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

SUMMARY OF CORPORATE PLAN AND OPERATING AND CAPITAL BUDGETS FOR 2009-2010 TO 2013-2014

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Canadian Museum for Human Rights
Interim Head Office:
269 Main Street
Winnipeg, Manitoba
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PREAMBLE

The Government of Canada appointed the first Board of Trustees of the Canadian Museum for Human Rights on August 26, 2008. Shortly thereafter, the Board submitted an interim Corporate Plan and Operating and Capital Budgets, which the Government approved. That document presented three key objectives for the Museum in its early years, objectives which the Board has reaffirmed.

While it was a five-year plan in keeping with the requirements of the *Financial Administration Act*, the previous Corporate Plan focused primarily on the Museum's strategic priorities and plans for the seven months between the Board's appointment and the end of the first fiscal year. This new Plan reflects significant work undertaken in recent months to establish the longer-term goals and related strategies required to open the Museum to the public in 2012. Further work over the coming year will allow the Museum's third Corporate Plan to provide more robust and substantive plans and risk mitigation strategies for the planning period, specifically in the areas of museum content and programming, the construction project, and plans for non-construction capital investments. It will also include a more comprehensive performance measurement framework to facilitate on-going course correction and effective and transparent performance reporting.

BOARD OF TRUSTEES, AS AT AUGUST 26, 2008

Chairperson	
Arni C. Thorsteinson	Winnipeg, Manitoba
Vice-Chairperson	Vacant
Trustees	
Gail Asper, O.C., O.M.	Winnipeg, Manitoba
Bill Barkley, F.C.M.A.	Victoria, British Columbia
Ronald Corey, O.C.	Westmount, Québec
The Hon. Constance R. Glube, O.C., O.N.S., Q.C.	Halifax, Nova Scotia
Vim Kochhar, O. Ont., O.M.C.	Toronto, Ontario
Yves Laberge, Ph.D.	Québec City, Québec
Dr. Wilton Littlechild	Hobbema, Alberta

CORPORATE OFFICERS, AS AT SEPTEMBER 3, 2008

Director (Chief Executive Officer)	Vacant
Chief Operating Officer	Patrick O'Reilly
Chief Financial Officer	Susanne Robertson, C.A.

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1. CORPORATE PROFILE

1.1 MANDATE

In amending the *Museums Act,* Parliament established the mandate of the Canadian Museum for Human Rights (CMHR; the Museum) 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 CMHR has an important public policy role, defined in the *Museums Act*. 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

The Board of Trustees has begun the important work of developing a collective, compelling vision statement that establishes the long-term aspirations for the unique role that the CMHR will play in the promotion of human rights in Canada and abroad. As a first step, the Board has articulated the following key themes for the Museum's place in the world, which it will refine over the coming months:

- The Canadian Museum for Human Rights will inspire, challenge and touch people emotionally in the manner by which it promotes respect, understanding and an awareness of the role that each individual can play in furthering the dignity and rights of all citizens of the world;
- Accessible and welcoming to all and a catalyst for action, the Museum's bilingual exhibition content and educational programming will have a transformative impact on the minds and the hearts of those it reaches;
- The Museum will be an exceptional national and international destination that encourages reflection and dialogue on human rights issues, sensitizes the world to the consequences of prejudice and results in greater respect for the rights of others;
- The Museum will not shy away from controversy; it will recognize and present the wide variety of legitimate perspectives on sensitive issues fairly and openly and will embrace constructive public debate; and
- The Museum's programming will be housed in a magnificent and inspiring building that is worthy of its content and that becomes an internationally recognized symbol both of the ongoing struggle to defend human rights and of Canada's important role in that journey.

1.3 Values

The establishment of what is believed to be the world's first museum dedicated to the broad subject of human rights embodies Canada's commitment to a set of values associated with democracy, freedom, human rights and the rule of law. Organizational values such as objectivity, innovation, equity and inclusiveness must underpin all activities of the Museum so that its operations mirror and advance its mandate. The Museum's mandate and status as a national institution also confer a set of principles based on accountability and transparency, national accessibility and engagement, collaboration, corporate citizenship and sound research and scholarship.

The nature of the issues to be explored by the Museum will be sensitive, and the Board and Management recognize the need to move beyond the implicit by debating and reaching consensus on a clear statement of values unique to the Museum. They also acknowledge the need to agree on the means by which the organization will embrace these values in its day-to-day actions and decision-making. This work is currently underway, and will continue to evolve.

1.4 History

On February 11, 2008, the Government of Canada introduced legislation in Parliament to create the Canadian Museum for Human Rights. The amendments to the *Museums Act* received Royal Assent on March 13, 2008 and came into force by Order in Council on August 10, 2008. The Governor-in-Council appointed members to the Board of Trustees on August 26, 2008—from most regions of the country—and the Government has launched a search that will allow it to appoint the corporation's first Director/Chief Executive Officer.

The Museum began as the dream of the late Israel Asper, who envisaged a museum, located in Winnipeg, dedicated to the exploration of Canadian and International human rights issues, from both a historical and a present-day perspective. In 2002, the Friends of the Canadian Museum for Human Rights Inc. (the Friends) were registered as a charitable foundation to act as a proponent for the establishment of a Museum for Human Rights, to be built at the Forks where the Red and the Assiniboine Rivers converge. The Friends conducted a feasibility study, largely funded by the Federal Government, which confirmed that a museum dedicated to human rights in Winnipeg was a sustainable proposition.

