Overview

This year’s highlight was a long awaited injection of government funding to address significant pressures on the organization. An announcement of $11.1 million in one-time funding over a three year period will allow the Canada Science and Technology Museum Corporation to redress some capital infrastructure concerns as well as health and safety issues on its three sites. The primary focus will be projects at the Canada Aviation Museum site, the one site owned by the Corporation with an approved long-term plan.

The Corporation received some encouragement for a new Science and Technology Museum. The Minister of Heritage invited the new Chairman to present a revised plan for the proposed institution. Plans have progressed on this project, including discussions with the community and costing alternatives for the physical facility.

We also received one-time funding of $4.3 million to offset previous year shortfalls and the 2006–2007 cost for operating the Canada Aviation Museum’s storage hangar. This funding has been crucial for the Corporation, as it is having difficulties meeting its mandate due to inflationary pressures and operating expenses for the storage facilities.

The Corporation also succeeded in securing funds from Government for investment financing for a project to enhance the revenue-generating capacity at the Canada Aviation Museum and accelerate philanthropic efforts. This $4.5 million will be repaid to government from its new revenue streams, the surplus will be retained by the Corporation for long-term growth.
The Corporation was encouraged by its attendance growth in 2006-2007. We have exceeded the 700,000 visitor mark and increased our market share by 2% in national museum visitation. The increase of 45,000 visitors was particularly significant this year since the market has decreased by 100,000 visitors. The growth can be partially attributed to the opening of the Food for Health exhibition at the Canada Agriculture Museum, a unique collaboration of Government departments and agencies concerned with Canadian health and food safety. The Canada Science and Technology Museum's presentation of a forensic science exhibition Autopsy of a Murder and Lumière (the result of a tri-party agreement with Musée de la Civilisation in Quebec City and Science Centre of Montreal) also contributed to the increase in visitation.

Our Web presence also continues to grow with an increase of 580,000 visits (30%), consisting of 8.09 million page views and an average duration of 8.27 minutes indicates that the reach is qualitative, not only quantitative. Innovative programming, highlighting our rich collection and staff expertise, has successfully engaged Canadians through on-site experiences, virtual programming and outreach efforts.

**Strengths and Issues**

**The Collection**
The Corporation has the richest and most comprehensive scientific and technological collection in Canada. It is well positioned to take a leadership role in the area of scientific literacy, while also protecting Canada’s scientific and technological history through the artifacts it preserves for future generations.

As the collection continues to grow, the Corporation faces significant challenges in cataloguing and providing adequate appropriate storage.

**Reaching Canadians**
The Corporation understands that, in order to remain relevant to all Canadians — while also taking its place as a national leader in the field of science and technology — it must reach out beyond the National Capital Region. The Corporation, therefore, has undertaken an extensive examination of outreach opportunities, and concluded that the use of the Internet, travelling exhibitions, and artifact loans are the most cost-effective means for it to achieve this objective. The most recent exhibition Food for Health has been designed to travel across Canada; suitcase-style exhibits will be prepared to tour smaller communities. Canada Science and Technology Museum’s most current exhibition on “Forestry” is booked to travel to Montreal and Quebec City with venues being negotiated in Western Canada. The Corporation has begun to survey, research and analyze its current Internet offerings in an effort to redevelop the Science and Technology website. Development in the on-line collection has continued to progress. Other web enhancements include Canadian Culture On-Line funded projects; Picturing the Past website launched during this past fiscal year. Two new web essays are in the planning stage and will be launched in the first half of 2007. The Corporation maintains a wealth of information and artifacts, and will continue to preserve this legacy and share it with Canadians and the world.
Human Resources
The Corporation’s main strength is its dedicated staff, which is committed to preserving and disseminating Canada’s rich scientific and technological heritage for the benefit of all Canadians. Succession planning will continue to be a priority for the Corporation with 25% of its population and 50% of management eligible to retire in the next five years.

Financing
As stated in the overview, the Corporation has received one-time funding to redress cumulative shortfalls, and capital remediation. The collection growth and inflation impact on the operations still needs to be addressed in order to stabilize its operation; securing funding for the storage facility at the Canada Aviation Museum continues to be a top priority for the Corporation. Efforts to self-generate revenue will continue concentrating our efforts to develop sponsorship opportunities along with a stronger focus on philanthropic ventures which have evolved over the year. Museum management sees these as being the two areas which will provide the highest return on investment.

Facilities
The Canada Aviation Museum buildings are the only structures occupied by the Corporation that were conceived and built to house a collection and welcome visitors. The public face of the Canada Science and Technology Museum is an aging building which has been modified from its original use as a bakery. The Canada Agriculture Museum received approval in 2006–2007 for a long-term site plan; it will require some building modifications and re-purposing of space to accommodate the growing clientele. The Corporation’s vast collection of over 40,000 artifacts is currently stored in industrial grade warehouses and has exceeded the buildings’ physical space.

Our Business
The Corporation’s business can be summarized in four main activities:

- **Heritage Preservation – Collection**: management, conservation and research
- **Sharing Knowledge – Dissemination of research related to the Corporation’s historically significant collection through educational and community programs, exhibitions and websites**
- **Accommodation – Housing and securing the collection, visiting public and office accommodations**
- **Support Activities – Governance and central support services, which include human resources, finance and museum administration**

Financial Perspective
The appropriation originally allocated by the federal government for 2006–2007 was $25.6 million, this was supplemented by one-time funding from government to address some health and safety issues and redress prior year shortfalls. The Corporation also received through the Canadian Culture On-Line program to assist in improving the access of our collection to Canadians. Total appropriation in our statements is reported on an accrual basis in the amount of $32.9 million. The Corporation received confirmation of the incremental funds in November; $2.8 million of the net income will flow to the balance sheet and redress the cumulative operating shortfalls. The balance will be reallocated to projects delayed during the fiscal year while waiting for the decision.
### Comparison of Financial Results
(in thousands of dollars)

