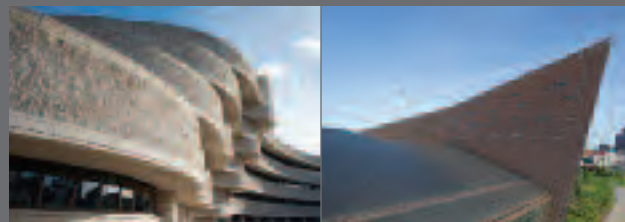




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CANADIAN MUSEUM OF CIVILIZATION



CANADIAN WAR MUSEUM

ANNUAL REPORT 2012 / 2013

Canadian Museum of Civilization Corporation

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CANADIAN MUSEUM OF CIVILIZATION
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1 Vimy Place, Ottawa, ON K1A 0M8

www.warmuseum.ca

Image on cover:

Victoria Cross medal awarded to

Company Sergeant-Major Frederick William Hall

Bill Kent CWM20110146

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CANADIAN MUSEUM OF
CIVILIZATION CORPORATION



Message from the Chair



The Corporation and its Museums made remarkable progress this year on a wide range of issues of prime importance to the Board of Trustees, including national outreach, public engagement and the forging of new partnerships.

The Board also welcomed — with enthusiasm — the government's decision to create the new Canadian Museum of History and to make the telling of our national story central to the Museum's purpose. The year 2012–2013 was also memorable for the renewal it brought to the Board itself, as we welcomed several new trustees.

In recent years, the Board has defined a number of strategic objectives to guide the work of the Corporation and its Museums. I will highlight two in particular. We have asked the Museums to broaden and deepen their focus on Canadian history to better reflect the national narratives, symbols and achievements that define the Canadian experience and illuminate the multiple dimensions of Canadian life. We have also

encouraged the Corporation to raise its public profile — making itself better known across the country — and to increase its relevance to Canadians, wherever they live in the country, through innovative partnerships and public outreach initiatives.

Under the leadership of President and CEO Mark O'Neill, the Corporation has responded by identifying three pillars on which to stand as it reaches for those strategic objectives. They are labelled Research, Partnerships and Public Engagement. Each one is now the focus of a strategy document prepared by the Corporation and finalized this year. Together, these strategies will guide the Museums' efforts in the years to come.

The Research Strategy calls for the expansion and strengthening of artifact collections and curatorial efforts relating to Canadian historical themes. The Partnerships Strategy will lead to the building of new bridges with other cultural institutions, allowing our Museums to enhance their programming and reach new audiences across the country. The Public Engagement Strategy sets the stage for an enhanced relationship between our Museums and the Canadian public. The Board considers the development of these strategies to be major achievements.

The Board also applauds the Corporation's response to the government's October announcement concerning the transformation of the Canadian Museum of Civilization into the Canadian Museum of History. In very short order, the Corporation launched the largest and most successful program of public outreach in its history, and began laying the groundwork for

the development of a new and comprehensive Canadian History Gallery.

The Board is confident that this transformation will make the Corporation even more relevant to Canada's national life and to the lives of ordinary people throughout the country, who are eager to learn about their nation's history. The need for a national history museum has been recognized for many decades. My fellow Trustees and I are honoured to play a role in its creation.

Our work in this regard will be greatly aided by the newest additions to the Board. They are Michael Bliss, a historian and award-winning author; Andrea T. Bobkovicz, an investment professional; James D. Fleck, an entrepreneur, academic and cultural philanthropist; Richard Gwyn, a historian, author and columnist; Christopher McCreery, an author and historian; and Claude Thibault, a financial manager.

I speak on behalf of all Trustees when I express my appreciation in the Corporation's President and CEO, Mark O'Neill, for the outstanding achievements of management and staff during 2012–2013. Their accomplishments have been remarkable and they have laid a strong foundation for future success. I look to the months and years ahead with great anticipation and optimism.



**Lieutenant-General (Ret'd)
Bill Leach, C.M.M., C.D.**

Message from the President and CEO



This year marked a turning point in the history of the Corporation and its Museums.

It was the year we embarked on the creation of the new Canadian Museum of History; the year we launched an unprecedented program of national outreach; the year we completed a suite of corporate strategies to ready us for the future; the year we established new connections with other Canadian museums; and the year the War Museum blazed a new trail — and earned high praise — while exploring a conflict that shaped our national destiny two centuries ago.

The year 2012–2013 was one that management and staff can look back on with pride.

The most dramatic development was the government's announcement about the creation of the Canadian Museum of History. The new Museum will tell the story of Canada and its people from earliest times to the

present day, and focus more attention than ever before on the seminal events, the central characters, and the enduring themes that have shaped our country's development, defining the Canadian experience and underpinning our national identity.

We resolved at the outset to engage as many Canadians as possible in the creation of what will be their new national history museum. We wanted the institution to be informed by the wisdom, perspectives and knowledge of experts and laypeople alike, from every region of the country. The result was the most ambitious — and most successful — program of public outreach the Museum has ever devised.

Among other initiatives, we launched an interactive website, hosted roundtable discussions from St. John's to Vancouver, and toured an activity kiosk to nine cities. In many centres, we also met with leading historians and other academics and museum experts individually. Altogether, we reached well over 20,000 people, increased our national profile and sparked a national conversation about Canadian history. And our work on the new Museum has just begun.

During the past year, we also completed the development of strategies that will guide our efforts in three crucial areas: research, public engagement and partnerships.

Research is the cornerstone of virtually everything we do, from artifact collecting to exhibition planning. Our new research strategy will ensure that our research efforts are properly aligned with our new mandate and the priorities set by our Board of Trustees. The Public Engagement Strategy will help us increase our profile across the country, and better align our activities with the needs and interests of Canadians, wherever they live in Canada. The Partnerships Strategy will improve our links with institutions — from coast to coast to coast — that share our interest in the preservation and promotion of Canadian history. Together, these new strategies have instilled a clearer sense of purpose, and a clearer sense of direction, throughout the organization.

Our renewed focus on partnerships is already paying dividends. For example, during the past year, the Corporation has played a lead role in creating a new national network of history museums. The network will facilitate

greater sharing, cooperation and efficiencies among its members. The Canadian Museum of History will provide a national showcase for exhibitions produced by network members. In turn, they will help us fulfill our mandate as Canada's national museums of human and military history by hosting our travelling exhibitions and thus extending our reach. The ultimate beneficiaries will be Canadian museum-goers, who will gain access to more and better exhibitions that focus on Canada's past.

The Canadian War Museum built upon its reputation for excellence again this year, most notably through the presentation of its groundbreaking exhibition **1812** and its participation in the innovative Human Library program. Both of these outstanding initiatives are described in more detail within the body of this report. I will simply note that the Ontario Museum Association honoured **1812** with its 2012 Award of Excellence in Exhibitions and presented the Human Library program with its Award

of Excellence in Community Engagement. The Human Library program also earned the War Museum the Governor's General 2012 History Award for Excellence in Museums, History Alive!

I am proud to note, as well, that two books with War Museum connections received special accolades this year. *The Oxford Companion to Canadian Military History* won the 2011 C.P. Stacey Prize. The book was co-authored



by Dr. Dean Oliver, then Director of Research and Exhibitions at the War Museum, and Dr. Jack Granatstein, former Director General of the Museum and a former member of the Board of Trustees. The War Museum also received an Honorable Mention from the Ontario Museum Association for its publication *Four Wars of 1812* by Dr. Peter MacLeod, curator of the **1812** exhibition and Pre-Confederation Historian at the Museum. These awards underline our leadership role within the Canadian museum sector and our status as centres of excellence for the production and dissemination of knowledge about Canada's history and heritage.

Our attention is now focused on the future. In the coming months, work will accelerate on the creation of the Canadian History Gallery, the centrepiece of the new Canadian Museum of History. It will be the largest and most comprehensive exhibition on Canadian history ever produced, and *the* destination for Canadians who want to retrace their nation's journey and encounter their national treasures. At the War Museum, preparations will continue as we near the 100th anniversary of the start of the First World War.

These are exciting and demanding times for our Museums. Never have we, in my opinion, been better prepared for the challenges and opportunities that lie ahead.



Mark O'Neill



The Canadian Museum of Civilization



STEVEN DARBY IMG2013-07-0001-Dm

The Canadian War Museum



STEVEN DARBY CWM2012-0013-0052-Dm

The Canadian Museum of Civilization preserves, explores and presents the history of Canada.

As a leading Canadian cultural attraction, the Museum welcomes over 1.2 million visitors each year to its celebrated complex in the heart of the National Capital Region. With roots stretching back to 1856, it is one of Canada's oldest public institutions.

The Museum safeguards a collection of over 3 million artifacts and specimens, including some of Canada's most valued national treasures. It is also home to the Canadian Children's Museum and an IMAX® Theatre.

The Canadian War Museum is Canada's national museum of military history.

Its permanent exhibition galleries offer a revealing and affecting look at Canada's military past, and how it has shaped the country. The Museum is especially renowned for its exploration of the human dimension of war, and the profound effect of armed conflict on combatants and civilians alike.

Home to an outstanding collection of artifacts, ranging from ancient arrowheads to a modern Voodoo fighter jet, the Museum occupies one of Canada's most striking and iconic buildings. In addition, it houses a world-class art collection comprising over 13,000 works, including paintings by some of Canada's most celebrated artists. As a national centre for remembrance, education and historical research, the Museum is also a venue and facilitator for the informed discussion of military affairs — past, present and future.

The Virtual Museum of New France

The Virtual Museum of New France is an innovative online project that explores the history, culture and living legacy of early French settlements in North America, profiling an area stretching from Acadia through the Great Lakes and the Ohio Valley to Louisiana. Its examination of the history of New France focuses on themes such as economic activity, population and facets of daily life such as food, entertainment, health and medicine.

Mandate

The Canadian Museum of Civilization Corporation is a federal Crown Corporation and a member of the Canadian Heritage Portfolio, established pursuant to the *Museums Act*. The Corporation's purpose, as stated in the *Act*, is "to increase, throughout Canada and internationally, interest in, knowledge and critical understanding of, and appreciation and respect for, human cultural achievements and human behaviour." It is empowered to do this through the development and maintenance of artifact collections, and the creation and dissemination of knowledge.

Governance

The Corporation is governed by a Board of Trustees, consisting of 11 members appointed by the Minister with the approval of the Governor-in-Council. The Board is responsible for providing broad strategic direction and oversight, and reports to Parliament through the Minister of Canadian Heritage and Official Languages. During 2012–2013, six committees and one working group supported the Board of Trustees. They met regularly before Board meetings and made their recommendations at meetings of the Board. Each Member has duties on at least one committee.



◀ From left to right:
Trustees Andrea T. Bobkowicz, Ken Langille,
Claude Thibault, Michael Bliss, Christopher
McCreery, Judith Baxter, Ruth Ramsden-Wood
and Richard Gwyn (Absent: Fiona Robin)

From left to right:
David Loye, Chief Operating Officer;
Chrissie Unterhoffer, Acting
Corporate Secretary and Director
of Strategic Planning; and
Mark O'Neill, President and
Chief Executive Officer ▶



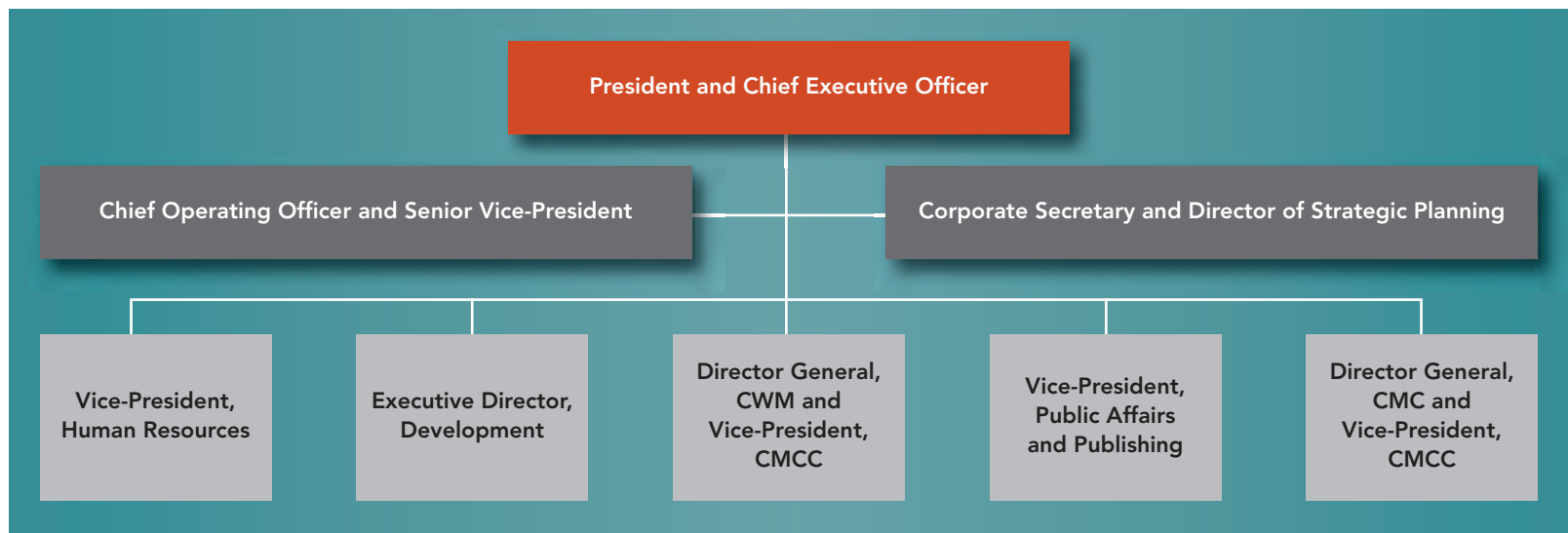
Board of Trustees Committees

- The **Executive Committee** assists in making decisions between Board meetings, if necessary.
- The **Audit Committee** serves as the Board's advisor on audit-related matters; ensures the maintenance of sound internal controls; and reviews internal audit plans, financial statements, and observations relating to the Museum made by the Auditor General of Canada.
- The **Development Committee** advises and supports the Board and Management in achieving greater self-sufficiency through fundraising.
- The **Finance Committee** advises the Board on accountability and planning in relation to financial matters such as financial reporting, the Corporation's investment policy and contracts and other financial transactions over \$500,000.
- The **Governance Committee** advises the Board on matters related to corporate governance.
- The **Canadian War Museum Committee** provides advice on matters related to the Canadian War Museum, and includes members of the Board of Trustees and representatives from veterans' groups.
- The **Working Group on the Virtual Museum of New France** provides input for this online exhibition.



◀ From left to right:
William (Bill) Leach, Chair and
James D. Fleck, Vice-Chair

STEVEN DARBY/IMG 2013-0104-0003-Dm



Corporate Officers

Mark O'Neill

President and Chief Executive Officer

David Loye

Chief Operating Officer

Gordon Butler

Corporate Secretary and Director of Strategic Planning

Chrissie Unterhoffer

Acting Corporate Secretary and Director of Strategic Planning

Members of the Corporation's Executive Committee

(as of March 31, 2013)

Jean-Marc Blais

Director General, Canadian Museum of Civilization and Vice-President, Canadian Museum of Civilization Corporation

Michèle Canto

Director, Marketing and Business Operations

Tony Glen

Director, Collections Management and Planning, Canadian War Museum

Elizabeth Goger

Vice-President, Human Resources

Dr. Dean Oliver

Director, Research, Canadian Museum of Civilization
Director, Research and Exhibitions, Canadian War Museum (until January 11, 2013)

Robert Ryan

Executive Director, Development

Chantal Schryer

Vice-President, Public Affairs and Publishing

James Whitham

Director General, Canadian War Museum and Vice-President, Canadian Museum of Civilization Corporation



Members of the Board

(as of March 31, 2013)

Judith Baxter, Trustee

Clifton Royal, New Brunswick

Ms. Baxter is a recipient of the Queen Elizabeth II Diamond Jubilee Medal. She has worked as an artist, writer and commercial illustrator, and is a tireless volunteer activist and community organizer. She also sits on the Board of the New Brunswick Museum and the Grace Foundation, was founding director of the Kingston Farmers Market, the Clifton Royal Recreation Council, and founding director of the John Fisher Memorial Museum.