In 2003, signalling its strong support for the proposed Museum, the Government of Canada announced a capital commitment of $30 million. This was to include $3 million for project planning to be provided immediately, and $27 million to be placed in a trust account for building construction and related costs, with oversight by Western Economic Diversification (WED). Over the next two years, the Friends carried out an extensive fundraising campaign and launched a transparent, international architectural competition for the building's design, overseen by both technical review and architectural review committees. In 2005, the Friends announced Antoine Predock Architects as the competition's winner. That same year, the Federal Government made a further commitment of an additional $70 million in capital funding.

In April 2007, the Prime Minister announced the Government's intention to establish the new Museum as a national cultural institution by: amending the *Museums Act*; contributing to the facility construction project; and providing operating funds, estimated at $21.7 million annually. 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 capital project:

- The Province of Manitoba made a commitment to provide $40 million in cash;
- The City of Winnipeg announced $20 million, including cash and contributions in kind;
- The Forks Renewal Corporation agreed to transfer land at the Forks in Winnipeg to the Federal Government for the sole use by the museum; and
- The Friends re-affirmed their commitment to raise $105 million for the project.

These arrangements were confirmed in an 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 contributions 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 and stipulated that full accountability for the Museum's strategic direction and for decisions related to the construction project and museum content would rest with the Board of Trustees.

In October 2007, the Government of Canada appointed an Advisory Committee, charged with providing advice to the first Board of Trustees through the Minister of Canadian Heritage. The Advisory Committee consulted Canadians widely through focus groups and the internet, hearing the views of over 2500 individuals and groups. The Committee submitted its report, containing 78 recommendations, in March 2008. The Committee's advice has been invaluable to the Board.

On December 19, 2008, following extensive deliberation over the course of numerous meetings of the Board of Trustees, the Board announced that it had approved the Predock architectural design, and joined the Prime Minister, the Premier of Manitoba and the Deputy Mayor of Winnipeg at an historic ground-breaking ceremony to launch the construction of the Museum's facility at the Forks in Winnipeg. The Museum is scheduled to open its doors to the public in 2012.

The Museum has also begun the important work of developing the Museum's content and program—a process that will be undertaken with the benefit of broad public input, building on the important work already done by the Advisory Committee. The Museum's leadership has also been heavily engaged in establishing the Museum corporation with the necessary policies, processes and systems to support the adoption of sound, accountable and transparent management and governance practices.

1.5 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.

The Museum is governed by the regime for Crown corporation control and accountability 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,* among others.

1.6 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 an eleven-member Board, appointed by the Governor-in-Council on the advice of the Minister of Canadian Heritage. The Board of Trustees is independent from Management and provides strategic direction and oversight to the corporation.

The Board of Trustees delegates authority for the day-to-day management of the Museum to its Director as the CEO of the corporation, and holds Management accountable for the day-to-day management of the Museum's performance, its long-term viability and the achievement of its objectives. The Board has signed a delegation instrument that delineates the signing authorities of the CEO and other senior officials. In the absence of a CEO during the early period of the Museum's operations, the Board has appointed a Chief Operating Officer to whom it has temporarily authorized to perform certain key functions which would normally be those of the CEO.

2. Programs and Activities

As required for all federal organizations, the Museum has developed a Program Activity Architecture (PAA) that describes its key activities and sub-activities. The PAA for the Canadian Museum for Human Rights contains the following three key activities and their respective sub-activities; further detail on the Museum's short- and medium-term priorities for each is contained in Section 5: "Objectives, Strategies and Performance Measures":

2.1 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.

Objective:

That the Museum's content and programming are developed through ongoing consultation and engagement of Canadians, including, but not being limited by, the valuable work previously undertaken by the Friends of the Museum and the Minister's Advisory Committee.

Key Results:

- *The Museum develops accessible and engaging exhibits—in both official languages—that promote reflection and dialogue and enhance the perspectives of visitors towards human rights;*
- *The Museum develops a bilingual educational program that complements and reinforces its exhibits;*
- *The Museum develops an approach to national outreach, engagement and service;*
- *The Museum develops a framework for sound research and scholarship; and*
- *The Museum garners a high level of awareness and public support through strong and effective marketing and communications strategies.*

2.2 ACCOMMODATION

Description: The Museum will be built at the Forks, a breathtaking, national historical site located at the junction of the Red and Assiniboine Rivers in Winnipeg. The facility is intended to be housed in a world-class, treasured landmark; a magnificent structure worthy of its content, designed to inspire generations of Canadians and international visitors. The dramatic design by Antoine Predock chosen by the Board of Trustees aims to resonate with the issues of human rights and to support and reinforce the Museum's intent to inspire visitors through a rich, fascinating journey of discovery.

With its complex design and ambitious schedule for completion, the Museum's Board and Management Team will be heavily involved during the early years of the planning period in

managing all stages of the capital construction project leading to its commissioning and public opening. The Board will be fully accountable for overseeing all aspects of the building project, including establishing the time-frames for construction and managing risks throughout. By the time the facility opens, the Museum will also need to have established the appropriate mechanisms to provide for effective, efficient operations and maintenance and its ongoing security, accessibility and sustainability. .

