

CANADA SCIENCE AND TECHNOLOGY MUSEUMS CORPORATION

ANNUAL REPORT 2015-2016



CANADA SCIENCE AND TECHNOLOGY
MUSEUMS CORPORATION

Canada 

Canada Science and Technology Museums Corporation

Annual Report 2015-2016

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Message from the Chair of the Canada Science and Technology Museums Corporation, Dr Gary Polonsky

There is no doubt that science and technology drive human progress. From early indigenous agriculture and medicine, to the telephone, to innovations in cancer radiation treatment, to the Canadarm, scientific ingenuity and technological innovation have had an unquestionable impact on life on Earth.

It is a continued pleasure to serve as Chair of the Canada Science and Technology Museums Corporation. It is an institution with a forward-thinking and essential mission: to inspire Canadians when it comes to science and technology. Canada has long been a leader in these fields and, as we continue to encourage and stimulate young minds, I can only think that our scientific and technological future looks even brighter.

Our Corporate plan for the next few years rests on five specific objectives. The first of these is the Corporation's immense collection of science artifacts. Currently numbering more than a million, the collection is one of the finest of its kind in the world. It is cared for by dedicated members of staff who work tirelessly to preserve, interpret and share the collection, both at home and abroad, now and for generations to come.

Our second objective is education. The future is shaped by our youth, and this institution continues to seek innovative ways of connecting with younger generations. Through exhibitions, school programs, online activities, and several mobile apps, we make science relevant and accessible, encouraging youth to pursue careers and higher education in scientific fields. Ultimately, it is our ambition to reach every young person at every kitchen table and in every classroom every day, proving the integral importance of science and technology to everyday life.

Our third objective relates to outreach. As a national institution, we continue to expand our ways of connecting with Canadians, wherever they may live. Through travelling exhibitions, regional initiatives, educational kits, apps, and online educational tools, we continue to move the goalposts when it comes to finding new ways of reaching people.

Our fourth objective involves remaining accountable and sustainable. Money matters. Responsibility matters. The Corporation is strong in this regard. We balance our budgets. We do things on time. We get rave reviews for what we build and renovate, and I would like to express my own thanks to the teams who make things run so smoothly.

And finally: infrastructure. In recent years, this has been a major theme at our three museums. We have been extremely fortunate in receiving federal funding to renew the Canada Science and Technology Museum. In addition, the federal government recently announced a further \$156.4 million to build a state-of-the-art collections storage facility, in partnership with the Canadian Conservation Institute and the National Gallery of Canada. When completed, we expect it will serve as a showpiece, demonstrating yet again the value of Canadian scientific know-how and promise.

Before I close, I would like to single out two groups for special thanks. The first of these is our range of partners. We have private partners, not-for-profit sector partners, provincial partners and municipal partners, all of whom are devoted to the cause of science and technology, both across Canada and around the world.

The second is the Government of Canada and, by extension, the people of this great country — for entrusting us with a fresh infusion of funds. These funds will allow us to further promote Canadian scientific achievements, both in our exhibition halls, and in the preservation of one of the most outstanding collections of its kind in the world, and we are deeply grateful.

Whether showcasing an early form of human-powered flight, an active colony of bees, or the last spike in our first national railway system, the three museums in the Canada Science and Technology Museums Corporation celebrate the stories behind the science. Human history is ultimately a narrative of innovation, and our museums are front-and-centre in sharing the Canadian narrative with the world.

Message from the President and CEO, Alex Benay

Science and technology are all about renewal and looking to the future. This past year at the Canada Science and Technology Museums Corporation has certainly been a prime example of those principles in action.

Top of mind is perhaps the ongoing renewal of the Canada Science and Technology Museum, and the building of our new state-of-the-art Collections Conservations Centre. These are indeed exciting projects, and we all look forward to having a new national showcase for Canadian scientific innovation, as well as an appropriate home for one of the most important science collections in the world.

But looking forward involves so much more than bricks and mortar — particularly in an increasingly connected world. It means new ways of reaching out to Canadians and beyond. It means developing new initiatives that make science exciting and relevant. It means creating a “buzz” around the value of technology as a tool for change.

Over the past year, we have taken all of these concepts to heart. At the Canada Agriculture and Food Museum, we launched the Food for Thought lecture series, offering six talks for adults on topics ranging from the role of yeast in brewing to cutting-edge solar technologies. We also promoted food literacy and healthy eating among visitors of all ages through the Healthy Kids Quest and the exhibition **Food Preservation: The Science You Eat**. Not to be outdone, the Canada Aviation and Space Museum broadened visitors’ horizons with the acclaimed exhibition **Life in Orbit: The International Space Station**, and two wildly popular mobile apps allowing users to take to the skies as First World War flying aces.

We have also developed partnerships with foundations, private companies, individuals, other institutions, and many others in order to enhance our ability to broaden the science conversation to new constituencies. We have expanded our outreach to a more extensive national platform. And we have embraced good digital citizenship, while also teaching its principles to a generation raised on handheld devices. We do our best to remain ahead of the curve when it comes to outreach and accessibility.

Part of this is achieved through specific initiatives such as the Museum on the Go program, which goes into local communities, and participatory programming such as InnovationCanada150.ca. We will also continue to give back to the community, and particularly younger generations, with initiatives such as TEE OFF FORE TECH and Teens for Tech. And, of course, as a science-based institution, we embrace new technologies with ease, developing popular mobile apps, producing topnotch online resources, and essentially making ourselves available to every home, school or library in the country with Internet access.

Science is not science if it stagnates, so innovation will always be the name of the game for us. At the same time, we are mindful that people drive both science and technology, and that the human element must remain central to the visitor experience. As such, our

collection is essentially an asset for the telling of human stories; the objects we house are not the story in and of themselves.

Science and technology have traditionally been considered by many to be dry, uninteresting topics. At all three of our museums, we are constantly overturning that notion, demonstrating that science has immediate, exciting, and even entertaining relevance to everyday life. Scientists are the ones who tell us why bee colonies are collapsing, what it's like to live on Mars, and where the future of green energy lies. These are not just narratives for Canadians, but also have intrinsic value to the rest of the world. Canada has long been a leader in scientific and technological innovation; our museums help to share those achievements and make them both practical and relevant.

National museums do not exist in a vacuum. Funded by the people of Canada, we have a responsibility to share our resources. As such, we will be expanding our reach even further in future through initiatives such as the production of full-length science documentaries, and the development of a new "go global" strategy that will involve hosting major exhibitions from other institutions, sharing our own exhibitions abroad, and producing a new range of digital tools and resources.

Human history is built on the stories of those who have gone before. As a leader in the field of science and technology, we will not only share historical lessons and achievements, but will also continue to embrace cutting-edge developments, demonstrating not only that science is profoundly relevant, but also that it lights the way forward for individuals and communities alike.

Governance

The Corporation is governed by a Board of Trustees, appointed by the Minister of Canadian Heritage, with the approval of the Governor-in-Council. The Board is accountable to Parliament, through the Minister of Canadian Heritage, for the Corporation's business affairs. The full Board held seven meetings during the 2015–2016 fiscal year.

The Board is composed of up to 11 Trustees, including a Chair and Vice-Chair from across Canada. Four committees support the work of the Board: the Executive Committee; the Finance, Audit and Risk Management Committee; the Governance Committee; and the Major Facilities Committee. Trustees are collectively responsible for strategic leadership and accountability, management of the Corporation's business activities and affairs, and ensuring that all duties conferred upon the Corporation by the *Museums Act* and Part X of the *Financial Administration Act* are carried out.

In addition to meetings of the Board and Board Committees, Trustees take part in meetings with Management, as well as special activities on behalf of the Corporation. The Board also engages with the public at its Annual Public Meeting, during which it shares the Corporation's mandate, priorities and fiscal management.

COMMITTEE STRUCTURE

Board Committees usually meet before each Board of Trustees meeting, or via teleconference, and report on their activities at Board meetings. There are currently four Board Committees, as described below.

Executive Committee

The Executive Committee (EC) consists of the Chair, the Vice-Chair, two additional Trustees designated by the Board, and the President and CEO, who sits as a non-voting member. This Committee establishes the Corporation's annual performance objectives, and has full authority to act when the full Board of Trustees is unable to meet in a timely fashion. The Executive Committee held two meetings during the 2015–2016 fiscal year.

Finance, Audit and Risk Management Committee

The Finance, Audit and Risk Management (FARM) Committee oversees the Corporation's financial management, its practices, and its information systems. This Committee reviews and advises the Board of Trustees on the Corporation's five-year operating and capital plans, as well as annual and quarterly financial statements. The FARM Committee also selects internal audits; reviews and advises the Board of Trustees on plans and reports from auditors; and oversees the Corporation's risk management policies and practices. The Committee is composed of no less than four Trustees, in addition to the Chair of the Board and the President and CEO, who are non-voting members of the Committee. The Committee held five meetings during the 2015–2016 fiscal year.

Governance Committee

The Governance Committee (GC) monitors and reviews governance of the Corporation in relation to best practices, and recommends changes aimed at enhancing operational effectiveness. The GC also reviews the Board's committee structures and memberships, and ensures that a Board self-assessment process is in place. The Committee reviews and recommends nominations for trustee appointments and reappointments, and is comprised of no less than four Trustees, as well as the Chair of the Board and the President and CEO, who are non-voting members. The Committee held two meetings in 2015–2016.

Major Facilities Committee

The Major Facilities Committee (MFC) was formed as a result of the additional Board oversight required for the renewal of the Canada Science and Technology Museum and the planning and eventual construction of the new Collection and Conservation Centre announced in March 2016. The Committee held 28 meetings in 2015-2016.

