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CANADIAN MUSEUM OF CIVILIZATION



CANADIAN WAR MUSEUM

ANNUAL REPORT 2011 / 2012

# Canadian Museum of Civilization Corporation

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CANADIAN MUSEUM OF CIVILIZATION  
MUSÉE CANADIEN DES CIVILISATIONS

100 Laurier Street, Gatineau, QC K1A 0M8  
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CANADIAN WAR MUSEUM  
MUSÉE CANADIEN DE LA GUERRE

1 Vimy Place, Ottawa, ON K1A 0M8  
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Image on cover:

*The Canadians Opposite Lens* (detail),  
Augustus John, ca. 1918.

Bill Kent CWM20110067-001

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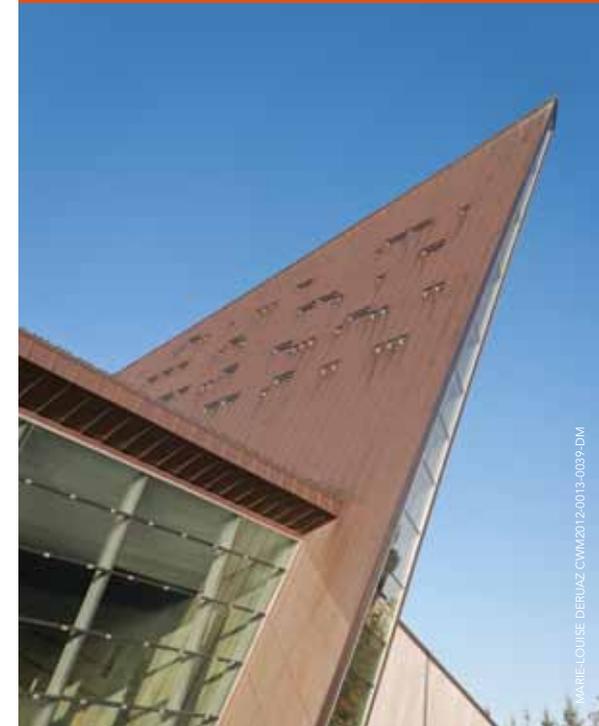
Canada

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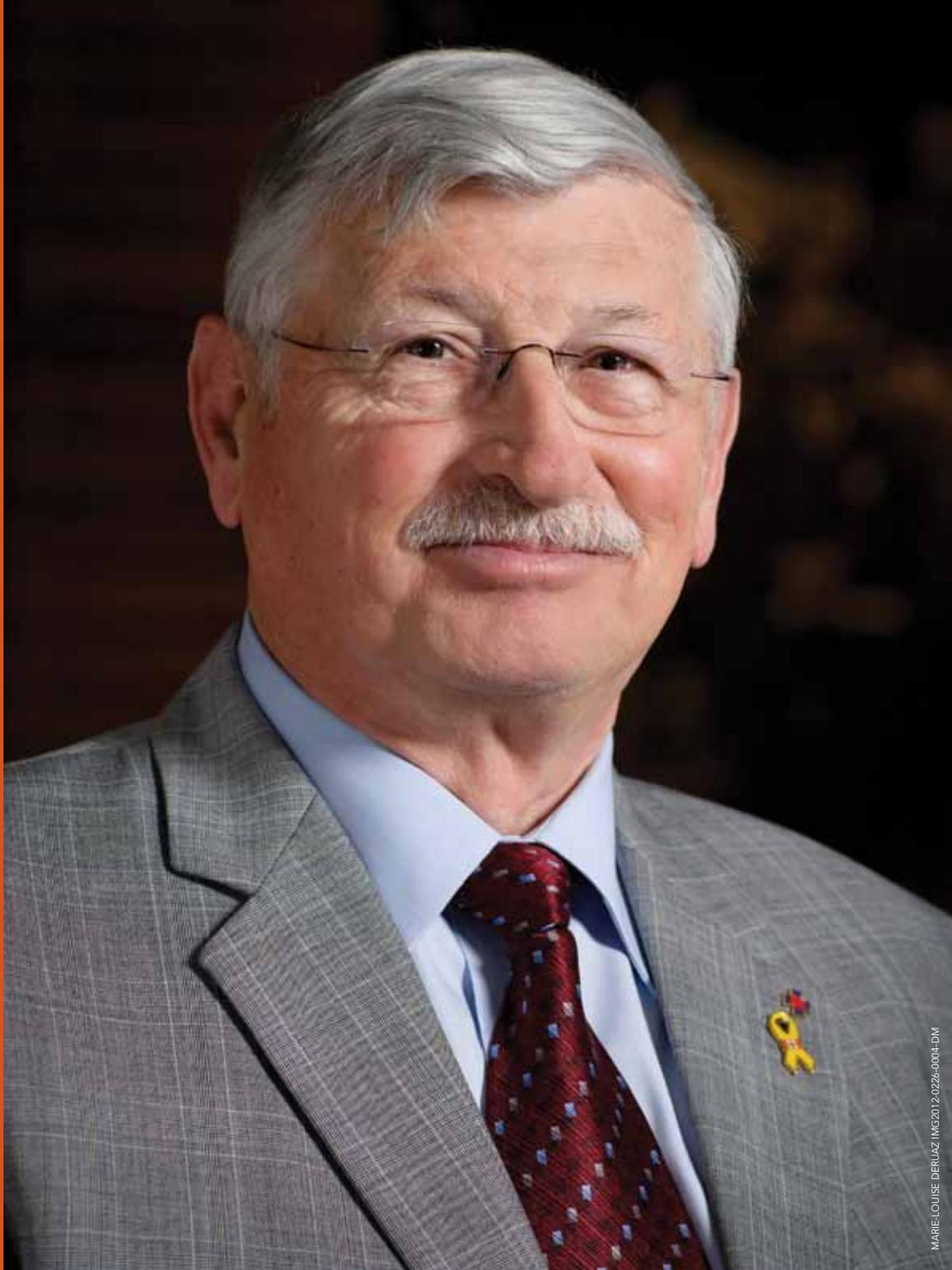
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CANADIAN MUSEUM OF  
CIVILIZATION CORPORATION



# Message from the Chair



## I was honoured and delighted earlier this year when asked to serve as Chair of the Corporation's Board of Trustees.

Honoured, because I am following in the footsteps of esteemed Canadians such as my immediate predecessor, Mr. Fredrik Eaton. Delighted, because I have an opportunity to work with a Board and management team that are determined to build upon the success of Canada's national museums of human and military history.

I am certainly no stranger to the Corporation and its mission. I have enjoyed a long association with the Friends of the Canadian War Museum, which has worked for more than 25 years to promote and support the Museum, while raising awareness of Canada's military history and its role in our country's development. I am very proud of that association, and of the accomplishments of the Friends. The group's most prominent achievement to date has been the Passing the Torch campaign, which raised over \$16.5 million for the development of exhibitions and public programs at the new Museum. When the campaign closed in 2005, it had become the most successful fundraising effort for a federal cultural institution in Canadian history. That is a *good* friend.

While working with the Friends, I also came to know and respect Mark O'Neill—formerly Director General of the War Museum, and now the Corporation's President and CEO. I am excited by the vision he has presented to the Board, and I look forward to working with him as he leads the Corporation and its Museums into a new era.

I also look forward to working with my fellow Trustees, and I would like to make special mention of the Vice-Chair, André Audet, who served so capably as interim Chair prior to my appointment. The Board is very appreciative of his skills and dedication.

The entire Board has worked diligently in recent years, under Mr. Eaton's leadership, to guide the development of a new set of Strategic Directions for the Museums. The Trustees are very pleased with the progress to date. Especially noteworthy are initiatives aimed at enhancing national outreach and focusing greater attention on the people and events that have shaped our country and our national identity. Also important are efforts to seek greater financial support from donors, and to establish new partnerships and sponsorships with the corporate community. I am well aware of the challenges that lie ahead for the Corporation and the Museums, but I am even more excited by the possibilities.

It is my belief that the Corporation and its Museums will be central to upcoming commemorations of significant events in our country's history—from the 200th anniversary of the War of 1812, through almost six years of First World War centenaries, to Canada's sesquicentennial celebrations in 2017.

I believe passionately in what the Museums do, and what they represent. I believe that present and future generations must know about their country's history, just as they must protect our cultural heritage. The Corporation's mission is clear and compelling. As the Board's Chair, working with its Trustees, I will do my best to ensure the continued success of this vital and vibrant national institution.



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

# Message from the President and CEO



I am honoured to present the Corporation's first annual report since my appointment as President and CEO in June 2011. As this document makes clear, I assumed my new responsibilities at a favourable moment in the long history of this national institution. Our performance over the past year has been strong, and the opportunities on the horizon have never been more exciting.

## 2011–2012: A Year of Achievement

Especially notable this year was our acquisition of many artifacts and collections of outstanding historical significance. These objects are now part of our National Collection, an unrivalled source of information—and inspiration—about Canada's human and military history.

This year's acquisitions include a dramatic painting from the mid-1800s of the HMS *Terror* in the waters off Baffin Island. The ship was one of the most storied vessels in the history of Canadian Arctic exploration, and the artist was a British Admiral who helped lay the foundation for Canada's Arctic sovereignty. Through this and other works, he created an invaluable visual record of early Arctic exploration.

Another notable acquisition was the Van Horne Collection, which includes an impressive array of objects documenting the life and accomplishments of Sir William Cornelius Van Horne. As the person who oversaw construction of the CPR, Canada's first transcontinental railway, Van Horne is a towering figure in Canadian history.

Other additions include the Victoria Cross awarded during the First World War to John Francis Young, an unarmed stretcher-bearer who displayed "the most absolute fearlessness" in the face of enemy machine-gun fire during a battle in northern France, saving the lives of many of his wounded comrades.

Acquisitions such as these helped us achieve our goal of broadening and deepening the National Collection, especially in its representation of the seminal events that have shaped our common history as Canadians.

Enhancing our national outreach was another top priority as we began the 2011–2012 fiscal year. By year's end, our Travelling Exhibitions Service had reported a very successful year. Because of these efforts, museum-goers in Quebec and Manitoba gained new insight into Canada's historical fur trade. In Calgary, they caught a glimpse of the war in Afghanistan. Other examples are cited in this report.

The Corporation further enhanced its outreach by creating new online exhibitions and greatly expanding its Virtual Museum of New France, one of the world's oldest and largest online history museums.

The Museum of Civilization and the War Museum presented important new exhibitions in their own galleries. Especially notable at the Museum of Civilization was **Expedition: Arctic, 1913–1918**, which shed new light on one of the greatest chapters in the history of Canadian Arctic exploration. At the War Museum, **New Brunswickers in Wartime, 1914–1946** brought to life the riveting personal stories of Canadians who experienced at least one of the two World Wars. This exhibition was also notable for its genesis: it was developed by the War Museum from a show produced and first presented by the New Brunswick Museum, one of our important museum partners.

This was another challenging year for Canada's tourism industry and many of its cultural institutions; nevertheless, attendance at the Museum of Civilization and the War Museum remained strong. To overcome present fiscal challenges, the Corporation continues to seek out new sponsorship and fundraising opportunities while also exploring ways of lowering costs and seeking efficiencies.

I am pleased to note that the Government of Canada maintained its level of funding to the Corporation in the March 2012 Budget. We believe that this decision underlines the federal government's commitment to Canada's national history museums, and recognizes the importance of our Museums and their relevance to Canadians. I believe that this decision also reflects well on our efforts over many years to operate the Museums as efficiently and effectively as possible.