Objective:

That all aspects of the Building Construction Project are managed in a sound, transparent and accountable manner, on time and within budget, 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; and*
- *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 and environmental sustainability; the Board has directed that construction plans enable the Museum to achieve a LEED (Leadership in Energy and Environmental Design) "silver" certification.*

2.3 Stewardship and Corporate Management

Description: As they take the new Museum from concept to reality, the Museum's leadership will be adopting best practices in corporate governance and administration to provide for the sound and rigorous stewardship of its resources and value for money for the public and private funds invested in the corporation. A key early priority is to recruit the necessary talent to permit the Museum to attain its goals, both during the period when the content and the facility are being built from the ground up, and once the Museum opens to the public. The Museum will ensure that it has the capacity to develop and present programming in both official languages.

Other key activities in the early years will be to put in place the appropriate structure, processes, policies, practices and tools—particularly in the areas of financial, human and information management—to allow it to excel in the delivery of its mandate; achieve results effectively and

efficiently; be accountable to Canadians for results; and comply with applicable legislation and Government policy.

The Government expects its national museums to have the capacity to raise private sector funds and generate revenues, and these objectives will be pursued with vigour by the Museum. The Museum acknowledges and greatly appreciates the Friends' tremendous support and success in raising capital funds. The Museum intends to consider all options carefully—including a longer-term relationship with the Friends—as it deliberates on the establishment of an on-going mechanism for raising private sector funds. The Museum is also committed to optimizing its revenue-generation capacity once it is open to the public.

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 transition and the longer-term.

Key Results:

- *The corporation meets or exceeds recognized standards for Corporate Governance and has in place the policies, procedures and systems that are conducive to sound management and accountability;*
- *The corporation attracts and recruits the talent and expertise necessary both for the transition and the longer-term; and has a workplace that is fair, enabling, healthy and safe and a workforce that is productive, principled, sustainable, adaptive and representative of the diversity inherent in Canadian society; and*
- *The corporation establishes the capacity to generate ongoing private-sector funds; upon its opening, the Museum will be in a position to generate revenues.*

3. ASSETS

3.1 REAL PROPERTY

The Museum will be built on two parcels of land in Winnipeg, transferred from the City of Winnipeg and the Forks Renewal Corporation. The Museum is also leasing, fitting up, furnishing and equipping office space in the Federal Government's Victory Building at 269 Main Street in Winnipeg to house Museum staff during the construction. The Museum is budgeting $800,000 in one-time costs in 2009-2010 for fit-up and $250,000 in annual lease costs between 2008-2009 and 2011-2012.

3.2 FINANCIAL RESOURCES

CAPITAL FUNDS

The Definitive Agreement signed by the Federal Government and the contributing parties on February 1, 2008, established total contributions of $265 million for capital construction and fit-up of the Museum as shown in Table 1. The cash contributions from Manitoba and Winnipeg were due immediately and the cash contribution from the Friends is to be made over four years; funds due prior to the establishment of the Museum were placed in Escrow until Parliament passed legislation making it a National Museum, and until a construction contract was signed. Now that these conditions have been met, those funds will be released to the Museum.

Table 1 (millions of dollars)

Contributor	Cash	In-kind and Previous Cash Contributions	Total
Canada	70.0	30.0	100.0
Province of Manitoba	38.8	1.2	40.0
City of Winnipeg	16.0	4.0	20.0
Friends of the CMHR	89.52	15.48	105.0
Total	**215.6**	**49.4**	**265.0**

The Federal Government's $100 million commitment included the $30 million announced in 2003, a portion of which WED approved the disbursement of by the Friends' for design and development, preliminary architectural commitments and environmental assessment. WED has returned the balance to the CMHR on behalf of Canada. The remaining $70 million in federal funds have been requested over three years, starting with $10 million in 2008-2009. However the Museum has been able to manage its capital requirements within the funds available from

the escrow account and the WED funds; at the Museum's request, the Government re-profiled this amount to 2011-2012. The Museum is developing a detailed project proposal to access the remaining $70 million in capital funds.

The total project budget included a base building construction budget of $165 million, which was the estimate made in 2007 based on the early architectural drawings by Antoine Predock. Since that time, the design development process has allowed the Museum to refine its budget projections with a significantly greater degree of certainty. The elapsed time, however, has also had an inflationary impact on the budget, as have modifications to the design required to qualify the building for LEED silver designation and to reduce long-term operating costs (no additions have been made to the original design). The Museum has been able to partially offset this through a rigorous "Value Engineering" process, aimed at reducing cost without affecting the integrity of the design.

However there remains a real risk that the construction costs will be higher than estimated in 2007. Despite some optimism that world prices for key construction inputs such as steel and cement will fall considerably—resulting in cost savings for the Museum—manufacturers are reducing output to stabilize prices. As well, many many key inputs (steel, major equipment and glazing) need to be sourced outside of Canada, increasing the risk of currency fluctuation. And, the competition in Manitoba for labour remains very strong, due to an existing shortage of skilled workers and the number of major construction projects underway or planned to start in 2009-2010. The Board has determined that a significant re-design is not a viable option as it would result in little, if any, cost savings—in part because the delay would result in further inflation—and would result in this national museum being opened with no prominent architectural feature and significantly reduced programming space.