Board of Trustees

Name, Region
Term – BOARD COMMITTEES
(over the 2015-2016 fiscal year)

Dr Gary Polonsky, Ontario
January 14, 2010 to January 13, 2018 – Board Chair, EC (Chair), FARM, GC, MFC

Jim Silye, Ontario
June 18, 2010 to June 17, 2018 – Board Vice-Chair, EC, FARM, MFC

Dr Marie-Claire Bélanger, Quebec
March 1, 2012 to February 29, 2016 – GC, MFC

Dr Harold Bjarnason, Manitoba
April 23, 2009 to September 30, 2017 – FARM

David James Cohen, Quebec
June 13, 2014 to June 12, 2018 – MFC

Dr C. David Desjardins, New Brunswick
February 5, 2015 to February 4, 2019 – GC

Jane Hungerford, British Columbia
March 7, 2013 to March 6, 2017 – GC

Helen Johns, Ontario
October 4, 2012 to October 3, 2016 – FARM

Virginia McLaughlin, Ontario
December 18, 2009 to December 17, 2016 – EC, GC (Chair), MFC

*Eloise Opheim O.C., Saskatchewan
June 27, 2009 to June 12, 2014 – GC

Neil Russon, New Brunswick
January 29, 2008 to February 29, 2016 – EC, FARM (Chair)

Glen Schmidt, Alberta
December 17, 2013 to December 16, 2017 – FARM, MFC (Chair)

*Margaret E. Smith, Nova Scotia
March 5, 2009 to February 5, 2015 – GC

*Although the terms of Trustees Margaret E. Smith and Eloise Opheim expired prior to 2015-2016, they continued to serve on the Board into 2015-2016 until their successors were named.

The terms of Dr Marie-Claire Bélanger and Neil Russon also ended in 2015-16; as per the *Museums Act*, they continue in office until a successor is appointed.

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Number of meetings of each committee:

Board
2015 - Apr 23, May 20, June 2, June 26, Sept 16, Nov 26
2016 - Feb 4

FARM
2015 - June 25, Aug 27, Nov 25
2016 - Feb 4, Feb 26

EC
2015 - May 20, June 25
2016 - none

GC
2015 - June 25, Nov 25
2016 - none

MFC
2015 - April 23 and 29, June 2 and 26, July 6 and 15, Aug 5 and 26, Sept 2, 9, 16, 24 and 30, Oct 7, 14 and 28, Nov 4, 13, 25, Dec 2, 9 and 21
2016 - Jan 6, 13 and 27, Feb 4 and 24, March 24

Overview of the Corporation

Vision

To inspire Canadians to celebrate and engage with their scientific, technological and innovative past, present and future in a place where innovations of the past meet the future.

Mission

To collect, explore, and engage through science, technology, and engineering.

The Canada Science and Technology Museums Corporation includes the Canada Agriculture and Food Museum, the Canada Aviation and Space Museum, and the Canada Science and Technology Museum. Together, the three Museums are responsible for preserving Canada's scientific and technological heritage, while also promoting, celebrating, and sharing knowledge of that heritage.

MANDATE

The Corporation was established as an autonomous Crown corporation on July 1, 1990, under the *Museums Act*. As stated in the Act, the mandate of the Corporation is:

“To foster scientific and technological literacy throughout Canada by establishing, maintaining and developing a collection of scientific and technological objects, with special but not exclusive reference to Canada, and by demonstrating the products and processes of science and technology and their economic, social and cultural relationships with society.”

The Corporation and its three Museums are located in Canada's Capital Region and report to Parliament through the Minister of Canadian Heritage.

EXECUTIVE MANAGEMENT

The Corporation's daily operations are managed by its President and Chief Executive Officer, supported by a senior management team consisting of the Director General of each Museum; the Chief Operating Officer and Capital Projects; the Vice-President, Collection, Research and Corporate Governance; the Vice-President, Business Development, the Vice-President, Public Affairs and Marketing; and the Vice-President, Human Resources.

Corporate Reporting Structure

Board of Trustees

President and Chief Executive Officer



Canada Agriculture and Food Museum (CAFM)

The Canada Agriculture and Food Museum is Canada's national museum of agricultural science and technology. Located on the Central Experimental Farm near downtown Ottawa, the Museum maintains rare and conventional breeds of poultry and livestock, and offers a wide range of exhibitions and educational programming designed to familiarize visitors with the links between agriculture, technology, the environment, and the food we eat.

As a working farm in the heart of the National Capital Region, the Museum is a highly popular destination for families and school groups. Outreach is also a priority, and includes online educational tools, kits for schools, and participation in national initiatives such as Canadian Agricultural Literacy Week, which encourages Canadians to visit an agricultural museum or a farm, or find ways to participate online in the community.

Canada Aviation and Space Museum (CASM)

The Canada Aviation and Space Museum is Canada's national museum of aerospace technology. Home to one of the finest collections of aircraft in the world, the Museum is located next to a working airport and offers flights over the city, in addition to outstanding exhibitions, programming and apps that transport visitors from the dawn of human-powered flight to life in orbit in the International Space Station.

Commemorations also play a significant part in the Museum's slate of activities. Key among these is the Museum's current focus on the centenary of the First World War, which includes special events, showcasing of period aircraft, and the Museum's two highly popular *Ace Academy* apps. Other commemorations include annual marking of the Battle of Britain, D-Day, Remembrance Day, and Operation Manna, as well as tributes to individual Canadian aviators.

Canada Science and Technology Museum (CSTM)

The Canada Science and Technology Museum is Canada's national museum of science and technology, and one of the oldest of its kind in the world. It was not only Canada's first interactive science and technology museum, but also remains the country's largest and most comprehensive.

Housed in a former bakery facility, the Museum will be closed to the public until November 2017, as it undergoes a large-scale renovation. Despite the closure, the Museum continues to deliver exciting content to visitors, either online or through partner institutions. In addition, the federal government recently announced major funding for the building of a state-of-the-art conservation and storage facility, reflecting the importance of Canadian scientific and technological heritage, both to Canada and its people, and to the wider world.

Museums' and Corporate Highlights (adapted from the CEO's highlights video)

One of the things that makes me particularly proud this year is the way we've been able to reach beyond the walls of our museums to connect with the wider world. As many of you are undoubtedly aware, our flagship Canada Science and Technology Museum is currently closed for a massive renewal project, and it has been exciting to see how innovative our staff has been in continuing to get our messages out. But more about that a little later.

Events

Over the past year, our two open museums were very active in producing a full slate of public events and programming. From family events such as Bug Day and Sheep Shearing Festival at the Canada Agriculture and Food Museum to Remembrance Week and National Child Day at the Canada Aviation and Space Museum to events attracting adults such as Baconpalooza at the Canada Agriculture and Food Museum, visitors have been able to do everything from canning vegetables to imagining what it would be like to live on Mars.

Exhibitions and Artifact Acquisitions

Museums are, of course, not really museums without exhibitions, and we've had some great ones this year. At the Canada Agriculture and Food Museum, **Food Will Win the War** showcased food production during the Second World War, from large-scale farming to individual "victory gardens." At the Canada Aviation and Space Museum, **Life in Orbit: The International Space Station** — developed by the Museum for the Canadian Space Agency — looked at what it's like to circle Earth while living for months in Space.

Nor has the closure of the Science and Technology Museum kept it from producing exhibitions for travel, including **Energy House** travelling exhibition and **Game Changers** that will be ready to travel in the fall of 2016.

Each year, the Corporation adds objects of national and international importance to its collection. This year's key acquisitions included not only scientifically and technically important objects, but also acquisitions that are important for social reasons.

Among the many acquisition, the Canada Agriculture and Food Museum acquired an early production model of a Dion thresher from the 1920s made by Dion & Frères in Quebec. Dion is a Quebec success story because it has remained an independent agricultural implement designer and manufacturer, which is a remarkable accomplishment in this age of global mergers and takeovers.

The Canada Aviation and Space Museum acquired archives documenting the early aviation career of Manitoba-born aviator William Edgar Robinson. He trained at the Wright School of Aviation in the United States, and served in the Royal Naval Air

Service on the Western Front and in the Mediterranean during the First World War. A prize piece in the Robinson archives is a document signed by Orville Wright, pilot of the world's first powered flight by a heavier-than-air machine.

The Canada Science and Technology Museum acquired a Lenoir meter, one of the earliest standard brass metres that survives from the beginnings of the metric system, around 1800. It was used in an official bureau of verification in France and this artifact is now the earliest metric object in Canada.

The science and tech museum also acquired some great examples of domestic technology and design from the 1970s — a set of three Viking-brand household kitchen appliances built in Quebec — a range, a refrigerator, and a dishwasher. They are in Autumn Red, one of the fashionable colours of the time, and they represent the ongoing economic boom and middle class prosperity of the post Second World War years. Viking was the house brand of the now defunct Eaton's department store.

The Museum also acquired a homemade robot equipped with artificial intelligence that successfully hitchhiked across Canada. The robot, called hitchBOT, began its journey at the side of the road in Halifax, Nova Scotia, on July 27, 2014, and hitched 19 rides to successfully complete its journey to Vancouver, British Columbia, on August 21, only 25 days later. hitchBOT also took digital images every 20 to 30 minutes, which were uploaded to a server and used by the hitchBOT team to share moments from hitchBot's journey online. hitchBOT represents a number of interesting technical innovations, and fills an important gap in the Museum's communications and computing collections.

The last science and tech museum acquisition this year represents the intersection of technology with the drama of human life and struggle. I'm speaking of objects collected by a Canadian physician from a migrant rescue ship in the Mediterranean Sea. Among the many objects is a mariner's compass found on an overcrowded inflatable raft, children's flotation aids, and emergency medical devices. The objects have been displayed at the Canadian Museum of Immigration at Pier 21 in Halifax and the Canadian Museum for Human Rights in Winnipeg.

Information and photos of these and other artifacts in the national collection can be accessed in the Collection Online database on our website.

Virtual Exhibitions and Online Programming

These days, of course, compelling virtual exhibitions and online programming are a must. Here again, our institution excels. **Bees: A Honey of an Idea** is a fascinating virtual exhibition, introducing visitors of all ages to bees and their importance to agriculture.

This past year, the Canada Science and Technology Museum also became the first national museum to launch a virtual exhibition in partnership with the Google Cultural Institute.

Another fun feature is our Google Hangouts, which this year included Family Hangouts on bees and airplanes, attracting hundreds of people to the live Hangouts and afterward to the recorded YouTube videos. And, of course, we also have extensive online resources available for children, schools, families, scholars, and researchers.