Michael Bliss, Trustee

Toronto, Ontario

Professor Bliss, one of Canada's foremost historians and an award-winning author, taught at the University of Toronto for 38 years. While most of his 14 books, including *The Discovery of Insulin* and *William Osler: A Life in Medicine*, reflect his specialization in medical and Canadian history, he has also earned two National Magazine Awards for business and political writing. In 1988, he won the Royal Society of Canada's Tyrrell Medal for outstanding work in the history of Canada. Professor Bliss is a Member of the Order of Canada and Honorary Fellow of the Royal College of Physicians and Surgeons of Canada. He has been recognized with honorary degrees from McGill University, McMaster University, the University of British Columbia, University of Toronto, University of Prince Edward Island and the Medical College of Wisconsin.

Andrea T. Bobkowicz, Trustee

Westmount, Quebec

Andrea T. Bobkowicz is an Investment Advisor with National Bank Financial, Private Wealth Management. Ms. Bobkowicz previously worked in Global Institutional Equity Sales at RBC Dominion Securities in New York and as a result has business experience with South Africa, Australia and Latin America. She is fluent in English, French and Spanish. Her volunteer work in the community includes leadership positions with the Foundation for Catholic Community Services and the St. Patrick's Society of Montréal. In addition, Ms. Bobkowicz has served as a member of several major professional and policy-shaping organizations, including the Canadian Council for the Americas, the Canadian Society of New York, the Couchiching Institute on Public Affairs and the Financial Women's Association of New York.

James D. Fleck, Vice-Chair

Toronto, Ontario

Dr. Fleck is an entrepreneur, academic and leading cultural philanthropist. In business, he founded Fleck Manufacturing Inc., and was Chairman of ATI Technologies and Alias Research. He is Professor Emeritus at the University of Toronto and taught at Harvard and York. In the non-profit sector, he was President of the Art Gallery of Ontario and is Chairman of Business for the Arts, a national association of business leaders supporting the arts. In government, he served as Deputy Minister of Industry and Secretary of Cabinet for Premier Bill Davis. Dr. Fleck's many honours include

the Order of Canada, the Queen's Diamond Jubilee Medal, the Edmund C. Bovey Award for Leadership Support of the Arts, the Ramon John Hnatyshyn Award for Voluntarism in the Performing Arts, and the International Society of Performing Arts' Angel Award.

Richard J. Gwyn, Trustee

Toronto, Ontario

Richard J. Gwyn is a renowned historian, author and political commentator. His career as a journalist includes 30 years with the *Toronto Star* where he wrote, and continues to write columns on national and international affairs, and was a regular commentator on television and radio. The highly praised author of seven books, Mr. Gwyn has written biographies of Prime Ministers Sir John A. Macdonald (two volumes) and Pierre Elliott Trudeau, and of Newfoundland Premier Joey Smallwood. His study, *Nationalism Without Walls* has been ranked by the Literary Review of Canada as one of the 100 most important Canadian books. Mr. Gwyn's honours include two National Newspaper Awards, a National Magazine Award, the Charles Taylor Prize for Literary Non-Fiction, the Shaugnessy Cohen Prize for Political Writing and the John W. Dafoe Prize. From 2002 to 2007, he was Chancellor of St. Jerome's University at the University of Waterloo. The recipient of five honorary degrees, he was named an Officer of the Order of Canada in 2002.

Ken Langille, Trustee*New Glasgow, Nova Scotia*

Ken Langille has served the community of New Glasgow in a variety of capacities, including Deputy Fire Chief, Deputy Mayor, Chair of the Police Commission and Fire Committee, and president of the Festival of the Tartans. He has also served on several boards and commissions at the county and provincial levels, including the Nova Scotia Police Review Board. Mr. Langille has been an active member of the Royal Canadian Legion and the Atlantic Branch of the Black Watch Association. He was also President of the Pictou County Shrine Club and the Pictou County Sports Hall of fame, among other groups and associations.

William (Bill) Leach, Chair*Kars, Ontario*

Lieutenant-General (Ret'd) Leach has had a varied and distinguished career as a high-ranking military officer, an executive in the private sector, and a committed volunteer. Before retiring from the Canadian Forces (Regular) in 2000, after forty years of service, Leach was Chief of the Land Staff and Commander Land Force Command. He still holds one Honorary Appointments granted by the Minister of National Defence. He was an executive at Honeywell Canada and Mincom Australia. He is the immediate Past-President and Chair of the Board of the Friends of the Canadian War Museum, serves on the Executive Committee of the Military Families Fund/Support our Troops and chairs the Defence and Security Committee of the Royal Canadian Legion. He is a recipient of the Canadian Order of Military Merit (Commander) and the U.S. Legion of Merit (Commander).

Christopher McCreery, Trustee*Halifax, Nova Scotia*

Dr. McCreery is the Private Secretary to the Lieutenant Governor of Nova Scotia and Executive Director of Government House, Halifax. Author of more than ten books, he holds a doctorate in Canadian Political History from Queen's University and is a recognized authority on Canadian honours, symbols and the role of the Crown in Canadian government. He has served on the Department of Canadian Heritage War of 1812 Advisory Committee, the Queen Elizabeth II Diamond Jubilee Committee, and the Prime Minister's advisory committee on the appointment of the Governor General in 2010. Dr. McCreery is a Member of the Royal Victorian Order, a Fellow of the Royal Canadian Geographic Society and a Fellow of the Queen's Center of Study and Democracy.

Ruth Ramsden-Wood, Trustee*Calgary, Alberta*

Ms. Ramsden-Wood has recently retired as President of the United Way of Calgary and Area and has 35 years' experience as a school principal and community leader. She also serves on the Board of Directors for Mount Royal University, the Alberta Champion Society and the Calgary Homeless Foundation, and is Calgary Chapter Chair of the International Women's Forum. Ms. Ramsden-Wood has a Master's degree from Columbia University in New York City.

Fiona Robin, Trustee*Vancouver, British Columbia*

Fiona Robin is a partner with Schuman Daltrop Basran & Robin, a Vancouver-based family law firm, and plays an active role within the legal community. She is a founding member of the Family Law Advocates Group, and has written many articles and papers on family law. For many years, Ms. Robin has been a contributing author to the annual *British Columbia Annotated Family Practice Manual*.

Claude Thibault, Trustee*Mont-Royal, Quebec*

Claude Thibault is Chief Financial Officer of the Nuera Group of Companies, a private equity investment firm with several companies in both Canada and the United States. Over the past 15 years, Mr. Thibault has acquired considerable experience as a financial manager, serving as chief financial officer with a number of private and publicly traded companies. Before this, he worked in investor relations and financial services with KPMG, later becoming Vice-President of Midland Walwyn Capital. He has served on several boards, including the Board of Directors for the Old Port of Montréal Corporation. He is currently Director and President of the Audit Committee of the Consortium en innovation numérique du Québec. Mr. Thibault is a chartered accountant, an expert in company valuation and has an MBA from McGill University. In 2012, he received the Queen Elizabeth II Diamond Jubilee Medal.



Highlights: The Year at a Glance



STEVEN DARBY/IMG2012-0325-0021-Dm

◀ The Honourable James Moore, Minister of Canadian Heritage and Official Languages, at the official announcement of the renaming of the Canadian Museum of Civilization as the Canadian Museum of History.

One of the many roundtable discussions held as part of the public engagement initiative on the new Museum. ▶

THE NEW CANADIAN MUSEUM OF HISTORY

A NEW NAME, A NEW VISION

On October 16, 2012, the Honourable James Moore, Minister of Canadian Heritage and Official Languages, announced that the Canadian Museum of Civilization is to be renamed the Canadian Museum of History.

The name change reflects a renewed emphasis by the Museum on Canada's history, and on presenting the events, the people and the artifacts that have helped create the country we live in today.

As it plans this transformation, the Museum is consulting with historians and other experts across Canada. It has also canvassed the views of Canadians, asking them to identify events, people and points of view that they believe should be included in any account of their country's history. Museum staff visited nine cities from coast to coast, reaching out to the public through roundtable discussions and activity kiosks. The Museum also launched the interactive My History Museum website. In total, more than 20,000 people have been engaged in the process.



STEVEN DARBY/IMG2012-0325-0021-Dm

◀ Museum of Civilization archaeologist and curator Jean-Luc Pilon gives a guided tour at the opening of the exhibition **MAYA – Secrets of Their Ancient World**.



MARIE-LOUISE DERUAZ | MG2013-0099-00-3-Dm

The activity kiosk that travelled across the country as part of the public engagement process. ▶



RYAN MCCOSHAM | MG2012-0327-00-1-Dm

The feedback from this outreach will inform the creation of a new and expansive permanent exhibition on Canadian history, which will constitute the centrepiece of the new Museum. The exhibition will occupy the space now devoted to the Canada Hall and the Canadian Personalities Hall. The new hall will present Canada's national narrative and its national treasures, and will comprehensively preserve the memories and experiences of the Canadian people. It will also provide space for history-themed exhibitions from other museums across the country.

The new hall will include the experience of Canada's First Peoples. In addition, their histories and ongoing contributions will

continue to be explored in rich detail in the existing First Peoples Hall and the Grand Hall. The Children's Museum will continue to operate as is.

The federal government has announced a one-time contribution of \$25 million to help fund the transformation, and the Museum itself is soon to embark on a major fundraising drive. Renovations will unfold in stages over the next four years to minimize the disruption and any inconvenience to visitors. The new Canadian Museum of History will be completed by 2017 — a fitting gift to all Canadians as we mark the 150th anniversary of Confederation.



◀ Part of the impressive array of tanks in the War Museum's LeBreton Gallery.

Replacing the forest backdrop in the Grand Hall of the Museum of Civilization. ▶

PERMANENT EXHIBITIONS

GRAND HALL RENOVATIONS

This past year saw the reopening of the interiors of the First Peoples houses located in the Grand Hall of the Museum of Civilization. The interiors have been reconfigured to present the historical and contemporary life of Northwest Coast First Nations in a thematic fashion, and to provide display space for a number of important artifacts recently acquired. The renovations included construction of a new passageway to link the house interiors, updating of multimedia systems, installation of new ramps and carpeting, improvements to lighting, and replacement of the large forest backdrop in the hall.

LEBRETON GALLERY REDESIGNED

At the War Museum, the LeBreton Gallery has been redesigned to better showcase Canada's most comprehensive collection of military technology. The exhibition space features about 150 large artifacts dating from the 18th century to the present day. The redesign incorporates supplementary information and images for visitors, as well as a number of interactive elements. The gallery's rearrangement of its collection (including the Museum's impressive array of tanks) allowed for the addition of artifacts, including the imposing and groundbreaking Canadian-designed Variable Depth Sonar.





FRANK WIMART IMG2012-0281-0004.Dm

◀ Porthole from the *Empress of Ireland* collection.

"Valour Road" Victoria Cross medals on display at the War Museum. ▶



COLLECTIONS

FROM TRIUMPH TO TRAGEDY

A ship's bell, a compass and a silver pocket watch are just three of the evocative items in a collection related to the RMS *Empress of Ireland* and recently acquired by the Museum of Civilization. On May 29, 1914, the liner, bound for England, encountered heavy fog and collided with another ship, close to Rimouski. Within 15 minutes, the *Empress of Ireland* was gone, along with 1,012 of the 1,477 people on board. Featuring models and photographs as well as many items salvaged from the wreck, this collection serves as a sombre memorial to Canada's worst maritime disaster.

Ninety-four Canadians were awarded the Victoria Cross, the British and Commonwealth's highest award for military bravery. Remarkably, three of them, Lieutenant-Colonel Robert Shankland, Corporal Lionel (Leo) B. Clarke and Company Sergeant-Major Frederick William Hall, hailed from the same block on Winnipeg's Pine Street, or Valour Road, as it was later renamed to commemorate their actions during the First World War. With the recent acquisition of Hall's medal, all three of the "Valour Road" Victoria Cross medals are now on display in the Royal Canadian Legion Hall of Honour at the War Museum.



◀ The Econoline camper van that accompanied Terry Fox on his Marathon of Hope.

SPECIAL LOANS

A CANADIAN HERO'S TRAVELLING COMPANION

When we recall Terry Fox's epic 1980 Marathon of Hope, many of us can still picture a brown Econoline camper van that accompanied the courageous athlete as he struggled to run from coast to coast. On the 2012 Canada Day weekend, visitors to the Museum of Civilization came across the iconic vehicle as they entered the lobby. Completely restored by the Ford Motor Company in 2008, the van is on loan to the Museum.

Among its special loans, the War Museum sent the Royal BC Museum in Victoria five Victoria Cross medal sets, for inclusion in its For Valour exhibition. Also loaned was a portrait of renowned Mohawk war chief John Norton (Teyoninhokarawen), who led First Peoples forces during the Battle of Queenston Heights (War of 1812); it was presented by the Bundeskunsthalle in Bonn and the Martin-Gropius-Bau Museum in Berlin.

RESEARCH

SOLID EVIDENCE OF FRANKLIN'S FATE?

A fragment of deck plank "discovered" in the collections of the Museum of Civilization could help unlock one of the mysteries of the lost Franklin expedition of 1845. It's possible the piece is from HMS *Erebus* or *Terror*, the ships that carried Sir John Franklin and his crew on their final, ill-fated search for the Northwest Passage. Both ships were lost, and all members of the expedition perished. The location of the ships' wreckage remains unknown. But this fragment of deck plank, and the known site of its recovery, could help identify the whereabouts of at least one of the famous vessels.



COLLABORATIONS AND PARTNERSHIPS

BUILDING NETWORKS

The Museum of Civilization is spearheading a drive to create Canada's first national network of history museums. The ultimate goal is to enhance Canadians' understanding of their history by encouraging the production and sharing of exhibitions — as well as other forms of cooperation — between network members. The process began in February 2013 with the signing of an agreement between the Museum of Civilization and the Royal BC Museum. The Museum of Civilization expects to sign similar agreements with museums nationwide.

RAOUL WALLENBERG EXHIBITION

"To me there's no other choice" – Raoul Wallenberg 1912–2012, presented at the War Museum, told the story of the heroic Swedish diplomat (and first honorary Canadian) credited with saving the lives of thousands of Hungarian Jews during the Second World War. The exhibition was created by the Swedish Institute in partnership with the Living History Forum, with the valuable assistance of the Swedish Embassy, as well as the Hungarian and Israeli embassies and the Soloway Jewish Community Centre of Ottawa.

CANADA'S HISTORY FORUM

How Should the Great War Be Remembered? was the theme of this year's *Canada's History* forum, organized by the magazine and held at the War Museum in December 2012. The all-day event, which featured historians and delegates from across Canada, was followed by the Governor General's History Awards banquet in the Museum's LeBreton Gallery.

- ◀ His Excellency Teppo Tauriainen, Sweden's Ambassador to Canada, at the opening of the exhibition on the Swedish diplomat Raoul Wallenberg.



PUBLISHING

CATALOGUING A SUCCESS

Thousands of visitors to **Vodou** at the Museum of Civilization snapped up the exhibition catalogue. Measuring 15 cm by 15 cm, and 108 pages long, the attractive and affordable publication was the first of the Museums' new standard in souvenir catalogues.

This year the Corporation signed co-publishing agreements with the University of Ottawa Press for its Mercury Series of scholarly monographs and with McGill-Queen's University Press for its book *Women's Work, Women's Art: Nineteenth Century Northern Athapaskan Clothing* by Judy Thompson. The Corporation also finalized an agreement with University of Toronto Press Distribution to handle the Museums' English books, and updated and renewed its agreement with the University of British Columbia Press for its Studies in Canadian Military History Series. This series presents the best of contemporary scholarship to provide new insights into all aspects of Canadian military history.



Among the notable titles published this year were *Four Wars of 1812* by War Museum Curator Peter D. MacLeod (co-published with Douglas & McIntyre) and *A Cultural History of the Nurse's Uniform*, the first history of this iconic costume, by Museum of Civilization's former Curator for the History of Canadian Home Life, Christina Bates.