## The Future

We are entering a time of extraordinary opportunity for Canada's national history museums. This year marks the Queen's Diamond Jubilee and the 200th anniversary of the War of 1812. These are important milestones on our national journey, as visitors to our Museums will discover through upcoming special exhibitions and public programming.

We are also looking forward to 2014, when Canada marks the 100<sup>th</sup> anniversary of the beginning of the First World War. That conflict profoundly affected individual Canadians, our country and our place among nations. Three years later, in 2017, Canadians will celebrate the

150th anniversary of Confederation. As Canada's national museums of human and military history, we are determined to play a leading role as Canadians mark these momentous anniversaries.

The initiatives we are planning for 2014 and 2017 are part of our broader long-term objective to become more relevant to Canadians, wherever in the country they live. We must ensure that our work is meaningful to Canadians; that our voice continues to be heard—and respected—in national conversations about our common history; and that more Canadians become aware of the Museums and the vital public service they provide in promoting and preserving our national history.

My top priority, when I took up the reins as President and CEO, was to steer the Corporation towards the achievement of these fundamental goals.

## A Personal Note

I am looking to the future with great confidence and enthusiasm. Since I first joined the Corporation ten years ago, I have felt extraordinarily lucky to work here. I come to work every day proud of our mandate and our service to the country, inspired by the stories we tell and the artifacts we safeguard, and motivated by the millions of people who stream through our doors from across Canada and around the world, eager to learn more about this country and its people.

I am also mindful of the incredible legacy that my colleagues and I have inherited from our predecessors. I offer a special word of thanks to my immediate predecessor as President and CEO, Dr. Victor Rabinovitch, who contributed so much to the Corporation's success for over a decade.



**Mark O'Neill**



# The Canadian Museum of Civilization



# The Canadian War Museum



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, the Canadian Postal Museum, the Virtual Museum of New France 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, this virtual museum was created in 1997 and was substantially revised in 2011. 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 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 2011–2012, seven committees supported the Board of Trustees. These committees 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:  
Duncan Dee, Trustee  
Mark O'Neill, President and Chief Executive Officer  
Ruth Ramsden-Wood, Trustee

From left to right: ▶  
William (Bill) Leach, Chair  
André E. Audet, Vice-Chair  
Laurie Watson, Trustee  
David Loye, Chief Operating Officer and  
Senior Vice-President of the Corporation



## Board of Trustees Committees

The **Executive Committee** assists in making important decisions between Board meetings, if necessary.

The **Audit Committee** serves as the Board's advisor on audit-related matters, and ensures the maintenance of sound internal controls.

The **Finance Committee** advises the Board on accountability and planning in relation to financial matters.

The **Development Committee** advises and supports the Board and Management in matters related to the Corporation's development and fundraising activities. Members of the Committee may also participate in fundraising initiatives on an individual basis.

The **Canadian War Museum Advisory Committee** provides advice on matters related to the Canadian War Museum, and includes members of the Board of Trustees and representatives from veterans' groups.

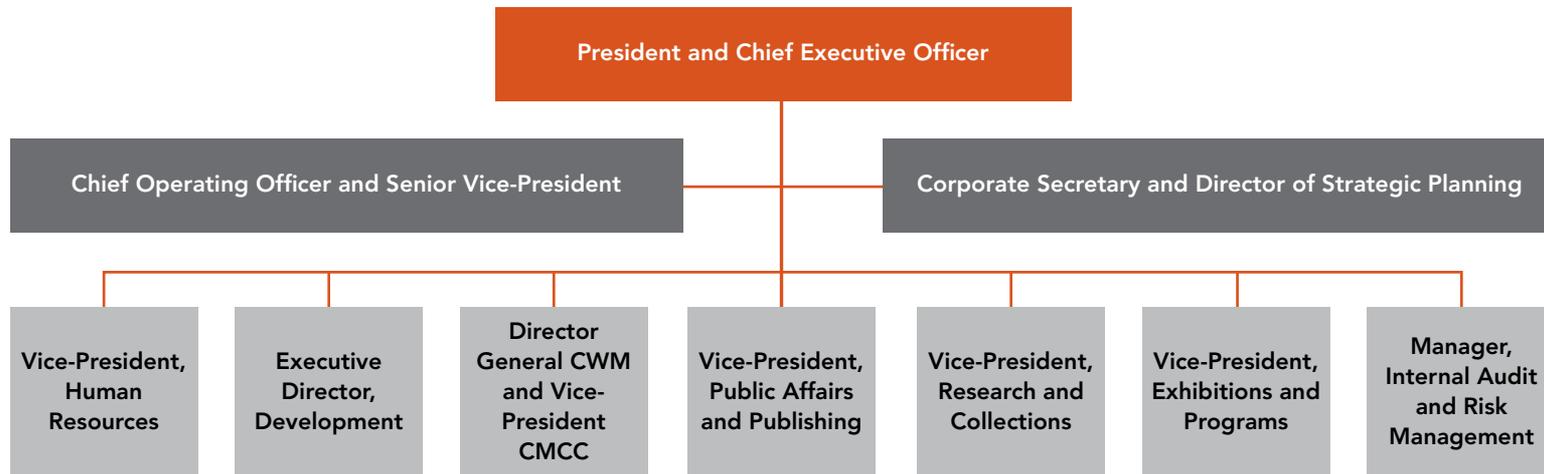
The **Governance Committee** advises the Board on matters related to corporate governance, such as application of the Corporation's bylaws.

In 2011–2012, the **Working Group on the Virtual Museum of New France** was active in the redesign of this online exhibition, including the development of new content and improved navigation.



◀ From left to right:  
 Gordon Butler, Acting Corporate Secretary  
 and Director of Strategic Planning  
 Judith Baxter, Trustee  
 Fiona Robin, Trustee  
 Christopher McCreery, Trustee (appointed in April 2012)

Absent:  
 Linda Cardinal, Trustee  
 Ken Langille, Trustee  
 Stéfanie Pelletier, Trustee



## Corporate Officers

**Mark O'Neill**

President and Chief Executive Officer

**David Loye**

Chief Operating Officer and Senior Vice-President of the Corporation

**Gordon Butler**

Acting Corporate Secretary and Director of Strategic Planning

## Members of the Corporation's Executive Committee

**Jean-Marc Blais**

Vice-President, Exhibitions and Programs

**Michèle Canto**

Director, Marketing and Business Operations

**Michel Cheff** (until November 30, 2011)

Director, Special Initiatives

**Tony Glen**

Acting Director, Collections Management and Planning, Canadian War Museum

**Elizabeth Goger**

Vice-President, Human Resources

**Moira McCaffrey**

Vice-President, Research and Collections, Canadian Museum of Civilization

**Dean Oliver**

Director, Research and Exhibitions, Canadian War Museum

**Robert Ryan**

Executive Director, Development

**Chantal Schryer**

Vice-President, Public Affairs and Publishing

**James Whitham**

Acting Director General, Canadian War Museum and Vice President, CMCC



## Members of the Board

### **André E. Audet, Vice-Chair**

*Montréal, Quebec*

Mr. Audet has directed and co-founded organizations in both the business and cultural sectors. He is a former president of Capda Capital Corporation, was a founder and owner of the Brome Financial Corporation and is currently a trustee of Novocap I. Mr. Audet has served as Vice-President and Administrator of Montréal's Théâtre de Quat'Sous, as Chair of the Investment Committee of the Canada Council for the Arts and as Administrator of the Orchestre symphonique de Montréal. He has a Master's degree in Commerce from Université Laval and a Bachelor's degree from the Université de Montréal.

### **Judith Baxter, Trustee**

*Clifton Royal, New Brunswick*

Ms. Baxter has worked as an artist, writer and commercial illustrator, and is a tireless volunteer activist and community organizer. She currently sits on the Boards of the New Brunswick Museum and the Grace Foundation, and was founding director of the Kingston Farmers Market, the Clifton Royal Recreation Council, and the John Fisher Memorial Museum.

### **Linda Cardinal, Trustee**

*Ottawa, Ontario*

Ms. Cardinal is a Professor in the School of Political Studies at the University of Ottawa and occupies the University's Research Chair on Francophonie and Public Policy. She has also occupied the Research Chair in Canadian Studies at the Université Sorbonne Nouvelle in Paris and the Craig Dobbin Chair of Canadian Studies at University College Dublin. In 2008, Ms. Cardinal was the Peter O'Brien Fellow at the School of Canadian Irish Studies of Concordia University in Montréal. In 2010, she was awarded the Prix d'excellence en recherche from the University of Ottawa Faculty of Social Sciences and, in 2011, the Clef de voûte from the Fédération de la jeunesse franco-ontarienne.

### **Duncan Dee, Trustee**

*Ottawa, Ontario*

Mr. Dee is Executive Vice-President and Chief Operating Officer of Air Canada, overseeing all of the company's operations and customer-service functions. Mr. Dee has an extensive background in marketing and communications, including his tenure as Executive Vice-President, Customer Experience at Air Canada, where he was responsible for all aspects of the customer experience throughout the airline's worldwide network. In 2004, he received Canada's Top 40 Under 40 Award, which recognizes young Canadian business leaders.

### **Fredrik Stefan Eaton, O.C., O. Ont., Chair (until June 3, 2011)**

*Toronto, Ontario*

Mr. Eaton held various positions at the T. Eaton Company Limited, which he joined in 1962, rising to President, Chairman and CEO, a position he occupied for 10 years. He is currently Chair of the White Raven Capital Corporation. In the early 1990s, he also served as Canada's High Commissioner to the United Kingdom.

### **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. In addition, Mr. Langille has long 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, C.M.M., C.D., Chair**  
Kars, Ontario

General 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, following 40 years of service, General Leach was Chief of the Land Staff and Commander Land Force Command. He still holds two honorary appointments granted by the Minister of National Defence. He was an executive at both Honeywell Canada and Mincom Australia and is the immediate Past-President and Chair of the Board of the Friends of the Canadian War Museum. In addition, he serves on the Executive Committee of the Military Families Fund 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).

**Stéfanie Pelletier, Trustee**  
Montréal, Quebec

Ms. Pelletier is Vice-President of Finance at the Laurentian Bank, where she is responsible for the Bank's strategic planning and financial certification, accounting and financial systems, as well as analyses and profitability forecasts. From 2005 to 2010, she served as Chief Financial Officer of the French bank Société Générale (Canada Branch), for whom she had previously worked as Internal Audit Manager. Ms. Pelletier has also worked in the Québec, Montréal and Paris offices of Ernst & Young. She has been a member of l'Ordre des comptables agréés (Order of Chartered Accountants) since 1997 and a finalist for the Financial Executives International Canada 2012 Aces of Finance Award.

**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 numerous 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*.

**Laurie M. Watson, Trustee**  
Calgary, Alberta

Ms. Watson is President of Merlin Edge Inc., a communications company with annual revenues of nearly \$3 million, specializing in marketing, investor relations and corporate communications. Ms. Watson was previously communications manager for the Reform Party of Canada. She has also worked as a journalist and was Bureau Chief for United Press International, where she managed the wire service's first bureaus in Canada.



# Highlights: Year at a Glance



**McMann's Bear**  
The bear was shot in 1917 in the Yukon Territory, Canada. It was the largest brown bear ever recorded in North America, weighing in at 1,250 pounds. The bear was shot by a trapper named John McMann and was later donated to the Smithsonian Institution. It is now on display in the National Museum of Natural History.