In anticipation of the risk of increased construction costs, the Board has developed and has begun implementing a financial risk mitigating strategy. The tendering process, to be three-quarters complete by June, 2009, will allow the Museum to confirm its final budget projections.

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 once the Museum is operational. The Government approved $6.5 million in operating funds for the first two years of the Museum's operations, $5 million of which was available in the 2008-2009 fiscal year, with $1.5 million remaining for 2009-2010. The Museum hopes to be in a position to carry forward $1.9 million from 2008-2009, which will still leave the Museum short of its requirements in 2009-2010. While recognizing that funding levels beyond those already approved require the

Government's approval, and are therefore not included in this Plan, the Museum has identified its operating requirements for the five fiscal years starting in 2009-2010. The Museum will be developing a more detailed operating budget to seek approval of an appropriate future level of operating funds.

In this process, two key funding pressures anticipated in the years following the public opening of the Museum will also need to be addressed. Firstly, the initial estimate of $21.7 million was based on the Friends' analysis of the cost of running a private museum. However, the estimate did not reflect the federal legislation that requires national museums, to make payments in lieu of taxes (PILT), as private museums generally do not pay taxes. PILT is now estimated to be between $5 million and $9 million annually—more than a third of the proposed operating budget. Secondly, the original estimates did not build in provisions to address inflation in operating and maintenance costs which will, as in any building operation, increase over time.

The Museum's detailed operating budgets will reflect these pressures, along with the fact that it will eventually be in a position to generate revenues to offset some of its operating costs.

4. Strategic Issues for the Planning Period

The Museum has analysed the environment in which it expects to be operating and its performance against objectives established in its first plan. This has allowed it to identify the key strategic issues that form the basis on which its future plans are based.

4.1 Performance Against Objectives

The Museum's interim Corporate Plan, approved in September 2008, established objectives and key results for each Program Activity and committed the Museum to numerous key activities to be completed before April 1, 2009. The Museum is largely on track to achieve its plans as described; the following highlights the Museum's performance against objectives as at December, 2008.

Program Activity 1: Museum Content and Program

Significant progress has been made against the Museum's commitments, consistent with the advice of the Minister's Advisory Committee. Between August 26 and December 31, 2008, the Museum's leadership:

- Reviewed in detail the Ralph Appelbaum and Associates (RAA) exhibit plan and reached a decision to retain RAA as the Museum's Exhibition Designer;
- Launched the Museum's first on-line exhibit on December 10, 2008;
- Hired a Director, Communications & Public Engagement, a Director of Marketing and Partnerships and a Communications Officer; ;
- Developed a strategy which will allow for a comprehensive national outreach program to begin in early 2009; and
- Developed a range of promotional materials and communications and media relations strategies and held numerous public events to increase the awareness that the Board of Trustees has been appointed and that progress is being made; these included a major ground-breaking ceremony, which took place on December 19, 2008, signaling the launch of construction.

In the spring of 2009, the Museum will be launching a process to consult widely with Canadians and gather stories—the next key steps in the development of the museum content and program.

PROGRAM ACTIVITY 2: ACCOMMODATION

The building construction will commence at the beginning of April, 2009, for completion in 2012. By the end of calendar year 2008, the Museum had:

- Established a Board Committee-of-the-Whole to oversee the construction project and retained an external advisor to provide expert advice on construction and risk management;
- Undertook extensive due diligence on the proposed building design, a detailed risk mitigation strategy, and the construction budget and schedule, resulting in the approval of the Predock design;
- Completed extensive Value Engineering to identify items that will be modified or removed in order to reduce the construction budget without affecting the integrity of the original design;
- Developed a financial risk management strategy to address the anticipated gap between the budget and available funds caused by inflation during the time the Museum was being established as a national institution;
- Finalized contract details with Antoine Predock Architects, Smith Carter Constructors and PCL (construction managers); also retained a Project Manager, who is experienced in government capital projects;
- Continued to engage the Aboriginal community; held a meeting with elders at Thunderbird House to review the plans for the building and the archeological dig; engaged elders to perform a blessing prior to the beginning of the dig, and again at the ground-breaking ceremony and held further discussions with the Chiefs of Treaty 1 in January, 2009; worked closely with the Forks Heritage Committee during the process;
- Made commitments to environmental sustainability, for example by including the cost related to obtaining LEED Silver Certification in the construction budget;

- Worked closely with the Canadian Museum of Civilization to adopt best practices of the War Museum's construction; also worked with national and non-national museums to review the design from an operational perspective;
- Obtained expert advice from specialty consultants in life safety, security, universal access and catering; and
- Leased and set up temporary office space.