<table>
<thead>
<tr>
<th></th>
<th>2006/07 Planned</th>
<th>2006/07 Actual</th>
<th>2005/06 Actual</th>
<th>2004/05 Actual</th>
<th>2003/04 Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>REVENUES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Parliamentary</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Appropriation</td>
<td>$26,891</td>
<td>$32,891</td>
<td>$27,408</td>
<td>$24,007</td>
<td>$24,730</td>
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<tr>
<td>General Revenues</td>
<td>4,354</td>
<td>4,307</td>
<td>3,788</td>
<td>4,178</td>
<td>4,160</td>
</tr>
<tr>
<td>Total Revenues</td>
<td>31,245</td>
<td>37,198</td>
<td>31,196</td>
<td>28,185</td>
<td>28,890</td>
</tr>
<tr>
<td><strong>EXPENSES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Personnel</td>
<td>16,508</td>
<td>18,209</td>
<td>16,919</td>
<td>4,462</td>
<td>15,268</td>
</tr>
<tr>
<td>Accommodation</td>
<td>8,721</td>
<td>7,625</td>
<td>8,373</td>
<td>7,090</td>
<td>6,318</td>
</tr>
<tr>
<td>Depreciation</td>
<td>2,570</td>
<td>2,438</td>
<td>2,453</td>
<td>1,989</td>
<td>1,902</td>
</tr>
<tr>
<td>Operations</td>
<td>4,864</td>
<td>5,080</td>
<td>5,800</td>
<td>5,387</td>
<td>5,212</td>
</tr>
<tr>
<td>Total Expenses</td>
<td>32,663</td>
<td>33,351</td>
<td>33,545</td>
<td>28,928</td>
<td>28,700</td>
</tr>
<tr>
<td><strong>Net Income (Loss)</strong></td>
<td>(1,418)</td>
<td>3,847</td>
<td>(2,349)</td>
<td>(743)</td>
<td>190</td>
</tr>
<tr>
<td><strong>EQUITY OF CANADA</strong></td>
<td>$5,833</td>
<td>$11,098</td>
<td>$7,251</td>
<td>$9,600</td>
<td>$10,343</td>
</tr>
</tbody>
</table>

### Revenues

The Corporation has three main sources of funds; government appropriation, self-generated revenue/cost recovery, and contributions from philanthropy. This said, the philanthropic contributions amounting to $60,000 make up less than 1% of the overall source of funds.

The Corporation participated in a study to review revenue-generating potential in the cultural sector. The results of this report will be used to develop strategies for enhancing self-generated revenue — despite the poor location and inadequate infrastructure. The Corporation’s main source of revenue (41%) continues to be admission and program fees. Efforts under the Nationally Recognized Leaders Pillar are continuing to increase our market share and overall attendance — aging facilities, limited resources for programs and exhibition renewal, along with the lowest promotional spending of the four National museums, make this particularly challenging.

A direct correlation exists between attendance and commercial operations revenue. This category includes retail sales, Internet sales and food service operations accounting for $959 thousand in gross revenue. New sources of revenue include leasing office spaces at the Canada Aviation Museum and trailers at the Canada Science and Technology Museum. Facilities rentals were up by $149,000 compared to last year.

The Corporate Development revenue includes membership, fundraising and sponsorship. The Corporation understands the importance of...
partnerships, and has established an aggressive goal of $2.5 million in annual contributions from partners by 2009–2010. An inventory of the programs, exhibitions and visitor profiles has been taken to review possible links to industry in helping us reach this objective. Sponsorship revenue for the year came primarily from federal partners supporting the Canada Agriculture Museum’s newest exhibition *Food for Health* and its related programming. The membership program continues its successful growth with an all-time high achievement of $259,629 involving an estimated 26,000 individuals. The Museum members continue to be strong supporters of the Corporation.

The Corporation’s foray into philanthropic activities has been limited by the resources available. Staffing turnover resulted in vacancies for most of the fiscal year in this area. As a result, we maintained annual appeals but didn’t expand them. The Corporation generated $133,500 through its appeals. Donations collected for special project trust accounts are considered revenue in the year the project funds are spent, in keeping with donor objectives. This year’s withdrawal of $60,000 from trust accounts is reported in the Income Statement.

**Cost of Operations**

The Corporation’s total expenses were $33.4 million compared to $33.5 million last year. Programs continued to be delayed pending the decision of the equity funding injection in the fourth quarter. The two main uses of funds are personnel costs at $18.2 million and accommodations required to safeguard the collection at $10.1 million. The remaining $5.1 million went toward collecting and preserving artifacts, continuing research, developing and delivering exhibition and programs, promoting the three Museums and administrative support.

**Personnel**

The Corporation paid a great deal of attention to personnel costs, which account for more 55% of total expenses. The new classification system, implemented to comply with the pay equity legislation which came into effect in 2005–2006, continues to be refined. Operating three sites results in a duplication of costs — admission desks, visitor services and protection services must be in place for each site for the health and safety of visitors. Succession planning will continue to be a priority for the Corporation with 25% of its staff and 50% of Senior Management eligible to retire in the next five years. The Corporation requires highly skilled and uniquely qualified individuals who are not readily available in the employment sector. A particular challenge for the Corporation will be finding the financial resources to train successors in an environment where salary dollars already consume a large proportion of our operating costs.
Facilities Management
The Corporation’s second-largest financial obligation is to protect and care for a collection of this magnitude. The Corporation does not receive any inflationary adjustment for utilities and taxes, which have seen significant increases over the past five years.

The Corporation manages two properties on behalf of the Crown: a 40-year-old building designed as a bakery distribution centre in an east-end industrial park which was converted in 1967 for temporary use as the Canada Science and Technology Museum, and the purpose-built Canada Aviation Museum at Rockcliffe Airport. The Canada Aviation Museum’s main building is now being used entirely for public display and interpretation for the first time since its construction in 1988. With the collection of aircraft now being accommodated in the storage hangar, we now have a change of aircraft on display and make better use of public space.

The Canada Agriculture Museum operates on Ottawa’s Central Experimental Farm in buildings leased from Agriculture and Agri-Food Canada. These heritage buildings provide an excellent backdrop for the display of agricultural technology.

More than 98% of the collection, associated with the Canada Science and Technology Museum and the Canada Agriculture Museum, is stored in three industrial warehouses as it cannot be accommodated in the current public display spaces. These leased warehouses are overcrowded and without environmental controls. The Corporation’s facilities managers have taken on a greater role managing leased corporate buildings, thus saving incremental administrative fees. This approach has resulted in some cost savings as it offsets rent and operational increases.

The Corporation has been struggling financially over the past few years. One strategy to reduce the gap between funds available and funds required was to delay capital investment in the Canada Science and Technology Museum, in anticipation of a decision on the future use of this building. Unfortunately, some investments could no longer be ignored if the institution is to continue receiving visitors in a safe environment. Elements of this capital deterioration will be redressed through the one-time funding received from government.

Other Operating Expenses
Property Taxes — The Corporation made a one-time catch-up payment of $350,000 last year to remove the prepaid expense. A reduction in the Corporation’s property values for the 2006 taxation year had a significant impact on its property taxes.