MARIE-LOUISE DERUAZ IMG2011-0044-0016-Dm



STEVEN DARBY QMW2011-0013-0003-Dm

TECHNOLOGY

MOBILE-FRIENDLY WEBSITES

Nearly 3.5 million people visited the Corporation's websites over the course of the past year, and more and more of them did so using a mobile device. With this in mind, the Museum of Civilization and the War Museum launched new streamlined mobile-friendly versions of their websites in the fall of 2012. People are accessing the visually appealing, easy-to-navigate websites, not only to plan their visits in advance or get directions to the Museums, but also to learn more about exhibitions and events while they are onsite.



◀ Visitors to **1812**, for which the War Museum won the Award of Excellence in Exhibitions from the Ontario Museum Association.

Mark O'Neill (left), President and CEO of the Corporation, accepting the Governor General's 2012 History Award for Excellence in Museums from His Excellency the Right Honourable David Johnston, Governor General of Canada. The War Museum won this award for its Human Library event.

ACCOLADES

EXHIBITING EXCELLENCE

At its 2012 awards banquet in Niagara Falls, the Ontario Museum Association presented the War Museum with the Award of Excellence in Exhibitions for its **1812** exhibition and the Award of Excellence in Community Engagement for its Human Library program, making it the most honoured institution of the year. In addition, the War Museum received an Honorable Mention for its *Four Wars of 1812* publication. The Museum of Civilization was given an Honorable Mention for its **God(s) – A User's Guide** exhibition.

For its **Human Library** event, the War Museum also received the Governor General's 2012 History Award for Excellence in Museums, History Alive!


The War Museum's then Director of Research and Exhibitions, Dean Oliver, and former Director General, Jack Granatstein, won the 2011 C.P. Stacey Prize for their work on *The Oxford Companion to Canadian Military History*. Acting Director Tim Cook's book *Warlords* was shortlisted for the 2013 Charles Taylor Prize for Literary Non-Fiction.

The Ontario Crafts Council presented the Museum of Civilization's Assistant Director of Ethnology and Cultural Studies, Alan Elder, with the 2012 John Mather Award for Lifetime Achievement, which honours individuals who have made an outstanding commitment to the further development of craft in Ontario and throughout Canada.



A photograph of a long, curved gallery interior. The floor is made of large, light-colored stone tiles. On the left, there are several large, dark, textured objects, possibly historical artifacts or sculptures. On the right, there are large windows with a grid pattern, looking out onto a green landscape and a body of water. The ceiling is high and curved.

Achievements: The Year In Review

A photograph of the exterior of the Canadian War Museum. The building is made of light-colored concrete with a series of horizontal slats. The text "CANADIAN WAR MUSEUM" is visible on the left side. In the background, there is a green lawn and a city skyline.

CANADIAN
WAR MUSEUM

MUSÉE CANADIEN
DE LA GUERRE

The Corporation's four Strategic Directions, approved by its Board of Trustees, are essential in fulfilling the Corporation's national mandate, while also promoting a high standard of museological excellence.

Over the past several years, the Government of Canada has emphasized performance measures as a means of demonstrating the value of public funding and public services, as well as their relevance to Canadians. Performance measures are also a key way of meeting Government priorities and policy objectives related to openness, transparency and accountability.

Results within 10% of target or surpassing target.

Results within 10–24% of target.

Results 25% or more off target.

Summary of Performance

The Corporation met its objectives in relation to this strategic direction through the numerous exhibitions that travelled across Canada and abroad; onsite and paid attendance; virtual attendance for the Virtual Museum of New France; media presence; and artifact loans. This enabled the Corporation to expand its efforts to become better known and more accessible, and increased the Corporation's relevance, both nationally and internationally.

1 Bringing the Museums to Canadians

The Canadian Museum of Civilization Corporation will expand its efforts to become better known, more accessible and increasingly relevant across the country and internationally, through innovative and engaging museum initiatives and outreach programs.

PRIORITIES

- Increase the scope and scale of the travelling exhibitions program, such as designing new categories of displays and exhibitions, and developing collaborative approaches with other institutions.
- Utilize web-based tools to reach wider audiences. The Canadian Museum of Civilization Corporation's website will become a new platform for electronic scholarly publishing, and will use proven techniques for social and interactive exchanges.
- Strengthen national marketing and media relations to promote the Corporation's activities in communities across the country.

Results by Performance Measurement Indicator

	2012-2013 RESULT	2012-2013 TARGET	2011-2012 RESULT
NUMBER OF NEW OPENINGS FOR TRAVELLING EXHIBITIONS	23	17	14
HIGHLIGHTS			
<ul style="list-style-type: none">• A Brush with War – Military Art from Korea to Afghanistan: The Military Museums, Calgary, AB• 1812: Penetanguishene Centennial Museum and Archives, Penetanguishene, ON• Heart and Soul – Quebec Folk Art: Markham Museum, Markham, ON• Lace Up! Canada’s Passion for Skating: Peterborough Museum and Archives, Peterborough, ON• Profit and Ambition – The Canadian Fur Trade, 1779–1821: Red Deer Museum + Art Gallery, Red Deer, AB• The Navy: Royal BC Museum, Victoria, BC• Wind Work, Wind Play – Weathervanes and Whirligigs: Musée Héritage Museum, St. Albert, AB			
<i>Please see Travelling Exhibitions (page 48) for further details.</i>			
ANALYSIS			
Actual results surpassed the annual target. There were two travelling exhibition contracts signed after the annual targets were set. No action was required.			



	2012-2013 RESULT	2012-2013 TARGET	2011-2012 RESULT
ONSITE ATTENDANCE (IN 000'S)	1,642	1,675	1,671
Canadian Museum of Civilization	1,191	1,225	1,200
Canadian War Museum	451	450	425
ATTENDANCE FOR PERMANENT EXHIBITIONS			
Canadian Museum of Civilization			
• Canadian Children's Museum	390	440	438
• Canada Hall	366	393	383
• Canadian Postal Museum	171	160	239
• First Peoples Hall	253	229	218
• Canadian Personalities Hall	161	170	170
Canadian War Museum			
• LeBreton Gallery	205	207	206

ANALYSIS

As results were in line with targets, no action was required.

	2012-2013 RESULT	2012-2013 TARGET	2011-2012 RESULT
PAID ATTENDANCE (IN 000'S)	719	755	721
Canadian Museum of Civilization			
• Individuals	329		323
• Groups	166		171
Canadian War Museum			
• Individuals	150		150
• Groups	74		77

ANALYSIS

As results were in line with the target, no action was required.





	2012-2013 RESULT	2012-2013 TARGET	2011-2012 RESULT
VIRTUAL MUSEUM OF NEW FRANCE: WEB PAGES VIEWED (IN 000'S)	796	260	395
HIGHLIGHTS <ul style="list-style-type: none">Enhanced the website and visitor experience by adding new text on governance, Basque whalers, the French in Illinois, domestic architecture, and colonial powers.Reduced the number of multiple visits and improved the visitor experience by decreasing the number of broken links on the website.Added new elements to the website such as pop-ups for key terms and interactive maps.			
ANALYSIS <p>As results exceed the target, no action was required.</p>			

	2012-2013 RESULT	2012-2013 TARGET	2011-2012 RESULT
NUMBER OF WEB PAGES VIEWED (IN 000'S)	12,922	12,552	11,873
HIGHLIGHTS <ul style="list-style-type: none">Launched new web projects such as the War of 1812.Added online modules for the MAYA – Secrets of Their Ancient World and 1812 exhibitions, and interactive kiosks.Launched mobile-friendly websites and an online ticketing system for both Museums.			
ANALYSIS <p>As results were in line with the target, no action was required.</p>			

	2012-2013 RESULT	2012-2013 TARGET	2011-2012 RESULT
NUMBER OF MEDIA ITEMS/REPORTS (IN 000'S)	6,070	4,000	6,718

Events or Activities Generating the Greatest Media Coverage

Canadian Museum of History

- Announcement of the creation of the Canadian Museum of History, launch of My History Museum website, public consultations and interviews with Museum officials generated 77 media items, potentially reaching more than 4.6 million people across the country.

Exhibition Openings

- **A Queen and Her Country**, in commemoration of the Queen's Diamond Jubilee, was launched on June 28. This exhibition generated 26 news items reaching almost one million people.
- **World Press Photo** presented at the War Museum in August generated 43 news items, reaching an audience of 1.6 million Canadians.
- Special exhibitions **MAYA – Secrets of Their Ancient World**, **Bob Boyer – His Life's Work** and **1812** generated 215 news items, and reached an audience of approximately 12 million Canadians.

Acquisitions

- *Empress of Ireland* collection acquisition generated 41 articles and news items, and reached over 450,000 people.
- Last Spike generated 50 news items and reached over 1.5 million people.

Partnerships

- Réseau du patrimoine for the 400th anniversary of Champlain's exploratory voyage up the Ottawa River reached approximately 270,000 people.
- Ville de Gatineau, for a series of concerts, generated 50 news items and reached an audience of over 500,000 people.
- Department of National Defence and the Embassy of the Kingdom of the Netherlands Nijmegen March generated 12 news items.

Award

- Governor General Award in the museums category for the Human Library Project generated 10 media items.

ANALYSIS

As results exceed the target, no action was required.



	2012-2013 RESULT	2012-2013 TARGET	2011-2012 RESULT
NUMBER OF ARTIFACTS ON LOAN (Includes new and renewed loans)	1,857	1,600	1,697

Major Loans

- Franklin Expedition artifacts, loaned to the Prime Minister's Office.
- Seven pieces of First Nations art, loaned to the De Nieuwe Kerk in Amsterdam, The Netherlands.
- Uniform, medals and other memorabilia, loaned to the Billy Bishop Home & Museum in Owen Sound, Ontario.
- Over 50 objects collected by Marius Barbeau from the Wyandotte Nation, including jewellery, basketry, weapons and clothing, loaned to the Sam Noble Oklahoma Museum of Natural History, Norman, Oklahoma.
- Coatee of a New York militia soldier, circa War of 1812, loaned to the Smithsonian Institution (National Portrait Gallery) in Washington, D.C., for their exhibition on the bicentennial of the conflict.
- Three musical instruments, loaned to the Montréal Science Centre, Montréal, Quebec.

ANALYSIS

As results were in line with the target, no action was required.

2 Museological Excellence and Relevance

The Canadian Museum of Civilization Corporation will broaden its national collections and its curatorial research to better reflect and present national narratives, symbols and achievements through the social-, cultural-, human-, military- and political-history dimensions of Canadian life.

PRIORITIES

- Identify strengths and weaknesses in the existing collection. The Corporation will focus on future acquisition strategies to fill gaps and strengthen under-represented subject areas.
- Advance curatorial research to better reflect the Corporation's mandate, with an emphasis on the subject areas requiring greater attention.
- Develop exhibitions and content for national and international audiences, which will explore Canadian themes, stories, milestones and personalities, as well as the broader dimensions of culture, history, politics and ways of life in Canada and elsewhere.

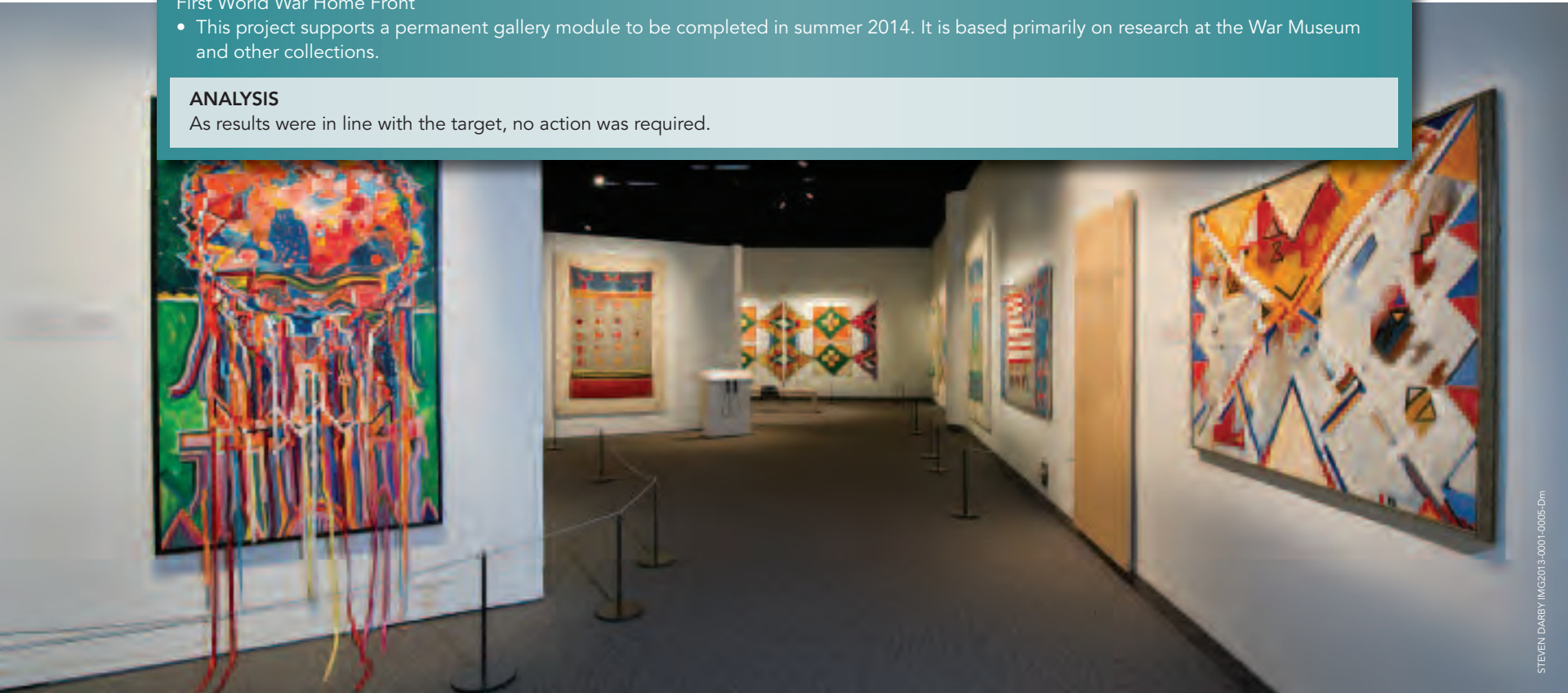
Summary of Performance

The Corporation met two of its objectives in relation to this strategic direction through permanent modules and temporary exhibitions; key research projects; and artifact acquisitions. This allowed the Corporation to broaden its national collections and its curatorial research, in order to better reflect national narratives, symbols and achievements.

Results by Performance Measurement Indicator

	2012–2013 RESULT	2012–2013 TARGET	2011–2012 RESULT
NUMBER OF PERMANENT EXHIBITION MODULES AND TEMPORARY EXHIBITIONS OPENED	19	16	13
HIGHLIGHTS <ul style="list-style-type: none"> • A Queen and Her Country • 1812 • Eleven Women Facing War • MAYA – Secrets of Their Ancient World <p><i>Please see Special Exhibitions (page 42) for further details.</i></p>			
ANALYSIS As results were in line with the target, no action was required.			

	2012–2013 RESULT	2012–2013 TARGET	2011–2012 RESULT
PERCENTAGE OF KEY RESEARCH PROJECTS THAT ARE PROGRESSING AS PLANNED OR ARE COMPLETED	89%	90%	93%
HIGHLIGHTS			
Canada 150			
<ul style="list-style-type: none">• Road to 2017 plan continued to be refined.• Informal discussions continued with key heritage stakeholders across the country.			
Virtual Museum of New France			
<ul style="list-style-type: none">• Phase III: Work continued on the eight themes and sub-themes that were expected to be completed by the end of the fiscal year. Two of the eight are in the process of being finalized.			
Peace			
<ul style="list-style-type: none">• Related research was completed and design work was ongoing.			
First World War Home Front			
<ul style="list-style-type: none">• This project supports a permanent gallery module to be completed in summer 2014. It is based primarily on research at the War Museum and other collections.			
ANALYSIS			
As results were in line with the target, no action was required.			