PROGRAM ACTIVITY 3: STEWARDSHIP AND CORPORATE MANAGEMENT

The Museum has also established a wide range of elements key to sound governance, stewardship and corporate management. Among others are the following:

- Prepared and obtained the Government's approval of the Museum's first Corporate Plan and Operating and Capital Budgets for 2008-2009;
- Laid the foundation for effective corporate governance regime, including obtaining a comprehensive orientation on the governance of Crown corporations and establishing:
    - By-laws that clarify roles and responsibilities;
    - An Executive Committee of the Board and two committees of the whole to oversee Audit and the Building Program respectively;
    - Corporate Policies governing Corporate Governance, Investment and Contracting; began work on a Code of Ethics/Conflict of Interest Code;
    - A Delegation of Financial Authorities; and
    - A competency profile for Board members.
- Laid the foundation for effective financial management and control, including:
    - Designing the budget process to align resources with priorities and objectives;
    - Establishing financial and accounting systems, procedures and structures that reflect best practices gleaned from other national museums; established banking and investment accounts, systems for the approval and payment of invoices and on-line banking to facilitate timely review of transactions;
    - Liaised with the Office of the Auditor General on its plan for the year-end financial audit;
- Retained the services of an Executive Search firm to help the Government recruit the Museum's first Director/CEO and launched the process in December, 2008;
- Began developing an organizational structure for the Museum, taking into account transitional and longer-term requirements:
    - Filled a number of key management and staff positions;
    - Established a payroll system and began the work required to participate in federal pension and benefit plans;
    - Began work on developing a framework and associated policies for sound Human Resource management;
- Began the process to solicit bids for assistance in establishing policies, procedures and practices conducive to sound Records and Information Management; and
- Began to develop options for the establishment of a Museum Foundation.

4.2 Environmental Scan

The environment in which the CMHR will be operating will have a direct impact on its success. There are many significant positive factors in both the internal and external environments facing the museum, factors that plans and strategies are designed to leverage. Despite the overwhelmingly positive environment, there are also numerous challenges; the plans also respond to them. Highlights are as follows:

Strengths and Opportunities

- Strong government support at all levels;
- Strong public support;
- Strong private support and fundraising;
- Significant external input;
- Location;
- A well-advanced design process; and
- The opportunity to "get it right".

Risks and Challenges

- Risks related to capital construction (e.g., inflation, labour availability, schedule changes, foreign exchange);
- Governance and operational risks associated with establishing a new corporation, including the need to recruit and retain a large number of staff;
- Controversial subject matter;
- High expectations from Museum supporters; and
- Risks related to on-going operations (e.g., obligations under the *Federal Payments in Lieu of Taxes Act* and inflation in operating and maintenance budgets).

4.3 Strategic Priorities

The Museum's primary objective is to achieve the mandate established for it by Parliament in the most effective way possible. In light of the foregoing, the Board of Trustees has reaffirmed that the following priorities—established in its first Corporate Plan—remain appropriate for the next planning period:

- To manage all aspects of the Building Construction Project in a sound, transparent and accountable manner, on time and within budget, employing effective risk-management practices throughout;

- To develop the Museum's content and programming through ongoing consultation and engagement of organizations and individuals across Canada; and
- 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.

5. Objectives, Strategies and Performance Measures

The following section describes the Museum's commitments for the planning period and its goals for the fiscal year 2009-2010. 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.

5.1 Program Activity 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 is developed through ongoing consultation and engagement of Canadians; this will include, but not be limited by, the valuable work already undertaken by the Friends of the Museum and the Minister's Advisory Committee on the CMHR.

Sub Program Activities: Research, Exhibitions, Education and Communications.

Key Results	Key Activities for 2009-2010 (Year One)	Key Five-Year Commitments (By Year-End, 2014)
The Museum develops accessible, engaging exhibits—in both official languages—that promote reflection and dialogue and change the perspectives of visitors towards human rights.	• Complete the Design Development of the Exhibition Plan: working with the Exhibition Content Designer, the Museum will fully assess 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.	• The base Exhibition Plan will be completed for the opening of the Museum and an 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; and • The Museum will have developed metrics to assess the impact of its programming on visitors.
The Museum develops an educational program that compliments and reinforces its exhibits.	• Hire staff and begin developing a framework for educational programming.	• The Museum will be recognized for the innovation and quality of its educational programming.
The Museum Develops a framework for sound research and scholarship.	• Hire staff to begin the research required for the opening Exhibition Plan and begins collecting the important stories that will form the basis of the Museum's programming.	• The Museum will be recognized for the quality, integrity, balance and impact of its research and scholarship, based on a strategy for ongoing research.

PROGRAM ACTIVITY 1: MUSEUM CONTENT AND PROGRAM (CONTINUED)

Key Results	Key Activities for 2009-2010 (Year One)	Key Five-Year Commitments (By Year-End, 2014))
The Museum develops an approach to national outreach, engagement and service.	• Implement strategy to consult with stakeholders for the development of the opening Exhibition Plan; and • Engage a Youth Advisory Board to provide advice and feedback as exhibits and programs are developed.	• The Museum will be seen as a national institution that reaches Canadians across the country and international audiences through its programming and services; and • A strategy will be in place for ongoing national outreach, engagement and service following the opening of the Museum.
The Museum garners a high level of awareness and public support through strong and effective marketing and communications strategies.	• Expand the Museum's on-line presence, building a reputation of being a reliable, authoritative source of information and learning; • Develop guidelines on the use of social media; • Complete the development of, and begin implementing a corporate brand/image strategy; • Ensure all communications products and services comply with relevant legislation, regulations, policies and/or agreements (i.e., the *Official Languages Act* and the *Privacy Act*); and • Take full advantage of the Museum's activities, including special events and protocol visits, to generate positive media coverage.	• The Museum will be promoting, in all regions of Canada and internationally, awareness of the CMHR as a destination and a centre for learning and dialogue; • The Museum will have a strong brand image, with which all communications and marketing activities will be consistent; and • A strong marketing and communications strategy, including traditional and non-traditional tools, will be in place; the effectiveness of the tools used will be assessed on an ongoing basis.