Costs of Professional and Special Services were lower than last year. In 2005-2006, we incurred a one-time expense for the New Science and Technology Museum study and comparison sites, and made significant payments in relation with moving aircraft in the hangar. Also, many staff were recorded as contractual under “other” services last year and are now considered as casual employees.
Summary
The Corporation is fortunate to have received an injection of funds to temporarily stabilize its operations. The replenishment of the Corporation’s contributed surplus balance meant the operations could continue without any major program cuts. The issues of rising facility costs and the operating costs of the Collection storage hangar will need to be addressed in order to ensure the situation does not repeat itself.

A committee of Senior Managers continues to review all sources and uses of funds in order to maximize any opportunities available. Fulfilling the Corporation’s mandate under current funding levels is stretching the discretionary funds to the limit; short-term expense reductions such as decreasing the museums’ promotional budgets and postponing building repairs are beginning to manifest themselves in long-term ailments.

We will continue to enhance our philanthropic endeavours through a Foundation and by increasing our sponsorship revenue through a client-focused approach. The Corporation is well positioned to pursue these initiatives with its world-class collection and exceptional personnel who deliver quality programs year-after-year with very restricted resources.

In a knowledge-based economy, the importance of science and innovation is part of the recipe for success. The Corporation will continue to showcase the collection and will highlight Canadian accomplishments in the science fields for future generations to appreciate their heritage, to better understand the present and to influence the future.
### The Year in Statistics

The following is a statistical profile of some of the Corporation’s activities during the year.

#### Collection Development and Management

**Canada Science and Technology Museum Corporation**

<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>Number of artifact collection records</td>
<td>39,280</td>
<td>38,395</td>
<td>37,137</td>
</tr>
<tr>
<td>Number of artifacts acquired</td>
<td>462</td>
<td>474</td>
<td>574</td>
</tr>
<tr>
<td>Percentage of artifacts acquired by donation</td>
<td>78.2%</td>
<td>87.5%</td>
<td>82.2%</td>
</tr>
<tr>
<td>Number of artifacts on loan</td>
<td>662</td>
<td>867</td>
<td>455</td>
</tr>
</tbody>
</table>

#### Museum Access and Use

**Canada Agriculture Museum (CAGM)**

<table>
<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td>Visitor attendance</td>
<td>160,821</td>
<td>149,649</td>
<td>164,692</td>
</tr>
<tr>
<td>Number of school group visits</td>
<td>626</td>
<td>696</td>
<td>721</td>
</tr>
<tr>
<td>Number of participants in school group visits</td>
<td>17,838</td>
<td>18,397</td>
<td>20,166</td>
</tr>
<tr>
<td>Number of school program modules offered</td>
<td>44</td>
<td>42</td>
<td>40</td>
</tr>
<tr>
<td>Number of demonstrations, tours and workshops given</td>
<td>3,939</td>
<td>3,804</td>
<td>2,832</td>
</tr>
<tr>
<td>Number of people participating in demonstrations, tours and workshops</td>
<td>73,355</td>
<td>60,654†</td>
<td>80,753</td>
</tr>
<tr>
<td>Number of offsite demonstrations or events</td>
<td>4</td>
<td>2</td>
<td>4</td>
</tr>
<tr>
<td>Number of visitors to offsite demonstrations or events</td>
<td>4,650</td>
<td>23,000</td>
<td>1,285</td>
</tr>
<tr>
<td>Other use of facilities (number of participants)</td>
<td>1,990</td>
<td>1,312</td>
<td>2,316</td>
</tr>
<tr>
<td>Number of CAGM website user sessions</td>
<td>172,876*</td>
<td>143,250*</td>
<td>170,854</td>
</tr>
</tbody>
</table>

**Note that these statistics now represent actual contact with offsite visitors as opposed to the total number of event participants. However, a larger number of visitors may have been influenced by our presence at offsite events.**

**Canada Aviation Museum (CAvM)**

<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>Visitor attendance</td>
<td>171,001</td>
<td>152,402</td>
<td>166,651</td>
</tr>
<tr>
<td>Number of school groups visits</td>
<td>1,068</td>
<td>1,352</td>
<td>1,372</td>
</tr>
<tr>
<td>Number of participants in school group visits</td>
<td>32,201</td>
<td>39,455</td>
<td>46,001</td>
</tr>
<tr>
<td>Number of school program modules offered</td>
<td>21</td>
<td>20</td>
<td>15</td>
</tr>
<tr>
<td>Number of demonstrations, tours and workshops given</td>
<td>1,764</td>
<td>665</td>
<td>791</td>
</tr>
<tr>
<td>Number of people participating in demonstrations, tours and workshops</td>
<td>23,029</td>
<td>16,647</td>
<td>56,418</td>
</tr>
<tr>
<td>Number of offsite demonstrations or events</td>
<td>1</td>
<td>8</td>
<td>6</td>
</tr>
<tr>
<td>Number of visitors to offsite demonstrations or events</td>
<td>26,059</td>
<td>9,615</td>
<td>22,206</td>
</tr>
<tr>
<td>Other use of facilities (number of participants)</td>
<td>26,059</td>
<td>9,615</td>
<td>22,206</td>
</tr>
<tr>
<td>Number of CAvM website user sessions</td>
<td>509,887**</td>
<td>443,348**</td>
<td>439,119</td>
</tr>
</tbody>
</table>

*TThe Corporation instituted more rigorous filtering of Web statistics at the start of the 2006–2007 year, to provide a better representation of our visiting audiences. Activities of search engine Web crawlers and internal visits from staff are now filtered out of our reported Web results. On this basis, results from 2005–2006 were also re-calculated. There is an actual increase of 20.7% over last year.