ROYAL TOUR 2011 © HER MAJESTY THE QUEEN IN RIGHT OF CANADA, (2011) RICHARD LAWRENCE FOR VETERANS AFFAIRS CANADA

- ◀ During their tour of Canada in the summer of 2011, the Duke and Duchess of Cambridge visited the Museum of Civilization and the War Museum, where they unveiled the painting *The Canadians Opposite Lens* by British artist Augustus John.



MARIE-LOUISE DERUAZ IMG2012-0232-0001-FDM

◀ The silver “last spike” that symbolizes the 1885 completion of the Canadian Pacific Railway.

Author Sharon Jennings reads one of her stories as part of the Best Books reading series at the Children’s Museum. ▶



MARK HOLLERON IMG2011-0362-0001-FDM

## NEW PRESIDENT AND CEO

**Mark O’Neill** became the new President and CEO of the Canadian Museum of Civilization Corporation in June 2011. His experience in various executive positions with the Corporation over the past decade (including Director General of the Canadian War Museum) gives Mr. O’Neill an in-depth knowledge of the mandate and operations of both Museums. He replaced David Loye, who ably served as Acting President and CEO following Dr. Victor Rabinovitch’s retirement in May 2011.

## NEW CHAIR OF THE BOARD OF TRUSTEES

**Lieutenant General (Ret’d) William (Bill) Leach** was appointed Chair of the Corporation’s Board of Trustees in February 2012. General Leach retired from the military in 2000, following a 40-year career in the Canadian Army and the Canadian Forces. He later worked as an executive in the private sector, and since 2010 has devoted his energy to volunteer causes, including serving as President and Chair of the Board of the Friends of the Canadian War Museum.

## ACQUISITIONS

A dramatic watercolour by artist and Arctic explorer Admiral Sir George Back was acquired by the Museum of Civilization at auction in Britain. Admiral Back commanded the **HMS Terror** on its first Arctic expedition in 1836–1837. The watercolour depicts an episode from that voyage, in which the *Terror* faces an immense iceberg, towering 100 metres over the ship in waters off the southeastern coast of Baffin Island. The existence of this painting—an invaluable visual record of early exploration in the Canadian Arctic—only recently came to light.

Acquisition of the Sir William Van Horne Collection brings the Museum of Civilization many outstanding artifacts detailing the life and accomplishments of this celebrated railway magnate. Donated by the Van Horne estate, this collection includes the ceremonial “Last Spike,” which commemorated completion of the Canadian Pacific Railway—a pivotal historical moment symbolizing Canada’s transformation into a modern, industrial nation.



◀ Special event in the Grand Hall at the Museum of Civilization, part of the 2012 JUNO Awards celebrations in Ottawa.

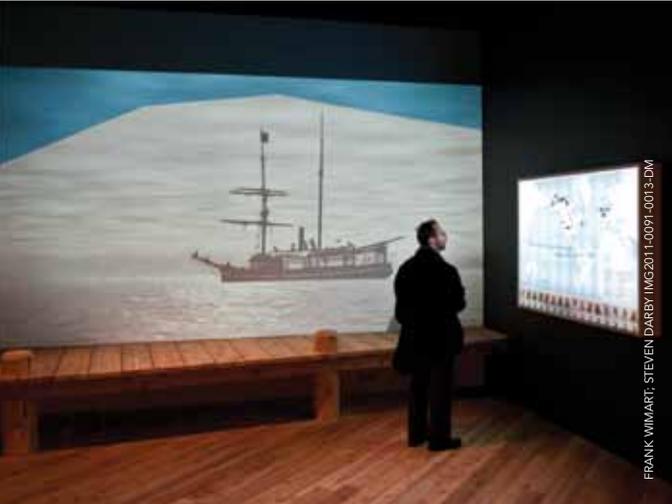
New Brunswickers in Wartime, 1914–1946, adapted from an exhibition created by the New Brunswick Museum, was presented at the War Museum. ▶



The Canadian War Museum acquired the **Victoria Cross awarded to First World War soldier John Francis Young**, a Canadian stretcher-bearer with the 87th Infantry Battalion. On September 2, 1918, during a battle near Dury in northern France, Private Young came to the aid of wounded soldiers, undaunted by heavy shelling, machine-gun fire and a complete lack of cover. The 25-year-old soldier later led stretcher parties to retrieve the men he had treated on the battlefield. For these actions, he received the Victoria Cross: the British Commonwealth's highest award for bravery. The Canadian War Museum now houses 32 of the 94 Victoria Crosses awarded to Canadians.

## ROYAL VISIT

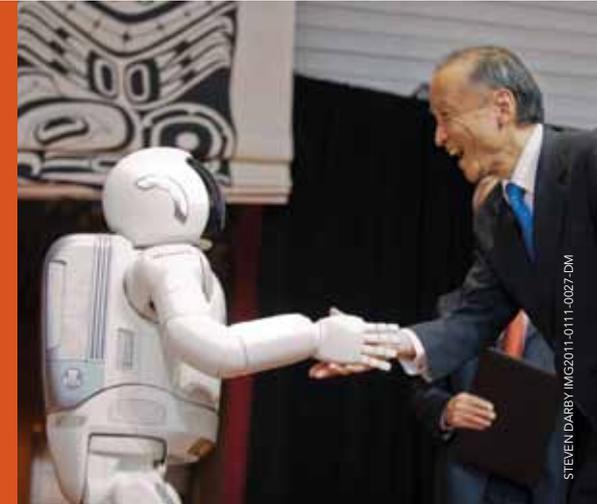
On a Canadian tour that brought them to the War Museum and the Museum of Civilization, the **Duke and Duchess of Cambridge** unveiled the painting *The Canadians Opposite Lens* by British artist Augustus John. Originally commissioned by Lord Beaverbrook as the centerpiece for a proposed (but never built) Canadian war memorial art gallery, the work was recently acquired through the Corporation's National Collection Fund.



FRANK WIMART; STEVEN DARBY IMG2011-0091-0013-DW

◀ The exhibition **Expedition: Arctic, 1913–1918** was presented at the Museum of Civilization.

ASIMO, the world's most advanced humanoid robot, demonstrated its many abilities during the opening of the exhibition **Japan: Tradition. Innovation.** ▶



STEVEN DARBY IMG2011-0111-0027-DW

## EXHIBITIONS

The Canadian Arctic Expedition of 1913–1918 was the subject of a stunning exhibition entitled **Expedition: Arctic, 1913–1918** at the Museum of Civilization. Produced in collaboration with the Canadian Museum of Nature, it featured 250 outstanding artifacts, some on public display for the first time. In addition to tools, clothing and supplies used by explorers and by the Copper Inuit, as well as natural specimens collected during the Expedition, the exhibition also featured film footage shot during years of travel on sea, ice and land.

**New Brunswickers in Wartime, 1914–1946**, brought to life the stories of ordinary people living through extraordinary times. Organized and first presented by the New Brunswick Museum, the exhibition featured more than 300 artifacts and archival items from 45 lenders. The exhibition was adapted for presentation at the War Museum with, among other things, original works of art from the Museum's Beaverbrook War Art Collection. The exhibition focused on the personal stories of New Brunswick citizens from all walks of life who served in uniform or in wartime industries.

## COLLABORATIONS

The Museum of Civilization partnered with the Canadian Academy of Recording Arts and Sciences to present **Celebrating the JUNOS: Photographs and Album Artwork**. Two special displays featured the cover art for every JUNO-winning album since 1975, as well as photographs documenting the evolution of Canadian popular music over the past 40 years. These displays coincided with the presentation of the 2012 JUNO Awards in Ottawa.



STEVEN DARBY / IMG2012-0227-0003-BM

- ◀ During the “human library” event at the War Museum, members of the public could “check out” a person and enjoy an informative conversation with a “human book.”

The Canadian War Museum partnered with the Ottawa Public Library and CBC Ottawa to host a **“human library”** event. Human libraries centre around interesting people rather than books: users can “check out” a person at the library and enjoy an informative 20-minute conversation. Some 60 people from the National Capital Region volunteered to share their experiences, stories and knowledge in the human library. Participants included an Algonquin spiritual advisor and a Canadian Forces Officer who has an Afghan school named after her.

## SPONSORSHIP AND PARTNERSHIP

The exhibition **Japan: Tradition. Innovation.** set a new standard for creative partnership. Multiple sponsors—Presenting Sponsor Subaru Canada, Supporting Sponsor Anritsu Electronics, as well as the Japan Foundation, the Japan World Exposition Fund, Toshiba International Foundation, and PARO Robots U.S.—helped make the exhibition an outstanding success. Opening Sponsor Honda Canada added a touch of magic with appearances by ASIMO, the world’s most advanced humanoid robot, which delighted audiences with its ability to walk, run and interact with humans.

The Museum of Civilization’s close working relationships with the National Museum of Japanese History in Sakura, Japan, and with the Japanese embassy in Ottawa helped ensure that the exhibition opened on schedule, despite devastation caused by the March 2011 Japanese earthquake and tsunami.

## PUBLIC PROGRAMS

In conjunction with the **Much More Munsch** exhibition, the Canadian Children’s Museum presented the *Best Books* children’s reading series. The series featured presentations by author/illustrator Marie-Louise Gay, author Sharon Jennings, author/illustrator Barbara Reid, author/illustrator Frank Edwards and author Geneviève Côté. The hands-on sessions were designed to make reading fun for children.



◀ The renovated gardens on the Museum of Civilization's front plaza were recognized by the Canadian Society of Landscape Architects.

Suzanne Sauvage, President and CEO of the McCord Museum; Mark O'Neill, President and CEO of the Canadian Museum of Civilization Corporation; and Nathalie Macfarlane, Director of the Haida Gwaii Museum, signing a partnership to produce the new traveling exhibition **Haida: Life. Spirit. Art.** ▶



## TRAVELLING EXHIBITIONS

The Canadian Museum of Civilization joined with Montréal's McCord Museum and the Haida Gwaii Museum in Skidegate, British Columbia to create a travelling version of the acclaimed exhibition **Haida: Life. Spirit. Art.** The exhibition's tour of European museums will introduce new audiences to the remarkable sophistication and complexity of Haida culture. The new travelling version of this exhibition features contemporary Haida voices and perspectives, in addition to the outstanding historical and contemporary artworks that were part of the exhibition's earlier incarnations.

Travelling exhibitions are an important activity for both the Museum of Civilization and the War Museum. By sending several travelling exhibitions to 17 venues in five provinces, the Corporation enriched the museum experience for more than 150,000 people across Canada in 2011–2012.

## IMPROVEMENTS

A much-anticipated re-launch of the **Virtual Museum of New France** in June 2011 brought fresh content and dynamic new design features to the popular site. Highlighting the history of French influence in North America from Acadia to Louisiana, this online museum includes new sections on topics such as immigration, social groups, slavery, religious communities, food and

entertainment. The textual treatment of New France's rich history is enlivened by some 300 new images and photographs, and by features such as animated maps and floating menus.

The opening of the new **Bistro Boréal** in February 2012 introduced another distinctive form of creative expression to the Museum of Civilization. Renowned chef George Laurier has created an elegant yet affordable menu based on classic Canadian ingredients. With its striking décor and personalized service, Bistro Boréal provides an ideal venue for a business lunch or a memorable dinner—as well as the perfect place to take a break during a Museum visit.