	2012-2013 RESULT	2012-2013 TARGET	2011-2012 RESULT
NUMBER OF ARTIFACTS ACQUIRED	2,245	3,500	5,765

Major Acquisitions

- *Empress of Ireland* collection
- Victoria Cross medal sets from Private John Francis Young and Sergeant Major Frederick William Hall.
- Strongbox, circa 1890, belonging to Sir James Grand, Member of Parliament and physician to Sir John A. MacDonald.
- Group of 78 watercolour paintings depicting scenes of the Canadian experience during the Second World War.
- A backpack belonging to Dr. R.M. Anderson, one of the leaders of the Canadian Arctic Expedition.
- Set of 53 awards representing the career of one of Canada's foremost popular songwriters, James Vallance.
- Commemorative flag for the Diamond Jubilee of Queen Elizabeth II.
- Officer's commission issued by Isaac Brock, in preparation for the defence of Canada prior to the War of 1812.

ANALYSIS

The annual and quarterly targets were set based on historical trends. Research activities are being realigned with the Corporation's Research Strategy and its future Collection Plan. The annual targets for 2013–2014 have been revised in the Corporate Plan to reflect this.



▲
Muzzle-loading flintlock musket acquired with the help of the National Collection Fund.

3 Focus on Results

The Canadian Museum of Civilization Corporation will continue its disciplined managerial practices, while also remaining flexible and responsive to changing conditions. Staff will develop tools and procedures to enable more effective reporting on activities and outcomes.

PRIORITIES

- Increase focus on business intelligence (marketplace, business, social and visitor intelligence), to enhance agile response to external conditions and opportunities.
- Expand and refine effective reporting measures, which provide information for staff, Trustees, the federal government, donors and the public.
- Develop appropriate operational and capital plans to ensure proper maintenance and renewal of facilities for current and future needs.

Results by Performance Measurement Indicator

	2012–2013 RESULT	2012–2013 TARGET	2011–2012 RESULT
PERCENTAGE OF KEY PERFORMANCE GOALS IN THE CORPORATE PLAN THAT ARE PROGRESSING AS PLANNED	81%	90%	79%
HIGHLIGHTS <p>The proposed creation of the new Canadian Museum of History and the Museum’s pan-Canadian tour generated extensive media coverage. Seventy-seven news items were generated, representing a reach of 4.6 million people across the country.</p> <p>The War Museum’s ongoing exhibitions, such as The Navy – A Century in Art, and programming continued to generate media coverage. A total of 23 articles were generated, reaching approximately one million people.</p> <p>The Corporation acquired:</p> <ul style="list-style-type: none">• 13 sketches by Arthur Lismer, relating to work with Marius Barbeau, acquired in a transfer from Parks Canada. This brings together the folklore studies of two important Canadians.• A vinyl LP <i>Introducing The Travellers: Canada’s Leading Singers of Folksongs, 1953–2013</i>.• Inuit sculptures and crafts collected from 1946 to 1951 in the Eastern Canadian Arctic.• A rare officer’s commission issued by Isaac Brock in 1812 in preparation for the defence of Upper Canada.• The first phase of artifacts from Afghanistan, delivered by the Department of National Defence. They are currently being reviewed and assessed for inclusion in the National Collection.			
ANALYSIS <p>As results were in line with the target, no action was required.</p>			

	2012-2013 RESULT	2012-2013 TARGET	2011-2012 RESULT
NUMBER OF AUDITS AND REVIEWS COMPLETED	3	3	3
HIGHLIGHTS <ul style="list-style-type: none"> • Risk-Based Audit Plan • Audit of Travelling Exhibitions • Audit of Fundraising 			
ANALYSIS As results were in line with the target, no action was required.			

	2012-2013 RESULT	2012-2013 TARGET	2011-2012 RESULT
NUMBER OF FOLLOW-UP ACTIONS ON AUDIT RECOMMENDATIONS THAT ARE PROGRESSING AS PLANNED	13	10	20
HIGHLIGHTS <ul style="list-style-type: none"> • Implemented the Corporation's Code of Conduct. • Completed the Risk-Based Internal Audit Plan. • Completed the Risk Management Framework. • Completed the Outreach Strategy. 			
ANALYSIS As results were in line with the target, no action was required.			

Summary of Performance

The Corporation met three of its established objectives in relation to this strategic direction through the number of follow-up actions on audit recommendations that are progressing as planned. This enabled the Corporation to continue its disciplined managerial practices, and has allowed for more effective reporting on activities and outcomes. However, the Corporation did not meet its objectives in relation to capital projects approved by the Board that are progressing as planned. This can be attributed to the delay of the collection mezzanine project due to poor results during the first tendering process.



▲ Late 18th century silver tobacco box acquired with the help of the National Collection Fund.

FRANK WIMART (IMG2012-0379-000) +Dm

	2012–2013 RESULT	2012–2013 TARGET	2011–2012 RESULT
NUMBER OF CAPITAL PROJECTS APPROVED BY THE BOARD OF TRUSTEES THAT ARE PROGRESSING AS PLANNED	2	3	3
HIGHLIGHTS			
<ul style="list-style-type: none">• Detailed design for wayfinding signage is about 80% complete.• Garage painting and signage at the Museum of Civilization and the War Museum was completed.• The old steam boiler at the Museum of Civilization was demolished. Materials were delivered for the construction of a new steam boiler and construction for the installation of the new equipment and piping is in progress.			
ANALYSIS			
<p>The collections mezzanine project was delayed due to poor results during the first tendering process. A second tendering process was initiated, which resulted in a contract. No further action was required.</p>			

4 Funding and Fundraising

The Canadian Museum of Civilization Corporation will seek to increase its financial resources through a variety of supplementary funding sources — notably business sponsorships, partnerships, philanthropy solicited in all regions of the country, and commercial revenues.

PRIORITIES

- Build a compelling narrative that explains how financial support for the Museums helps preserve Canadian history and heritage.
- With the participation of the Corporation’s Trustees, establish new approaches to build donor support across the country.
- Maintain effective relations with government departments and agencies to capitalize on opportunities, where appropriate and viable.

Results by Performance Measurement Indicator

	2012-2013 RESULT	2012-2013 TARGET	2011-2012 RESULT
DOLLAR VALUE OF FUNDRAISING ACTIVITIES (IN 000'S)	\$1,579	\$1,895	\$1,159
<i>Note: Does not include in-kind gifts and confirmed pledges.</i>			
ANALYSIS The results reflect a shift in priorities to focus on the First World War Centenary Campaign, and inability to secure a major sponsor. No further action was required.			

	2012-2013 RESULT	2012-2013 TARGET	2011-2012 RESULT
DOLLAR VALUE OF REVENUE-GENERATING ACTIVITIES (IN 000'S)	\$14,912	\$14,421	\$14,815
• Admission Fees	\$4,823		\$4,913
• IMAX	\$1,583		\$1,497
• Boutique	\$1,834		\$1,716
• Facility Rentals, Food Services and Parking	\$3,990		\$3,805
ANALYSIS As results were in line with the target, no action was required. Note: The original target in the Corporate Plan was \$18,066 which included amounts related to the recognition of sponsorships and donations. Amounts listed above have been adjusted to represent commercial activities only.			

Summary of Performance

The Corporation met one of its objectives in relation to this strategic direction through revenue-generating activities. This enabled the Corporation to increase its financial resources through a variety of supplementary sources.

Special Exhibitions





FRANK WIMART IMG2012-0369-0007-Dm

◀ The exhibition **A Queen and Her Country** marked the Diamond Jubilee of Queen Elizabeth II from a Canadian perspective.

The exhibition **Vodou** features more than 300 items from the Marianne Lehmann Collection. ▶

CANADIAN MUSEUM OF CIVILIZATION

VODOU — NOVEMBER 15, 2012 TO FEBRUARY 23, 2014

Featuring more than 300 items from the world-renowned Marianne Lehmann Collection, **Vodou** gave a chance to get past the myths and Hollywood fantasies that surround this fascinating belief system. The curators worked closely with Haitian-Canadian adherents of Vodou, filming an actual ceremony and interviewing participants about their beliefs. The end product? An authentic representation of a faith that, to this day, is an essential part of Haitian national identity. *Produced in association with the Fondation pour la préservation, la valorisation et la production d'œuvres culturelles haïtiennes (FPVPOCH), in partnership with the Musée d'ethnographie de Genève, Geneva, Switzerland and the Tropenmuseum, Amsterdam, Netherlands.*

A QUEEN AND HER COUNTRY — JULY 1, 2012 TO JANUARY 6, 2013

A Queen and Her Country marked the Diamond Jubilee of Her Majesty Queen Elizabeth II from a uniquely Canadian perspective. Featuring a wealth of images gathered from across Canada, the exhibition traced the 60 years of the Queen's reign from young princess to beloved mature monarch. Visitors were also treated to an array of artifacts (approximately 60) connected with her reign, from postage stamps to commemorative plates to her famous Maple Leaf of Canada Dress, a glittering creation adorned with garlands of roses and maple leaves created for a 1957 state banquet.



FRANK WIMART IMG2013-0009-0004-Dm



STEVEN DARBY Bob IMG2013-0001-0012-Dm

- ◀ The exhibition on Métis artist Bob Boyer featured many of his powerful blanket paintings.

Inside the exhibition **MAYA – Secrets of Their Ancient World**. ▶



STEVEN DARBY Bob IMG2013-0001-0012-Dm

BOB BOYER – HIS LIFE'S WORK

JUNE 7 TO NOVEMBER 12, 2012

He was known first and foremost as an artist, but over the course of his life, Bob Boyer could justly claim many other titles: art historian, curator, educator. **Bob Boyer – His Life's Work** looked at the art of this remarkable man and his continuing influence. The show featured all aspects of Boyer's creative output, from portraits and landscapes to the renowned, powerful blanket paintings the Métis artist created to depict the harmful effects of colonialism on Aboriginal philosophies, land, religions and cultures. *Presented by the MacKenzie Art Gallery in collaboration with the Canadian Museum of Civilization and made possible in part through a contribution from the Museums Assistance Program, Department of Canadian Heritage.*

MAYA – SECRETS OF THEIR ANCIENT WORLD

— MAY 18 TO OCTOBER 28, 2012
They constructed great pyramids, developed a sophisticated written language — and predicted, some believe, the end of the world in 2012. But who were they? **MAYA – Secrets of Their Ancient World** answered that question by taking visitors on an imaginative visit to a great city at the height of the Maya civilization. Visitors learned about the beliefs and rituals, including human sacrifice, and were treated to a treasure trove of artifacts, including sculptures, ceramics, masks and jewellery. *Co-produced by the Royal Ontario Museum and the Canadian Museum of Civilization in collaboration with the National Institute of Anthropology and History (CONACULTA-INAH). Sponsored by Mexico Tourism Board.*

GOD(S) – A USER'S GUIDE

DECEMBER 2, 2011 TO SEPTEMBER 3, 2012

God(s) – A User's Guide explores the similarities and diversity of practice within the world's most widespread religions. Hundreds of revealing religious objects, artifacts and photographs — in addition to multimedia stations and recorded interviews — help visitors experience the richness of faith as it is expressed around the world. *An exhibition from the Museum of Europe and Tempora SA (Brussels), adapted by the Musée de la civilisation (Québec City) and the Canadian Museum of Civilization (Gatineau).*



◀ The story of Mariatu was documented by photographer Nick Danziger in *Eleven Women Facing War*.

The exhibition **1812** examined the conflict from four perspectives: Canadian, American, British and Native American. ▶



STEVEN DARBY CWM2012-0048-0008-Dm

CANADIAN WAR MUSEUM

1812 — JUNE 12, 2012 TO JANUARY 6, 2013

The war of 1812 is a key part of the Canadian historical narrative. But ours was only one side of the story. Acknowledging this, the exhibition **1812** examined the pivotal conflict from four different viewpoints: Canadian, American, British and Native American. Visitors to the exhibition gained a new and nuanced perspective on the war, as they viewed more than 130 artifacts gathered from Canadian, American and British sources, including a charred piece of the White House and the *Treaty of Ghent*, the agreement that ended the conflict. **Sponsored by TD Bank Group and Ancestry.ca**

ELEVEN WOMEN FACING WAR — FEBRUARY 8 TO APRIL 21, 2013

In 2001, the International Committee of the Red Cross sent renowned British photographer Nick Danziger on a mission: document the lives of women and girls affected by war worldwide, from Colombia to the Balkans, Afghanistan and Somalia. A decade later, curious about what had happened to his subjects since that time, Danziger set out to find them. The result was **Eleven Women Facing War**, an astounding visual chronicle of loss and suffering — and the will to survive. *Photographs by Nick Danziger for the International Committee of the Red Cross.*



◀ Visitors at the exhibition on Swedish diplomat Raoul Wallenberg, which marked the 100th anniversary of his birth.

One of the 16 images taken by Louie Palu featured in Kandahar – The Fighting Season. ▶



© LOUIE PALU

**“TO ME THERE’S NO OTHER CHOICE” –
RAOUL WALLENBERG 1912–2012**
NOVEMBER 21, 2012 TO JANUARY 6, 2013
Conceived in Sweden to mark the 100th anniversary of his birth, the exhibition **“To me there’s no other choice”** chronicled how the Swedish diplomat Raoul Wallenberg intervened to save tens of thousands of Hungarian Jews in the final years of the Second World War. Created by the Swedish Institute in partnership with the Living History Forum.

KANDAHAR – THE FIGHTING SEASON
NOVEMBER 1, 2012 TO SEPTEMBER 22, 2013
Photographer Louie Palu spent five years in Afghanistan chronicling the war there for numerous publications. This exhibition featured 16 of his images, most taken by Palu while he was on patrol with Canadian, American or Afghan forces. *Photographs by Louie Palu, courtesy of Kinsman Robinson Galleries.*



◀ Images of the Mexican Revolution featured rare period photographs of Mexico's civil war.

ONE WAR, TWO VICTORIES

MAY 24, 2012 TO FEBRUARY 3, 2013

Some 800 Chinese Canadians volunteered to serve in our military and with other Allied forces during the Second World War. Their efforts helped to defeat the Axis powers and gave Chinese Canadians greater equality and respect at home. *Organized by the Chinese Canadian Military Museum Society in partnership with the Canadian War Museum and made possible in part through a grant from the Community Historical Recognition Program.*

IMAGES OF THE MEXICAN REVOLUTION

JUNE 7 TO OCTOBER 26, 2012

Featuring 28 rare and compelling period photographs, this exhibition detailed the causes and effects of Mexico's civil war, which raged from 1910 to 1920 and cost a million lives. *Created by the Instituto Nacional de Antropología e Historia Nacional, Mexico and presented in partnership with the Mexican Embassy in Canada.*

Travelling Exhibitions



This past year, 12 exhibitions travelled to 26 venues. All told, they were seen by more than 140,000 visitors in communities across the country.

1812 (2-D display version)

- 1** Penetanguishene Centennial Museum and Archives, Penetanguishene, ON
June 23 to September 16, 2012
- 2** Museum on the Boyne, Alliston, ON
October 6 to December 30, 2012

Wind Work, Wind Play – Weathervanes and Whirligigs

- 3** Peterborough Museum and Archives, Peterborough, ON
January 15 to April 29, 2012
- 4** Markham Museum, Markham, ON
June 16 to September 2, 2012
- 5** Musée Héritage Museum, St. Albert, AB
October 30, 2012 to January 13, 2013
- 6** Museum London, London, ON
February 2 to April 14, 2013

Profit and Ambition – The Canadian Fur Trade, 1779–1821

- 7** The Central Museum of the Royal Regiment of Canadian Artillery, Shilo, MB
January 26 to April 13, 2012
- 8** The Exploration Place Museum and Science Centre, Prince George, BC
May 5 to September 9, 2012
- 9** Red Deer Museum + Art Gallery, Red Deer, AB
September 29 to December 9, 2012
- 10** Esplanade Arts and Heritage Centre, Medicine Hat, AB
February 2 to April 28, 2013

Lace Up – Canada's Passion for Skating

- 11** Glanmore National Historic Site, Belleville, ON
February 11 to April 15, 2012
- 12** Perth Museum, Perth, ON
August 22 to December 16, 2012
- 3** Peterborough Museum and Archives, Peterborough, ON
January 5 to March 31, 2013

Top Secret – Mission Toy

- 13** Société d'art et d'histoire de Beauport, Québec, QC
June 17 to August 19, 2012
- 14** Simcoe County Museum, Minesing, ON
January 14 to April 7, 2013

Places of Power – Objects of Veneration/The Tunit – A Palaeo-Eskimo People

- 15** Sam Waller Museum, The Pas, MB
April 1 to May 30, 2012

Inuit Prints – Japanese Inspiration

- 16** Winnipeg Art Gallery, Winnipeg, MB
May 12 to August 26, 2012
- 17** Timmins Museum: National Exhibition Centre, Timmins, ON
February 9 to April 7, 2013

Heart and Soul – Quebec Folk Art

- 4** Markham Museum, Markham, ON
June 16 to September 2, 2012
- 18** Musée des beaux-arts de Sherbrooke, Sherbrooke, QC
October 15, 2012 to January 6, 2013

Expedition: Arctic, 1913–1918

- 19** Musée maritime du Québec, L'Islet, QC
June 16 to November 4, 2012
- 20** J. Armand Bombardier Museum, Valcourt, QC
February 1 to April 7, 2013

The Navy – A Century in Art

- 21** Royal BC Museum, Victoria, BC
December 5, 2012 to January 27, 2013

A Brush with War – Military Art from Korea to Afghanistan

- 22** The Military Museums, Calgary, AB
June 28 to October 7, 2012

A large crowd of people is gathered in a spacious museum hall with high ceilings and large windows. The room is filled with various historical exhibits, including a large red machine on the right and a large screen in the background displaying the year '1812'. People are walking around, looking at the exhibits, and talking to each other. A teal semi-transparent box is overlaid on the bottom right of the image, containing the text 'Donors, Partners and Sponsors'.