**The Corporation instituted more rigorous filtering of Web statistics at the start of the 2006–2007 year, to provide a better representation of our visiting audiences. Activities of search engine Web crawlers and internal visits from staff are now filtered out of our reported Web results. On this basis, results from 2005–2006 were also re-calculated. There is an actual increase of 15.01% over last year.
**Museum Access and Use  Canada Science and Technology Museum (CSTM)**

<table>
<thead>
<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>Visitor attendance</td>
<td>374,821</td>
<td>358,808</td>
<td>366,602</td>
</tr>
<tr>
<td>Number of school group visits</td>
<td>2,602**</td>
<td>2,881</td>
<td>3,020</td>
</tr>
<tr>
<td>Number of participants in school group visits</td>
<td>92,136**</td>
<td>103,662</td>
<td>109,830</td>
</tr>
<tr>
<td>Number of school program modules offered</td>
<td>44</td>
<td>45</td>
<td>45</td>
</tr>
<tr>
<td>Number of participants in non-school groups (4-14 years)</td>
<td>12,717</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Number of demonstrations, tours and workshops given</td>
<td>13,795</td>
<td>16,844</td>
<td>16,057</td>
</tr>
<tr>
<td>Number of people participating in demonstrations, tours and workshops</td>
<td>204,884</td>
<td>202,929</td>
<td>226,183</td>
</tr>
<tr>
<td>Number of special events held</td>
<td>22</td>
<td>21</td>
<td>21</td>
</tr>
<tr>
<td>Number of participants in special events</td>
<td>107,971</td>
<td>94,486</td>
<td>78,533</td>
</tr>
<tr>
<td>Number of travelling exhibitions on tour</td>
<td>1</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Number of venues receiving travelling exhibitions</td>
<td>1</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Number of visitors to travelling exhibitions (estimated)</td>
<td>67,000</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Number of offsite demonstrations or events</td>
<td>9</td>
<td>15</td>
<td>11</td>
</tr>
<tr>
<td>Number of visitors to offsite demonstrations or events</td>
<td>23000</td>
<td>6,170</td>
<td>5,000</td>
</tr>
<tr>
<td>Other use of facilities (number of participants)</td>
<td>26,698</td>
<td>20,579</td>
<td>24,240</td>
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<tr>
<td>Number of CSTM website user sessions</td>
<td>1,154,661*</td>
<td>986,621*</td>
<td>963,270</td>
</tr>
</tbody>
</table>

*The Corporation instituted more rigorous filtering of Web statistics at the start of the 2006-2007 year, to provide a better representation of our visiting audiences. Activities of search engine Web crawlers and internal visits from staff are now filtered out of our reported Web results. On this basis, results from 2005-2006 were also re-calculated. There is an actual increase of 17.03% over last year.

** Categories have been created to count school group visits in a more accurate way which explains in part the reduction in that category of attendance. The difference is non-school groups coming for an independent visit.
MANAGEMENT’S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The financial statements contained in this annual report have been prepared by Management in accordance with Canadian generally accepted accounting principles, 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 the Financial Administration Act and regulations, as well as the Museums Act and the by-laws of the Corporation.

The Board of Trustees is responsible for ensuring that Management fulfils its responsibilities for financial reporting and internal control. The Board exercises its responsibilities through the Audit and Finance 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 these groups are performing their responsibilities and to discuss auditing, internal controls, and other relevant financial matters. The Audit and Finance Committee has reviewed the financial statements with the external auditor 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.

Christopher J. Terry
President and Chief Executive Officer

Fernand Proulx
Chief Operating Officer

May 30, 2007
AUDITOR'S REPORT

To the Minister of Canadian Heritage and Status of Women

I have audited the balance sheet of the National Museum of Science and Technology as at March 31, 2007 and the statements of operations and equity of Canada and cash flows for the year then ended. These financial statements are the responsibility of the Corporation's management. 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 plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Corporation as at March 31, 2007 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles. As required by the Financial Administration Act, I report that, in my opinion, these principles have been applied on a basis consistent with that of the preceding year.

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

Mark G. Watters, CA
Assistant Auditor General
for the Auditor General of Canada

Ottawa, Canada
May 30, 2007
## Balance Sheet

**As at March 31, 2007**

(in thousands of dollars)

<table>
<thead>
<tr>
<th></th>
<th>2007</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Current</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and short-term investments (note 3)</td>
<td>$1,831</td>
<td>$2,122</td>
</tr>
<tr>
<td>Accounts receivable</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Government departments</td>
<td>$5,611</td>
<td>$260</td>
</tr>
<tr>
<td>Trade</td>
<td>$318</td>
<td>$253</td>
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<tr>
<td>Inventories</td>
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<td>$457</td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>$248</td>
<td>$256</td>
</tr>
<tr>
<td><strong>8,495</strong></td>
<td><strong>3,348</strong></td>
<td></td>
</tr>
<tr>
<td>Restricted cash and investments (note 4)</td>
<td>$429</td>
<td>$340</td>
</tr>
<tr>
<td>Property and equipment (note 5)</td>
<td>$53,886</td>
<td>$55,839</td>
</tr>
<tr>
<td>Intangible assets (note 6)</td>
<td>$147</td>
<td>$147</td>
</tr>
<tr>
<td><strong>$62,958</strong></td>
<td><strong>$59,675</strong></td>
<td></td>
</tr>
<tr>
<td><strong>LIABILITIES AND EQUITY OF CANADA</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Current</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable and accrued liabilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Government departments</td>
<td>$1,460</td>
<td>$242</td>
</tr>
<tr>
<td>Trade</td>
<td>$2,843</td>
<td>$3,000</td>
</tr>
<tr>
<td>Current portion of employee future benefits (note 7)</td>
<td>$309</td>
<td>$239</td>
</tr>
<tr>
<td>Deferred revenues and parliamentary appropriations (note 8)</td>
<td>$663</td>
<td>$800</td>
</tr>
<tr>
<td><strong>5,275</strong></td>
<td><strong>4,281</strong></td>
<td></td>
</tr>
<tr>
<td>Employee future benefits (note 7)</td>
<td>$1,999</td>
<td>$1,917</td>
</tr>
<tr>
<td>Deferred contributions (note 9)</td>
<td>$429</td>
<td>$340</td>
</tr>
<tr>
<td>Deferred capital funding (note 10)</td>
<td>$44,157</td>
<td>$45,886</td>
</tr>
<tr>
<td><strong>51,860</strong></td>
<td><strong>52,424</strong></td>
<td></td>
</tr>
<tr>
<td>Equity of Canada</td>
<td>$11,098</td>
<td>$7,251</td>
</tr>
<tr>
<td><strong>$62,958</strong></td>
<td><strong>$59,675</strong></td>
<td></td>
</tr>
</tbody>
</table>

Commitments and contingencies (notes 11 and 13)
The accompanying notes and schedule form an integral part of these financial statements.