## ACCOLADES

In May 2011, Ottawa Tourism presented the Canadian Museum of Civilization and the National Capital Commission with its **Partnership of the Year 2010** award. The award was made in recognition of the CMC–NCC collaboration on opening ceremonies for Winterlude 2010: a festival that attracted over 13,000 people to the grounds of the Museum.

**The transformation of the Museum of Civilization's plaza** from a “hardscape” to a textured Prairie grassland was recognized by the Canadian Society of Landscape Architects. The society presented a Regional Citation for Landscape Management to Claude Cormier Architectes Paysagistes, in collaboration with Ædifica Architecture et Design. The plaza redesign is in keeping with the original vision of Museum architect Douglas Cardinal, and compliments the building's curvilinear design while also reinforcing his evocation of the Great Plains of North America.





FRANK WIMMART IMG3012-0001-0002-DW

◀▶ The new Bistro Boréal opened in February 2012 at the Museum of Civilization.



FRANK WIMMART IMG3012-0018-0077-DW



MARIE-LOUISE DERUAZ IMG3012-0008-0001-DW



STEVEN DARBY/IMG2012-0025-0004-DM

◀ This Jasperware tea service from the Vachon Collection was produced by Wedgwood Pottery (U.K.) around 1905, and features the pre-1876 Canadian coat of arms.

▶ This stackable tea service, decorated with the 1921 Canadian coat of arms, is part of the Vachon Collection.

The Canadian Cultural Property Export Review Board designated the Museum of Civilization's **Vachon Collection as being of "outstanding significance and national importance."** The collection was donated to the Museum by Auguste Vachon and Paula Gornescu-Vachon in 2010. It consists of over 1,000 objects such as plates, bowls and ceramic pieces featuring Canadian coats of arms, armorial bearings, insignia and other heraldic symbols representing Canadian provinces, municipalities and local and national institutions. The oldest object dates back to 1810.

The War Museum's Second World War historian, Dr. Jeff Noakes, was shortlisted for the **2012 Canadian Political History Book Prize**, which is awarded by the Canadian Historical Association. Dr. Noakes's book, *Acts of Occupation: Canada and Arctic Sovereignty*, co-authored with historian Janice Cavell, examines the early days of Canada's Arctic policy.



STEVEN DARBY/IMG2012-0025-0003-DM

# Achievements: The Year in Review



STEVEN DARBY IMG2012.0227.0010.DM



RYAN MCCOSHAW CWM2011-0092.0104.DM

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's priorities and policy objectives related to openness, transparency and accountability. In June 2011, the Corporation finalized and implemented its Performance Measurement Framework, following three years of development. Because the Corporation was in a period of transition from the former Framework, the results and analysis presented below reflect a review of the 2011–2012 fiscal year in relation to each of the Strategic Directions, as well as new performance measures.

Results within 10% of target or surpassing target.

Results within 10–24% of target.

Results 25% or more off target.

## 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.



▲ David Jacobson, U.S. Ambassador to Canada, speaking at the advance screening of the documentary *The War of 1812* at the War Museum in February 2012.

## 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.

## Results by Performance Measurement Indicator

	RESULT	TARGET
<b>NUMBER OF NEW OPENINGS FOR TRAVELLING EXHIBITIONS</b>	<b>14</b>	<b>15</b>
<b>HIGHLIGHTS</b>		
Lace Up!: Glanmore National Historic Site – February 11, 2012		
Profit and Ambition: The RCA Museum – January 26, 2012		
Wind Work, Wind Play: Peterborough Museum and Archives – January 15, 2012		
<b>ANALYSIS</b>		
One temporary exhibition was cancelled by the host venue. As results were in line with targets, no action was required.		

	RESULT	TARGET
<b>ONSITE ATTENDANCE (IN 000'S)</b>	<b>1,671</b>	<b>1,625</b>
Canadian Museum of Civilization	1,200,000	
Canadian War Museum	425,000	
<b>ATTENDANCE FOR PERMANENT EXHIBITIONS</b>		
<b>Canadian Museum of Civilization</b>		
• Canadian Children's Museum	438	440
• Canada Hall	383	388
• Canadian Postal Museum	239	232
• First Peoples Hall	218	227
• Canadian Personalities Hall	170	195
<b>Canadian War Museum</b>		
• LeBreton Gallery	206	200
<b>ANALYSIS</b>		
As results were in line with targets, no action was required.		

	RESULT	TARGET
<b>PAID ATTENDANCE (IN 000'S)</b>	<b>721</b>	<b>740</b>
<b>Canadian Museum of Civilization</b>		
• Individuals	323	343
• Groups	171	177
<b>Canadian War Museum</b>		
• Individuals	150	147
• Groups	77	73

#### ANALYSIS

Variance in paid attendance was within 2.6% of target. As results were in line with the target, no action was required.





	RESULT	TARGET
NUMBER OF WEB PAGES VIEWED (IN 000'S)	11,873	12,000

#### HIGHLIGHTS

- New websites were launched for both Museums.
- Four new web modules were produced, adding fresh content to the Museum of Civilization website.
- The web-content management system was updated to a newer version, resulting in faster response times for visitors.
- Improvements to the web server helped generate more traffic to the websites.

#### ANALYSIS

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

	RESULT	TARGET
VIRTUAL MUSEUM OF NEW FRANCE: WEB PAGES VIEWED (IN 000'S)	395	250

#### HIGHLIGHTS

- There has been a 50% increase in page views, due to traffic from The Explorers module.

#### ANALYSIS

As results exceed targets, no action was required.

	RESULT	TARGET
NUMBER OF MEDIA ITEMS/REPORTS (IN 000'S)	6,718	4,000

#### Events or Activities Generating the Greatest Media Coverage

##### Exhibition openings:

- **Profit and Ambition: The Canadian Fur Trade, 1779–1821**, was presented in Shilo, Manitoba, and generated 24 media mentions across the country.
- **New Brunswickers in Wartime, 1914–1946** opened at the Canadian War Museum in December 2011, and generated 28 media mentions.
- **Wind Work, Wind Play: Weathervanes and Whirligigs** was presented in Peterborough, Ontario, and generated 30 media mentions.
- **A Brush with War** was presented at the Art Gallery of Greater Victoria. This travelling exhibition generated 11 media mentions.
- Remembrance Day activities at the Canadian War Museum attracted significant media coverage, reaching approximately 12 million Canadians.
- The Canadian Museum of Civilization hosted a citizenship ceremony and a visit by Their Royal Highnesses, the Duke and Duchess of Cambridge.

##### Acquisitions

- Acquisition of the painting HMS *Terror* and one of her boats off a spectacular iceberg generated 96 media mentions.
- Acquisition of the Victoria Cross awarded to stretcher-bearer John Francis Young generated media mentions in outlets from Winnipeg to Montréal.

##### Partnerships

- **Celebrating the JUNOS: Photographs and Album Artwork** generated 42 media mentions across the country.

#### ANALYSIS

As results exceed targets, no action was required.



	RESULT	TARGET
<b>NUMBER OF ARTIFACTS ON LOAN</b>	<b>1,697</b>	<b>1,500</b>
<b>Major Loans</b>		
<ul style="list-style-type: none"> <li>• National Gallery of Canada: Artifacts and artworks for Art of this Land, the Gallery's permanent exhibition on early Canadian art.</li> <li>• Senate of Canada: The maquette for the War memorial commemorating St-Julien in Belgium for their Remembrance Week ceremonies.</li> <li>• Kingston Naval Reserves: A ship's bell from HMCS <i>Inch Arran</i>.</li> <li>• Embassy of France: The Vimy medallion worn by King Edward VII at the 1936 Vimy Memorial opening in France for a reception hosted by the Vimy Foundation.</li> <li>• Huron-Wendat Museum: A wampum belt, which is actually two belts combined into a bandolier, that once belonged to Maurice Bastien, Jr. (Sarenhes), Grand Chief of the Lorette Hurons, ca. 1860–1942.</li> <li>• Ottawa Art Gallery: A contemporary Aboriginal art piece, <i>Star Blanket</i>, by artist Wally Dion.</li> </ul>		
<b>ANALYSIS</b>		
As results were in line with targets, 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

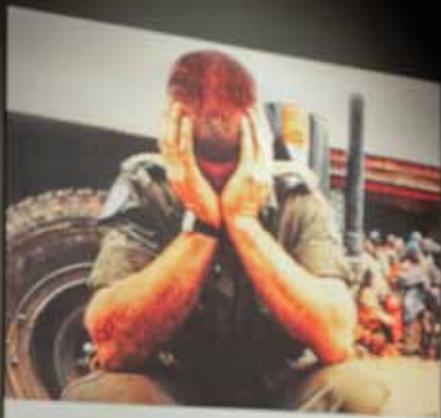
- Identify strengths and weaknesses in the existing collection. The Corporation will focus on future acquisition strategies to fill gaps and strengthen under-represented subject areas.
- Advance curatorial research to better reflect the Corporation's mandate, with an emphasis on the subject areas requiring 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 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

	RESULT	TARGET
<b>NUMBER OF PERMANENT EXHIBITION MODULES AND TEMPORARY EXHIBITIONS OPENED</b>	<b>13</b>	<b>14</b>
<b>Permanent Exhibition Modules</b>		
<b>Canadian War Museum</b>		
<ul style="list-style-type: none"> <li>• Berlin Wall: A piece of the Berlin Wall recently acquired by the Museum, along with accompanying materials, were installed as a permanent exhibition in Gallery 4.</li> <li>• Merchant Navy: Additional artifacts and images were added in a substantial redesign of a module in Gallery 3.</li> </ul>		
<b>Canadian Museum of Civilization</b>		
<ul style="list-style-type: none"> <li>• First Peoples Hall: Revitalized Zone 3 by adding large-format images, raising lighting levels, and providing easier access to artifacts.</li> </ul>		
<b>Temporary Exhibitions</b>		
<ul style="list-style-type: none"> <li>• Please see <b>Special Exhibitions</b></li> </ul>		
<b>ANALYSIS</b>		
As results were in line with targets, no action was required.		



## THE MIND

War and violence can cause invisible injuries. Psychological injuries pose challenges of diagnosis and treatment. The lingering effects of war on the mind can last long after the fighting ends.

## L'ESP

La guerre et la violence peuvent causer des blessures invisibles. Les blessures psychologiques posent des défis de diagnostic et de traitement. Les effets de la guerre sur l'esprit peuvent durer longtemps après la fin des combats.

MARK HOLLERON, CWM2011-0042-0049-DM

▲  
Display panel inside the exhibition  
War and Medicine at the War Museum.

	RESULT	TARGET
PERCENTAGE OF KEY RESEARCH PROJECTS THAT ARE PROGRESSING AS PLANNED OR ARE COMPLETED	93%	90%

### HIGHLIGHTS

- Canada 150: Research leading to a major historical exhibition in 2017 to commemorate the 150<sup>th</sup> anniversary of Confederation. Preliminary concept development and selection of an Advisory Committee have been completed.
- **A Queen and Her Country:** Research, artifact selection and text writing.
- **New Brunswickers in Wartime:** Content and research was completed, and an exhibition was presented in December.
- The **1812** temporary exhibition: Storyline refined, artifact research and selection.
- A.Y. Jackson, Otto Dix and Artists of the First World War: Research of themes and selection and research of works of art.
- Vodou exhibition: Research undertaken within the Haitian community, in order to add new information (texts, photographs and video) on Vodou as practiced within Canada, and specifically Montréal's Haitian community.