5.2 Program Activity 2: Accommodation

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

Sub Program Activities: Capital Construction and Building Operations.

Key Results	Key Activities for 2009-2010 (Year One)	Key Five-Year Commitments (By Year-End, 2014)
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.	• Tendering of contracts for building construction: approximately 85% of the budget will be tendered and awarded; and • Underground services will be complete, the concrete structure will be 90% complete and insulation of the exterior concrete walls bill be underway and near completion.	• The building will be completed in 2012; and • The completed building will be widely recognized as a national treasure, whose design is an integral part of the transformative impact of the Museum visit (Media and visitor feedback).
The building construction project is governed by an effective project management regime, including a robust strategy to manage risks related to the project.	• Lock in 85% of the costs and determine whether to establish a Guaranteed Maximum Price Contract; and • Develop regular reporting to the Board on the building construction progress and the management of risks.	• The Auditor General's Special Examination will acknowledge the sound governance, project management and risk management practices around the construction project.

PROGRAM ACTIVITY 2: ACCOMMODATION (CONTINUED)

Key Results	Key Activities for 2009-2010 (Year One)	Key Five-Year Commitments (By Year-End, 2014)
The Museum engages the local Aboriginal community at appropriate times throughout the design and construction processes.	• Ongoing dialogue; and • Continue to engage the Aboriginal community at key stages.	• 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.	• Develop a strategy to mitigate the risk of the Payments-in-Lieu of Taxes issue; • Begin commissioning documentation to prepare for LEED certification; and • Begin developing best practice policies and procedures for Facilities Management.	• The building commissioning process will have ensured that the building is fully operational, with optimized systems on day one; and • Appropriate maintenance and security of the Museum's capital assets will be performed efficiently, meeting or exceeding recognized standards.

5.3 Program Activity 3: Stewardship and Corporate Management

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 transition and the longer-term.

Sub Program Activities: Corporate Governance, Administration and Private Sector Fundraising and Other Revenue Generation.

Key Results	Key Activities for 2009-2010 (Year One)	Key Five-Year Commitments (By Year-End, 2014)
The corporation meets or exceeds recognized standards for Corporate Governance and has in place the policies, procedures and systems that are conducive to sound management and accountability including: • Clarity of objectives and expectations; • Clear lines of accountability; • Transparency in the application of and compliance with rules; and • A culture based on a solid ethical foundation.	• Finalize Mission, Vision and Values Statements and begin developing mechanisms to ensure values are reflected in day-to-day decision-making; • Develop an Operational Plan to implement the Corporate Plan; • Establish Corporate Performance Management Regime that allows for on-going course correction, risk management and transparent reporting; • Develop a Performance Management regime for employees that 'cascades' from the Corporate Plan; and • Develop Board Self-Assessment Mechanism.	• The Museum will meet or exceed recognized standards for Corporate Governance, including a robust performance management regime and integrated risk management; and • Human, material and financial resources will be aligned with Museum priorities.

PROGRAM ACTIVITY 3: STEWARDSHIP AND CORPORATE MANAGEMENT (CONTINUED)

Key Results	Key Activities for 2009-2010 (Year One)	Key Five-Year Commitments (By Year-End, 2014)
The corporation has in place the policies, procedures and systems that are conducive to sound and management and accountability.	Continue the development of corporate and operational policies and procedures, with a focus on the following priorities: • Human Resources Management; • Communications; • Financial Management and Control; • Records and Information Management; • Facilities Planning and Management; and • Integrated Risk Management.	• 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 financial statements every year, and its Special Examination will recognize the soundness of the Museum's management system.
The corporation attracts and recruits the talent and expertise necessary both for the transition and the longer-term; and 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 Museum's first CEO will be appointed and the CEO's objectives and performance measures established; • Finalize the organizational structure and have most senior management positions filled; • 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; • Ensure at least 75% of management and staff are recruited through a competitive process; and • Finalize strategic Framework for Human Resources management; • Begin developing a full suite of policies and procedures that are designed to support the objectives established in the Framework; • Begin developing mechanisms to promote effective internal communications.	• All key 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 • Regular employee satisfaction surveys confirm that employees: ▪ Understand the Museum's mission and how their work contributes; ▪ Have the skills and competencies required to do what is expected; ▪ Have the tools and working environment required to perform effectively; and ▪ Are rewarded for their contributions.

PROGRAM ACTIVITY 3: STEWARDSHIP AND CORPORATE MANAGEMENT (CONTINUED)

Key Results	Key Activities for 2009-2010 (Year One)	Key Five-Year Commitments (By Year-End, 2014)
The corporation establishes the capacity to generate ongoing private-sector funds; upon its opening, the Museum will be in a position to generate revenues.	• Begin the required work to establish a permanent foundation.	• The Museum will have established the necessary plans and infrastructure to generate revenues through a range of sources, including special events and on-site sales. • The Museum will be attracting significant private sector funds to support ongoing programming and activities, through a strong and effective foundation.