Approved by the Board of Trustees

James S. Paul
Chairman

Robert Mantha
Chairman, Audit and Finance Committee
## STATEMENT OF OPERATIONS AND EQUITY OF CANADA

for the year ended March 31

<table>
<thead>
<tr>
<th>(in thousands of dollars)</th>
<th>2007</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>REVENUES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Admission</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Science and Technology</td>
<td>988</td>
<td>957</td>
</tr>
<tr>
<td>Aviation</td>
<td>413</td>
<td>400</td>
</tr>
<tr>
<td>Agriculture</td>
<td>358</td>
<td>327</td>
</tr>
<tr>
<td>Commercial operations</td>
<td>959</td>
<td>945</td>
</tr>
<tr>
<td>Corporate development</td>
<td>772</td>
<td>520</td>
</tr>
<tr>
<td>Interest</td>
<td>127</td>
<td>149</td>
</tr>
<tr>
<td>Other</td>
<td>690</td>
<td>490</td>
</tr>
<tr>
<td><strong>Total revenues</strong></td>
<td>4,307</td>
<td>3,788</td>
</tr>
<tr>
<td><strong>EXPENSES (Schedule)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Heritage preservation</td>
<td>4,796</td>
<td>4,304</td>
</tr>
<tr>
<td>Sharing knowledge</td>
<td>11,502</td>
<td>10,900</td>
</tr>
<tr>
<td>Support activities</td>
<td>5,887</td>
<td>5,930</td>
</tr>
<tr>
<td>Accommodation</td>
<td>8,728</td>
<td>9,958</td>
</tr>
<tr>
<td>Amortization of property and equipment</td>
<td>2,438</td>
<td>2,453</td>
</tr>
<tr>
<td><strong>Total expenses</strong></td>
<td>33,351</td>
<td>33,545</td>
</tr>
<tr>
<td><strong>Excess of expenses over revenues</strong></td>
<td>(29,044)</td>
<td>(29,757)</td>
</tr>
<tr>
<td>Parliamentary appropriations (note 14)</td>
<td>32,891</td>
<td>27,408</td>
</tr>
<tr>
<td><strong>Net income (loss)</strong></td>
<td>3,847</td>
<td>(2,349)</td>
</tr>
<tr>
<td><strong>Deficit at the beginning of the year</strong></td>
<td>(2,851)</td>
<td>(502)</td>
</tr>
<tr>
<td><strong>Retained earnings (deficit) at the end of the year</strong></td>
<td>996</td>
<td>(2,851)</td>
</tr>
<tr>
<td><strong>Contributed surplus</strong></td>
<td>10,102</td>
<td>10,102</td>
</tr>
<tr>
<td><strong>Equity of Canada at the end of the year</strong></td>
<td>$11,098</td>
<td>$7,251</td>
</tr>
</tbody>
</table>

The accompanying notes and schedule form an integral part of these financial statements.
# STATEMENT OF CASH FLOWS

for the year ended March 31

(in thousands of dollars)  

<table>
<thead>
<tr>
<th>Description</th>
<th>2007</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash received (clients)</td>
<td>$3,822</td>
<td>$3,677</td>
</tr>
<tr>
<td>Parliamentary appropriations received</td>
<td>25,198</td>
<td>25,492</td>
</tr>
<tr>
<td>Cash paid (employees and suppliers)</td>
<td>(29,722)</td>
<td>(33,086)</td>
</tr>
<tr>
<td>Interest received</td>
<td>127</td>
<td>149</td>
</tr>
<tr>
<td><strong>Total cash flows used in operating activities</strong></td>
<td>(575)</td>
<td>(3,768)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Description</th>
<th>2007</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acquisition of property and equipment</td>
<td>(485)</td>
<td>(1,819)</td>
</tr>
<tr>
<td>Acquisition of intangible assets</td>
<td>-</td>
<td>(147)</td>
</tr>
<tr>
<td>Increase in restricted cash and investments</td>
<td>(89)</td>
<td>(63)</td>
</tr>
<tr>
<td><strong>Total cash flows used in investing activities</strong></td>
<td>(574)</td>
<td>(2,029)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Description</th>
<th>2007</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>Appropriations received for the acquisition of property and equipment</td>
<td>709</td>
<td>1,819</td>
</tr>
<tr>
<td>Appropriations received for acquisition of intangible assets</td>
<td>-</td>
<td>147</td>
</tr>
<tr>
<td>Restricted contributions and related investments income</td>
<td>149</td>
<td>100</td>
</tr>
<tr>
<td><strong>Total cash flows from financing activities</strong></td>
<td>858</td>
<td>2,066</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Description</th>
<th>2007</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>Decrease in cash and short-term investments</td>
<td>(291)</td>
<td>(3,731)</td>
</tr>
<tr>
<td>Cash and short-term investments, beginning of the year</td>
<td>2,122</td>
<td>5,853</td>
</tr>
<tr>
<td><strong>Cash and short-term investments, end of the year</strong></td>
<td>$1,831</td>
<td>$2,122</td>
</tr>
</tbody>
</table>

The accompanying notes and schedule form an integral part of these financial statements.
March 31, 2007

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 1 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 Museum Corporation. It manages three museum sites: the Canada Science and Technology Museum, the Canada Aviation Museum and the Canada Agriculture 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, gift shops, food services and other services to visitors.

**Support Activities**
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 security services.

2. Accounting policies

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles. The significant accounting policies are:

(a) **Inventories**
Inventories are valued at the lower of cost and net realizable value. Inventory cost is determined by using the average weighted cost method.

(b) **Collection**
The collection constitutes the major portion of the Corporation’s assets but is shown at a nominal value of $1,000 on the balance sheet 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.

(c) **Property and equipment**
Property and equipment are recorded on the following basis. Acquired property and equipment 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, less accumulated amortization for buildings. The estimated historical net costs of the buildings have been credited to deferred capital funding and the estimated historical cost of the land has been credited to the contributed surplus. Land for which the historical cost cannot be reasonably determined is recorded at a nominal value.
with a corresponding amount credited to the contributed surplus. Improvements that extend the useful life or service potential of buildings are recorded at cost.

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

<table>
<thead>
<tr>
<th>Asset Type</th>
<th>Useful Life</th>
</tr>
</thead>
<tbody>
<tr>
<td>Buildings</td>
<td>10 to 40 years</td>
</tr>
<tr>
<td>Building improvements</td>
<td>10 to 25 years</td>
</tr>
<tr>
<td>Office furniture</td>
<td>5 to 10 years</td>
</tr>
<tr>
<td>Equipment</td>
<td>5 to 12 years</td>
</tr>
</tbody>
</table>

(e) Revenue recognition

i) Parliamentary Appropriations
The Government of Canada provides funding to the Corporation. Parliamentary appropriations received for specific projects are recorded as deferred revenues and parliamentary appropriations, and are recognized in the year in which the related expenditures are incurred. The portion of the parliamentary appropriation intended to be used to purchase depreciable property and equipment is recorded as deferred capital funding, and is amortized on the same basis, as over the same periods, as the related property and equipment. The remaining portion of the appropriation is recorded in the statement of operations in the year for which it is approved.

ii) Corporate Development
The Corporation follows the deferral method of accounting for contributions. Contributions received for specific purposes, and related investment income, are deferred and recognized as revenue in the year in which the related expenses are incurred. Contributions without restrictions are recognized as revenue when received or receivable, if the amount to be received can be reasonably estimated, and collection is reasonably assured.