National Outreach/Online Reach

Any public facing organization worth its salt — and this goes double for a content-based institutions like ours — has to have a massive online presence and reach. We are highly active when it comes to social media, posting often on Facebook, on Twitter, and in blogs. For several years now, we have also been posting videos on our YouTube channel. Travelling exhibitions are, of course, one of the key ways in which we connect with audiences beyond the National Capital Region. Over the past year, several of our exhibitions have travelled the country, reaching 3.5 million visitors in cities and towns from St. John's, Newfoundland to Fort McMurray, Alberta, to Vancouver, British Columbia.

But one of the areas in which our museums are way ahead of the pack is in our apps. Over the past year, we've developed some outstanding mobile apps that allow people to train as First World War flying aces as they take to the skies in early aerial combat — and, coming soon, an app where the user travels and lives on Mars, and another one that explores the importance of bees to our world. So far, our apps have been downloaded in more than 170 countries.

The closed Canada Science and Technology Museum didn't stop reaching Canadians face to face. The ScienceMobile continued to travel to schools, daycares, and libraries, offering programs for young curious minds. We reached more than 40,000 children or adults in the year.

Corporate-wide Initiatives

While all three of our museums have always been active in pursuing their individual mandates, there are some overarching initiatives that are handled by the Corporation as a whole.

Some of you may already be aware that Let's Talk Energy and its outreach arm Talk Energy Week, both spearheaded cross-Canada conversations about the place of energy in our lives. This past year, more than 2.2 million people took part in Talk Energy Week — a very impressive number.

In addition, as part of our ongoing commitment to science outreach and engagement and one of the ways we will be celebrating Canada's 150th anniversary, we launched an interactive digital storybook to capture the people, places, and artifacts that tell the story of Canadian invention and innovation. The digital storybook is called InnovationCanada150.ca and we want you to join in.

Two years ago we put our collection data online for open access, and this year we have taken a leadership role by providing open access to our museums' research and information assets. This initiative will provide digital open access to the knowledge it holds in trust for all Canadians.

I am pleased to report, as well, that we are an official partner in the newly launched Governor General's Innovation Awards.

Renewal of the Canada Science and Technology Museum

And now to what, for many people, is the most important issue when it comes to our group of museums: renewal of the Canada Science and Technology Museum.

Before we embarked on this \$80.5 million project, we held public consultations and the feedback we got was invaluable. But even more heartening was seeing how important the museum is to Canadians.

It is thus obviously welcome news to all Canadians that the Canada Science and Technology Museum is undergoing a massive renewal of its building envelope, its galleries, its amenities and its exhibits. I don't know about you, but I can't wait for November 2017 when the new museum opens to the public.

Speaking of the future, we are also pleased to be building a state-of-the-art Collections Conservations Centre in collaboration with the National Gallery of Canada and the Canadian Conservation Institute. When it opens in 2018, that building will serve, not only as an outstanding home for everything from turbines to fine art, but also as an example of what can be achieved when institutions work together.

The progress so far on the renewed Canada Science and Technology Museum, and the planning that has started on the Collections Conservations Centre, convinces me that the Corporation has the best teams in the country carrying out this work.

Conclusion

So there you have it. It's been a very successful year. We've had our share of challenges, but with government support, direction from a committed Board of Trustees, a dedicated staff, and, of course, the ongoing and enthusiastic approval of visitors both onsite and online, it has been a year of which we are all justifiably proud. Nearly 410,000 people have visited the two museums currently open to the public. We reached 14 million people via social media, with 1.1 million visits to our websites, and 840,000 interactions via FaceBook, Twitter and YouTube.

And the list goes on. More than 93,000 people connected with our virtual exhibitions. More than 75,000 downloads of our educational activity kits. And more than 61,000 downloads in 172 countries of our new *Ace Academy: Black Flight* app — which, I might add, launched only a few short months ago. All told, more than 21,600,000

connections were made with people as we continue to inspire Canadians to celebrate and engage with their scientific, technological and innovative past, present and future.

It is a pleasure to head up a Corporation like this, and I am proud of what we have been able to achieve over the past twelve months. Popular exhibitions, a strong national and international presence, outstanding programming, online innovation, and initiatives that continue to reinforce the definite importance of science and technology to everyday life. It's been an exciting year, and I can't wait to see what's next.

Alex Benay
President and CEO
Canada Science and Technology Museums Corporation

Report on Performance Indicators for the 2015-2016 Annual Report

<i>Measures</i>	<i>Indicator result / Target</i>	<i>Result above (↑) or below (↓) target</i>
Strategic Objective 1: Best in Class - Collection		
<i>Strategy 1.1: Make the collection more accessible digitally and physically.</i>		
<i>Strategy 1.2: Become leaders in science and technology subject based research by focusing and sharing expertise.</i>		
<i>Strategy 1.3: Advance the Collection Rationalization Project.</i>		
% of collection digitized	96% (Target 94%) 100% of the Library collection	↑
# of square meters cleared	987 m ² (11,119 sq ft) (Target 5,000 sq ft)	↑

Strategic Objective 2: Best in Class – Education and Exhibitions		
<i>Strategy 2.1: Create unique exhibitions that are relevant, engaging and entertaining experiences.</i>		
<i>Strategy 2.2: Offer STEAM educational programming in formal and informal forums.</i>		
<i>Strategy 2.3: Celebrate significant and inspiring Canadian science and technology innovations.</i>		
Attendance CAFM and CASM	CAFM: 187,568 (target: 180,000) CASM: 222,169 (target: 200,000)	↑
# of downloads of education materials	CAFM total: 42,589 (Baseline Year) CASM total: 7,800 (Baseline Year) CSTM total: 37,198 (Baseline Year)	
% visitor satisfaction	91% (Target: 90%)	↑
# of school programs delivered/# of participants	CAFM: 658 programs/18,583 participants (Baseline Year) CASM: 794 programs/23,798 participants (Baseline Year) CSTM: 74 programs/2,431 participants (Baseline Year)	

Strategic Objective 3: National Outreach		
<i>Strategy 3.1: Build a creative and relevant line of outreach products.</i>		
<i>Strategy 3.2: Build and sustain strong regional, national and international networks.</i>		
<i>Strategy 3.3: Increase awareness with new marketing and branding strategies.</i>		
# of virtual engagements (web, social media, etc.)	6,014,341 (Target: 1,652,060)	↑
Attendance of travelling products	114,176 Travelling exhibition attendance Montreal-Pierre Elliott Trudeau International Airport: 3,500,500 (Target: 3,800,000)	↓
# of schools that used Edukits	18 schools/10 Scout groups/1,286 youth engaged (Baseline year)	

Measures	Indicator result / Target	Result above (↑) or below (↓) target
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Strategic Objective 4: Sustainable and Profitable		
<i>Strategy 1: Develop a sound business model that diversifies and maximizes commercial returns.</i>		
<i>Strategy 2: Leverage the government's Innovation Agenda with partners and sponsors.</i>		
<i>Strategy 3: Invest in our workforce and workplace.</i>		
Amount of operating revenue generated	Total: \$3.86M (Target: \$3.12M)	↑
Amount of contributions from donations, sponsorships and in-kind	Total: \$1.48M (Target: \$1.60M)	↓
Number of training hours for staff	Total: 2,457.25 hours (Target 2,054 hours)	↑

Strategic Objective 5: Renewed and innovative Infrastructure		
<i>Strategy 1: Launch the renewed CSTM.</i>		
<i>Strategy 2: Address the need for a conservation and restoration facility for the aviation collection.</i>		
<i>Strategy 3: Launch a capital campaign for the Food Innovation Centre (FIC) at CAFM</i>		
<i>Strategy 4: Pursue the development of a purpose-built building for the storage and preservation of the national collection.</i>		
Meet project milestones for the CSTM renewal	Project advancing to finish on time and on budget.	↑
Complete a business case for conservation and restoration facility for the aviation collection	In progress	↓
Successful launch of the capital campaign for the Food Innovation Centre at CAFM	On hold	↓
Explore options for a collection reserve facility	Business Case completed. Funding announced in Budget 2016 for \$156.4M to build the Collections Conservations Centre	↑

SPONSORSHIPS AND PARTNERSHIPS

The Corporation is active in generating revenues through sponsorships and partnerships. Through its Business Development Division and the support of management, fiscal year 2015–2016 saw the successful signing and renewal of several multi-year cash and in-kind agreements with various private- and public sector partners, as well as the continuation of numerous others. The list below identifies the initiatives supported by each partner.

Baconpalooza

Bell Media
Clocktower Brew Pub
Fireplace Centre and Patio Shop
Ottawa Marriott
Seed to Sausage

Canada Aviation and Space Museum Audio-Video Guide

Richardson Foundation

Canadian Entrepreneurs Exhibition

Public Works and Government Services Canada (Build in Canada Innovation Program)

Canada from Space Giant Floor Maps

Canadian Space Agency

Canola Initiative

Alberta Canola Producers Commission
Canadian Canola Growers Association
Canola Council of Canada
Manitoba Canola Growers Association
Saskatchewan Canola Development Commission

Food Literacy

Agriculture and Agri-Food Canada
Bernardin
Canadian Food Inspection Agency
Health Canada (Food Directorate)
Nestlé Canada
Public Health Agency of Canada
Tetra Pak Canada

From Rock to Reality: The Mining and Metallurgy Legacy Project

Canadian Institute of Mining, Metallurgy and Petroleum
Canadian Mineral Processors
Hatch
Metallurgy and Materials Society

Game Changers

Electronic Arts
Social Sciences and Humanities Council of Canada

In Search of the Canadian Car

AUTO21
Rogers TV
Toyota Canada

Kenneth Molson Lecture Series

Kenneth M. Molson Foundation

The Legacy of the Canadarm

Canadian Space Agency

Let's Talk Energy

Canadian Association of Petroleum Producers
Canadian Natural Resources Limited
Canadian Nuclear Revitalization Partners
Canadian Nuclear Safety Commission
Cenovus Energy
Conoco Phillips
Encana
Environment and Climate Change Canada
Imperial Oil Foundation
Natural Resources Canada
Suncor Energy Foundation
Sustainable Development Technology Canada
University of Ottawa - School of Electrical Engineering and Computer Science

Life in Orbit: The International Space Station

Canadian Space Agency

Living Lab – Canada Science and Technology Museum Renewal

University of Ottawa

Makerspace – Canada Science and Technology Museum Renewal

Fraser Somers

Oral History: Pioneers in Space

Canadian Space Agency

Potash: Feeding the World

Agrium
Fertilizer Canada

The Mosaic Company
Potash Corporation of Saskatchewan

Pulses: The Ideal Partner
Pulse Canada

RADARSAT Technozone
Canadian Space Agency

Soil Science
Fertilizer Canada
Nutrients for Life
Soil Conservation Council of Canada

Starfleet Gala
Mattel
Resonance
Royal Canadian Mint
Star Motors of Ottawa
Twitter Canada
VLN Advanced Technologies Inc.