Donors, Partners and Sponsors

TD BANK GROUP AND ANCESTRY.CA

PRESENTING AND SUPPORTING SPONSORS FOR 1812

Two sponsors played an instrumental role in making the Canadian War Museum's **1812** exhibition a great success. National Presenting Sponsor TD Bank Group and National Supporting Sponsor Ancestry.ca made it possible to produce, present and tour this award-winning exhibition across Canada.



MEXICO TOURISM BOARD

A SUPPORTING PARTNER FOR MAYA

MAYA – Secrets of Their Ancient World was made possible in part thanks to the Mexico Tourism Board, a leading agency for the promotion of Mexico, its products and destinations. As Supporting Partner, the Board provided financial support, developed additional partnerships and promoted the exhibition, ensuring that it would be well received during a significant period of the Maya calendar.



MEDIA PARTNERS





© CANADIAN WAR MUSEUM CWM 20120073-003

▲ Portrait of Lieutenant-Colonel George Taylor Denison, acquired with the help of the National Collection Fund.



FRANK WIMART IMG2012-0281-0001-Dm

◀ Ship model from the *Empress of Ireland* collection acquired in part with the help of the National Collection Fund.

THE NATIONAL COLLECTION FUND

STANDING ON GUARD FOR CANADIAN TREASURES

Some objects are too important to let slip away. The National Collection Fund is a financial pool that both Museums draw on for the acquisition of artifacts of national significance. Thanks to generous donations from across Canada, artifacts acquired this year included a collection of more than 400 items relating to the tragic 1914 sinking of the RMS *Empress of Ireland*, the 1976 Olympic Torch and the third of the “Valour Road” Victoria Cross medal sets.



FRANK WIMART Portrait wall_CWM2012-0022-0002-Dm

- ◀ At the opening of *Ordinary People in Extraordinary Times*: (Left to right) James Whitham, Director General, War Museum; Doug Rowland, President, Friends of the Canadian War Museum; Laura Brandon, Historian, Art and War, War Museum; and Jerry Holtzhauer, past President of the Friends

ANNUAL GIVING

PUBLIC SUPPORT STRONG FOR MUSEUM WORK

Through online donations, mail campaigns and monthly giving programs, the Corporation has made a concerted effort to increase annual giving by inviting Canadians to directly support Museum programs and initiatives of their choice. Since 2010, the total number of people supporting the Museums has more than doubled. We have also seen a significant increase in the size of their gifts and a tripling of the number of donors who give monthly. This represents a significant vote of confidence from the public, and helps acquire artifacts, deliver educational programming, and present world-class exhibitions.

OUTREACH, EDUCATION AND LEGACY

THE FIRST WORLD WAR CENTENARY CAMPAIGN

The War Museum is seeking individual, foundation and corporate partners to help it commemorate the centennial of the First World War, with a funding drive of \$3 million. A committee of outstanding community leaders and volunteers is leading the initiative. The First World War Centenary Campaign will support production of an ambitious array of exhibitions, educational programs and online projects to engage Canadians of all ages.

CANADA POST

A THANK YOU FOR LONG-LASTING SUPPORT

Since 1988, Canada Post has worked in partnership with the Museum of Civilization to preserve and promote Canada's postal heritage. Since 1996, it has provided ongoing sponsorship for the Canadian Postal Museum, allowing visitors to enjoy outstanding exhibitions and other programming, and enabling the production of six travelling shows relating to postal history. In anticipation of the opening of the new Canadian Museum of History, the Postal Museum has now been closed. However, Canada's postal history will continue to be reflected in the new Museum and in travelling exhibitions. We thank Canada Post for its support and look forward to future collaborations.



◀ The restored M1917 Six-Ton Tank now in the War Museum's LeBreton Gallery.

IMPROVEMENT AND RESTORATION

GENEROUS CONTRIBUTIONS HELP TO IMPROVE ART DISPLAY AND RESTORE ARTIFACTS

Thanks to the generous support of the Friends of the Canadian War Museum, visitors will have a better opportunity to appreciate many of the 13,000 paintings, drawings, prints and sculptures that make up the Beaverbrook Collection of War Art. Donations from the Friends helped pay for a new, more flexible hanging system and better lighting for the Museum's Portrait Wall, located just outside the Barney Danson Theatre. The first show on display here, **Ordinary People in Extraordinary Times**, featured 10 fascinating portraits of Canadians caught up in the maelstrom of war. In future, the Museum plans to periodically rotate the works displayed in this area, treating the public to art that might otherwise remain in storage.

Designed in France and built in the United States, the War Museum's M1917 Six-Ton Tank earned its place in Canadian history in the early days of the Second World War by preparing thousands of fighting men for armoured combat. But out of 240 tanks purchased in 1940 for training, just two still exist in Canada. The War Museum owns one of these rare vehicles thanks to Richard Iorweth Thorman, who, along with the Friends of the Canadian War Museum, provided the funding needed for its 5,000-hour restoration, which was carried out by DEW Engineering, with the aid of volunteers from the Friends. The project turned what was a rusty wreck (when the Museum acquired it in 1997) into a pristine version of this legendary vehicle.

Thank You for Your Support

The Canadian Museum of Civilization Corporation is extremely grateful for the generous contributions of our donors, and for the investments made by our corporate sponsors. Their support is instrumental in helping us achieve our goals for exhibitions, programming and collections development for both the Museum of Civilization and the War Museum.

This is a list of donors and sponsors who have made financial donations or investments over \$150 during the fiscal year, under the following contribution levels:

\$100,000 to \$249,999

TD Bank Group

\$50,000 to \$99,999

John and Pattie Cleghorn
Friends of the Canadian War Museum
Mexico Tourism Board

\$25,000 to \$49,999

Ancestry.ca
Commercial Properties Limited
The Cowan Foundation
Ralph and Roslyn Halbert Foundation

\$10,000 to \$24,999

Joseph J. Barnicke, C.M., O.Ont.
Fredrik D'Arcy Eaton
The Salamander Foundation

\$5,000 to \$9,999

Honor and Michael de Pencier
The Hylcan Foundation
LCol (Ret'd) Ralph L. MacIntosh
Joy Maclaren
HLCol William Dale Murray

\$1,000 to \$4,999

All Saints Catholic Secondary School,
Whitby, ON
John Anderson
Karen and Bill Barnett
Douglas and Susan Bassett
Raymond Beaulieu
J. Michael Bliss
Brookfield High School
John Carter
Allan V. Castledine
John H. C. Clarry
Wesley Coons
Patricia Davies

EF Educational Tours
James Fleck
The Hon. Senator Irving R. Gerstein,
C.M., O.Ont.
Elinor Gill Ratcliffe
Maureen Gold
Michael J. and Anne Gough
R. Allan Gould
Scott Griffin
Norman R. Hain
John N. and Heather Harbinson
Ernest Howard
Roy D. James
J. V. Th. Knoppers
KVA-Unit 21, Edmonton, AB
Dr. James W.C. MacDonald
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Mark O'Neill
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John Wilkes
Donna Lee and J. W. Zaleski

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 Frieda Dym
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 Corporation du Fort Saint-Jean
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 Frank Scott
 Selwyn House School
 François Sénécal-Tremblay
 Donald F. Smith
 Margaret M. Anita Spencer
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 Scott Sutherland and Lindsay DuVal
 Nancy and George Taylor
 Claude Thibault
 Robert Tucker
 John Vigh
 Nicholas Wall
 Mr. and Mrs. William P. Wilder
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\$150 to \$499

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 Collège Letendre
 George Cook
 The Country Day School
 Nancy L. Court
 Cecil Cowan
 Thomas Cox
 Sgt Robert Craig
 George and Jean Crowhurst
 Raymond Culp
 Wendy Cuthbert
 Ron Dale
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Mary Dawson
 Carolyn De Belser-Mayson
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 Therese Desjardins
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 Donbar Medical
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 Verna A. Dormer
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 Arthur D. C. Drache
 DriverWorks
 Elizabeth Earle
 Dr. Martin Eidinger
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 John P. Evans
 Donald W. Farley
 Graham Farquharson
 Bruce Farrand
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 John Feduck
 Dave and Pat Ferguson
 Frederick A. Fimio
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 Thérèse Vallée Fiorilli
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 Chris and Iola Ingersoll
 George F. and Noreen Jackson
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 Kenneth Jewett
 D. M. Johnston
 Dwayne Johnston

M. T. Johnston
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 Audrey Kenny
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 Wayne MacPherson
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 John Manton
 René J. and Thérèse Marin
 Judge Lauren Marshall

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 Elizabeth Mason
 Marjorie Matthews
 S/L L. G. and Pte Violetta McAllister
 Christopher McCreery
 Judith McCreery
 Shawn McCutcheon
 Al McElveny
 Nancy McFadyen
 Susan McFarland
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 Douglas D. and Marjorie Perkins
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 Royal Canadian Legion High Prairie Branch 37
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 Jack Whitmore
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 Rena Wilke
 Susan G. Wilson
 Michael Wilton
 June and John (Jack) Winik
 George Al Woods
 Violet L. Wooff
 Cliff Yaffe
 Sharon Zeiler
 Adam H. Zimmerman

LEGACY CIRCLE

We proudly recognize and thank these individuals who have provided a future gift to our Museums through a bequest, gift of life insurance or other planned giving arrangement.

LGen Charles H. Belzille
 J. L. Granatstein
 Vice-Admiral Ralph L. Hennessy, DSC, CD
 Col Jarrott W. Holtzhauer
 Paul Kavanagh
 Gen (Ret'd) Paul D. Manson
 Richard Iorweth Thorman
 Douglas and Joanne Zbetnoff

Management Discussion and Analysis

The Corporation is committed to sustaining a strong financial and operational foundation for the delivery of quality museum programs and services. Responding to the Strategic Direction of its Board of Trustees, the Corporation builds accountability into its operational planning and reporting. The Corporation has at its core a management culture that fosters excellence and adaptation of best practices for continued improvement. It is accountable to Parliament and Canadians in implementing its mandate.

STRATEGIC DIRECTION

In June 2009, the Corporation's Board of Trustees approved four Strategic Directions that introduced new priorities and broadened the Corporation's scope of activities. These remain relevant and essential in fulfilling the Corporation's national mandate, while also promoting a high standard of museological excellence and innovation. A detailed set of objectives addresses each direction. The Corporation's four Strategic Directions are as follows:

- **MUSEOLOGICAL EXCELLENCE AND RELEVANCE:** To broaden its national collections and curatorial research in order to better reflect and present national narratives, symbols and achievements through the social-, cultural-, human-, military- and political-history dimensions of Canadian life.
- **BRINGING THE MUSEUMS TO CANADIANS:** To expand its efforts to become better known, more accessible and increasingly relevant across the country and internationally, through innovative and engaging Museum initiatives and outreach programs.

- **FOCUS ON RESULTS:** To continue its disciplined managerial practices, while also being flexible and responsive to changing conditions. Staff will develop tools and procedures to enable more effective reporting on activities and outcomes.
- **FUNDING AND FUNDRAISING:** To increase its financial resources through a variety of supplementary funding sources, notably business sponsorships, partnerships and philanthropy solicited in all regions of the country, and through commercial revenues.

EXTERNAL ENVIRONMENT

The Department of Finance noted that Canada is emerging from the global economic recession, and its economy is one of the strongest economies in the G-7 countries. It also noted that the global economy, particularly in Europe and the United States, remains fragile. Accompanying slow economic recovery is slow tourism spending. As reported by Statistics Canada on March 26, 2013, tourism spending in Canada saw an increase of 2.0% in 2012, following a 3.3% gain in 2011. According to Statistics Canada, the increase in tourism spending by Canadians was up 2.2% in 2012, while the increase in international visitor spending was 1.0%. While overall this amounts to an 11.4% growth in tourism spending since the global recession in 2009, it was noted that increases in transportation and accommodation and food and beverages were higher than other tourism commodities. The fragile global economy coupled with slow economic recovery has financial implications — both immediate

and long-term — on the Corporation and its museums. The Corporation is highly dependent on attendance which is directly influenced by the Canadian and global economies, and the travel and tourism market.

FINANCIAL OVERVIEW

The Corporation was very pleased by the decision of the Government of Canada to maintain our current level of funding as part of Budget 2012. We believe it highlights the Government's strong commitment to Canada's cultural institutions.

However, the Corporation is still impacted by past funding reductions and cost-containment measures, which include the 2007 Strategic Review (\$3.3 million), the Procurement Reform (\$0.9 million) and the 2010 freeze of incremental funding for payroll and operating costs. These measures, along with increasing costs to operate the Museum's buildings have resulted in a \$3.0 million deficit in 2012–2013.

To address its funding pressures, the Corporation is continually reviewing its operations to identify new and innovative ways to reduce costs. The Corporation has been successful in renegotiating some of its contracts and reducing its overhead costs.

As part of Budget 2008 the Corporation received \$25.7 million over five years, the majority of the funding was earmarked for capital projects with the remainder allocated to fixed operational costs. This funding expired in 2012–2013. The temporary funding has allowed the organization to address its most critical capital requirements. However, long-term

capital funding continues to be a concern as both Museum buildings require more maintenance and repairs.

In October 2012 the federal government announced its plan to change the name and mandate of the Corporation. The Canadian Museum of Civilization will become the Canadian Museum of History and its mandate will be updated to reflect this change. As part of this transformation the Museum will receive \$25 million over four years to transform two of its permanent galleries (Canada Hall and Face to Face) into a major permanent exhibition focused on Canadian history. In addition, the Museum will also create a temporary exhibition space to be used to delve into specific Canadian History topics. The \$25 million funding will be received as follows: \$1 million in 2012–2013, \$1.5 million in 2013–2014, \$5.5 million in 2014–2015 and \$17 million in 2015–2016. The new gallery is scheduled to open in 2017.

The Museum has adopted a new accounting policy in 2012–2013 for donated artifacts. Every year, the Museum actively pursues potential donors to acquire objects to add to its collection. Its success in growing its collection through donations is critical to meet its mandate of developing collections of objects of historical and cultural significance. This is especially true in the current climate of fiscal restraint. The 2012–2013 financial statements reflect donated artifacts as donation revenues, with an equivalent offset to collection acquisitions. The 2011–2012 financial statements have been restated for comparability.

Statement of Operations

The Corporation's net result of operations for the fiscal year 2012–2013 reflects a deficit of \$3.0 million.

Parliamentary Appropriations

The Corporation's Parliamentary appropriations increased \$0.2 million in 2012–2013, from \$71.2 million to \$71.4 million. This increase is mostly due to:

- Lower main estimates due to lower Budget 2008 funding received in 2012–2013.
- Higher recognition of National Collection Fund due to the *Empress of Ireland* collection acquisition.
- Lower capital assets project deferrals.
- Receipt of first year of funding for the transformation of the Canada Hall and Face to Face galleries.