Sponsorship revenues are deferred and recognized as revenue in the year in which the related expenses are incurred. Contributions and sponsorships in kind are recorded at their estimated fair market value when they are received. Volunteers contribute a significant number of hours per year. Because of the difficulty in determining their fair value, contributed services are not recognized in these financial statements.

Membership revenues for which services have not been rendered are deferred and
accounted for as services are provided. Deferred sponsorship and membership revenues are recorded as deferred revenues.

**iii) Admission, commercial operations and other revenues**
Revenues from admission, commercial operations and other revenues are recognized in the year in which the goods or services are provided by the Corporation. Funds received for future services are deferred.

**iv) Interest revenues**
Interest revenues are recognized and recorded in the period in which they are earned.

**(f) Measurement uncertainty**
The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses for the year. Accrued liabilities, employee future benefits and estimated useful lives of property and equipment are the most significant items for which estimates are used. Actual results could differ significantly from those estimates.

**(g) Future accounting changes**
The Canadian Institute of Chartered Accountants issued in January 2005 two new accounting standards that will impact the Corporation. These new standards will come into effect for fiscal years beginning on or after October 1, 2006 and will be applied prospectively. Section 3855, Financial Instruments – Recognition and Measurement, establishes standards for recognizing, measuring and classifying financial instruments. The Corporation will be required to classify its financial assets as held for trading, held-to-maturity, loans and receivables or available-for-sale and financial liabilities as held for trading or other than held or trading. Financial assets and liabilities classified as held for trading will be measured at fair value with gains and losses recognized in net results of operations. Financial assets classified as held-to-maturity, loans and receivables and financial liabilities other than those held for trading will be measured at amortized cost. Financial assets classified as available-for-sale will be measured at fair value with unrealized gains and losses recognized in other comprehensive income.

Section 1530, Comprehensive Income, introduces a new requirement to temporarily present certain gains and losses in other comprehensive income until it is considered appropriate to be recognized in net results of operations. The Corporation may be required to present a new financial statement titled Comprehensive Income to record such amounts until they are realized.

The Corporation is currently evaluating the impact of those new recommendations for fiscal year 2007-08.

### 3. Cash and short-term investments

<table>
<thead>
<tr>
<th></th>
<th>2007</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>$631</td>
<td>$127</td>
</tr>
<tr>
<td>Short-term investments</td>
<td>1,200</td>
<td>1,995</td>
</tr>
<tr>
<td></td>
<td>$1,831</td>
<td>$2,122</td>
</tr>
</tbody>
</table>

The Corporation’s investments are limited to 90 days in Schedule “A” banks, government backed paper and commercial paper rated...
A++ by the Canadian Bond Rating Services. The overall portfolio yield as at March 31, 2007 was 4.12% (2006 - 3.68%) and the average term to maturity is 18 days (2006 - 16 days).

The fair value of the short-term investments is approximately $1,202,000. Accrued interest of $1,623 is recorded in accounts receivable.

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:

Aviation: aircraft and related materials;

Communications: graphic arts, film, photography and related systems, broadcasting, sound recording and reproduction, electronic communications and electronic music;

Industrial technology: generic industrial processes, engineering, industrial design, construction, domestic appliances, tools and systems;

Natural resources: energy production, processing and infrastructure, mining and extraction technology;

Renewable resources: agriculture, forestry and fishery technologies, including harvesting and primary processing;

Physical sciences and medicine: instruments, tools and systems with direct application to mathematics, chemistry, physics, as well as astronomy, astrophysics, medicine, meteorology, surveying and mapping, and information technology; and

Transportation: motorized and non-motorized wheel, track and trackless vehicles; motorized and non-motorized marine transportation, as well as the supporting infrastructure of technologies, tools and instruments.

5. Property and equipment

<table>
<thead>
<tr>
<th></th>
<th>2007</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Cost</td>
<td>Accumulated amortization</td>
</tr>
<tr>
<td>Land</td>
<td>$10,102</td>
<td>–</td>
</tr>
<tr>
<td>Buildings</td>
<td>55,047</td>
<td>$18,813</td>
</tr>
<tr>
<td>Building improvements</td>
<td>15,695</td>
<td>10,359</td>
</tr>
<tr>
<td>Office furniture</td>
<td>5,930</td>
<td>4,707</td>
</tr>
<tr>
<td>Equipment</td>
<td>5,921</td>
<td>4,930</td>
</tr>
<tr>
<td></td>
<td>$92,695</td>
<td>$38,809</td>
</tr>
</tbody>
</table>

Notes to Financial Statements | 69
Cost and accumulated amortization of property and equipment as at March 31, 2006 amounted to $92,388,000 and $36,549,000 respectively.

6. Intangible assets

The Corporation has acquired an easement right from the Canadian Pacific Railway in order to keep access to the rail. The easement right is recorded at cost and is not amortized since it is determined to have an indefinite useful life. The intangible asset is tested for impairment annually or more frequently if events or changes in circumstances indicate that the asset might be impaired.