Summer Institute for Elementary Teachers
FLUOR Canada

Tee Off FORE Tech
Aldrich Pears
BDMK
Deloitte
Emerion
Genband
Globalive XMG
Iron Horse
MacEwen
OpenText
Star Motors of Ottawa
Pomerleau

Memoranda of Understanding

This year, the Corporation signed Memoranda of Understanding (*) and/or collaborated with the following organizations. Memoranda of Understanding with external partners support collaboration, as well as the pooling of knowledge, services and financial resources towards the development of programs and exhibitions that meet common goals.

Memoranda of Understanding and Other Agreements

- Actua*
- Aéroports de Montréal
- Algonquin College
- Bytown Railway Society Inc.
- Canadian 4-H Council
- Canadian Anesthesiologists Society
- Canadian Conservation Institute
- Canadian Council of Technicians and Technologists
- Canadian Food Inspection Agency
- Canadian Museums Association*
- Canadian Space Agency
- Canadian Warplane Heritage Museum
- Carleton University
- Cité de l'énergie (Shawinigan, Quebec)
- Department of National Defence
- Embassy of Mexico in Canada
- Energy Exchange
- Foreign Affairs, Trade and Development Canada
- Globalive XMG JV Inc.*
- Gone West Productions
- Health Canada (Health Products and Food Branch)
- International Pilot Academy
- Le Groupe Molior
- Let's Talk Science
- Library and Archives Canada
- National Film Board of Canada
- National Music Centre
- National Research Council Canada
- Natural Resources Canada
- Nutrients for Life Foundation Canada
- Perimeter Institute*
- Rare Breeds Canada
- Rockcliffe Flying Club
- Royal Air Force Museum
- Royal Canadian Geographical Society
- Science North*
- SE3D Interactive

- TELUS Spark – Calgary Science Centre*
- Title Entertainment Inc.*
- University of Ottawa

2015-2016

Management Discussion and Analysis

The Canada Science and Technology Museums Corporation is committed to achieving the mandate established by the *Museums Act*, while providing the financial and operational foundation necessary to support ongoing renewal and delivery of its many programs and projects.

Strategic Direction

The Board of Trustees established a new set of strategic objectives for the 2015-2016 to 2019-2020 planning period, tied to its Program Alignment Architecture. The five long-term strategic objectives will guide the Corporation toward key outcomes. Performance measures are attached to each strategic objective, which are monitored to assess its progress against its objectives and strategies.

The five Strategic Objectives are:

1. Best in Class – Collections (Heritage Preservation)
2. Best in Class – Education and Exhibits (Sharing Knowledge)
3. National Reach (Sharing Knowledge)
4. Sustainable and Profitable (Internal Services and Accommodations)
5. Renewed and Innovative Infrastructure (Accommodations)

As this Annual Report demonstrates, over the past year the Corporation worked diligently toward achieving results against these strategic objectives.

Environmental Scan

Demographics

To remain relevant to the citizens they serve, Canada's museums must be aware of changing demographics in Canadian society. Most notably, Canada is experiencing an aging population; a growing number of young professionals interested in leisure activities; and an increasingly culturally and linguistically diverse population. The Corporation is taking these socio-demographic changes into consideration when renewing its facilities, programming, and other offerings in order to be more inclusive of all visitors.

Economics

The Canadian economy continues to recover modestly from the economic downturn. The Corporation's commercial operations revenue is dependent on visitation and can be negatively affected by a decrease in discretionary leisure and tourism spending by

Canadians. The Corporation will continue to monitor these changing economic and tourism trends in Canada in the context of pricing and revenue projections.

With the future of Canada's Science, Technology, Engineering, Art and Mathematics (STEAM) innovations in the hands of today's youth, the Corporation will continue to find opportunities to inspire youth to pursue STEAM careers.

Alternative funding methods are growing in popularity, such as micro-giving options and using crowdfunding platforms like Kickstarter and Indiegogo to reach local, national and international donors. The Corporation will continue to explore new projects that could be successfully funded using these methods.

Digital Trends

Canadians are expecting access to cultural content on digital platforms. The Corporation will continue to increase its digital offerings. For instance, the use of mobile applications (apps) in museums is a key trend to provide supplemental information to visitors and allow on-site and off-site visitors to engage with museum content. The Corporation is building on the success of the *Ace Academy* app to continue to explore best uses of content-rich mobile apps for on-site applications and outreach.

The Corporation will continue to place priority on digitizing the collection, adapting to new technologies, and investigating the best digital strategies and platforms. With the intention of becoming a cultural industry leader in the use of digital technologies, the Corporation will begin exploring applications of augmented reality in a museum context. It has also begun 3-D scanning artifacts.

Using virtual connections made widely accessible through mobile apps and video conferencing software, the Corporation continues to share information and access to its collection through online videos. The Corporation also monitors opportunities and trends in digital education and uses distance learning as a means of engagement.

Crowdsourcing trends in museums include transcription or contextualisation of artefacts, adding complementary materials to a collection or co-curation from non-professionals. The Corporation is looking at ways to use crowdsourcing to benefit from the power in the number and diversity of contributors and to increase engagement in its activities.

Risk Analysis

The pressures stem from the rising costs associated with all aspects of operating, staffing and technology. The situation changed in November 2014, when the federal government announced an additional investment of \$80.5 million to support the renewal of the Canada Science and Technology Museum. The Museum will be closed for another year and a half, during which it is finding alternative ways of reaching out in order to foster science and technology literacy.

The three key risks that were identified as the highest in terms of impact and likelihood for the Corporation over 2015-2016 were: endangering the national collection in storage due to inappropriate housing conditions; potential cost overruns for the major capital infrastructure project; and the widening gap between operating costs and revenues and the resulting loss of relevance due to limited capacity to invest in new programming and exhibitions.

To mitigate these pressures, the Corporation practices sound fiscal management, cost-reduction and containment measures, diversifying revenues, sponsorships and contributions. It also reaches out externally to find and enhance collaborative working and financial relationships to help deliver programs. In 2015-2016, the Corporation expanded its outreach activities with the Museum on the Go initiative to deliver its programs in schools and allocated more resources to business development activities such as sponsorships. The Corporation also reduced its budget allocated to landscaping and secured “blockbuster” exhibitions for future years.

The Corporation continues to communicate its financial pressures to government. In March 2016, the federal budget included funding of \$156.4 million for the Corporation to build a new collections storage building, as well as funding to address other deferred capital projects over the next five years.

Budget Overview

The Corporation’s total budget for 2015-2016, reported on an accrual basis, was \$36.5 million, comprising funds from three different sources: parliamentary appropriations, operating revenues, and contributions. The closure of the Canada Science and Technology Museum (CSTM) since September 2014 for remediation and modernization work is having significant impacts on revenues and contributions. This will be the case until the work is completed in November 2017.

Parliamentary Appropriations

Parliamentary appropriations decreased slightly from \$31.7 million in 2014-2015 to \$30.8 million in 2015-2016 on an accrual basis. On a cash basis, total voted appropriations for 2015-2016 were \$59.6 million as the Corporation received temporary operating funding for remediation of the Canada Science and Technology Museum, and significant capital funding for the modernization of the CSTM building (including a new roof and seismic retrofit), and completely renewed exhibitions.

Operating Revenues

Operating revenues decreased by about \$1 million from \$4.898 million in 2014-2015 to \$3.856 million in 2015-2016. This decrease is due to the loss of admissions, programs, parking, boutique and other revenues with the closure of the CSTM.

Contributions

Contributions recognized as revenues vary from year to year, based upon the revenues required to fund specific programs and install new exhibitions. Contributions decreased

by just under \$500,000, from \$1.979 million in 2014-2015 to \$1.484 in 2015-2016. This was due primarily to relatively low exhibition activity, resulting from the closure of the CSTM.

Operating Expenditures

The Corporation's total expenses for 2015-2016 were \$36.1 million compared to \$37.8 million in 2014-2015. The decrease is due to reduced operating costs associated with the closure of the CSTM. Personnel costs continue to be the largest use of funds, amounting to \$18 million in 2015-2016, down from \$19.4 in 2014-2015.

Sharing Knowledge

Expenses related to Sharing Knowledge decreased from \$13.7 million in 2014-2015 to \$11.3 million in 2015-2016. This decrease is largely due to savings in personnel costs during the CSTM's closure.

Heritage Preservation and Internal Services

Expenses related to Heritage Preservation remained relatively stable at \$4.4 million, as compared to \$4.1 million in 2014-2015. Internal Services increased from \$6.6 million in 2014-2015 to \$7.3 million in 2015-2016, due primarily to hiring of temporary staff to address increased reporting requirements and deliver the CSTM modernization project.

Accommodation

Expenses related to Accommodation decreased slightly from \$13.5 million in 2014-2015 to \$13.1 million in 2015-2016. This decrease is due primarily to savings in maintenance, utilities and the Payments-in-lieu of taxes during the CSTM's closure.