### ANALYSIS

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

	RESULT	TARGET
NUMBER OF ARTIFACTS ACQUIRED	5,765	3,500

### Major Acquisitions

- **Van Horne Collection:** A significant collection documenting Sir William Cornelius Van Horne's history as a railway magnate—notably the Canadian Pacific Railway's famous "Last Spike"—as well as numerous family items (place settings, paintings, medals, desk, etc.).
- **HMS Terror:** this watercolour painting by Admiral George Back (1796–1878) depicts the HMS *Terror* and one of her boats in front of a spectacular iceberg, possibly in the Davis Strait between Canada and Greenland.
- **Powder horn and two pitchers:** A Quebec lead-mounted powder horn, made in Saint-Eustache, 1860, and two French pewter baluster-form jars.
- **Medal set of Lieutenant-Colonel Hercule Barré:** Hercule Barré was the commanding officer of the 150<sup>th</sup> Battalion of the Canadian Expeditionary Force during the First World War. He appears in an iconic recruiting poster in the Museum's collection.
- **Corporal Joseph Edouard Raymond Normand Collection:** A collection contained in a 276-page scrapbook featuring photographs, certificates, letters and documents outlining the military career of Corporal Normand, who served with the Régiment de Trois-Rivières during the Second World War.
- **Raven's Tail Dance Robe:** A commissioned piece using the complex Raven's Tail weaving style created by Evelyn Vanderhoop (Haida) from Masset, British Columbia.
- **Three account books** (1864–1920) related to the personal finances of General Sir William Dillon Otter.
- **Victoria Cross medal set and greatcoat of Private John Francis Young:** Private Young received the Victoria Cross—the British Commonwealth's highest award for bravery—for heroic actions on September 2, 1918, during a battle near Dury in northern France during the First World War.

### ANALYSIS

As results exceed targets, no action was required.



BILL KENT CWM20110065-001

▲  
Victoria Cross medal set awarded to Private John Francis Young.



STEVEN DABRY / ICG3611-0003-0012.DM

▲  
A technician dusts one of the totem poles in the Grand Hall during the Museum of Civilization's annual week of maintenance.

### 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

	RESULT	TARGET
<b>PERCENTAGE OF KEY PERFORMANCE GOALS IN THE CORPORATE PLAN THAT ARE PROGRESSING AS PLANNED</b>	<b>79%</b>	<b>90%</b>
<b>HIGHLIGHTS</b>		
<ul style="list-style-type: none"> <li>• <b>1812:</b> Temporary exhibition, as well as a travelling exhibition, is developing as planned.</li> <li>• The Travelling Exhibition Program will make 10 new exhibitions available. There are currently 13 exhibitions on the road, and the upcoming <b>1812</b> exhibition tour is fully booked.</li> <li>• Develop and deliver a First World War centennial program: Project development and planning continues to progress as planned.</li> </ul>		
<b>ANALYSIS</b>		
Major exhibition-renewal projects that were planned for the reporting period were put on hold to allow the new President and CEO to review priorities.		

## Summary of Performance

The Corporation met one 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 Corporate Plan goals that are progressing as planned, the number of audits and reviews completed; or capital projects approved by the Board that are progressing as planned. This can be attributed to delays in major projects, made in order to allow the new President and CEO time to review priorities and resources. The completion of capital projects is also dependent upon funding.

	RESULT	TARGET
<b>NUMBER OF AUDITS AND REVIEWS COMPLETED</b>	<b>3</b>	<b>4</b>
<b>HIGHLIGHTS</b>		
<ul style="list-style-type: none"> <li>• Audit of Lending Practices for Artifacts completed.</li> <li>• Audit of Pay and Benefits.</li> <li>• Review of cheque processing.</li> </ul>		
<b>ANALYSIS</b>		
The Audit of Travelling Exhibitions was deferred to 2012–2013.		

	RESULT	TARGET
<b>NUMBER OF FOLLOW-UP ACTIONS ON AUDIT RECOMMENDATIONS THAT ARE PROGRESSING AS PLANNED</b>	<b>20</b>	<b>21</b>
<b>HIGHLIGHTS</b>		
<ul style="list-style-type: none"> <li>• Use Public Sector Code of Ethics to review and update the Corporation's policies and practices. The Corporation's Code of Conduct was implemented on March 27, 2012.</li> <li>• The final self-assessment for the Board of Trustees was presented in January 2012.</li> </ul>		
<b>ANALYSIS</b>		
As results were in line with targets, no action was required.		



FRANK WINDERT / IMC2011 / CC BY-NC-SA

▲  
Raven's Tail weaving of a dance robe using the complex style created by Evelyn Vanderhoop (Haida).

	RESULT	TARGET
NUMBER OF CAPITAL PROJECTS APPROVED BY THE BOARD OF TRUSTEES THAT ARE PROGRESSING AS PLANNED	3	6

#### HIGHLIGHTS

- Completion of Humidity Ventilation and Air Conditioning controls retrofit project.
- Construction of a new restaurant (Bistro Boréal).
- Completion of the exterior pavers replacement project.
- Wayfinding project continues to progress as planned.

#### ANALYSIS

The Chiller 232 Replacement Project and the new Restaurant Construction Project (Bistro Boréal) were completed during the reporting period. The Collections Mezzanine Project has been deferred to 2012–2013. No further action is required at this time.

## 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

	RESULT	TARGET
<b>DOLLAR VALUE OF FUNDRAISING ACTIVITIES (IN 000'S)</b> <i>Note: Does not include in-kind gifts and confirmed pledges.</i>	<b>\$1,159</b>	<b>\$1,130</b>
<b>ANALYSIS</b> As results were in line with target, no action was required.		

	RESULT	TARGET
<b>DOLLAR VALUE OF REVENUE-GENERATING ACTIVITIES (IN 000'S)</b>	<b>\$15,108</b>	<b>\$15,004</b>
• Admission Fees	\$4,913	\$4,826
• IMAX	\$1,497	\$1,925
• Boutique	\$1,716	\$1,887
• Facility Rentals, Food Services and Parking	\$3,619	\$3,520
<b>ANALYSIS</b> As results were in line with target, no action was required.		

## Summary of Performance

The Corporation met 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.



PRIVATE COLLECTION

◀ Portrait of Margaret Pictou LaBillois, as displayed in **New Brunswickers in Wartime, 1914–1946.**

Display showcase in the exhibition **Expedition: Arctic, 1913–1918.** ▶



FRANK WIMART/IMG2011-0091-001-4-DN

## CANADIAN WAR MUSEUM

**WAR AND MEDICINE**—MAY 26 TO NOVEMBER 15, 2011

**War and Medicine** explored the uneasy and evolving relationship between warfare and the medical profession. Hundreds of powerful artifacts and striking images highlighted the personal experiences of medical practitioners and their patients in wartime. *An exhibition created by the Welcome Collection, London and the Deutsches Hygiene-Museum, Dresden.*

**NEW BRUNSWICKERS IN WARTIME, 1914–1946**—DECEMBER 22, 2011 TO APRIL 9, 2012

**New Brunswickers in Wartime** focused on the experience of New Brunswickers during the First and Second World Wars—at sea, on land, in the air and on the home front. This was an adaptation of a highly successful exhibition created by the New Brunswick Museum. *An exhibition from the New Brunswick Museum.*

## CANADIAN MUSEUM OF CIVILIZATION

**EXPEDITION: ARCTIC, 1913–1918**—APRIL 21, 2011 TO APRIL 15, 2012

**Expedition: Arctic** invited visitors to follow in the footsteps of the scientists, explorers, Inuit guides and others who took part in this historic Arctic adventure. The exhibition revisited the goals, human drama and achievements of the Expedition, exploring its impact on the peoples and landscapes of Canada's Far North. Ultimately, the Expedition would redraw the map of the Arctic and expand our understanding of its environment and cultures. *Produced in collaboration with the Canadian Museum of Nature.*

**GODS: A USER'S GUIDE**—DECEMBER 2, 2011 TO SEPTEMBER 3, 2012

**Gods: 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).*



◀ Inside the exhibition *Gods: A User's Guide*.

Stamp produced by the Barbados Postal Service to commemorate the Golden Jubilee of Queen Elizabeth II in 2002. ▶



© THE BARBADOS POSTAL SERVICE

#### **JAPAN: TRADITION. INNOVATION.—MAY 19 TO OCTOBER 10, 2011**

**Japan: Tradition. Innovation.** explored the astonishing ways in which Japan's cutting-edge technology and design reflect earlier traditions. This spectacular exhibition, developed in partnership with the National Museum of Japanese History in Sakura, Japan, juxtaposed contemporary design with historical artifacts from the Edo Period (1603–1867). Five themes—travel, automation, social status, consumer culture and entertainment—explored how traditional influences have shaped contemporary Japan and touched the wider world. *Developed with the assistance of the National Museum of Japanese History in Sakura, Japan and the Embassy of Japan in Canada, and supported by the Toshiba International Foundation.*

#### **CANADIAN CHILDREN'S MUSEUM**

##### **CHILDREN OF HANGZHOU—JUNE 4 TO SEPTEMBER 12, 2011**

**Children of Hangzhou** combined tradition with contemporary life as visitors explored a school, a city apartment, a traditional opera theatre, a library and a farm from the viewpoint of four young people. *Produced by Boston Children's Museum for the Youth Museum Exhibit Collaborative.*

##### **MUCH MORE MUNSCH—OCTOBER 8, 2011 TO APRIL 11, 2012**

This whimsical exhibition immersed visitors in well-known and beloved stories by Robert Munsch, the internationally celebrated Canadian author and storyteller whose stories for children reflect the joys and challenges of everyday family life. *Produced by the Manitoba Children's Museum and London Regional Children's Museum.*

#### **CANADIAN POSTAL MUSEUM**

##### **DESIGNED FOR A QUEEN: CELEBRATING THE 60-YEAR REIGN OF QUEEN ELIZABETH II THROUGH STAMPS—MARCH 19 TO OCTOBER 8, 2012**

**Designed for a Queen** features 645 postal portraits of Queen Elizabeth II, illustrating her life since her ascension to the throne in 1952. These stamps, from some 40 countries and territories, are remarkable for their quality, diversity and the choice of portraits on which they are based.

# Travelling Exhibitions



In 2011–2012, 11 exhibitions travelled to 17 venues, or a total of 21 presentations in five provinces. Together, they were seen by more than 150,000 visitors.