7. Employee future benefits

i) Pension benefits

The Corporation and all eligible employees contribute to the Public Service Pension Plan. This pension plan provides benefits based on years of service and average earnings at retirement. The benefits are fully indexed to the increase in the Consumer Price Index. The Corporation’s and employees’ contributions to the Public Service Pension Plan for the year were as follows:

<table>
<thead>
<tr>
<th>(in thousands of dollars)</th>
<th>2007</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corporation’s Contributions</td>
<td>$1,596</td>
<td>$1,344</td>
</tr>
<tr>
<td>Employees’ Contributions</td>
<td>717</td>
<td>611</td>
</tr>
</tbody>
</table>

ii) Severance benefits

The Corporation provides severance benefits to its employees based on years of service and final salary. This benefit plan is not pre-funded and thus has no assets, resulting in a plan deficit equal to the accrued benefit obligation. Benefits will be paid from future appropriations. Information about the plan, measured as at the balance sheet date, is as follows:

<table>
<thead>
<tr>
<th>(in thousands of dollars)</th>
<th>2007</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accrued benefit obligation, beginning of year</td>
<td>$2,156</td>
<td>$2,012</td>
</tr>
<tr>
<td>Cost for the year</td>
<td>490</td>
<td>389</td>
</tr>
<tr>
<td>Benefits paid during the year</td>
<td>(338)</td>
<td>(245)</td>
</tr>
<tr>
<td>Accrued benefit obligation, end of year</td>
<td>2,308</td>
<td>2,156</td>
</tr>
<tr>
<td>Short-term portion</td>
<td>309</td>
<td>239</td>
</tr>
<tr>
<td>Long-term portion</td>
<td>1,999</td>
<td>1,917</td>
</tr>
</tbody>
</table>

8. Deferred revenues and parliamentary appropriations

Deferred revenues represent amounts received in advance of services rendered. Deferred parliamentary appropriations represent approved parliamentary appropriations received for work not yet completed or received in advance. Information on the deferred revenues and parliamentary appropriations is as follows:

<table>
<thead>
<tr>
<th>(in thousands of dollars)</th>
<th>2007</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues from sponsorships</td>
<td>$286</td>
<td>$639</td>
</tr>
<tr>
<td>Revenues from programs and other</td>
<td>271</td>
<td>161</td>
</tr>
<tr>
<td>Unused appropriations received for specific purposes</td>
<td>106</td>
<td>-</td>
</tr>
</tbody>
</table>

$663 $800
9. Deferred contributions

This represents the unspent amount of donations received from individuals and corporations for specific purposes, and related investment income.

<table>
<thead>
<tr>
<th>(in thousands of dollars)</th>
<th>2007</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at the beginning of the year</td>
<td>$340</td>
<td>$277</td>
</tr>
<tr>
<td>Gifts and bequests</td>
<td>134</td>
<td>91</td>
</tr>
<tr>
<td>Interest</td>
<td>15</td>
<td>9</td>
</tr>
<tr>
<td>Amount recognized as revenue in the year</td>
<td>(60)</td>
<td>(37)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance at the end of the year</td>
<td>$429</td>
<td>$340</td>
</tr>
</tbody>
</table>

The balance is included in restricted cash and investments at the end of the year and is managed in accordance with the donors’ wishes and the by-laws of the Corporation.

10. Deferred capital funding

Deferred capital funding represents the unamortized portion of parliamentary appropriations used, or to be used, to purchase depreciable property and equipment.

Changes in the deferred capital funding balance are reflected below.

<table>
<thead>
<tr>
<th>(in thousands of dollars)</th>
<th>2007</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>Appropriation used in the current year to purchase depreciable property and equipment</td>
<td>$45,886</td>
<td>$46,373</td>
</tr>
<tr>
<td>Appropriations used in current year to purchase intangible assets</td>
<td>485</td>
<td>1,819</td>
</tr>
<tr>
<td>Appropriations received in the current year to acquire property and equipment In future years</td>
<td>-</td>
<td>147</td>
</tr>
<tr>
<td>Amortization</td>
<td>(2,438)</td>
<td>(2,453)</td>
</tr>
<tr>
<td>Balance at the end of the year</td>
<td>$44,157</td>
<td>$45,886</td>
</tr>
</tbody>
</table>
11. Commitments
As at March 31, 2007, the Corporation had entered into various agreements for accommodation, protection services, facilities management services and exhibition rentals, for a total of $13,639,000. The future minimum payments for the next five years are as follows:

(in thousands of dollars)

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007-2008</td>
<td>$4,015</td>
</tr>
<tr>
<td>2008-2009</td>
<td>3,758</td>
</tr>
<tr>
<td>2009-2010</td>
<td>3,346</td>
</tr>
<tr>
<td>2010-2011</td>
<td>1,412</td>
</tr>
<tr>
<td>2011-2012</td>
<td>1,108</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$13,639</strong></td>
</tr>
</tbody>
</table>

12. Related party transactions
In addition to related party transactions disclosed elsewhere in these financial statements, the cost of services provided by other federal departments, agencies, and crown corporations and reflected in the statement of operations and equity of Canada, totalled $4,579,217 (2006 - $5,229,648). These transactions were conducted in the normal course of operations, under the same terms and conditions that applied to outside parties and are recorded at the exchange amount.

13. Contingencies
In the normal course of its operations, the Corporation becomes involved in various claims or legal actions. Some of these potential liabilities may become actual liabilities when one or more future events occur, or fail to occur. To the extent that the future event is likely to occur or fail to occur, and a reasonable estimate of the loss can be made, an estimated liability is accrued and an expense recorded in the Corporation's financial statements. A provision for these expenses has been recorded based on management's best estimates. The effect, if any, of ultimate resolution of these matters will be accounted for when determinable.

14. Parliamentary appropriations

(in thousands of dollars)

<table>
<thead>
<tr>
<th></th>
<th>2007</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>Main Estimates</td>
<td>$25,577</td>
<td>$24,446</td>
</tr>
<tr>
<td>Operating and capital</td>
<td></td>
<td></td>
</tr>
<tr>
<td>expenditures</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Supplementary estimates:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating shortfalls</td>
<td>2,851</td>
<td>-</td>
</tr>
<tr>
<td>Capital Infrastructure</td>
<td>418</td>
<td>-</td>
</tr>
<tr>
<td>Hangar maintenance and</td>
<td>1,475</td>
<td>1,475</td>
</tr>
<tr>
<td>operations</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Severance adjustments</td>
<td></td>
<td></td>
</tr>
<tr>
<td>and retroactive</td>
<td></td>
<td></td>
</tr>
<tr>
<td>wage settlements</td>
<td>624</td>
<td>1,000</td>
</tr>
<tr>
<td>Digitization project</td>
<td>323</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$31,268</td>
<td>$26,921</td>
</tr>
</tbody>
</table>

Unused appropriations received for specific purposes (106) -
Appropriations received in the current year to acquire property and equipment in future years (224) -
Amounts used to purchase depreciable property and equipment (485) (1,819)
Amounts used to purchase intangible assets - (147)
Amortization of deferred capital funding 2,438 2,453
Parliamentary appropriations $32,891 $27,408
15. Financial instruments

The carrying amounts of the Corporation’s cash and short term investments, accounts receivable, restricted cash and investments, accounts payable and accrued liabilities approximate their fair values due to their short term to maturity.