Net Results of Operations and Year-End Position

The net results of operations yielded a surplus of \$358,000 in 2015-2016. Revenues from increased admissions and visitors at the Canada Aviation and Space Museum and the Canada Agriculture and Food Museum surpassed their targets by a total of \$209,000 in 2015-2016, contributing to the surplus. In addition, savings were made in personnel and accommodation costs due to the closure of the Canada Science and Technology Museum.

Capital and Collection

Tangible capital assets increased from \$63.9 million in 2014-2015 to \$71.9 million in 2015-2016, due primarily to investments in the modernization of the Canada Science and Technology Museum. The Corporation acquired 96 objects for its collection; most of these acquisitions were made for exhibitions at the Canada Agriculture and Food Museum and the Canada Aviation and Space Museum, along with investments in equipment and computer software to advance the Corporation's digital strategy. The Corporation wrote off assets valued at \$532,000 due to the closure of CSTM.

Outlook

Next year, the Corporation will pursue its five-year strategic objectives, through which the Museums will emerge in 2020 better equipped and more nimble to serve Canadians. In order to remain relevant to all Canadians, the Corporation must extend its reach beyond Canada's Capital Region. The use of social media and digital resources is a primary focus of the Corporation's outreach efforts, including renewed websites and web content, as well as engagement with platforms such as Flickr, Twitter, YouTube, Pinterest, Facebook and more.

The Corporation's entrepreneurial staff and leadership will continue to develop creative product lines, thematic exhibition additions, and engaging experiences—such as simulators and aircraft rides at the Canada Aviation and Space Museum, and wagon rides at the Canada Agriculture and Food Museum—to deepen visitor engagement and add to the Corporation's revenue streams.

Although virtual tools provide Canadians with ready access to the national collection, there is no substitute for encounters with actual artifacts. While preserving its national collection on behalf of all Canadians, the Corporation also seeks to share this scientific and technological heritage with the wider world. By continuing to promote artifact loans, and expanding its inventory of travelling products, the Corporation further fosters scientific and technological literacy across Canada and around the world—a mandate that becomes increasingly relevant as society deepens its dependence on science and technology in everything from manufacturing to agriculture.

Preserving this rich heritage in leased accommodations which have their own infrastructure issues will continue to be one of our main focuses, along with redressing the ongoing financial pressures. Over the next two years engaging Canadians in reinventing their Canada Science and Technology Museum will be an exciting venture developing a space with a combination of real and virtual experiences where past meets the future. The Corporation's efforts will also be focused on the planning, design and construction for a new Collections Conservation Centre to be delivered in spring 2018.

As we near Canada's 150th year of Confederation in 2017—which will include opening a renewed Canada Science and Technology Museum—it is important to show Canadians not only where they've been, but where they're headed. Through careful stewardship of its physical, human and financial resources, coupled with ongoing efforts to attract additional partners and stakeholders, the Corporation is optimistic regarding its ability to continue inspiring young Canadians, while also instilling pride across the country in our scientific and technological heritage.

Financial Statements

Management's Responsibility for Financial Statements

The financial statements contained in this annual report have been prepared by Management in accordance with Canadian Public Sector Accounting standards for Government not-for-profit organizations, and the integrity and objectivity of the data in these financial statements are Management's responsibility. Management is also responsible for all other information in the Annual report and for ensuring that this information is consistent, where appropriate, with the information and data contained in the financial statements.

In support of its responsibility, Management has developed and maintains books of account, records, financial and management controls, information systems and management practices. These are designed to provide reasonable assurance as to the reliability of financial information that assets are safeguarded and controlled, and that transactions are in accordance with Part X of the *Financial Administration Act (FAA)* and regulations, as well as the *Museums Act* and regulations, the by-laws of the Corporation and the directive issued pursuant to section 89 of the *FAA* described in Note 1 of the financial statements.

The Board of Trustees is responsible for ensuring that Management fulfils its responsibilities for financial reporting and internal control. The Board exercises its responsibilities through the Finance, Audit and Risk Management Committee, which includes a majority of members who are not officers of the Corporation. The Committee meets with Management and the independent external auditor to review the manner in which Management is performing its responsibilities and to discuss auditing, internal controls, and other relevant financial matters. The Finance, Audit and Risk Management Committee has reviewed the financial statements and has submitted its report to the Board of Trustees. The Board of Trustees has reviewed and approved the financial statements.

The Corporation's external auditor, the Auditor General of Canada, audits the financial statements and reports to the Minister responsible for the Corporation.



Alex Benay
President and CEO



Fernand Proulx
Chief Operating Officer

27 June 2016



INDEPENDENT AUDITOR'S REPORT

To the Minister of Canadian Heritage

Report on the Financial Statements

I have audited the accompanying financial statements of the National Museum of Science and Technology, which comprise the statement of financial position as at 31 March 2016, and the statement of operations, statement of changes in net assets and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of the National Museum of Science and Technology as at 31 March 2016, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Report on Other Legal and Regulatory Requirements

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

Further, in my opinion, the transactions of the National Museum of Science and Technology that have come to my notice during my audit of the financial statements have, in all significant respects, been in accordance with Part X of the *Financial Administration Act* and regulations, the *Museums Act* and regulations, the by-laws of the National Museum of Science and Technology, and the directive issued pursuant to section 89 of the *Financial Administration Act* described in Note 1 to the financial statements.



Riowen Yves Abgrall, CPA, CA
Principal
for the Auditor General of Canada

27 June 2016
Ottawa, Canada

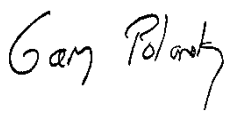
STATEMENT OF FINANCIAL POSITION

As at March 31

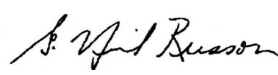
<i>(in thousands of dollars)</i>	2016	2015
ASSETS		
Current		
Cash and cash equivalents (Note 3)	\$38,318	\$9,039
Accounts receivable		
Government departments	1,685	7,614
Trade	375	438
Inventories	401	522
Prepaid expenses	592	67
	<u>41,371</u>	<u>17,680</u>
Collection (Note 4)	1	1
Capital Assets (Note 5)	71,911	63,894
	<u>\$113,283</u>	<u>\$81,575</u>
LIABILITIES		
Current		
Accounts payable and accrued liabilities (Note 6)	\$6,549	\$3,906
Current portion of employee future benefits (Note 7)	297	618
Deferred contributions and deferred revenues (Note 8)	30,295	9,380
	<u>37,141</u>	<u>13,904</u>
Employee future benefits (Note 7)	196	205
Long-term advance (Note 9)	4,533	4,533
Deferred contributions related to capital assets (Note 10)	58,140	50,018
	<u>100,010</u>	<u>68,660</u>
NET ASSETS		
Unrestricted	3,171	2,813
Investment in capital assets	10,102	10,102
	<u>13,273</u>	<u>12,915</u>
	<u>\$113,283</u>	<u>\$81,575</u>

Contractual obligations and contingencies (Notes 15 and 17)
The accompanying notes and schedules form an integral part of these financial statements.

Approved by the Board of Trustees



Gary Polonsky
Chairman



Neil Russon
Chair, Finance, Audit and Risk Management Committee

STATEMENT OF OPERATIONS

For the year ended March 31

<i>(in thousands of dollars)</i>	2016	2015
REVENUES		
Operating (Schedule 1)	\$3,856	\$4,898
Contributions (Schedule 1)	1,484	1,979
Interest	273	151
Total revenues	5,613	7,028
EXPENSES (Schedule 2)		
Heritage preservation	4,380	4,120
Sharing knowledge	11,328	13,667
Internal services	7,254	6,563
Accommodation	13,132	13,481
Total expenses	36,094	37,831
Deficit before parliamentary appropriations	(30,481)	(30,803)
Parliamentary appropriations (Note 11)	30,839	31,686
Surplus for the year	\$358	\$883

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

STATEMENT OF CHANGES IN NET ASSETS

For the year ended March 31

(in thousands of dollars)	2016	2015
INVESTMENT IN CAPITAL ASSETS		
Investment in capital assets, beginning of year	\$10,102	\$10,102
Change in investment in capital assets for the year	-	-
Investment in capital assets, end of year	10,102	10,102
UNRESTRICTED NET ASSETS		
Unrestricted net surplus beginning of year	2,813	1,930
Surplus for the year	358	883
Unrestricted net surplus, end of year	3,171	2,813
NET ASSETS, END OF THE YEAR	\$13,273	\$12,915

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

STATEMENT OF CASH FLOWS

For the year ended March 31

<i>(in thousands of dollars)</i>	2016	2015
Operating activities:		
Cash received (clients)	\$4,708	\$5,357
Parliamentary appropriations received for operations	26,658	26,208
Cash paid to suppliers	(13,717)	(14,236)
Payments related to salary and benefits	(18,520)	(18,447)
Cash received from the Foundation	42	191
Interest received	247	152
Net cash used through operating activities	(582)	(775)
Capital activities:		
Payments related to capital acquisitions	(9,964)	(1,821)
Net cash used through capital activities	(9,964)	(1,821)
Financing activities:		
Sponsorship received for the acquisition of capital assets	868	270
Appropriations received for the acquisition of capital assets	38,957	797
Net cash generated through financing activities	39,825	1,067
Increase (decrease) in cash and cash equivalents	29,279	(1,529)
Cash and cash equivalents, beginning of year	9,039	10,568
Cash and cash equivalents, end of year	\$38,318	\$9,039

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

NOTES TO FINANCIAL STATEMENTS

March 31, 2016

1. Authority, mandate and operations

The National Museum of Science and Technology was established by the *Museums Act* on July 1, 1990, and is a Crown corporation named in Part I of Schedule III to the *Financial Administration Act* and is not subject to income taxes under the provisions of the *Income Tax Act*.

The mandate of the Corporation, as stated in the *Museums Act*, is to foster scientific and technological literacy throughout Canada by establishing, maintaining and developing a collection of scientific and technical objects, with special but not exclusive reference to Canada, and by demonstrating the products and processes of science and technology and their economic, social and cultural relationships with society.