Revenues

Operating revenues for the fiscal year were \$13.2 million, compared to \$12.7 million in prior year, which represents a 3.9% increase year over year. This increase is mainly attributable to the following:

- General admission revenues decreased 1.8% in 2012–2013 compared to the prior year as attendance decreased slightly in 2012–2013.
- Facilities, events and concessions revenue increased 6.9% in 2012–2013 due to higher food services revenues.

- IMAX paid admissions have increased 5.7% in 2012–2013 due to a strong lineup of movies offered during the year.
- Increase in royalties revenues related to the film *To the Arctic*.

Expenses

The Corporation's operating expenses increased \$2.4 million or 2.7% in 2012–2013, from \$89.8 million in 2011–2012 to \$92.2 million in 2012–2013. This increase is mainly attributable to:

- Collection acquisitions have increased 112%, or \$2.1 million, mainly due to the acquisition of the *Empress of Ireland* collection.
- Exhibition fabrication and rental increased 28.6%, or \$0.5 million mostly due to rental fees for the Maya exhibition.

As mentioned earlier, the Corporation has put significant effort into reviewing its operations to identify cost-saving opportunities. These efforts have resulted in lower repairs and maintenance expenses and a very small increase in professional services (0.5% increase in 2012–2013) which includes a number of contracts that were renegotiated at lower costs.

Statement of Financial Position

Cash has increased to \$12.4 million as compared to \$9.5 million in 2011–2012, mainly attributable to higher payables at year end.

Investments have increased to \$39.2 million compared to \$38.4 million in 2011–2012 due to the recognition of unrealized gains on the investment portfolio.

At March 31, 2013, the Corporation held Master Asset Vehicle II (MAV II) notes tied to its original investment in non-bank sponsored asset-backed commercial paper (ABCP) in 2007. There is a significant amount of uncertainty in estimating the amount and timing of cash flows associated with MAV II. The Corporation estimates the fair value of its MAV II using Level Two and Three hierarchy inputs by discounting expected future cash flows considering the best available data at March 31, 2013. Since the fair values of the MAV II notes are determined using the foregoing assumptions and are based on the Corporation's assessment of market conditions as at March 31, 2013, the fair values reported may change materially in subsequent periods which would have a direct impact on amounts recorded in the statement of remeasurement gains and losses. At March 31, 2013, the MAV II notes were recorded at their estimated fair value of \$8.9 million, resulting in a gain on investment of \$1.2 million, which is included in the statement of remeasurement gains and losses.

The National Collection Fund has increased from \$7.9 million to \$9.0 million in 2012–2013. This Fund has already shown its usefulness in allowing the Corporation to react to opportunities to enrich its collection and to preserve Canadian heritage through targeted acquisitions.



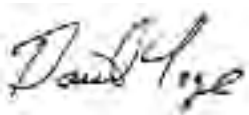
Financial Statements of Canadian Museum of Civilization

YEAR ENDED MARCH 31, 2013

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, and the integrity and objectivity of the data in these financial statements is Management's responsibility. Financial information presented throughout the annual report is consistent with 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.



David Loye
Chief Operating Officer

The Board of Trustees is responsible for ensuring that Management fulfills its responsibilities for financial reporting and internal control. The Board exercises its responsibilities through the Audit Committee, 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 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, examines the financial statements and reports to the Minister of Canadian Heritage and Official Languages, who is responsible for the Canadian Museum of Civilization.



Linda Hurdle
Chief Financial Officer

June 18, 2013

Independant Auditor's Report

To the Minister of Canadian Heritage and Official Languages

REPORT ON THE FINANCIAL STATEMENTS

I have audited the accompanying financial statements of the Canadian Museum of Civilizations, which comprise the statement of financial position as at 31 March 2013, and the statement of operations, statement of remeasurement gains and losses, statement of changes in net assets and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform

the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Canadian Museum of Civilizations as at 31 March 2013, and the results of its operations, its remeasurement gains and losses, and its cash flows for the year then ended, in accordance with Canadian public sector accounting standards.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by the *Financial Administration Act*, I report that, in my opinion, the accounting principles in Canadian public sector accounting standards have been applied, after giving retroactive effect to the change in the method of accounting of artifact donations as explained in Note 3 to the financial statements, on a basis consistent with that of the preceding year.

Further, in my opinion, the transactions of the Canadian Museum of Civilizations 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, and the by-laws of the Canadian Museum of Civilizations.



Maurice Laplante, CA

Assistant Auditor General
for the Auditor General of Canada

18 June 2013
Ottawa, Canada

CANADIAN MUSEUM OF CIVILIZATION

Statement of Financial Position

As at March 31

(In thousands of dollars)

	2013	2012
Assets		
Current assets:		
Cash	\$ 12,396	\$ 9,523
Investments (note 5)	3,097	3,124
Accounts receivable	3,235	2,680
Inventories	890	934
Prepaid expenses	384	794
	<u>20,002</u>	<u>17,055</u>
Restricted cash (note 8)	1,721	1,327
Restricted cash and investments – National Collection Fund (note 4)	8,971	7,903
Investments (note 5)	36,079	35,290
Collection (note 6)	1	1
Capital assets (note 7)	260,715	269,777
	<u>\$ 327,489</u>	<u>\$ 331,353</u>

Liabilities and Equity

Current liabilities:		
Accounts payable and accrued liabilities	\$ 18,673	\$ 14,136
Deferred contributions and deferred revenue (note 8)	3,750	2,472
Current portion of employee future benefits (note 10)	2,668	835
	<u>25,091</u>	<u>17,443</u>
Deferred contributions – National Collection Fund (note 4)	8,971	7,903
Deferred contributions related to capital assets (note 9)	225,101	233,986
Employee future benefits (note 10)	5,373	7,153
	<u>264,536</u>	<u>266,485</u>
Net assets:		
Unrestricted	19,419	22,047
Investment in capital assets	40,868	41,246
Accumulated remeasurement gains	2,666	1,575
	<u>62,953</u>	<u>64,868</u>
Contingencies (note 13)		
Contractual obligations (note 15)		
	<u>\$ 327,489</u>	<u>\$ 331,353</u>

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

Approved by the Board of Trustees:



Chairperson



Trustee

CANADIAN MUSEUM OF CIVILIZATION

Statement of Operations

For the year ended March 31
(In thousands of dollars)

	2013	2012
Revenues:		
Donations and sponsorships (note 3, 11)	\$ 2,883	\$ 2,390
Gain on investments	199	-
Interest	1,559	1,389
Operating (schedule 1)	13,154	12,703
	17,795	16,482
Expenses (schedule 2):		
Collect and research (note 3)	16,122	14,255
Exhibit, educate and communicate	18,020	17,593
Accommodation	39,577	39,448
Corporate management	18,494	18,474
	92,213	89,770
Net result of operations before government funding	(74,418)	(73,288)
Parliamentary appropriations (note 16)	71,412	71,231
Net result of operations	\$ (3,006)	\$ (2,057)

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

CANADIAN MUSEUM OF CIVILIZATION

Statement of Remeasurement Gains and Losses

For the year ended March 31
(In thousands of dollars)

	2013	2012
Accumulated remeasurement gains, beginning of year	\$ 1,575	\$ -
Unrealized gains (losses) attributed to:		
Short-term bonds (note 5)	(101)	(71)
Long-term bonds (note 5)	69	1,152
Master asset vehicle notes (note 5)	1,162	494
Amounts reclassified to the Statement of Operations:		
Short-term bonds (note 5)	79	-
Master asset vehicle notes (note 5)	(118)	-
Net change in accumulated remeasurement gains (losses) for the year	1,091	1,575
Accumulated remeasurement gains, end of year	\$ 2,666	\$ 1,575

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

CANADIAN MUSEUM OF CIVILIZATION

Statement of Changes in Net Assets

For the year ended March 31
(In thousands of dollars)

	Unrestricted	Investment in capital assets	Accumulated remeasurement gains	2013	2012
Net assets, beginning of year	\$ 22,047	\$ 41,246	\$ 1,575	\$ 64,868	\$ 65,350
Net result of operations	(3,006)	-	-	(3,006)	(2,057)
Recognition of film investment	378	(378)	-	-	-
Net change in accumulated remeasurement gains (losses)	-	-	1,091	1,091	1,575
Net assets, end of year	\$ 19,419	\$ 40,868	\$ 2,666	\$ 62,953	\$ 64,868

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

CANADIAN MUSEUM OF CIVILIZATION

Statement of Cash Flows

For the year ended March 31
(In thousands of dollars)

	2013	2012
Operating activities:		
Cash receipts (clients)	\$ 13,982	\$ 13,455
Cash receipts (parliamentary appropriations)	72,774	72,661
Cash paid (employees)	(34,832)	(35,351)
Cash paid (suppliers)	(50,575)	(52,797)
Restricted contributions and related investment income	760	719
Interest received	1,559	1,389
Net cash through operating activities	3,668	76
Investing activities:		
Principal repayment of investments	491	41
Increase in restricted cash and investments	(3,064)	(3,013)
Decrease in restricted cash and investments	1,602	267
Net cash through investing activities	(971)	(2,705)
Capital activities		
Acquisition of capital assets	(6,213)	(7,830)
Recognition of film expense	378	-
Net cash through capital activities	(5,835)	(7,830)
Financing activities:		
Parliamentary appropriations for the acquisition of capital assets	6,011	7,497
Increase (decrease) in cash	2,873	(2,962)
Cash, beginning of year	9,523	12,485
Cash, end of year	\$ 12,396	\$ 9,523

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

CANADIAN MUSEUM OF CIVILIZATION

Notes to the Financial Statements

Year ended March 31, 2013
(In thousands of dollars)

1. Mission and mandate:

The Canadian Museum of Civilization (the "Corporation") was established on July 1, 1990 by the *Museums Act*. The Canadian Museum of Civilization is an agent Crown corporation named in *Part I of Schedule III to the Financial Administration Act* and is not subject to income tax under the provisions of the *Income Tax Act*. The Canadian War Museum is a component of the Canadian Museum of Civilization.

The mission, as stated in the *Museums Act*, is as follows:

"to increase, throughout Canada and internationally, interest in, knowledge and critical understanding of and appreciation and respect for human cultural achievements and human behaviour by establishing, maintaining and developing for research and posterity a collection of objects of historical or cultural interest, with special but not exclusive reference to Canada, and by demonstrating those achievements and behaviour, the knowledge derived from them and the understanding they represent."

The Canadian Museum of Civilization's operations are divided into four mutually supportive activities which work together to meet all aspects of its mandate. These activities are:

Collect and research:

Manages, develops, conserves, and undertakes research on the collections to enhance program delivery and augment the scientific knowledge base.

Exhibit, educate and communicate:

Develops, maintains, and communicates exhibits, programs and activities to further knowledge, critical understanding, appreciation and respect for human cultural achievements and human behaviour.

Accommodation:

Managing and maintaining all facilities and related security and hosting services.

Corporate management:

Governance, corporate management, audit and evaluation, fund raising, commercial activities, finance and administration, human resources and information systems.

2. Significant accounting policies:

The financial statements have been prepared in accordance with Canadian public sector accounting standards. The Corporation has elected to apply the Section 4200 series for government-not-for-profit organizations, and the deferral method of accounting for contributions. Significant accounting policies are as follows.

CANADIAN MUSEUM OF CIVILIZATION

Notes to the Financial Statements, page 2

Year ended March 31, 2013
(In thousands of dollars)

2. Significant accounting policies (continued):

(a) Financial assets and financial liabilities:

Cash, restricted cash and investments in bonds are classified in the fair value category and investments in Master Asset Vehicle notes are designated in the fair value category. The unrealized gains or losses arising from changes in the fair value of investments in bonds and in Master Asset Vehicle notes are recognized through the Statement of Remeasurement Gains and Losses at each period end. Unrealized gains or losses arising from changes in the fair value of investments with restricted cash are reflected in the value of restricted cash.

Fair value is determined for Master Asset Vehicles using a discounted cash flow, using market assumptions. All other financial assets in the fair value category are marked-to-market by reference to their quoted bid price. Sales and purchases of investments are recorded on the trade date. Transaction costs related to the acquisition of investments are expensed.

Accounts receivable: After the initial fair value measurement, they are measured at amortized cost using the effective interest rate method through the Statement of Operations.

Accounts payable and accrued liabilities: After their initial fair value measurement, they are measured at amortized cost using the effective interest rate method through the Statement of Operations. For the Corporation, the initial measured amount approximates the fair value for all short-term accounts payable due to their short-term nature.

(b) Cash:

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

(c) Inventories:

Inventories, which consist of materials for the boutiques and publications, are valued at the lower of cost and net realizable value.

(d) Collection:

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

Objects purchased for the collection of the Corporation are recorded as an expense in the year of acquisition.

CANADIAN MUSEUM OF CIVILIZATION

Notes to the Financial Statements, page 3

Year ended March 31, 2013
(In thousands of dollars)

2. Significant accounting policies (continued):

(e) Capital assets:

Capital assets owned by the Corporation are recorded at cost, net of accumulated amortization. Buildings owned by the Government of Canada, which are under the administrative control of the Corporation, are recorded at their estimated historical cost, less accumulated amortization. Lands owned by the Government of Canada, which are under the administrative control of the Corporation, are recorded at their estimated historical cost with a corresponding amount credited directly to the net assets of the Corporation.

Amortization is calculated using the straight-line method, over the estimated useful lives of assets as follows:

Asset	Useful life
Buildings	40 years
Building improvements	10 years
Technical and informatics equipment	5 and 8 years
Office furniture and equipment	8 years
Motor vehicles	5 years

The Corporation's film investment in the production of an IMAX/OMNIMAX film is initially recognized as a capital asset, and will be expensed over the period of the initial film run.

(f) 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 rates at March 31. Realized gains and losses resulting from foreign currency translation are reported on the Statement of Operations.

CANADIAN MUSEUM OF CIVILIZATION

Notes to the Financial Statements, page 4

Year ended March 31, 2013
(In thousands of dollars)

2. Significant accounting policies (continued):

(g) Employee future benefits:

(i) Pension benefits:

All eligible 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) Other post retirement benefits:

The Corporation provides unfunded defined benefit health and dental care plans for eligible retirees and employees. The cost of the accrued benefit obligations earned by employees is actuarially determined using the projected benefit method prorated on service and management's best estimate of salary escalation, discount rate, retirement ages and expected health care and dental costs.

Actuarial gains (losses) on the accrued benefit obligation arise from differences between actual and expected experience and from changes in the actuarial assumptions used to determine the accrued benefit obligation. Actuarial gains (losses) are recognized on a systematic basis over the remaining service life of active employees covered by these post retirement benefits which is 11.9 years.

(iii) Sick leave benefits:

The Corporation provides sick leave benefits for employees that accumulate but do not vest. The Corporation recognizes a liability and an expense for sick leave in the period in which employees render services in return for the benefits. The liability and expense is developed using an actuarial cost method. Actuarial gains (losses) are recognized on a systematic basis over the remaining service life of active employees covered by these sick leave benefits which is 11.9 years.

CANADIAN MUSEUM OF CIVILIZATION

Notes to the Financial Statements, page 5

Year ended March 31, 2013
(In thousands of dollars)

2. Significant accounting policies (continued):

(g) Employee future benefits (continued):

(iv) Severance benefits:

Employees are entitled to severance benefits, as provided for under labour contracts and conditions of employment. The cost of these benefits is accrued as the employees render the services necessary to earn them. Management determined the accrued benefit obligation using a projected benefit method based upon assumptions and best estimates relating to factors such as discount rate, inflation, anticipated turnover and employment retirement, and mortality rates. These benefits represent an obligation of the Corporation that entails settlement by future payments. Actuarial gains (losses) are recognized on a systematic basis over the remaining service life of active employees covered by these severance benefits which is 11.9 years.

(h) Revenue recognition:

(i) Museum operations:

Revenues from Museum operations include the sale of general admissions and programmes, IMAX, facility rentals, food concessions, parking, boutique sales, publications and royalties from boutique product reproduction and film distribution. They are recognized in the year in which the sale of goods is completed or the services are provided.

(ii) Memberships:

Revenue from the sale of memberships is recognized over the length of the membership eligibility period.

(iii) Travelling exhibits:

Revenue from the rental of travelling exhibits is recognized over the length of the exhibition period for each venue.

(iv) Interest on cash and investments:

Interest on cash and investments is recognized in the year it is earned.