#### **Afghanistan: A Glimpse of War**

- 1 The Military Museums, AB  
(March 1 to July 1, 2011)

#### **Pack Your Bags! A Kid's Ticket to Travel**

- 2 La Pulperie de Chicoutimi, QC  
(December 4, 2010 to May 1, 2011)
- 3 Esplanade Art & Heritage Centre, AB  
(October 1, 2011 to January 8, 2012)

#### **Top Secret: Mission Toy**

- 4 St. Catharines Museum, ON  
(January 29 to May 8, 2011)
- 5 The Exploration Place, BC  
(November 7, 2011 to January 29, 2012)

#### **Places of Power**

- 6 Scugog Shores Museum, ON  
(November 7, 2011 to February 26, 2012)

#### **The Tunit: A Palaeo-Eskimo People**

- 7 Scugog Shores Museum, ON  
(November 7, 2011 to February 26, 2012)

#### **Lace Up! Canada's Passion for Skating**

- 8 Centre d'art et d'exposition de Saint-Georges, QC  
(December 8, 2011 to January 29, 2012)
- 9 Glanmore National Historic Site, ON  
(February 11 to April 15, 2012)

#### **A Brush with War: Military Art from Korea to Afghanistan**

- 10 Art Gallery of Greater Victoria, BC  
(June 24 to September 5, 2011)

#### **Heart and Soul: Quebec Folk Art**

- 11 Royal Alberta Museum, AB  
(February 14 to May 8, 2011)
- 12 Maison des bâtisseurs, QC  
(June 13 to September 11, 2011)

#### **Inuit Prints: Japanese Inspiration**

- 13 Museum of Anthropology, BC  
(June 20 to September 25, 2011)
- 14 Japanese Canadian National Museum, BC  
(October 11 to December 3, 2011)

#### **Wind Work, Wind Play: Weathervanes and Whirligigs**

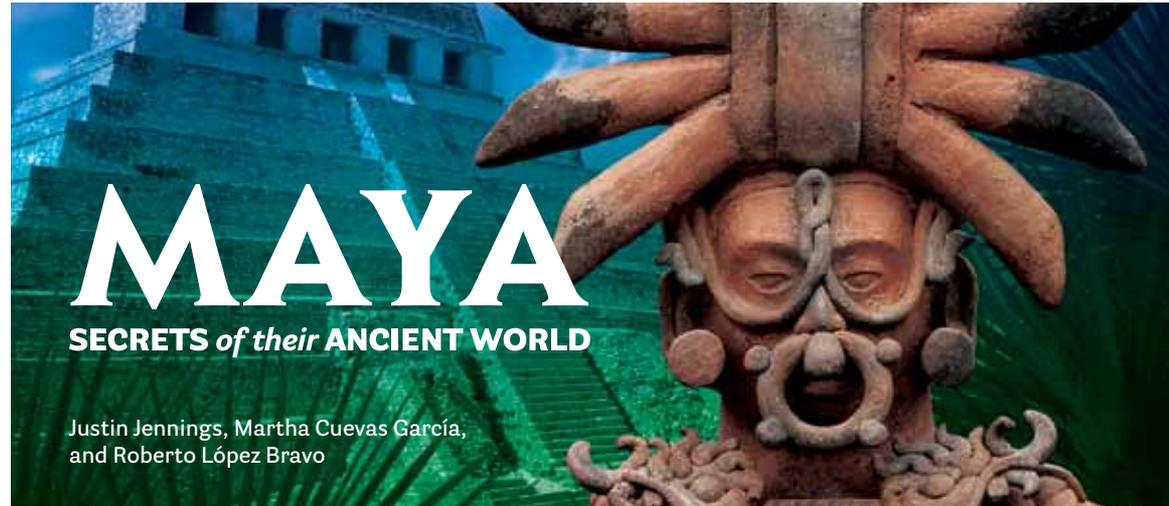
- 15 Musée régional de Rimouski, QC  
(June 12 to November 20, 2011)
- 16 Peterborough Museum and Archives, ON  
(January 15 to March 30, 2012)

#### **Profit and Ambition: The Canadian Fur Trade, 1779–1821**

- 17 Musée Château Ramezay, QC  
(May 16 to October 2, 2011)
- 18 RCA Museum, MB  
(January 26 to April 13, 2012)

# Publishing

The War Museum continued its partnership with the University of British Columbia Press to publish Studies in Canadian Military History. This series of scholarly monographs contributes to the study of Canadian military history through contemporary and innovative scholarship. It encourages the work of new scholars, as well as the investigation of important gaps in the existing literature. The War Museum also continued to support the publication of the New Brunswick Military Heritage Series and the quarterly journal *Canadian Military History*.



The following publications were supported by the War Museum:

#### **Studies in Canadian Military History**

*Corps Commanders: Five British and Canadian Generals at War, 1939-45* by Douglas E. Delaney.

*Defence and Discovery: Canada's Military Space Program, 1945-74* by Andrew B. Godefroy.

*Cold War Fighters: Canadian Aircraft Procurement, 1945-54* by Randall Wakelam.

*Canada's Road to the Pacific War: Intelligence, Strategy, and the Far East Crisis* by Timothy Wilford.

*Give Me Shelter: The Failure of Canada's Cold War Civil Defence* by Andrew Burch.

#### **New Brunswick Military Heritage Series**

*Battle for the Bay: The Naval War of 1812* by Joshua M. Smith.

*Steel Cavalry: The 8th (New Brunswick) Hussars and the Italian Campaign* by Lee Windsor.

The Museum of Civilization publishes the results of in-house curatorial research, popular books on Canadian history and culture, short catalogues to support its exhibitions, as well as various corporate materials.

This year, the Museum focused on establishing a new co-publishing partnership with the University of Ottawa Press for the Mercury Series. This long-running series is considered an important reference tool within the research community, and is designed to disseminate information relating to the Museum's research disciplines. Books that had been planned for release as part of the series in 2011–2012 have been moved to 2012–2013.

The key title published by the Museum of Civilization in 2011–2012 was a souvenir catalogue for the exhibition, **Maya: Secrets of Their Ancient World**.

# Donors, Partners and Sponsors



◀ Mark O'Neill, President and CEO of the Corporation, and Kevin P. Dougherty, President of Sun Life Financial Canada, unveiling honorary plaque at the War Museum.



Tony Paredes, General Manager of Anritsu Electronics Canada, meeting Kaoru Ishikawa, Ambassador of Japan to Canada at the opening of Japan: Tradition. Innovation. at the Museum of Civilization. ▶

Donors, partners and sponsors play a crucial role in the success of the Canadian Museum of Civilization Corporation. Financial and in-kind contributions (including the donation of artifacts) enhance the quality of public programming, as well as the Corporation's ability to preserve and share Canada's remarkable history.

During the past year, the Corporation acted upon a number of exciting opportunities to more fully engage donors, partners and sponsors, leading to increases in the impact of its programming.

## HIGHLIGHTS

### Annual Giving Increases

The Corporation is grateful to all Canadians who demonstrate their support for the collection, preservation and sharing of Canadian history. This year, through online giving, mail campaigns and monthly giving programs, the Museum of Civilization and the War Museum received more than \$300,000 in contributions from 4,025 donors across the country. The Corporation's investment in the expansion and improvement of its Annual Giving Program has nearly doubled its donor base.

### Sun Life Financial Honours Its Veterans with Commemorative Gift

A significant financial gift from Sun Life Financial Canada enabled the Canadian War Museum to join with the company in paying tribute to Sun Life employees and financial

advisors who have served in the armed forces and merchant navies of Canada and its allies. In a special ceremony on Remembrance Day, November 11, 2011, a plaque honouring these veterans was unveiled in Regeneration Hall at the War Museum.

### School Access Program Reaches Out

Donations to the School Access Program provide students in economically disadvantaged communities with an opportunity to participate in exceptional school programs offered at both the Museum of Civilization and the War Museum. This year, working with 34 schools, we welcomed over 6,655 students to our Museums through 174 tours. Funded by donations from the Cowan Foundation, MBNA Canada and the Harold Crabtree Foundation, as well as from individuals across the country, the program meets an important need. The School Access Program continues to grow, with interest from parents and schools remaining strong.

### **Operation Veteran Expands**

Operation Veteran offers complimentary meals to veterans visiting the War Museum, and educates young people about diplomacy and peacekeeping by supporting the Museum's online educational modules. During the 2011 school year, more than 50 public and private schools across Canada participated in fundraising activities for Operation Veteran. To date, more than 3,000 veterans have benefited from this program.

### **Philanthropic Partners Engaged**

**Japan: Tradition. Innovation.** was a highly ambitious exhibition made possible in large measure by collaborations with the Embassy of Japan, the Japan Foundation, the Japan World Exposition Fund, the Toshiba International Foundation and PARO Robots U.S. These contributions enabled organizers to incorporate a range of special programming and displays that enhanced the quality of the exhibition and delighted audiences. Between in-kind gifts, sponsorships and generous donations from Museum supporters, more than \$500,000 was raised in support of this exhibition.

### **Friends of the Canadian War Museum**

The Friends of the Canadian War Museum is a charitable organization that contributes volunteer expertise, knowledge and financial assistance to promote and support the Museum, its programs and its activities. A generous donation from the Friends allowed for the restoration and upgrading of the War Museum's Portrait Wall, which showcases poignant works from our remarkable Beaverbrook Collection of War Art.

## **SPONSORSHIP**

### **Subaru Canada: Presenting Sponsor of Japan: Tradition. Innovation.**

Presenting Sponsor Subaru Canada assisted the Museum of Civilization in locating and securing two iconic automobiles illustrating the evolution of Japanese design innovation over the years. The 1958 Subaru 360 provided a fitting example of how Japanese companies pioneered the development of small, affordable vehicles. The new Subaru Legacy on display in the Museum of Civilization lobby represented the next phase of innovation, which transformed the Japanese auto sector into a leader and innovator within all sectors of the international automobile market.

### **Honda Canada: Opening Sponsor of Japan: Tradition. Innovation.**

Opening Sponsor Honda Canada helped the programming team realize a part of its vision by bringing the world-famous, crowd-pleasing humanoid robot ASIMO to the exhibition. Fifteen public demonstrations of ASIMO's remarkable talents provided over 9,000 visitors with a spellbinding journey to the newest frontier of Japanese technological innovation. Honda also supplied a vintage 1964 Super-Cub motorcycle and a 1974 Complex Vortex Controlled Combustion engine: a revolutionary piece of technology that reduces vehicle emissions without the use of a catalytic converter.

### **Anritsu Electronics: Supporting Sponsor of Japan: Tradition. Innovation.**

Supporting sponsor Anritsu is a high-technology measurement company with a rich 120-year history of leadership and innovation for their clients.

### **Rx&D: Presenting Sponsor of War and Medicine**

Rx&D, an association representing 50 research-based pharmaceutical companies in Canada, was a generous sponsor of the exhibition **War and Medicine** at the War Museum.

### **Canada Post: Presenting Sponsor of the Canadian Postal Museum**

Canada Post is a long-time sponsor and partner of the Canadian Postal Museum, housed at the Canadian Museum of Civilization. The Postal Museum preserves and showcases our national postal heritage, and creates awareness of the postal service's past and present roles in connecting Canadians across the country. Canada Post frequently launches stamps on historical and commemorative themes onsite at the Postal Museum.

# Recognition

The Corporation wishes to thank the following sponsors for their generous contributions.



▶ Presenting Sponsor of  
the **Canadian Postal Museum**



**SUBARU**  
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**JAPAN FOUNDATION**

▶ Additional Financial Support for  
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Commemorative Organization  
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▶ Additional Financial Support for  
**Japan: Tradition. Innovation.**

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, at both the Museum of Civilization and the War Museum.

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## 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 goals and 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 Corporation, like other touristic and cultural institutions, is affected by several significant environmental pressures, including the ongoing economic climate; the opening of new cultural and recreational attractions in the National Capital Region; and cross-border traffic from the United States, our largest international market. The ongoing economic crisis in Europe and other countries, and its impact on tourism and consumer confidence, continues to be a risk to attendance for the organization.

## 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 Budget 2010 freeze of incremental funding for payroll and operating costs. These measures, along with increasing costs to operate the Museum's buildings and the increasing cost of Payment in Lieu of Taxes, have resulted in a \$2.0 million deficit in 2011–12.

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. In addition, the Corporation has increased certain user fees in 2011–12, and increased its targets for private sector support.

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 expires in 2012–13. 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.