The Corporation operates as the Canada Science and Technology Museums Corporation. It manages three museum sites: the Canada Science and Technology Museum, the Canada Aviation and Space Museum, and the Canada Agriculture and Food Museum. The Corporation's operations are organized by functionality as follows;

Heritage Preservation

This includes documentation, cataloguing, conservation, historical research, the library and related services.

Sharing Knowledge

This includes the development and maintenance of exhibitions, interpretive and educational activities, communication and promotion, Web activities, and other services to visitors.

Internal Services

This includes services such as human resources, finance and facilities management, corporate development and commercial operations, all of which are provided centrally.

Accommodation

This includes operating and maintenance expenses for all owned and leased facilities including protection services, leases of buildings and property taxes. It also includes a significant portion of the amortization expense since the main capital acquisitions relate to the Corporation facilities.

Directive pursuant to Section 89 of the *Financial Administration Act*

In July 2015, the Corporation was issued a directive (P.C. 2015-1105) pursuant to section 89 of the *Financial Administration Act* to align its travel, hospitality, conference and event expenditure policies, guidelines and practices with Treasury Board policies, directives and related instruments on travel, hospitality, conference and event expenditures in a manner that is consistent with the Corporation's legal obligations, and to report on the implementation of this directive in the Corporation's next corporate plan. As of the end of March 2016, the Corporation had revised its travel and hospitality directives. The revised travel and hospitality directives came into effect April 1, 2016. In the upcoming year, the Corporation plans to put in place the reporting and proactive disclosure requirements per Treasury Board instruments. Reporting on the implementation of this directive has been included in the 2016-2017 to 2020-2021 Corporate Plan.

2. Accounting policies

The significant accounting policies are:

(a) Basis of presentation

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

(b) Cash and cash equivalents

The Corporation's investments are highly liquid as they are redeemable on demand without prior notice or penalty and limited to fixed income securities in reputable financial institutions that are members of the Canadian Payment association and rated good quality (A-1, A or better) by the Canadian Bond Rating Services (DBRS).

Restricted cash and cash equivalents may arise from unused appropriations and deferred contributions from individual and corporate entities for a specific purpose.

(c) Accounts receivable

Accounts receivable are stated at amounts expected to be ultimately realized. The Corporation establishes an allowance for doubtful accounts that reflects the estimated impairment of accounts receivable. The allowance is based on specific accounts and is determined by considering the Corporation's knowledge of the financial condition of its customers, the aging of accounts receivable, current business and political climate, customers and industry concentrations and historical experience.

All write downs against accounts receivable are recorded within operating expenditures on the Statement of Operations.

(d) Inventories

Inventories are valued at the lower of cost and net realizable value. Inventory cost is determined by using the average weighted cost method and net realizable value is based on retail price.

(e) Collection

The collection constitutes the major portion of the Corporation's assets but is shown at a nominal value of \$1,000 on the Statement of Financial Position because of the practical difficulties in reflecting it at a meaningful value.

Items purchased for the collection are recorded as expenses in the year of acquisition. Items donated to the Corporation are recorded as assets at the nominal value.

(f) Capital assets

Capital assets are recorded on the following basis. Acquired capital assets owned by the Corporation are recorded at cost and amortized over their estimated useful life. Land and buildings owned by the Government of Canada and under the control of the Corporation are recorded at their estimated historical cost for land and at their estimated historical cost less accumulated amortization for buildings. The estimated historical net costs of the buildings have been credited to deferred contributions related to capital assets and the estimated

historical cost of the land has been credited to net assets under the heading of investments in capital assets on the Statement of Financial Position. Land for which the historical cost cannot be reasonably determined is recorded at a nominal value with a corresponding amount credited to net assets. Improvements that extend the useful life or service potential of buildings and exhibits are capitalized and recorded at cost. Building and exhibits improvements are amortized over the estimated useful life of the improvements.

When conditions indicate that a capital asset no longer contributes to the Corporation's ability to provide goods and services, or that the value of future economic benefits associated with the capital asset is less than its net book value, the cost of the tangible capital asset is reduced to reflect the decline in the asset's value. The net write-down is then accounted for as an expense in the Statement of Operations.

Amortization of assets is calculated on a straight-line basis over their estimated useful lives, using a half year-rule in the year of acquisition, as follows:

Buildings	10 to 40 years
Building improvements	10 to 25 years
Office furniture	5 to 10 years
Computer software	5 years
Museum permanent exhibitions	5 to 20 years
Equipment	5 to 12 years

Amounts included in capital projects in progress are transferred to the appropriate capital asset classification upon completion, and are amortized accordingly.

(g) Employee future benefits

i) Pension benefits

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

ii) Severance and termination benefits

Prior to May 11, 2012, eligible employees of the Corporation were entitled to specified benefits as provided for under labour contracts and conditions of employment, through a severance benefit plan. The Corporation has eliminated this benefit as of May 11, 2012 and any outstanding payments due as at year end have been accrued and are remeasured on a yearly basis to take into consideration salary increases.

The Corporation continues to provide termination benefits to employees that are being laid-off. Severance and termination benefits are not pre-funded and thus have no assets. Severance and termination benefits will be paid from future appropriations.

iii) Sick leave benefits

Employees accumulate unused sick leave days available which may be used in future years. An employee's unused sick leave balance is carried forward until the employee departs the Corporation, at which point any unused balance cannot be redeemed for pay

and the Corporation's liability lapses. The Corporation recognizes the cost of future sick leave benefits over the periods in which the employees render services to the Corporation. The valuation of the liability is based on Management's best estimate of inflation, discount rate, employee demographics and sick leave usage of active employees.

(h) Revenue recognition

i) Parliamentary appropriations

The Government of Canada provides funding to the Corporation.

Parliamentary appropriations received for the purchase of amortizable capital assets including exhibits with a useful life of over one year are initially recorded as deferred contributions on the Statement of Financial Position. When a purchase is made, the portion of parliamentary appropriation used to make the purchase is recorded as deferred contributions related to capital assets and is recognized as revenue on the same basis and over the same periods as the related capital assets acquired.

Parliamentary appropriations restricted for specific expenses are deferred on the Statement of Financial Position and recognized as revenue on the Statement of Operations in the period that those expenses are incurred.

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

ii) Operation revenues

Revenues from Museum operations include the sale of general admission and programs, boutique sales, facility rentals, memberships, farm operations, parking and other revenues. They are recognized in the year in which the sale of goods is completed or the services are provided.

iii) Contributions

Contributions from sponsorships received for the purchase and developments of exhibitions with a useful life over one year are initially recorded as deferred contributions on the Statement of Financial Position. When a purchase is made, the portion of sponsorships used to make the purchase is recorded as deferred contributions related to capital assets and is recognized as revenue on the same basis and over the same periods as the related exhibition acquired.

Contributions externally restricted for specific expenses and purposes are deferred on the Statement of Financial Position and recognized as revenue on the Statement of Operations in the period in which the related expenditures are recognized and requirements are met.

Unrestricted contributions are recognized as revenue on the Statement of Operations when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Contributions in kind, when used in the normal course of the Corporation's operations and would otherwise have been purchased, are recorded at their estimated fair value when they are received. Because of the difficulty in determining their fair value, contributed services from volunteers and contributed services from the Rockcliffe Flying Club (Note 13), lease from Agriculture and Agri-Food Canada (Note 16), and donated objects for the collection (Note 4) are not recognized in these financial statements.

iv) Interest revenues

Interest revenues are recognized in the period in which they are earned using the effective interest rate method.

(i) Foreign currency translation

Transactions involving foreign currencies are translated into Canadian dollar equivalents using rates in effect at the time of those transactions. Monetary assets and liabilities denominated in foreign currencies are translated using exchange rates at March 31.

Realized gains and losses resulting from foreign currency translation are reported on the Statement of Operations. Gains are reported as Other revenues in the Schedule of Operating Revenues and losses are reported as Miscellaneous expenses on the Schedule of Expenses.

(j) Financial assets and liabilities

The classification of financial instruments is determined by the Corporation at initial recognition and depends on the purpose for which the financial assets were acquired or liabilities were incurred. All financial instruments are recognized initially at fair value.

The fair value of financial instruments on initial recognition is based on the transaction price, which represents the fair value of the consideration given or received. Subsequent to initial recognition, financial instruments are measured based on the accounting treatment corresponding to their classification.

Financial assets and financial liabilities are measured at cost or amortized cost using the effective interest rate method. Financial assets consist of cash and cash equivalents, and accounts receivable net of taxes receivable. Financial liabilities consist of long-term advance, and accounts payable and accrued liabilities.

(k) Contingent liabilities

Contingent liabilities are potential liabilities which may become actual liabilities when one or more future events occur or fail to occur. If the future event is likely to occur or fail to occur, and a reasonable estimate of the loss can be made, an estimated liability is recognized and an expense recorded. If the likelihood is not determinable or an amount cannot be reasonably estimated, the contingency is disclosed in the notes to the financial statements.

(l) Measurement uncertainty

The preparation of financial statements in accordance with Canadian Public Sector Accounting standards applicable to government-not-for-profit organizations requires Management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses for the year.

Accrued liabilities, allowance for doubtful accounts, employee future benefits and estimated useful lives of capital assets are the most significant items for which estimates are used.

The key assumption concerning the future and other key sources of estimation uncertainty at the Statement of Financial Position date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year is the estimated useful lives of capital assets.

The estimated useful lives of capital assets are based on Management's intentions with respect to the asset, historical experience with the asset, internal asset management plans

and other factors as determined by Management. The useful lives are reviewed on an annual basis and any revisions to the useful lives are accounted for prospectively.

There are no other accounting assumptions or estimates that have been identified to have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities in the next fiscal year.

3. Cash and cash equivalents

The Corporation makes short term, low risk investments in guaranteed fixed income securities and high interest savings accounts. The overall portfolio yield as at March 31, 2016 was 1.02%. As at March 31, 2015, the average term to maturity was 24 days and the portfolio was redeemable on demand.

<i>(in thousands of dollars)</i>	2016	2015
Cash	\$38,318	\$6,532
Short term investments	-	2,507
	38,318	9,039
Less amounts allocated for restricted purposes	29,938	2,638
Unrestricted cash and cash equivalents	\$8,380	\$6,401

Certain amounts in the prior year have been adjusted to better disclose the cash and cash equivalents components. This resulted in the reclassification of \$5,298,000 from short term investments to cash.