6 Operating and Capital Budgets

6.1 Capital Budget

The Definitive Agreement stipulated that capital funds from financial contributors other than the Government of Canada were to be held in an escrow account until the CMHR was created as a national museum and a construction contract was signed. These two conditions were met during the 2008-2009 fiscal year, meaning that $75.28 million can be released to the Museum immediately, with the balance of $69.04 million payable to the Museum over the next three years. As well, WED has returned to the corporation on behalf of Canada the approximately $20 million remaining from the initial $30 million, provided by the Federal Government in 2003. The Museum will have used roughly $8.26 million of these funds by March 31, 2009, leaving approximately $12.74 million.

The remaining $70 million in federal funds were to be allocated over three years, $10 million in 2008-2009, $20 million in 2009-2010 and $40 million in 2011-2012. However, in 2008-2009, the Museum has been able to manage its capital requirements within the funds available from the escrow account and the roughly $20 million remaining from the initial $30 million provided by the Federal Government. The Museum expects to require $8.3 million by the end of March, 2009, which it can draw from the WED funds. Therefore, at the Museum's request, the Government agreed to re-profile the $10 million initially earmarked for 2008-2009 to 2011-2012.

An urgent priority will be to address the anticipated capital funding pressure that has resulted largely from an escalation in construction costs since the the Statement of Intentions was signed. Following extensive due diligence, the Board has determined that the only realistic option is to proceed to build the Predock design, as any other option would carry at least a similar total cost, with significantly reduced programming and architectural impact. It has therefore developed, and is working to implement, a strategy to manage this risk.

6.2 Operating Budget

Based on the information and analysis available at the time, the Government of Canada approved an initial operating budget for 2008-2009 and 2009-2010 of $6.5 million; $2.5 million for the first year and $4 million for the second. The Museum was directed to return to the Government in 2009 to seek an appropriate level of operating funds based on a detailed operating budget.

As indicated in its first Corporate Plan, it became apparent very soon after the Museum was established that it would require more than had been allocated for the first two years to put the appropriate resources in place to consult extensively with Canadians; manage the construction process to build the facility in a short time-frame; become a fully operational Crown corporation with all of the necessary accountability mechanisms; and fit-up and lease office space with sufficient informatics capability.

To address the shortfall in the first year, the Government re-profiled $2.5 million from 2009-2010 to 2008-2009. This gave the Museum $5 million to cover its projected operating costs in 2008-2009, but left only $1.5 million for 2009-2010. In 2008-2009, **t**he Museum expects to spend $3.1 million, largely because it has been able to defer costs and/or reduce the cost of fit-up of the interim office space by $600,000 to $1 million, with $800,000 of the total not being spent until 2009-2010. This means the Museum will be able to carry forward $1.9 million of the $5 million in approved appropriations for 2008-2009 into the next fiscal year which, combined with the $1.5 approved for 2009-2010, brings total funds available to $3.4 million.

The Museum continues to bring greater precision to its estimates of the operating needs of the first national museum established in a generation. Current estimates for operating funds are:

- $3.1 million in 2008-2009;
- $8.6 million in 2009-2010;
- $15.9 in 2010-2011; and
- $21.7 million in 2011-2012.

This means that the Museum is projecting a shortfall in 2009-2010 of $5.2 million. It is currently working with the Department of Canadian Heritage to address this short-fall as it seeks approval of its longer-term operating budgets. For the following year, the Museum has budgeted $15.85 million for operations. Given that this is less than the $21.7 million initially earmarked for the Museum's ongoing operations, the corporation will be proposing in its detailed operating budget that the Government allow the Museum to access a portion of the difference a year early to cover the $5.2 million gap between the budget and the approved funds in 2009-2010.

In 2011-2012—the last full year before the projected opening date of the Museum, the corporation expects to require the full $21.7 million to fund operations. Once it is fully operational, the Museum's operating budgets will need to address the significant challenge posed by the requirement that it make Payments in Lieu of Taxes and the ongoing inflationary pressures on the Museum's maintenance budget. The projections for the fourth and fifth years in the financial statements are for the first two years after opening, and should be considered preliminary at this time.

7. FINANCIAL STATEMENTS

7.1 BALANCE SHEET, MARCH 31, 2009 TO 2014

(In thousands of dollars)

			FY 2008-2009	FY 2009-2010	FY 2010-2011	FY 2011-2012	FY 2012-2013	FY 2013-2014
Assets								
Cash & cash equivalents			1,900	0	0	0	0	0
Restricted cash & investments			89,520	64,150	31,505	0	0	0
Building Project in Progress			8,260	79,680	177,505	239,070	0	0
Capital Assets								
	Land		0	0	0	0	0	0
	Building		0	0	0	0	199,960	199,960
	Furniture & Fixtures		0	0	0	0	3,360	3,360
	Exhibits		0	0	0	0	35,750	35,750
Total Assets			99,680	143,830	209,010	239,070	239,070	239,070
Liabilities & Equity of Canada								
Deferred Contributions	(Note 1)							
	Province	38,800		38,800	38,800	38,800	38,800	38,800
	City	16,000		16,000	16,000	16,000	16,000	16,000
	Friends	20,480		45,030	69,460	89,520	89,520	89,520
		75,280		99,830	124,260	144,320	144,320	144,320
	Interest earned	1,500		3,000	3,750	3,750	3,750	3,750
	Less: used	0		-38,680	-96,505	-148,070	-148,070	-148,070
			76,780	64,150	31,505	0	0	0
Deferred funding related to property & equipment								
	Deferred capital contributions		0	38,680	96,505	148,070	148,070	148,070
	Deferred capital funding (Note 2)		21,000	41,000	81,000	91,000	91,000	91,000
Equity of Canada								
	Retained earnings		1,900	0	0	0	0	0
Total Liabilities & Equity of Canada			99,680	143,830	209,010	239,070	239,070	239,070