SCHEDULE OF EXPENSES
for the year ended March 31

<table>
<thead>
<tr>
<th>(in thousands of dollars)</th>
<th>2007</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personnel costs</td>
<td>$18,209</td>
<td>$16,919</td>
</tr>
<tr>
<td>Amortization of property and equipment</td>
<td>2,438</td>
<td>2,453</td>
</tr>
<tr>
<td>Property taxes</td>
<td>1,838</td>
<td>3,003</td>
</tr>
<tr>
<td>Leases of buildings</td>
<td>1,751</td>
<td>1,735</td>
</tr>
<tr>
<td>Professional and special services</td>
<td>1,466</td>
<td>1,949</td>
</tr>
<tr>
<td>Utilities</td>
<td>1,408</td>
<td>1,349</td>
</tr>
<tr>
<td>Property management services</td>
<td>1,237</td>
<td>1,044</td>
</tr>
<tr>
<td>Material and supplies</td>
<td>721</td>
<td>795</td>
</tr>
<tr>
<td>Protection services</td>
<td>712</td>
<td>689</td>
</tr>
<tr>
<td>Repair and upkeep of buildings</td>
<td>679</td>
<td>553</td>
</tr>
<tr>
<td>Publications</td>
<td>498</td>
<td>392</td>
</tr>
<tr>
<td>Gift shops and product marketing</td>
<td>429</td>
<td>399</td>
</tr>
<tr>
<td>Design and display</td>
<td>354</td>
<td>270</td>
</tr>
<tr>
<td>Advertising</td>
<td>310</td>
<td>402</td>
</tr>
<tr>
<td>Repair and upkeep of equipment</td>
<td>277</td>
<td>470</td>
</tr>
<tr>
<td>Communications</td>
<td>256</td>
<td>241</td>
</tr>
<tr>
<td>Travel</td>
<td>169</td>
<td>245</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>149</td>
<td>194</td>
</tr>
<tr>
<td>Office supplies and equipment</td>
<td>134</td>
<td>125</td>
</tr>
<tr>
<td>Freight express and cartage</td>
<td>119</td>
<td>108</td>
</tr>
<tr>
<td>Rentals of equipment</td>
<td>92</td>
<td>121</td>
</tr>
<tr>
<td>Books</td>
<td>63</td>
<td>65</td>
</tr>
<tr>
<td>Purchase of objects for the collection</td>
<td>42</td>
<td>24</td>
</tr>
<tr>
<td>Total expenses</td>
<td>$33,351</td>
<td>$33,545</td>
</tr>
</tbody>
</table>
Public programming, collection and research, and corporate services activities continued to benefit from a dedicated volunteer corps.

In 2006–2007, inclusive of all three sites, 409 dedicated volunteers provided 28,402 hours of service, and we are grateful for their continuing support, service and commitment to our Museums.

The Corporation would like to highlight two special volunteer groups that contribute to the success of our Museums.

Bytown Railway Society

Last year, the Bytown Railway Society (BRS) fired up the Shay Locomotive between 20-25 days. The amount of days can vary each year but a day's operation begins at about 7:30 a.m. twice a week over the summer months. Since 1995, the BRS volunteers have averaged, when they are on site, about 10 hours a day. This past year's roster had crews composed of four members. This means that over the course of a demonstration season, the BRS members contributed between 800 and 1000 person hours. Over the last ten years the total amount of BRS volunteer hours are between 8,000 to 10,000 hours. The Bytown Railway Society has been with the Canada Science and Technology Museum since 1966 and their high standards, passion and dedication have been an incredible asset.

Project North Star

Project North Star volunteers have been working on the restoration of the Canadair DC-4 North Star since 2004 with approximately 169 members and a regular roster of about 32 volunteers directly working on the restorations. Since 2004, approximately 7,468 hours of volunteer time have been devoted to this restoration project which has a projected completion date of around 2013. This is the first time the Canada Aviation Museum takes on such an ambitious project but the results are very positive and everyone working on the aircraft does so with enthusiasm and integrity.
The Corporation would like to thank the following individuals, corporations, organizations and foundations for donating between $200 and $999 during this past year.

Canada Agriculture Museum
Gail Beck
Yannick Brazeau
Canadian Pork Council
Pierre Corriveau
Michelle Dondo-Tardiff
Norman Edwards
Costanzo Gabriele
Amber Golden
Silvana Handa
Caroll Holland
Robert Lavallée
Paul Martin
David Sutin
Christopher Terry
Ron Turner

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William Bain
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Christopher Bakhum
Gail Beck
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Maurice James Bent
Loulou Boland
Robert Lavallée
Ken and Fiona Cameron
in memory of Howard Fowler
William Campbell
Bill Carr
Kenneth Castle
George Chapman
Joseph Cheetham
Robert Christie
John Clifford
John Collins
Sterling Conrad
Paul Dalseg
John Darling
James Davies
Kenneth Delamater
Bill Derbyshire
Wilfrid Dogas
C. Dunlap
Roger Durocher
EDS Canada Inc.
Terry Edward, in memory of Arthur Edwards

Canada Science and Technology Museum
Gail Beck
Robert Burnet
Walter Campbell
Robert Evans
Allan Farnsworth
Edward Freeman
B. Giles
Silvana Handa
Robert Hobbis
Robert Lavallée
Paul Lewthwaite
Donald McCarron
Kenneth Olsen
PMA-Sierra Ltd
Edward Sacrey
J. Tait
Christopher J. Terry
Bryan Tomowich

MAJOR GIFTS
The following individuals, associations and foundations have given over $1,000 in cumulative financial gifts over the years.

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Burnbrae Farms
Nelson Dairy
Michelle Dondo-Tardiff
Bonnie Fraser
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Valorie Austin
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Danish Bar Berree
Earl Barr
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Merv Harron
Ray Healey
Derek Heath
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John Higham
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Imperial Oil Foundation
Peter Lewis
Kenneth Olsen
Lillian and Leroy Page Foundation
Edward Sacrey
TD Friends of the Environment Foundation
University Health Network

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The following individuals have indicated that they have remembered the Corporation with a gift in their will or estate plans.

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Ross Graham
Jody Kitts
Charlie Roe
Jacques Tetreault

Canada Aviation Museum
Christopher Anthony Baukham
Marcel Dercoc
Roy Salter Jamieson
Jody Kitts
J. R. G. Leach
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Claude Roy
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CTV Winnipeg
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S. Sullivan
J. Swift
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The Corporation would like to thank the following corporations for their generous sponsorship support.

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  - Connexions exhibition
- **Contributing Sponsor**
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**Canada Agriculture Museum**
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