4. Collection

Part of the mandate of the Corporation is “to foster scientific and technological literacy throughout Canada by establishing, maintaining and developing a collection of scientific and technological objects...” This collection is the main asset of the Corporation and is divided in the following areas:

- Communications
- Non-renewable resources and industrial design
- Natural resources
- Physical sciences and medicine
- Renewable resources, including agriculture and forestry
- Instruments, tools and systems with direct application to mathematics, chemistry, physics, as well as astronomy, astrophysics, meteorology, surveying and mapping, and information technology
- Transportation: land, marine, and air and space

During the year ended March 31, 2016, the Corporation de-accessioned 177 objects (2015 - 100 objects) for a total amount of \$0 (2015 - \$1,000) and accessioned 96 objects (2015 - 90 objects) to its collections through the accessioning/de-accessioning process for artifacts. Proceeds of sales of artifacts from 2015 disposals were used to acquire new objects for the collection.

5. Capital Assets

<i>(In thousands of dollars)</i>	March 31, 2016			March 31, 2015		
	Cost	Accumulated Amortization	Net Book Value	Cost	Accumulated Amortization	Net Book Value
Land	\$10,102	\$ -	\$10,102	\$10,102	\$ -	\$10,102
Buildings	67,902	26,374	41,528	74,804	31,473	43,331
Building Improvements	21,955	16,168	5,787	24,429	17,414	7,015
Office furniture	1,143	800	343	1,095	680	415
Equipment	3,327	2,413	914	2,884	2,248	636
Computer Software	1,380	1,244	136	1,306	1,198	108
Museum Permanent exhibitions	2,504	686	1,818	1,477	393	1,084
Easement Rights	147	-	147	147	-	147
Capital Projects in progress	11,136	-	11,136	1,056	-	1,056
	\$119,596	\$47,685	\$71,911	\$117,300	\$53,406	\$63,894

Capital assets with a net book value of \$590,000 (2015 - \$1,368,000) were written off during the fiscal year including an amount of \$532,000 (2015 - \$1,353,000) due to the closure. The write-off amount has been presented under amortization and write-downs of capital assets expense in the schedule of expenses.

6. Accounts payable and accrued liabilities

<i>(in thousands of dollars)</i>	2016	2015
Trade accounts payable	\$4,509	\$2,185
Government departments, agencies and crown corporations	785	315
Accrued salaries and other salary related liabilities	1,255	1,406
	\$6,549	\$3,906

7. Employee future benefits

(a) Pension benefits

The President of the Treasury Board of Canada sets the required employer contributions based on a multiple of the employees' required contribution. The required employer contribution rate for 2015-16 was dependent on the employee's employment start date. For employment start dates before January 1, 2013, the Corporation's general contribution rate effective at year end was 10.41% (2015 - 10.43%) and for employment start dates after December 31, 2012, the Corporation's general contribution rate effective at year end was 8.73% (2015 - 9.02%). Total contributions of \$1.54 million (2015 - \$1.52 million) were recognized as expense in the current year.

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

(b) Severance, termination and sick leave benefits

Information about the benefit plans, measured as at the Statement of Financial Position date, is as follows:

<i>(in thousands of dollars)</i>	2016	2015
Accrued benefit obligation, beginning of year	\$ 1,012	\$ 841
Cost for the year	117	446
Benefits paid during the year	(505)	(275)
Accrued benefit obligation, end of year	624	1,012
Unamortized actuarial (losses)	(131)	(189)
Accrued benefit liability, end of year	\$ 493	\$ 823
Short-term portion	\$ 297	\$ 618
Long-term portion	196	205
Accrued benefit liability	\$ 493	\$ 823

8. Deferred contributions and deferred revenues

Deferred revenues represent amounts received in advance of services rendered or due at March 31. Deferred parliamentary appropriations represent approved parliamentary appropriations received for work not yet completed or received in advance. Deferred contributions represent funds received for a specified purpose and for which the related expenses have not yet been incurred.

Changes in the deferred revenues and deferred contributions balance during the fiscal year are as follows:

<i>(in thousands of dollars)</i>	2016	2015
Balance at the beginning of the year	\$9,380	\$4,891
Add:		
Restricted contributions from the Canada Science and Technology Museums Corporation Foundation	78	205
Restricted appropriations received or due	32,245	6,279
Sponsorships and other contributions received or due	1,633	1,005
Less:		
Restricted contributions from the Canada Science and Technology Museums Corporation Foundation recognized	(78)	(205)
Restricted appropriations used	(11,603)	(1,221)
Sponsorships and other contributions used during the year	(1,205)	(1,365)
Funds (used) received for the provision of goods and services	(155)	(209)
Balance at the end of the year	\$30,295	\$9,380

As of March 31, 2016, unused deferred parliamentary appropriations totaled \$28,461,000 (2015 - \$7,819,000), deferred grants and sponsorships totaled \$1,477,000 (2015 - \$1,098,000) and other deferred revenues totaled \$357,000 (2015 - \$463,000).

9. Long-term advance

The Corporation received funding from the Treasury Board Secretariat between fiscal years 2008 and 2010 to construct educational facilities, retail space and an auditorium at the Canada Aviation and Space Museum. The Corporation also received funding in fiscal year 2008 to establish a foundation for the Canada Science and Technology Museums Corporation.

<i>(in thousands of dollars)</i>	2016	2015
Funding for construction of revenue generating facilities	\$4,208	\$4,208
Funding to establish a Foundation	325	325
	\$4,533	\$4,533

The Corporation received the funding on the basis that a repayment mechanism be established. However repayment of the funding for the construction of revenue generating facilities was not expected before 25 years after the project commences and the repayment of the funding received to establish the Foundation was not anticipated before 6 years of the date the Foundation starts its operations. As of March 31, 2016, a repayment mechanism has yet to be established. The Corporation is not subject to pay interest on this funding.

10. Deferred contributions related to capital assets

Deferred contributions related to capital assets represent the unamortized appropriation and sponsorships used to acquire amortizable capital assets. Deferred contributions related to capital assets are recognized as appropriation and sponsorship revenue on the same basis and over the same periods as the related capital asset is amortized.

Changes in the deferred contributions related to capital assets balance are as follows:

<i>(in thousands of dollars)</i>	2016	2015
Balance at the beginning of the year	\$50,018	\$53,399
Amounts used to purchase capital assets	12,244	1,539
Amortization of deferred contributions related to capital assets	(4,122)	(4,920)
Balance at the end of the year	\$58,140	\$50,018

For the year ended March 31 2016, amounts used to purchase capital assets were funded by appropriations totaling \$12,037,000 (2015 - \$798,000) and sponsorships totaling \$207,000 (2015 - \$741,000). As of March 31, 2016, amortization of deferred contributions related to capital assets - portion sponsorships totaled \$205,000 (2015 - \$748,000) and amortization of deferred contributions related to capital assets - portion appropriations totaled \$3,917,000 (2015 - \$4,172,000).

11. Parliamentary appropriations

<i>(in thousands of dollars)</i>	2016	2015
Main Estimates amount provided for operating and capital expenditures	\$29,755	\$33,144
Supplementary estimates:		
CSTM building infrastructure and exhibition renewal	29,355	-
Severance adjustments and retroactive wage settlements	491	226
	59,601	33,370
Deferred appropriation used in current year	-	32
Appropriations approved in current year for expenses and purchases of capital assets in future years	(20,642)	(5,090)
Amounts used to purchase depreciable capital assets	(12,037)	(798)
Amortization of deferred contribution related to capital assets	3,917	4,172
Parliamentary appropriations	\$30,839	\$31,686

12. Canada Science and Technology Museums Corporation Foundation

The Canada Science and Technology Museums Corporation Foundation (the "Foundation") was incorporated under the *Canada Corporations Act* on November 14, 2007 and is a registered charitable non-profit organization under the *Income Tax Act* since April 1, 2008. This is a separate legal entity from the Canada Science and Technology Museums Corporation and all funds that will be raised by the Foundation will be for projects determined by the Foundation.

The Foundation raises funds from patrons, corporations, associations and the community. The amounts granted to the Corporation by the Foundation are recorded as Contributions in the Corporation's Statement of Operations. For the fiscal year 2015-2016, the Foundation made a contribution of \$78,000 (2015 - \$205,000) to the Corporation. These funds were spent in accordance with donors' wishes.

The Corporation and the Foundation are related by virtue of the Corporation's economic interest in the Foundation. The Corporation is considered to have significant influence based on the Foundation's purpose being integrated with that of the Corporation, the Corporation's involvement in setting policies and strategic direction of the Foundation, and the significant amount of funds raised by the Foundation for the benefit of the Corporation.

In 2015-2016, direct expenses related to fundraising costs and disbursed by the Corporation were:

- In part, charged to the Foundation and recorded as an "account receivable from the Foundation" by the Corporation for the amount of \$46,000 (2015 – \$54,000).
- In the other part, absorbed by the Corporation to recognize Foundation's efforts to bring in sponsorships that have been recorded directly in the Corporation's financial statements in the amount of \$386,000 (2015 – \$132,000).

As at March 31, 2016, the amount due by the Foundation to the Corporation was \$265,000 (2015 - \$279,000).

It is the Corporation's policy not to allocate the costs relating to building and equipment maintenance, administration services, and information technology to other functions of the Corporation and to the Foundation. These administrative support costs provided without charge to the Foundation are estimated at \$75,000 (2015 – \$105,000).

The financial statements of the Foundation have not been consolidated in the Corporation's financial statements and are available upon request.

13. Rockcliffe Flying Club

The Rockcliffe Flying Club (RFC) is a Transport Canada approved flight training school. The RFC operates the Rockcliffe Airport that is owned by the Canada Science and Technology Museums Corporation and located on the grounds of the Canada Aviation and Space Museum. The Corporation has an economic interest in the Rockcliffe Flying Club due to the significant resources provided to the RFC in exchange for maintenance of the property. The Corporation provides the RFC with the airport at no cost in exchange for the operation and maintenance of the airport runways, taxiways, aprons, grounds, parking lots and access roadway. Because of the difficulty in determining the fair value of the services received or the services given, the transaction is not recognized in these financial statements.