Effective April 1, 2011, the Corporation adopted the Public Sector Accounting Standards including the 4200 series of accounting standards applicable for government not-for-profit organizations. The Corporation's March 31, 2012 financial statements reflect the adoption of these standards, including prior year restatements where required.

### Statement of Operations

The Corporation's net result of operations for the fiscal year 2011–12 reflects a deficit of \$2.0 million.

#### *Parliamentary Appropriations*

The Corporation's Parliamentary appropriations decreased \$2.8 million in 2011–12, from \$74.0 million to \$71.2 million. This reduction is mostly due to one-time funding received in 2010–11 of \$6.3 million, partially offset by recognition of deferred capital funding from prior year.

#### *Revenues*

Operating revenues for the fiscal year were \$12.7 million, compared to \$13.1 million in prior year, which represents a 3% decrease year over year. This decrease is mainly attributable to the following:

- General admission revenues increased 5.7% in 2011–12 compared to the prior year. This increase is mostly due to an increase in admission prices at both Museums, as paid attendance remained relatively constant compared to the prior year.
- Facilities and concessions revenue has decreased 16.7% in 2011–12 due to lower catering revenues.
- IMAX paid admissions have decreased 11% in 2011–12, which has resulted in a corresponding decrease in revenue.
- Parking revenues increased 14.9% in 2011–12 due to an increase in rates.

### Expenses

The Corporation's operating expenses decreased \$0.9 million or 1% in 2011–12, from \$89.3 million in 2010–11 to \$88.4 million in 2011–12. This decrease is mainly attributable to a decrease in professional and special services expenses of 8.1%, or \$1.2 million, as well as the elimination of a modest number of positions. As mentioned earlier, the Corporation has put significant effort into reviewing its operations to identify cost saving opportunities. In 2011–12, the Corporation has automated its parking system and reviewed a number of contracts to improve efficiencies on service delivery.

### Statement of Financial Position

Cash has decreased to \$9.5 million as compared to \$12.5 million in 2010–2011, mainly attributable to a reduction in parliamentary appropriations.

Investments have increased to \$38.4 million compared to \$36.9 million in 2010–11 due to the recognition of unrealized gains on the investment portfolio.

At March 31, 2012, the Corporation held Master Asset Vehicle II (MAVII) notes tied to its original investment in nonbank 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 MAVII. The Corporation estimates the fair value of its MAVII using Level Two and Three hierarchy inputs by discounting expected future cash flows considering the best available data at March 31, 2012. Since the fair values of the MAVII notes are determined using the foregoing assumptions and are based on the Corporation's assessment of market conditions as at March 31, 2012, 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, 2012, the MAVII notes were recorded at their estimated fair value of \$8.1 million, resulting in a fair value adjustment of \$0.5 million, which is included in the statement of remeasurement gains and losses.

The National Collection Fund has increased from \$5.4 million to \$7.9 million in 2011–12. 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. The Corporation is continuing its efforts to increase the National Collection Fund to \$10 million.

# Financial Statements of Canadian Museum of Civilization

YEAR ENDED MARCH 31, 2012

## 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

# 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 Civilization, which comprise the statements of financial position as at 31 March 2012, 31 March 2011 and 1 April 2010, the statements of operations, statements of changes in net assets and statements of cash flows for the years ended 31 March 2012 and 31 March 2011, and the statement of remeasurement gains and losses for the year ended 31 March 2012, 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 audits. I conducted my audits 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 in my audits 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 Civilization as at 31 March 2012, 31 March 2011 and 1 April 2010, the results of its operations and its cash flows for the years ended 31 March 2012 and 31 March 2011, and its remeasurement gains and losses for the year ended 31 March 2012, 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 adoption of the new standards as explained in Note 3 to the financial statements except for the change in the method of accounting for financial instruments and foreign currency translation, on a basis consistent with that of the preceding year.

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



### Maurice Laplante, CA

Assistant Auditor General  
for the Auditor General of Canada

25 June 2012  
Ottawa, Canada

# CANADIAN MUSEUM OF CIVILIZATION

Statement of Financial Position

As at

(In thousands of dollars)

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	March 31, 2012	March 31, 2011	April 1, 2010
<b>Assets</b>			
<b>Current assets:</b>			
Cash	\$ 9,523	\$ 12,485	\$ 6,277
Investments (note 5)	3,124	-	-
Accounts receivable	2,680	2,482	2,030
Inventories	934	891	901
Prepaid expenses	794	441	765
	17,055	16,299	9,973
Restricted cash (note 8)	1,327	1,088	1,051
Restricted cash and investments – National Collection Fund (note 4)	7,903	5,396	3,118
Investments (note 5)	35,290	36,880	35,001
Collection (note 6)	1	1	1
Capital assets (note 7)	269,777	276,754	285,511
	<b>\$ 331,353</b>	<b>\$ 336,418</b>	<b>\$ 334,655</b>

## Liabilities and Equity

<b>Current liabilities:</b>			
Accounts payable and accrued liabilities	\$ 14,136	\$ 12,815	\$ 10,977
Deferred contributions and deferred revenue (note 8)	2,472	2,895	3,282
Current portion of employee future benefits (note 10)	835	672	277
	17,443	16,382	14,536
Deferred contributions – National Collection Fund (note 4)	7,903	5,396	3,118
Deferred contributions related to capital assets (note 9)	233,986	241,297	245,591
Employee future benefits (note 10)	7,153	7,993	7,922
	266,485	271,068	271,167
<b>Net assets:</b>			
Unrestricted	22,047	24,104	22,242
Investment in capital assets	41,246	41,246	41,246
Accumulated remeasurement gains	1,575	-	-
	64,868	65,350	63,488
Contingencies (note 12)			
Contractual obligations (note 14)			
	<b>\$ 331,353</b>	<b>\$ 336,418</b>	<b>\$ 334,655</b>

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)

	2012	2011
Revenues:		
Donations and sponsorships	\$ 1,016	\$ 865
Gain on investments	-	1,892
Interest	1,389	1,319
Operating (schedule 1)	12,703	13,057
	15,108	17,133
Expenses (schedule 2):		
Collect and research	12,881	13,388
Exhibit, educate and communicate	17,953	17,820
Accommodation	40,233	39,712
Corporate management	17,329	18,377
	88,396	89,297
Net result of operations before government funding	(73,288)	(72,164)
Parliamentary appropriations (note 15)	71,231	74,026
Net result of operations	\$ (2,057)	\$ 1,862

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)

	<u>2012</u>
Accumulated remeasurement gains (losses), beginning of year	\$ -
Unrealized gains (losses) attributed to:	
Short-term bonds (note 5)	(71)
Long-term bonds (note 5)	1,152
Master asset vehicle notes (note 5)	494
<u>Accumulated remeasurement gains (losses), end of year</u>	<u>\$ 1,575</u>

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)

2012	Unrestricted	Investment in capital assets	Accumulated remeasurement gains	2012
Net assets, beginning of year	\$ 24,104	\$ 41,246	\$ -	\$ 65,350
Net result of operations	(2,057)	-	-	(2,057)
Remeasurement gains	-	-	1,575	1,575
Net assets, end of year	\$ 22,047	\$ 41,246	\$ 1,575	\$ 64,868

2011	Unrestricted	Investment in capital assets	2011
Net assets, beginning of year, as previously reported	\$ 26,455	\$ 41,246	\$ 67,701
Adjustment to net assets (note 3)	(4,213)	-	(4,213)
Net assets, beginning of year, as currently reported	22,242	41,246	63,488
Net result of operations	1,862	-	1,862
Net assets, end of year	\$ 24,104	\$ 41,246	\$ 65,350

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)

	2012	2011
Operating activities:		
Cash receipts (clients)	\$ 13,545	\$ 12,658
Cash receipts (parliamentary appropriations)	72,571	76,250
Cash paid (employees)	(35,351)	(33,566)
Cash paid (suppliers)	(52,797)	(53,094)
Interest received	1,389	1,319
Net cash through operating activities	(643)	3,567
Investing activities:		
Principal repayment of investments	41	13
Increase in restricted cash and investments	(2,746)	(2,315)
Net cash through investing activities	(2,705)	(2,302)
Capital activities		
Acquisition of capital assets	(7,830)	(5,698)
Financing activities:		
Parliamentary appropriations for the acquisition of capital assets	7,497	10,162
Restricted contributions and related investment income	719	479
Net cash through financing activities	8,216	10,641
Increase (decrease) in cash	(2,962)	6,208
Cash, beginning of year	12,485	6,277
Cash, end of year	\$ 9,523	\$ 12,485

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

# CANADIAN MUSEUM OF CIVILIZATION

Notes to the Financial Statements

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Year ended March 31, 2012  
(In thousands of dollars)

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## 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.

Year ended March 31, 2012  
(In thousands of dollars)

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## 2. Significant accounting policies (continued):

### (a) Financial assets and financial liabilities:

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

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 are classified as "Loans and Receivables". 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 are classified as "Other Financial 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. Objects donated to the Corporation are recorded, as assets, at a nominal value.

Year ended March 31, 2012  
(In thousands of dollars)

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## 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.

Year ended March 31, 2012  
(In thousands of dollars)

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## 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.

Year ended March 31, 2012  
(In thousands of dollars)

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## 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.

Year ended March 31, 2012  
(In thousands of dollars)

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## 2. Significant accounting policies (continued):

### (h) Revenue recognition (continued):

#### (v) Sponsorships

Unrestricted 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 sponsorships are deferred and recognized as revenue in the year in which the related obligations are fulfilled. Revenues and offsetting expenses from goods and services received in-kind are recorded at fair market value upon receipt.

#### (vi) Donations:

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) 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.

Year ended March 31, 2012  
(In thousands of dollars)

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## 2. Significant accounting policies (continued):

(h) Revenue recognition (continued):

(viii) 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.

(ix) 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) 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-related liabilities, contingent liabilities, valuation of Master Asset Vehicle notes, 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. Conversion to Public Sector Accounting Standards:

Effective April 1, 2010, the Corporation adopted Canadian public sector accounting standards applicable for a government not-for-profit organization (GNPO). These standards were retrospectively adopted and therefore the 2011 comparative figures have been restated. In addition, effective April 1, 2011, the Corporation early adopted Sections PS 3450, Financial Instruments, PS 2601, Foreign Currency Translation, PS 1201 Financial Statement Presentation, PS 3041 Portfolio Investments and related amendments to other Sections on a prospective basis, without restatement of 2011 comparative figures. Key adjustments resulting from the adoption of these accounting standards are as follows:

(a) An adjustment was made to the 2011 financial statements to reclassify the carrying value of intangible assets related to the production of an IMAX/OMNIMAX film of \$378 to capital assets. This adjustment had no impact on the Corporation's net assets or excess of revenues over expenses as reported in the 2011 financial statements.

Year ended March 31, 2012

(In thousands of dollars)

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### 3. Conversion to Public Sector Accounting Standards (continued):

(b) The 2011 financial statements have been adjusted to record amounts previously recognized as other comprehensive income as deferred contribution, because other comprehensive income is not recognized under public sector accounting standards. The resulting increase to deferred contributions and deferred revenue at April 1, 2010 was \$1,051 and the increase to deferred contributions – National Collection Fund was \$1,135. Deferred contributions and deferred revenue recorded at March 31, 2011 was increased by \$1,088 and the increase to deferred contributions – National Collection Fund was \$1,324. Other comprehensive income of \$226, previously recognized as income in 2011, has been reversed.