CANADIAN MUSEUM OF CIVILIZATION

Notes to the Financial Statements, page 6

Year ended March 31, 2013
(In thousands of dollars)

2. Significant accounting policies (continued):

(h) Revenue recognition (continued):

(v) Cash sponsorships

Unrestricted cash sponsorships are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Externally restricted cash sponsorships are deferred and recognized as revenue in the year in which the related obligations are fulfilled.

(vi) Cash donations:

Cash donations are comprised of contributions received from non-government entities that are not part of the federal government reporting entity, such as individuals, foundations and corporations.

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

Contributions externally restricted for specific 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 expenses are recognized. Restricted investment income is recognized as income in the Statement of Operations in the year that the related expenses are recognized.

(vii) In-kind sponsorships and artifact donations

Revenues and offsetting expenses from goods and services received in-kind are recorded at fair market value upon receipt. Artifact donations are recorded as revenue at fair market value in the period when the last of three specific criteria are met i) the artifact donation has been approved by the Corporation's Collections Acquisition Committee ii) legal transfer has taken place between the donor and the Corporation and iii) a fair market value has been assigned to the artifact donation. The recording of artifact donations results in an offsetting expense to collection acquisitions.

CANADIAN MUSEUM OF CIVILIZATION

Notes to the Financial Statements, page 7

Year ended March 31, 2013
(In thousands of dollars)

2. Significant accounting policies (continued):

(h) Revenue recognition (continued):

(viii) Parliamentary appropriations:

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

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

Parliamentary appropriations restricted for specific projects 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 appropriation is authorized.

(ix) Other revenues:

Other revenues mainly consist of library and photographic reproduction services, conservation services, special event production coordination services and gain on disposal of assets. They are recognized in the year in which the sale of goods is completed or the services are provided.

(x) Volunteer services:

Volunteers contribute a significant number of hours of service per year. Because of the difficulty of determining their fair value, contributed services are not recognized in these financial statements.

(i) 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, a liability will be accrued and an expense recorded in the Corporation's financial statements.

(j) Measurement uncertainty:

The preparation of financial statements in accordance with Canadian public sector accounting standards applicable for 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 income and expenses for the year. Employee future benefits, contingent liabilities, valuation of Master Asset Vehicle notes,

CANADIAN MUSEUM OF CIVILIZATION

Notes to the Financial Statements, page 8

Year ended March 31, 2013
(In thousands of dollars)

2. Significant accounting policies (continued):

(j) Measurement uncertainty (continued):

and the estimated useful lives of capital assets are the most significant items where estimates are used. Actual results could differ significantly from those estimated.

3. Change in Accounting Policy:

In the year, the Corporation made an accounting policy change with respect to the recording of artifact donations. Artifact donations are now recorded as revenue at fair market value in the period when the last of three specific criteria are met i) the artifact donation has been approved by the Corporation's Collections Acquisition Committee ii) legal transfer has taken place between the donor and the Corporation and iii) a fair market value has been assigned to the artifact donation. The recording of artifact donations results in an offsetting expense to collection acquisitions.

In the past, the accounting policy for the acquisition of artifacts provided different treatments depending on whether the artifacts were acquired through purchases or donations, with purchased artifacts reflected on the Statement of Operations as an expense in the year of acquisition. If the purchase of the artifact is funded by a trust or the National Collection Fund (NCF), the corresponding revenue is also recognized at the time of the acquisition. The policy for in-kind sponsorships is that revenues and offsetting expenses are recorded at fair market value upon receipt.

The reason for this accounting policy change is to provide greater consistency with the approach currently used to recognize in-kind sponsorships and provide the readers of the statements a more complete understanding of the Corporation's activities related to its collections and fundraising.

The impact of this accounting policy change on the comparative figures is as follows:

Summary of adjustments:

Statement of Operations		
Net result of operations for the year ended March 31, 2012:		
Period loss, as previously reported	\$	(2,057)
Adjustment to donations and sponsorships revenue		1,374
Adjustment to Collect and research expenses		(1,374)
Net result of operations, as currently reported	\$	(2,057)

CANADIAN MUSEUM OF CIVILIZATION

Notes to the Financial Statements, page 9

Year ended March 31, 2013

(In thousands of dollars)

4. National Collection Fund:

The National Collection Fund represents funds for the acquisition of artifacts by the Canadian Museum of Civilization and the Canadian War Museum. Funds are removed from the National Collection Fund upon acquisition of selected artifacts.

a) Restricted cash and investments:

Restricted cash and investments related to the National Collection Fund consist of the following:

	2013	2012
Cash	\$ 2,875	\$ 3,797
Government bond	6,096	4,106
Balance, end of year	\$ 8,971	\$ 7,903

At March 31, 2013, the Corporation held long-term government bonds with a face value of \$5,930 (2012 - \$3,989), annual yield percentages ranging from 2.1% to 2.7% (2012 - 2.6% to 2.7%), and maturity dates ranging from December 15, 2014 to December 8, 2016 (2012 - December 15, 2014 to December 15, 2015).

b) Deferred contributions:

Deferred contributions for the National Collection Fund consist of the following:

	2013	2012
Deferred Parliamentary appropriations	\$ 7,225	\$ 6,358
Contributions from non-government entities	1,746	1,545
Balance, end of year	\$ 8,971	\$ 7,903

CANADIAN MUSEUM OF CIVILIZATION

Notes to the Financial Statements, page 10

Year ended March 31, 2013
(In thousands of dollars)

4. National Collection Fund (continued):

Changes in the deferred contributions were as follows:

	2013	2012
Balance, beginning of year	\$ 7,903	\$ 5,396
Additions:		
Parliamentary appropriations restricted for the National Collection Fund (note 16)	2,000	2,000
Contributions from non-government entities received in the year	77	255
Deferred realized investment income	201	146
Unrealized gain on investments	2	149
Amounts transferred from deferred contributions (note 8)	113	-
	2,393	2,550
Deductions:		
Amounts recognized as revenue	(1,325)	(43)
Balance, end of year	\$ 8,971	\$ 7,903

5. Investments:

		Fair Value
	2013	2012
Short-term bonds	\$ 3,097	\$ 3,124
	\$ 3,097	\$ 3,124

(i) Short-term bonds:

At March 31, 2013 the Corporation held short-term corporate and government bonds with a face value of \$3,076 (2012 - \$3,111), annual yield percentages ranging from 2.0% to 2.3% (2012 - 1.3% to 1.7%), and maturity dates ranging from June 2, 2013 to July 17, 2013 (2012 - April 15, 2012 to August 15, 2012).

An unrealized loss on investments in short-term bonds of \$101 (2012 - \$71), and an amount reclassified to the Statement of Operations of \$79 (2012 - \$0), was included in the statement of remeasurement gains and losses.

CANADIAN MUSEUM OF CIVILIZATION

Notes to the Financial Statements, page 11

Year ended March 31, 2013
(In thousands of dollars)

5. Investments (continued):

		Fair Value	
		2013	2012
Long-term bonds	\$	27,173	\$ 27,219
Master Asset Vehicle notes		8,906	8,071
	\$	36,079	\$ 35,290

(ii) Long-term bonds:

At March 31, 2013 the Corporation held long-term corporate and government bonds with a face value of \$24,986 (2012 - \$25,093), annual yield percentages ranging from 2.4% to 4.1% (2012 – 2.0% to 4.1%), and maturity dates ranging from June 15, 2014 to December 1, 2022 (2012 – June 2, 2013 to March 15, 2020).

An unrealized gain on investments in long-term bonds of \$69 (2012- \$1,152) was included in the statement of remeasurement gains and losses.

CANADIAN MUSEUM OF CIVILIZATION

Notes to the Financial Statements, page 12

Year ended March 31, 2013
(In thousands of dollars)

5. Investments (continued):

(iii) Master Asset Vehicle Notes:

At March 31, 2013 the Corporation held the following Master Asset Vehicle (MAV II) notes:

Face value	2013	2012
Class A-1	\$ 6,653	\$ 6,653
Class A-2	2,574	2,574
Class B	467	467
Class C	300	300
Other Classes	1,027	2,138
	\$ 11,021	\$ 12,132

At March 31, 2013 the MAV II notes were recorded at their estimated fair value of \$8,906 (2012 - \$8,071), resulting in a fair value adjustment of \$835 (2012 - \$453). Principal repayments of \$491 (2012- \$41) were received in the period and a gain on investments of \$1,162 (2012 - \$494) was included in the statement of remeasurement gains and losses. An amount of \$118 was reclassified to the Statement of Operations from the statement of remeasurement gains and losses.

The assumptions used in the discounted cash flow valuation model include:

Criteria	2013	2012
	Assumptions	
<u>MAV II Notes</u>		
Expected term to maturity	3.78 years	4.78 years
Discount rates	2.82%, 4.20%, 5.59% and 7.99% for the A1, A2, B and C notes	4.66%, 6.10%, 9.38% and 20.45% for the A1, A2, B and C notes
Coupon rates	A1 and A2 notes: 1 month BA rate less 50 bps	A1 and A2 notes: 1 month BA rate less 50 bps
<u>MAV II IA Notes</u>		
Expected term to maturity	23.93 years	24.93 years
Discount rate	11.55%	12.02%
Coupon rate	1 month BA rate plus 50 bps	1 month BA rate plus 50bps

CANADIAN MUSEUM OF CIVILIZATION

Notes to the Financial Statements, page 13

Year ended March 31, 2013
(In thousands of dollars)

5. Investments (continued):

Since the fair values of the MAV II notes are determined using the foregoing assumptions and are based on the Corporation's assessment of market conditions as at March 31, 2013 the fair values reported may change materially in subsequent periods which would have a direct impact on the amounts recorded in the statement of Remeasurement Gains and Losses. A 1.0% increase in the discount rate will decrease the fair value of the MAV II notes by approximately \$333 (2012 - \$378).

Further information on the fair value measurement of the Corporation's investments can be found in note 14(d).

6. Collection:

The Corporation maintains the material culture collections of artifacts, objects, specimens and their related information. These collections are developed by various research areas within the Corporation. The collections are divided into the following seven discipline-related groups:

Ethnology - ethnographic and fine art collections principally related to North American First Peoples in post-European contact

Folk Culture - folk culture and fine craft collections illustrating the diversity of cultural influences on Canadian culture

History - collections which illustrate the experience of the common person as well as famous Canadians

Canadian Children's Museum - collections which emphasize intercultural understanding and experience, as well as supporting a rich animation programme

Living History - collection of properties, costumes and didactic resources which are used by animators, educators and other staff to promote and enliven the Museum's programming

Canadian War Museum - collections of weapons and technological artifacts illustrating the development of military technologies, dress and insignia collections of uniforms, medals, accoutrements and regalia of the Canadian Armed Forces and its allies, and war art collections of paintings, drawings, prints and sculptures from the Canadian War Artist programmes and modern art works illustrating Canadian Peacekeeping efforts

CANADIAN MUSEUM OF CIVILIZATION

Notes to the Financial Statements, page 14

Year ended March 31, 2013
(In thousands of dollars)

6. Collection (continued):

Archaeology - archaeological collections of material culture, physical anthropology, flora and fauna recovered from dig sites and principally illustrating indigenous North American culture prior to European contact.

In the year, the Corporation acquired the Empress of Ireland Collection valued at \$3,075. There were no significant changes to the Museum's collection in 2012.

During the fiscal year ended March 31, 2013, the Corporation purchased \$2,106 (2012 - \$447), and acquired through donation \$1,762 (2012 - \$1,374), of items for this collection.

The Museum did not record any revenues for the fiscal years ended March 31, 2013 or 2012 related to the sales of collection items.

7. Capital assets:

	Cost	Accumulated amortization	2013 Net book value	2012 Net book value
Land	\$ 40,868	\$ -	\$ 40,868	\$ 40,868
Buildings	356,909	166,745	190,164	199,087
Building improvements	81,626	54,963	26,663	25,990
Technical and informatics equipment	25,555	22,844	2,711	2,819
Office furniture and equipment	8,846	8,584	262	608
Motor vehicles	138	91	47	27
Film investment	-	-	-	378
	\$ 513,942	\$ 253,227	\$ 260,715	\$ 269,777

The current year amortization expense is \$14,896 (2012 - \$14,808). Most of the amortization expense is allocated to accommodation expenses. Cost and accumulated amortization at March 31, 2012 amounted to \$508,138 and \$238,361 respectively.

CANADIAN MUSEUM OF CIVILIZATION

Notes to the Financial Statements, page 15

Year ended March 31, 2013

(In thousands of dollars)

8. Deferred contributions and deferred revenues:

Deferred contributions represent contributions from non-government sources and Parliamentary appropriations received by the Corporation that are restricted for specific purposes. Deferred revenues represent funds received by the Corporation from museum operations, memberships or travelling exhibits that are not yet earned through the provision of goods and services.

Deferred contributions and deferred revenues are as follows:

	2013	2012
Deferred contributions from non-government sources	\$ 1,721	\$ 1,327
Deferred Parliamentary appropriations	1,181	264
Total deferred contributions	2,902	1,591
Deferred revenues – goods and services	848	881
Balance, end of year	\$ 3,750	\$ 2,472

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

	2013	2012
Balance, beginning of year	\$ 1,591	\$ 2,222
Additions:		
Restricted contributions received from non-government sources	661	456
Restricted Parliamentary appropriations received (note 16)	984	90
Deferred investment income	10	7
	1,655	553
Deductions:		
Amounts transferred to the National Collection Fund (note 4)	(113)	-
Amounts recognized as revenue	(231)	(1,184)
	(344)	(1,184)
Balance, end of year	\$ 2,902	\$ 1,591

CANADIAN MUSEUM OF CIVILIZATION

Notes to the Financial Statements, page 16

Year ended March 31, 2013
(In thousands of dollars)

9. Deferred contributions related to capital assets:

Deferred contributions related to capital assets is composed of:

	2013	2012
Used for acquisitions:		
Deferred capital contributions from non-government entities	\$ 2,105	\$ 2,253
Deferred capital funding through Parliamentary appropriations	217,540	226,075
	219,645	228,328
To be used for future acquisitions:		
Deferred capital funding through Parliamentary appropriations	5,456	5,658
Balance, end of year	\$ 225,101	\$ 233,986

- (a) Deferred capital contributions from non-government entities represent the unamortized portion of donations from non-government entities restricted and used to acquire depreciable capital assets.
- (b) Deferred capital funding through Parliamentary appropriations represents the unamortized portion of Parliamentary appropriations restricted and used to acquire depreciable capital assets or restricted to be used for future acquisitions of depreciable capital assets.