Note 1:
Deferred Contributions represent the contributions to be paid in cash by the parties to the Definitive Agreement.

Note 2:
Deferred capital funding includes the balance of the WED funds of approximately $21 million and federal capital funding of $70 million. Access to the $70 million, over three years ($20 million in 2009-10, $40 million in 2010-11 and $10 million in 2011-12) is subject to Treasury Board approval. The corporation is developing a detailed project management proposal and risk management strategy for the Treasury Board.

7.2 Statement of Income and Retained Earnings, Year-ended March 31, 2009-2014

(In thousands of dollars)

	Original Budget FY 2008-2009	Projected Results FY 2008-2009	Revised Budget FY 2009-2010 (Note 1)	Budget FY 2010-2011 (Note 1)	Budget FY 2011-2012 (Note 3)	Budget FY 2012-2013 (Note 3)	Budget FY 2013-2014 (Note 3)
Government Funding							
Parliamentary Appropriations							
Main Estimates	5,000	5,000	1,500				
Total Parliamentary Appropriation	5,000	5,000	1,500	0	0	0	0
Revenue of the Corporation							
General Admissions & Programs	0	0	0	0	0		
Facility Rentals & Food Services	0	0	0	0	0		
Boutique Sales & Other	0	0	0	0	0		
Recognition of Deferred Capital Contributions	0	0	0	0	0		
	0	0	0	0	0	0	0
Expenses							
Museum Content and Program	1,922	449	1,189				
Accommodation	961	826	759				
Stewardship & Corporate Management	1,922	1,825	1,451				
	4,806	3,100	3,400	0	0	0	0
Variance	194	1,900 (Note 2)	-1,900 (Note 2)	0	0	0	0

Note 1:

In 2009, the Museum will present the Government with a detailed operating budget to seek approval of an appropriate level of funding for 2009-2010 and 2010-2011. The projected expenditures for 2009-2010 are $8.6 million therefore the corporation will also seek approval to re-profile $5.2 million in operating funds from 2010-2011 to cover the anticipated shortfall in 2009-2010, subject to the approval of the Minister of Finance. The corporation will submit an amended operating budget to reflect the decisions of Cabinet, Treasury Board and the Minister of Finance.

Note 2:

Costs expected to be incurred in 2008-2009 have been deferred until 2009-2010. Accordingly, the corporation expects to carry forward $1.9 million from 2008-2009 to 2009-2010 to help cover the anticipated expenditures of $8.6 million in 2009-2010 (See Note 1 above).

Note 3:

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 need to have addressed the significant challenge posed by the requirement that it make 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. The corporation will submit an amended operating budget to reflect the decisions of Treasury board and the Minister of Finance.

7.3 STATEMENT OF CASH FLOWS, YEAR-ENDED MARCH 31, 2009-2014

(In thousands of dollars)

	FY 2008-2009	FY 2009-2010 (Note 1)	FY 2010-2011 (Note 1)	FY 2011-2012 (Note 1)	FY 2012-2013 (Note 1)	FY 2013-2014 (Note 1)
Operating activities: (Note 1)						
Cash receipts (parliamentary appropriation)	5,000	1,500	0	0	0	0
Cash receipts (WED funds)	21,000					
Cash paid (employees and suppliers)	-3,100	-3,400	0	0	0	0
	22,900	-1,900	0	0	0	0
Investing activities:						
Investment in Building Project	-8,260	-71,420	-97,825	-61,565	0	0
(Increase) decrease in restricted cash and investments	-89,520	25,370	32,645	31,505	0	0
	-97,780	-46,050	-65,180	-30,060	0	0
Financing activities:						
Parliamentary appropriation for the investment in Building Project (Note 2)	0	20,000	40,000	10,000	0	0
Restricted contributions & related investment income	76,780	26,050	25,180	20,060		0
	76,780	46,050	65,180	30,060	0	0
Increase in cash and cash equivalents	1,900	-1,900	0	0	0	0
Cash and cash equivalents, beginning of year	0	1,900	0	0	0	0
Cash and cash equivalents, end of year	1,900	0	0	0	0	0

Note 1:

In 2009, the corporation will present the Government with a detailed operating budget to seek approval for an appropriate level of funding for 2009-2010 and 2010-2011. 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. Subject to the approval of Cabinet, Treasury Board and the Minister of Finance, the corporation will submit amended financial statements to reflect the decisions.

Note 2:

Access to the $70 million in federal capital funding is subject to Treasury Board approval. The corporation is developing a detailed project Management proposal and risk management strategy for Treasury Board.