14. Financial instruments and exposure to risk

The Corporation has identified and assessed its exposure as follows:

(a) Fair value

The carrying amounts of the Corporation's cash and cash equivalents, accounts receivable net of tax receivable, and accounts payable and accrued liabilities approximate their fair values due to their short term to maturity.

The fair value related to the Corporation's long-term advance was determined using the expected future cash flows and was discounted using Government bond rates with similar terms and characteristics:

<i>(in thousands of \$)</i>	31 March 2016		31 March 2015	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Long-term advance	\$4,533	\$3,335	\$4,533	\$3,276

(b) Credit risk

Credit risk is the risk of financial loss to the Corporation associated with a counterparty's failure to fulfill its financial obligations and arises principally from the Corporation's cash and cash equivalents (including restricted portion) and accounts receivable net of tax receivable. The Corporation has determined that the risk is not significant.

i) Cash

The Corporation has deposited cash with reputable financial institutions that are members of the Canadian Payment Association. The Corporation has determined that the risk of loss is not significant.

ii) Cash equivalents

The Corporation manages its exposure to credit risk arising from cash equivalents \$5,347,000 (2015 – \$7,805,000) by limiting the investment to short-term fixed income securities. Per the Corporation's Investment and Banking policy, corporate bonds must be rated good quality (A-1, A or better) by DBRS.

iii) Accounts receivable

The Corporation is exposed to credit risk from customers in the normal course of business. At March 31 2016, accounts receivable net of tax receivable totaled \$1,125,000 (2015 – \$7,578,000. These figures are reported net of an allowance for doubtful accounts of \$27,000 (2015 - \$71,000), which are established based on specific credit risk associated with individual clients and other relevant information. Concentration of credit risk with respect to receivables is limited, due to the small value of transactions with clients other than Government departments.

The change in the allowance for doubtful accounts receivable during the year ended March 31, 2016 was a decrease of \$44,000 (2015 – decrease of \$56,000) relating to past due balances.

As at March 31, 2016, \$226,000 (2015 – \$191,000) of accounts receivable were past due (over 30 days), but not impaired.

(c) Market risk

Market risk is the risk that changes in market price, such as foreign exchange rates and interest rates which will affect the Corporation's future cash flow or the fair value of its holdings of financial instruments. The Corporation has determined that the risk is not significant.

i) Foreign currency risk

The Corporation is exposed to foreign currency risk on its cash and cash equivalents and accounts payable principally denominated in U.S. dollars.

The Corporation operates primarily within Canada. Foreign currency risk is very limited, due to the small value of transactions in currencies other than Canadian dollar. At March 31, 2016, cash and cash equivalents, and current liabilities include US \$1,292,000 (2015 – US \$43,000), and US \$6,000 (2015 – US \$1,000) respectively, which are exposed to changes in the U.S. – Canadian dollar exchange rate.

The approximate impact of a 10% rise in the Canadian dollar compared to the US dollar on these exposed balances at March 31, 2016 is a \$167,000 (March 31, 2015 – \$4,000) decrease in surplus. The approximate impact of a 10% decline is a \$167,000 (2015 – \$4,000) increase in surplus.

A sensitivity of 10% has been selected as this is considered reasonable given the current level of exchange rates and the volatility observed on an historical basis and market expectations for future movement of the Canadian and US dollar.

ii) Interest rate risk

The Corporation is exposed to interest rate risk on cash equivalents. The risk is not significant due to their short term nature.

(d) Liquidity risk

Liquidity risk is the risk that the Corporation will not be able to meet its financial obligations as they fall due. Financial obligations include accounts payable and liabilities, and repayment of the long-term advance.

The Corporation manages liquidity risk through the management of its cash and cash equivalents (Note 3). The Corporation's objective for managing liquidity risk is to manage operations and cash expenditures within the appropriation authorized by Parliament and the Corporation's self-generated revenues. The Corporation has determined that the risk is not significant.

As at March 31, 2016, the entire Corporation's accounts payable and liabilities are due within 365 days (2015 – within 365 days). No repayment mechanism has been established yet for the Corporation's long-term advance.

The Corporation's objectives, policies and processes for managing the risks and methods used to measure the risks are consistent with those in place as at March 31 2015. In addition, the exposure to the risks and how they arise also remained unchanged with the prior year.

15. Contractual obligations

As at March 31, 2016, the Corporation had entered into various agreements for accommodations, protection services, facilities management services and exhibition rentals, for a total of \$60,195,000 (2015 – \$18,667,000). The future minimum payments for the next five years and subsequent years are as follows:

<i>(in thousands of dollars)</i>	
2016-2017	\$35,753
2017-2018	12,832
2018-2019	2,970
2019-2020	2,138
2020-2021	1,323
2021-2022 and subsequent years	5,179
	<hr/>
	\$60,195

16. Related party transactions

The Corporation is related as a result of common ownership to all Government of Canada departments, agencies and Crown corporations. Related party also includes key management personnel having authority and responsibility for planning, directing and controlling the activities of the Corporation. This includes the Senior Management Team, all members of the Board of Trustees and immediate family members thereof. The Corporation enters into transactions with these entities in the normal course of operations, under the same terms and conditions that apply to outside parties and are recorded at the exchange amount.

In addition to those related party transactions disclosed elsewhere in these financial statements, the following transactions were carried out with related parties. The Corporation has transactions with related parties including but not limited to sales and purchases of

goods and rendering and receiving of services. The most significant transactions with related parties include the property taxes and employee benefits expenses.

(in thousands of dollars)

	2016	2015
<hr/>		
Revenues from related parties		
Operating revenue	\$82	\$142
Contributions	851	377
	<hr/> \$933	<hr/> \$519
<hr/>		
Expenses with related parties		
Personnel costs	\$3,207	\$3,512
Property taxes	829	1,232
Other expenses	397	304
	<hr/> \$4,433	<hr/> \$5,048
<hr/>		
Sponsorships and other contributions used to purchase capital assets during the year	\$171	\$742

Also, during the year, the Corporation received services which were obtained without charge from the Agriculture and Agri-Food Canada, and from the Office of the Auditor General of Canada. Lease of buildings for the Canada Agriculture and Food Museum buildings located on the Central Experimental Farm site, and auditing services were provided without charge and are not presented in the Corporation's Statement of Operations.

17. Contingencies

In the normal course of its operations, the Corporation becomes involved in various claims or legal actions. To the extent that the future event is likely to occur or fail to occur, and a reasonable estimate of the loss can be made, an estimated liability is accrued and an expense recorded in the Corporation's financial statements. As at March 31, 2016, a provision of \$25,000 has been recorded based on the Corporation's and external legal firm assessment of potential liability (2015 - \$65,000). The effect, if any, of ultimate resolution of these matters will be accounted for when determinable.

As at March 31, 2015, the unknown contingent liability relating to the removal of asbestos resulted in an actual expense of \$311,000 during the year. The mould remediation and asbestos removal has been completed in 2015-2016. Therefore, no contingent liabilities associated with the asbestos removal has been recorded as at March 31, 2016.

18. Canada Science and Technology Museum temporary closure

On September 11, 2014, the presence of airborne mould was discovered at the Canada Science and Technology Museum (CSTM). Consequently, the CSTM was closed from that date. On November 17, 2014, the Government of Canada announced an \$80.5 million investment to repair and upgrade the CSTM. This funding is essential to address the health and safety issues that are of immediate concern, and to support the Corporation's work promoting Canada's long history of scientific and technological achievement. Specifically, the

funds are going toward removing the mould and replacing the CSTM's roof, retrofitting and upgrading the CSTM's exhibition spaces and floor space, upgrading the building's fire suppression systems and its seismic structural strength, and bringing the CSTM's exterior facade up to date to match the new, modern interior. The work will be completed during the next two fiscal years and the CSTM is expected to re-open in November 2017.

The impact of the closure resulted in savings in operating costs, mainly in personnel costs, repairs and upkeep of buildings, and utilities. These savings are compensating for the loss of revenues associated with the closure.

19. Comparative information

Certain comparative figures have been reclassified to conform to the current year's presentation.

SCHEDULE 1: SCHEDULE OF OPERATING REVENUES AND CONTRIBUTIONS

for the year ended March 31

Operating Revenues

<i>(in thousands of dollars)</i>	2016	2015
General admissions and programs		
Science and Technology	\$37	\$889
Aviation and Space	767	674
Agriculture and Food	834	717
Boutique Sales	503	682
Facility Rental and concessions	315	325
Parking	468	441
Membership	270	452
Farm Operations	347	358
Thematic experiences	63	99
Other	252	261
TOTAL	\$3,856	\$4,898

Contributions

<i>(in thousands of dollars)</i>	2016	2015
Grants and Sponsorships	\$1,257	\$1,372
Contributed services	-	317
Other contributions from individuals and Corporations	149	85
Contributions from the Foundation	78	205
TOTAL	\$1,484	\$1,979

SCHEDULE 2: SCHEDULE OF EXPENSES

for the year ended March 31 <i>(in thousands of dollars)</i>	2016	2015
Personnel costs	\$18,039	\$19,447
Amortization and write-downs of capital assets	4,228	5,025
Professional and special services	2,666	2,048
Leases of buildings	2,195	2,011
Property taxes	1,258	1,660
Property management services	1,180	1,440
Utilities	1,040	1,180
Repairs and upkeep of buildings	627	1,015
Material and supplies	1,200	985
Protection services	693	689
Design and display	731	234
Advertising	495	335
Gift shops and product marketing	274	328
Repair and upkeep of equipment	227	291
Communications	211	242
Travel	316	234
Publications	216	170
Office supplies and equipment	126	150
Purchase of objects for the collection	79	103
Miscellaneous	53	75
Freight, express and cartage	89	72
Rentals of equipment	114	62
Books	37	35
Total	\$36,094	\$37,831