-	20,000	40,000	10,000	-			70,000
Government of Canada - WED funds	27,000	-	-	-	-			27,000
Province of Manitoba	40,000	-	-	-	-			40,000
City of Winnipeg	16,000	368	632	500	-			17,500
Friends of CMHR	20,480	24,550	22,130	22,360	-			89,520
Amendment to Friends of CMHR payment schedule	-	-	-2,300	2,300	-			-
Additional funding required (Note 3)	-	-	-	43,000	2,000			45,000
Interest earned on investments	6,212	500	300	184	-			7,196
Total Sources	109,692	45,418	60,762	78,344	2,000	-	-	296,216
Annual Net cash flow	93,244	-22,658	-56,488	-8,992	-5,106			
Cumulative Cash on Hand	93,244	70,586	14,098	5,106	-	-	-	-

Note 1:

The original Total Project Budget of \$265 million has now risen to \$310 million. The Definitive Agreement provides for the contributions from the Parties to be paid partly in cash and partly in kind. The capital budget accounts for the capital contributions and disbursements that will be paid in cash. The difference between the revised Total Project Budget of \$310 million and the expenditures of \$296.2 million above are the in-kind contributions of Manitoba, Winnipeg and the Friends, as well as the initial contribution from Canada, paid by WED to Friends for the feasibility study and other initial costs prior to the Museum being established.

Note 2:

The construction contract was signed in 2008-2009, fulfilling the final requirement to release the escrow funds and therefore, the escrow funds were recorded by the Museum in 2008-2009.

Note 3:

The Friends of the CMHR has committed to raising the additional \$45 million, in addition to its original contribution, from the public and private sectors. The Province of Manitoba and the City of Winnipeg have committed \$6.75 million and \$3.25 million respectively contingent upon an additional contribution from the Government of Canada. The Government of Canada has indicated that no additional capital dollars will be advanced. Friends has raised an additional \$19 million in pledges from the private and public sectors and continue their efforts to raise the remaining balance of \$16 million.