CANADIAN MUSEUM OF CIVILIZATION

Notes to the Financial Statements, page 17

Year ended March 31, 2013
(In thousands of dollars)

9. Deferred contributions related to capital assets (continued):

Change in the deferred contributions related to capital assets is composed of:

	2013	2012
Balance at beginning of year	\$ 233,986	\$ 241,297
Add:		
Capital asset acquisitions	6,213	7,868
Capital asset disposals	-	(38)
Funded by prior year Parliamentary appropriations	(3,126)	(4,418)
Funded by current Parliamentary appropriations	3,087	3,412
Parliamentary appropriations deferred for capital asset acquisitions in future periods	2,924	4,085
Parliamentary appropriations received (note 16)	6,011	7,497
Less amounts recognized as revenue:		
Deferred capital contributions	(148)	(148)
Parliamentary appropriations	(14,748)	(14,660)
	(14,896)	(14,808)
Balance, end of year	\$ 225,101	\$ 233,986

CANADIAN MUSEUM OF CIVILIZATION

Notes to the Financial Statements, page 18

Year ended March 31, 2013
(In thousands of dollars)

10. Employee future benefits:

	2013	2012
Other non-pension post retirement liability (note 10(a))	\$ 4,337	\$ 4,131
Accumulated sick leave benefit liability (note 10(b))	261	280
Severance liability (note 10(c))	3,443	3,577
Employee future benefits liability	\$ 8,041	\$ 7,988

(a) Other post retirement benefits:

On July 1, 2006, the Corporation introduced defined benefit post retirement health care and dental benefit plans for eligible employees. The cost of this plan is charged to income as benefits are earned by employees on the basis of service rendered. The plans are not pre-funded resulting in a plan deficit equal to the accrued benefit obligation. Information, measured as at the balance sheet date, is as follows:

	2013	2012
Accrued benefit liability, beginning of year	\$ 4,131	\$ 3,886
Expense for the year	310	350
Benefits payments	(104)	(105)
Accrued benefit liability, end of year	\$ 4,337	\$ 4,131

CANADIAN MUSEUM OF CIVILIZATION

Notes to the Financial Statements, page 19

Year ended March 31, 2013
(In thousands of dollars)

10. Employee future benefits (continued):

(b) Accumulated sick leave benefit liability:

The cost of the accrued benefit obligations related to sick leave entitlement earned by employees is actuarially determined using the projected benefit method prorated on service and management's best estimate of inflation, discount rate, employee demographics and sick leave usage of active employees. Information, measured as at the balance sheet date, is as follows:

	2013	2012
Accrued benefit liability, beginning of year	\$ 280	\$ 244
Expense for the year	30	36
Benefit usage	(49)	-
Accrued benefit liability, end of year	\$ 261	\$ 280

(c) Severance benefits:

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

	2013	2012
Accrued benefit liability, beginning of year	\$ 3,577	\$ 4,535
Expense for the year	723	534
Benefits payments	(857)	(1,492)
Accrued benefit liability, end of year	\$ 3,443	\$ 3,577
Short-term portion	\$ 2,668	\$ 835
Long-term portion	775	2,742
	\$ 3,443	\$ 3,577

CANADIAN MUSEUM OF CIVILIZATION

Notes to the Financial Statements, page 20

Year ended March 31, 2013
(In thousands of dollars)

10. Employee future benefits (continued):

The most recent full actuarial valuation for other post retirement benefits, sick leave and severance benefits, was completed by an independent actuary as at March 31, 2013. The Corporation measures its accrued benefit obligation for accounting purposes as at March 31 of each year.

A reconciliation of the accrued benefit obligation and liability is as follows:

	2013	2012
Accrued benefit obligation:		
Balance at beginning of year	\$ 8,145	\$ 8,665
Current service cost	450	547
Interest costs	198	303
Obligation amendment	401	70
Actuarial loss	752	157
Benefits paid	(1,010)	(1,597)
Total accrued benefit obligation, end of year	8,936	8,145
Unamortized losses	(895)	(157)
Total accrued benefit liability, end of year	8,041	7,988
Less: current portion of employee future benefits	(2,668)	(835)
	\$ 5,373	\$ 7,153

CANADIAN MUSEUM OF CIVILIZATION

Notes to the Financial Statements, page 21

Year ended March 31, 2013
(In thousands of dollars)

10. Employee future benefits (continued):

The significant actuarial assumptions used are as follows:

	2013	2012
Discount rate used to determine accrued benefit obligation:		
Post retirement benefits	2.45%	2.7%
Severance and sick leave benefits	2.15%	2.3%
Inflation	2.0%	2.0%
Rate of increase in dental benefit costs	8% every 4 years	8% every 4 years
Rate of increase in health care benefit costs	8% every 4 years	8% every 4 years
Real wage increase	1% for the first 10 years	1% for the first 10 years

(d) Pension benefits:

All eligible employees of the Corporation are covered by the public service pension plan (the "Plan"), a contributory defined benefit plan established through legislation and sponsored by the Government of Canada. Contributions are required by both the employees and the Corporation. The Government of Canada sets the required employer contributions based on a multiple of the employees' required contribution. The general contribution rate effective to December 31, 2012 was 1.64 times the employee contribution and 1.57 times the employee contribution for new employees as of January 1, 2013 (1.74 times for 2012).

The Corporation's and employees' contributions to the Plan for the year were as follows:

	2013	2012
Corporation's contributions	\$ 3,155	\$ 3,026
Employees' contributions	1,886	1,580

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

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Notes to the Financial Statements, page 22

Year ended March 31, 2013
(In thousands of dollars)

11. Donations and sponsorships:

Donations and sponsorships revenue is composed of:

	2013	2012
Cash donations and sponsorships	\$ 1,121	\$ 723
In-kind sponsorships and artifact donations	1,762	1,667
	\$ 2,883	\$ 2,390

12. Related party transactions:

The Corporation is related to all Government of Canada departments, agencies and Crown corporations. The Corporation enters into transactions with these entities in the normal course of business. These transactions are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties. During the year, the Corporation incurred expenses totalling \$13,400 (2012 - \$13,140) and recorded Museum operations revenue of \$963 (2012 - \$391) with related parties.

As at March 31, the Corporation had the following balance on the statement of financial position related to transactions with related parties:

	2013	2012
Appropriations receivable	\$ 1,476	\$ 987
Refundable taxes	518	436
Other receivables	130	85
Accounts payable and accrued liabilities	9,187	4,737
Deferred revenues – goods and services	-	101

CANADIAN MUSEUM OF CIVILIZATION

Notes to the Financial Statements, page 23

Year ended March 31, 2013
(In thousands of dollars)

13. Contingencies:

No amount has been included in the Statement of Financial Position for contingent liabilities.

14. Financial risk management:

The Corporation has exposure to the following risks from its use of financial instruments: credit risk, market risk and liquidity risk.

The Board of Trustees ensures that the Corporation has identified its major risks and ensures that management monitors and controls them. The Audit Committee oversees the Corporation's systems and practices of internal control, and ensures that these controls contribute to the assessment and mitigation of risk. The Audit Committee reports regularly to the Board of Trustees on its activities.

CANADIAN MUSEUM OF CIVILIZATION

Notes to the Financial Statements, page 24

Year ended March 31, 2013
(In thousands of dollars)

14. Financial risk management (continued):

(a) Credit risk:

Credit risk is the risk of financial loss to the Corporation if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Such risks arise principally from certain financial assets held by the Corporation consisting of accounts receivable, cash, restricted cash, restricted cash and investments, Master Asset Vehicle notes, short-term investments and long-term investments.

The maximum exposure to credit risk of the Corporation at March 31, 2013 is the carrying value of these assets.

(i) Accounts receivable:

The Corporation's exposure to credit risk associated with accounts receivable is assessed as being low mainly due to the demographics of the Corporation's debtors, including the type of debtor and the country in which the debtor operates.

The maximum exposure to credit risk for accounts receivable by type of customer as at March 31 is as follows:

	2013	2012
Government of Canada	\$ 2,133	\$ 1,508
Other governments	537	547
Consumers	304	352
Financial institutions	261	273
	\$ 3,235	\$ 2,680

The Corporation seeks to reduce its credit exposure by performing credit checks on customers in advance of providing credit and obtaining deposits or prepayments where deemed appropriate.

CANADIAN MUSEUM OF CIVILIZATION

Notes to the Financial Statements, page 25

Year ended March 31, 2013
(In thousands of dollars)

14. Financial risk management (continued):

(a) Credit risk (continued):

(i) Accounts receivable (continued):

The Corporation establishes an allowance for doubtful accounts that reflects the estimated impairment of accounts receivable and is based on specific accounts considering the Corporation's knowledge of the financial condition of its customers, the aging of accounts receivable, and other applicable factors. Accounts receivable from governments comprise more than 82% (2012 – 76%) of the Corporation's accounts receivable, and no allowance has been provided for related to these amounts.

As at March 31, 2013 \$2,770 (2012 - \$2,371) of the Corporation's accounts receivable were classified as current and due in 30 days or less.

As at March 31, 2013, \$465 (2012 - \$309) of trade accounts receivable were past due, but not impaired.

(ii) Cash, restricted cash, restricted cash and investments, Master Asset Vehicle notes, short- term investments and long-term investments:

The Corporation manages its credit risk surrounding cash, restricted cash, restricted cash and investments, Master Asset Vehicle notes, short- term investments and long-term investments by dealing solely with reputable banks and financial institutions, and utilizing an investment policy to guide their investment decisions. The Corporation invests surplus funds to earn investment income with the objective of maintaining safety of principal and providing adequate liquidity to meet cash flow requirements.

As per the Corporation's investment policy investments must maintain a specified minimum credit rating from at least two specified credit agencies.

(b) Market risk:

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

CANADIAN MUSEUM OF CIVILIZATION

Notes to the Financial Statements, page 26

Year ended March 31, 2013
(In thousands of dollars)

14. Financial risk management (continued):

(b) Market risk (continued):

(i) Currency risk:

The Corporation operates primarily within Canada, but in the normal course of operations is party to exchange of exhibits and collections on an international basis, as well as holding cash and investments denominated in foreign currencies. Foreign exchange risk arises from exhibit and collection related transactions denominated in a currency other than the Canadian dollar, which is the functional currency of the Corporation. The currencies in which these transactions primarily are denominated are the Canadian dollar, the US dollar and the Euro.

The Corporation believes that it is not subject to significant foreign exchange risk from its financial instruments due to relatively low frequency and dollar value of foreign currency denominated transactions.

(ii) Interest rate risk:

Interest rate risk is the risk that the fair value of future cash flows or a financial instrument will fluctuate because of changes in the market interest rates.

Financial assets and financial liabilities with variable interest rates expose the Corporation to cash flow interest rate risk. The Corporation's investments include bonds bearing interest at fixed rates. The Corporation does not have any debt instruments outstanding with fixed or variable interest rates at March 31, 2013 and 2012.

Although management monitors exposure to interest rate fluctuations, it does not employ any interest rate management policies to counteract interest rate fluctuations.

As at March 31, 2013 had prevailing interest rates increased or decreased by 1%, assuming a parallel shift in the yield curve, with all other variables held constant, the Corporation's financial instruments would have decreased or increased by approximately \$1,190 (2012 - \$1,463), approximately 3.04% of the fair value of investments (2012 - 3.81%).

(iii) Other price risk:

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

Further information on the factors affecting the fair value measurement of the Corporation's investments can be found in note 14(d).

CANADIAN MUSEUM OF CIVILIZATION

Notes to the Financial Statements, page 27

Year ended March 31, 2013
(In thousands of dollars)

14. Financial risk management (continued):

(c) Liquidity risk:

Liquidity risk is the risk that the Corporation will not be able to meet its financial obligations as they become due.

The Corporation manages liquidity risk by continually monitoring actual and forecasted cash flows from operations and anticipated investing and financing activities.

At March 31, 2013 the Corporation has a cash balance of \$12,396 (2012 - \$9,523). All of the Corporation's financial liabilities have contractual maturities of less than 365 days.

(d) Fair value of financial instruments:

The following tables summarize information on the fair value hierarchy of the Corporation's assets as of March 31. The fair value hierarchy prioritizes the valuation techniques used to determine the fair value of a financial instrument based on whether the inputs to those techniques are observable or unobservable:

- Level 1 – Financial instruments are considered Level 1 when valuation can be based on quoted prices in active markets for identical assets and liabilities.
- Level 2 – Financial instruments are considered Level 2 when they are valued using quoted prices for similar assets and liabilities, quoted prices in markets that are not active, or models using inputs that are observable.
- Level 3 – Financial instruments are considered Level 3 when their values are determined using pricing models, discounted cash flow methodologies or similar techniques and at least one significant model assumption or input is unobservable.

Transfers are made between the various fair value hierarchy levels due to changes in the availability of quoted market prices or observable market inputs due to changing market conditions.

The Corporation's cash and restricted cash and investments correspond to the Level 1 fair value hierarchy classification.

CANADIAN MUSEUM OF CIVILIZATION

Notes to the Financial Statements, page 28

Year ended March 31, 2013
(In thousands of dollars)

14. Financial risk management (continued):

(d) Fair value of financial instruments (continued):

		March 31, 2013		
	Total	Quoted prices in active markets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Investments – short-term bonds	\$ 3,097	\$ 3,097	\$ -	\$ -
Investments – long-term bonds	27,173	27,173	-	-
Investments – MAV II notes	8,906	-	8,665	241
	36,079	27,173	8,665	241
Total	\$ 39,176	\$ 30,270	\$ 8,665	\$ 241

		March 31, 2012		
	Total	Quoted prices in active markets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Investments – short-term bonds	\$ 3,124	\$ 3,124	\$ -	\$ -
Investments – long-term Bonds	27,219	27,219	-	-
Investments – MAV II notes	8,071	-	7,574	497
	35,290	27,219	7,574	497
Total	\$ 38,414	\$ 30,343	\$ 7,574	\$ 497

Although some trading in MAV II notes has occurred since their restructuring in 2009, there has been sufficiently increased broker/dealer trading and improved market liquidity in these notes during the year.

There is a significant amount of uncertainty in estimating the amount and timing of cash flows associated with MAV II. The Corporation estimates the fair value of its MAV II using Level Two and Three hierarchy inputs by discounting expected future cash flows considering the best available data at March 31, 2013.

CANADIAN MUSEUM OF CIVILIZATION

Notes to the Financial Statements, page 29

Year ended March 31, 2013

(In thousands of dollars)

14. Financial risk management (continued):

(d) Fair value of financial instruments (continued):

In 2012 and 2013, MAV II notes under classes A1, A2, B and C were at Level 2 and the MAV II IA notes were at Level 3. There were no purchases, sales and issues in the year.

A reconciliation of all changes in Level 3 financial instruments is as follows:

	2013	2012
MAV II notes		
Balance, beginning of year	\$ 497	\$ 336
Principal repayments	(491)	(41)
Unrealized gain	71	202
Realized gain	164	-
Balance, end of year	\$ 241	\$ 497

A gain on investments of \$1,162 was recorded in 2013 and is included in the statement of remeasurement gains and losses. A realized gain of \$118 was reclassified from the statement of remeasurement gains and losses to the statement of operations.

A gain on investments of \$494 was recorded in 2012 and is included in the statement of remeasurement gains and losses.

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Notes to the Financial Statements, page 30

Year ended March 31, 2013
(In thousands of dollars)

15. Contractual obligations:

As at March 31, 2013, the Corporation has entered into agreements which include informatics, building operations and maintenance, security and point-of-sale outsource services. The future minimum annual payments are as follows:

2013-14	\$	11,020
2014-15		6,606
2015-16		1,158
2016-17		96
2017-18		34
2018 +		83
	\$	18,997

16. Parliamentary appropriations:

Parliamentary appropriations recognized as revenue:

	2013	2012
Main Estimates amount provided for operating and capital expenses	\$ 62,454	\$ 63,379
Supplementary estimates and transfers	2,002	1,819
Total Parliamentary appropriations approved in year	64,456	65,198
Less current year Parliamentary appropriations not recognized as revenue:		
Restricted for capital asset acquisitions (note 9)	(6,011)	(7,497)
Restricted for the National Collection Fund (note 4)	(2,000)	(2,000)
Restricted for specific purposes (note 8)	(984)	(90)
Add prior year Parliamentary appropriations recognized as revenue in current year:		
Amortization of deferred capital funding (note 9)	14,748	14,660
Restricted amounts used in current year	67	960
National Collection Fund used in the current year	1,136	-
Parliamentary appropriations recognized as revenue	\$ 71,412	\$ 71,231

17. Comparative figures:

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

CANADIAN MUSEUM OF CIVILIZATION

Schedule 1 - Operating Revenues

Year ended March 31, 2013
(In thousands of dollars)

	2013	2012
General admission and programmes	\$ 4,823	\$ 4,913
Facility rental, events and concessions	2,291	2,143
Boutique sales	1,834	1,716
Parking	1,699	1,662
IMAX	1,583	1,497
Travelling exhibits	252	143
Memberships	250	247
Royalties	92	20
Publications	64	62
Other	266	300
	\$ 13,154	\$ 12,703

CANADIAN MUSEUM OF CIVILIZATION

Schedule 2 - Expenses

Year ended March 31, 2013
(In thousands of dollars)

	2013	2012
Personnel costs	\$ 35,016	\$ 34,748
Amortization of capital assets	14,896	14,808
Professional and special services	13,206	13,140
Property taxes	9,326	9,208
Collection acquisitions (note 3, 6)	3,868	1,821
Utilities	2,974	3,115
Repairs and maintenance	2,856	3,073
Materials and supplies	2,197	1,895
Exhibit fabrication and rental	2,102	1,635
Communications	1,819	2,438
Marketing and advertising	1,228	1,447
Cost of goods sold	1,026	858
Travel	793	722
Royalties	447	376
Rentals	268	231
Other	191	255
	<u>\$ 92,213</u>	<u>\$ 89,770</u>