(c) The Corporation made an adjustment to the 2011 financial statements with respect to the accounting for employee future benefits. Specifically, this adjustment related to accounting policy differences under public sector accounting standards with respect to the discount rate used to determine the post-retirement benefit costs, recognition of unamortized past service costs in net assets, determination of the obligation for severance, and the recognition of an accrued benefit liability for sick leave benefits which do not vest.

In addition, the Corporation has elected to recognize cumulative actuarial gains and losses at the date of transition to public sector accounting standards directly in net assets.

In aggregate, the resulting increase to the liability for employee future benefits at April 1, 2010 was \$2,027. The liability for employee future benefit costs recorded at March 31, 2011 was increased by \$1,556.

(d) Under public sector accounting standards applicable to government not-for-profit organizations, the net assets of the Corporation include its investment in capital assets, accumulated remeasurement gains/losses, and unrestricted net assets. The 2011 financial statements have been amended to separately present each of these elements of the net assets in the Statement of Financial Position and Statement of Changes in Net Assets. This adjustment had no impact on the Corporation's total net assets or excess of revenues over expenses as reported in the 2011 financial statements.

(e) The Corporation's prospective adoption of Sections PS 3450, Financial Instruments, PS 2601, Foreign Currency Translation, PS 1201 Financial Statement Presentation and PS 3041 Portfolio Investments has resulted in the addition of a financial statement called Statement of Remeasurement Gains and Losses.

# CANADIAN MUSEUM OF CIVILIZATION

Notes to the Financial Statements, page 9

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Year ended March 31, 2012

(In thousands of dollars)

### 3. Conversion to Public Sector Accounting Standards (continued):

The impact of these restatements on the comparative figures is as follows:

#### Summary of adjustments

Net assets as at April 1, 2010:		
Net assets, as previously reported	\$	67,701
Adjustment to deferred contributions and deferred revenues (b)		(1,051)
Adjustment to deferred contributions – National Collection Fund (b)		(1,135)
Adjustment to employee future benefits liability (c)		(2,027)
<b>Net assets, as currently reported</b>	<b>\$</b>	<b>63,488</b>
Net assets as at March 31, 2011:		
Net assets, as previously reported	\$	69,318
Adjustment to deferred contributions and deferred revenues (b)		(1,088)
Adjustment to deferred contributions – National Collection Fund (b)		(1,324)
Adjustment to employee future benefits liability (c)		(1,556)
<b>Net assets, as currently reported</b>	<b>\$</b>	<b>65,350</b>
Excess of revenues over expenses for the year ended March 31, 2011:		
Annual surplus, as previously reported	\$	1,617
Adjustment to other comprehensive income (b)		(226)
Adjustment to employee future benefits expense (c)		471
<b>Net result of operations, as currently reported</b>	<b>\$</b>	<b>1,862</b>

# CANADIAN MUSEUM OF CIVILIZATION

Notes to the Financial Statements, page 10

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Year ended March 31, 2012  
(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:

	2012	2011	2010
Cash	\$ 3,797	\$ 1,440	\$ 1,165
Government bond	4,106	3,956	1,953
Balance, end of year	\$ 7,903	\$ 5,396	\$ 3,118

At March 31, 2012, the Corporation held long-term government bonds with a face value of \$3,989 (2011 - \$3,989; 2010 - \$1,978), annual yield percentages ranging from 2.6% to 2.7% (2011 - 2.6% to 2.7%; 2010 - 2.7%), and maturity dates ranging from December 15, 2014 to December 15, 2015 (2011 - December 15, 2014 to December 15, 2015; 2010 - December 15, 2014).

### b) Deferred contributions:

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

	2012	2011	2010
Deferred Parliamentary appropriations	\$ 6,358	\$ 4,072	\$ 1,983
Contributions from non-government entities	1,545	1,324	1,135
Balance, end of year	\$ 7,903	\$ 5,396	\$ 3,118

# CANADIAN MUSEUM OF CIVILIZATION

Notes to the Financial Statements, page 11

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Year ended March 31, 2012  
(In thousands of dollars)

## 4. National Collection Fund (continued):

Changes in the deferred contributions were as follows:

	2012	2011
Balance, beginning of year	\$ 5,396	\$ 3,118
Additions:		
Parliamentary appropriations restricted for the National Collection Fund (note 15)	2,000	2,000
Contributions from non-government entities received in the year	255	103
Deferred realized investment income	141	82
Unrealized gain on investments	149	9
Amounts transferred from deferred contributions (note 8)	-	255
	2,545	2,449
Deductions:		
Amounts recognized as revenue	(38)	(171)
Balance, end of year	\$ 7,903	\$ 5,396

## 5. Investments:

	2012	2011	Fair Value 2010
Short-term bonds	\$ 3,124	\$ -	\$ -
	\$ 3,124	\$ -	\$ -

### (i) Short-term bonds:

At March 31, 2012 the Corporation held short-term corporate and government bonds with a face value of \$3,111, annual yield percentages ranging from 1.3% to 1.7%, and maturity dates ranging from April 15, 2012 to August 15, 2012.

An unrealized loss on investments in short-term bonds of \$71 was included in the statement of remeasurement gains and losses.

# CANADIAN MUSEUM OF CIVILIZATION

Notes to the Financial Statements, page 12

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Year ended March 31, 2012  
(In thousands of dollars)

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## 5. Investments (continued):

	Fair Value		
	2012	2011	2010
Long-term bonds	\$ 27,219	\$ 29,262	\$ 29,009
Master Asset Vehicle notes	8,071	7,618	5,992
	<u>\$ 35,290</u>	<u>\$ 36,880</u>	<u>\$ 35,001</u>

(ii) Long-term bonds:

At March 31, 2012 the Corporation held long-term corporate and government bonds with a face value of \$25,093 (2011 - \$28,204; 2010 - \$28,204), annual yield percentages ranging from 2.0% to 4.1% (2011 – 1.3% to 4.1%; 2010 – 1.3% to 4.1%), and maturity dates ranging from June 2, 2013 to March 15, 2020 (2011 – April 15, 2012 to March 15, 2020; 2010 – April 15, 2012 to March 15, 2020).

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

# CANADIAN MUSEUM OF CIVILIZATION

Notes to the Financial Statements, page 13

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Year ended March 31, 2012  
(In thousands of dollars)

## 5. Investments (continued):

### (iii) Master Asset Vehicle Notes:

At March 31, 2012 the Corporation held the following Master Asset Vehicle (MAVII) notes:

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

At March 31, 2012 the MAVII notes were recorded at their estimated fair value of \$8,071 (2011 - \$7,618; 2010 - \$5,992), resulting in a fair value adjustment of \$453 (2011 - \$1,626; 2010 - \$1,050). Principal repayments of \$41 were received in the period and a gain on investments of \$494 was included in the statement of remeasurement gains and losses.

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

Criteria	2012	2011	2010
	Assumptions		
<u>MAV II Notes</u>			
Expected term to maturity	4.78 years	5.78 years	6.82 years
Discount rates	4.66%, 6.10%, 9.38% and 20.45% for the A1, A2, B and C notes	4.32%, 6.21%, 10.32% and 24.63% for the A1, A2, B and C notes	6.50%, 10.50% and 35.07% for the A1, A2 and B notes
Coupon rates	A1, A2 and B Notes: 1 month BA rate less 50 bps	A1, A2 and B Notes: 1 month BA rate less 50 bps	A1, A2 and B notes: 1 month BA rate less 50 bps
<u>MAV II IA Notes</u>			
Expected term to maturity	24.93 years	25.93 years	26.93 years
Discount rate	12.02%	21.57%	24.86%
Coupon rate	1 month BA rate plus 50 bps	1 month BA rate plus 50 bps	1 month BA rate plus 50bps

Year ended March 31, 2012

(In thousands of dollars)

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## 5. Investments (continued):

Since the fair values of the MAVII notes are determined using the foregoing assumptions and are based on the Corporation's assessment of market conditions as at March 31, 2012 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 MAVII notes by approximately \$378 (2011 - \$389; 2010 - \$352).

Further information on the fair value measurement of the Corporation's investments can be found in note 13(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 eight 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 Postal Museum** - collections of philatelic, artwork and material culture which serve to illustrate the role of postal communication in defining and shaping a nation

**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

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Year ended March 31, 2012  
(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.

There were no significant changes to the Museum's collection during the year.

During the fiscal year ended March 31, 2012, the Museum incurred expenses of \$447 (2011 - \$870) related to the acquisition of items for this collection.

The Museum did not record any revenues for the fiscal years ended March 31, 2012 or 2011 related to the sales of collection items.

## 7. Capital assets:

	Cost	Accumulated amortization	2012 Net book value	2011 Net book value	2010 Net book value
Land	\$ 40,868	\$ -	\$ 40,868	\$ 40,868	\$ 40,868
Buildings	356,909	157,822	199,087	208,009	216,933
Building improvements	76,223	50,233	25,990	23,696	23,191
Technical and informatics equipment	24,782	21,963	2,819	2,816	2,832
Office furniture and equipment	8,841	8,233	608	944	1,286
Motor vehicles	137	110	27	43	23
Film investment	378	-	378	378	378
	<u>\$ 508,138</u>	<u>\$ 238,361</u>	<u>\$ 269,777</u>	<u>\$ 276,754</u>	<u>\$ 285,511</u>

The current year amortization expense is \$14,808 (2011 - \$14,456). Cost and accumulated amortization at March 31, 2011 amounted to \$500,616 (2010 - \$494,952) and \$223,862 (2010 - \$209,441) respectively.

# CANADIAN MUSEUM OF CIVILIZATION

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Year ended March 31, 2012  
(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:

	2012	2011	2010
Deferred contributions from non-government sources	\$ 1,327	\$ 1,088	\$ 1,051
Deferred Parliamentary appropriations	264	1,134	1,795
<b>Total deferred contributions</b>	<b>1,591</b>	<b>2,222</b>	<b>2,846</b>
Deferred revenues – goods and services	881	673	436
<b>Balance, end of year</b>	<b>\$ 2,472</b>	<b>\$ 2,895</b>	<b>\$ 3,282</b>

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

	2012	2011
Balance, beginning of year	\$ 2,222	\$ 2,846
Additions:		
Restricted contributions received from non-government sources	456	370
Restricted Parliamentary appropriations received (note 15)	90	190
Deferred investment income	7	4
	<b>553</b>	<b>564</b>
Deductions:		
Amounts transferred to the National Collection Fund (note 4)	-	(255)
Amounts recognized as revenue	(1,184)	(933)
	<b>(1,184)</b>	<b>(1,188)</b>
<b>Balance, end of year</b>	<b>\$ 1,591</b>	<b>\$ 2,222</b>

# CANADIAN MUSEUM OF CIVILIZATION

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Year ended March 31, 2012  
(In thousands of dollars)

## 9. Deferred contributions related to capital assets:

Deferred contributions related to capital assets is composed of:

	2012	2011	2010
Used for acquisitions:			
Deferred capital contributions from non-government entities	\$ 2,253	\$ 2,401	\$ 2,549
Deferred capital funding through Parliamentary appropriations	226,075	232,904	241,513
	<u>228,328</u>	<u>235,305</u>	<u>244,062</u>
To be used for future acquisitions:			
Deferred capital funding through Parliamentary appropriations	5,658	5,992	1,529
	<u>\$ 233,986</u>	<u>\$ 241,297</u>	<u>\$ 245,591</u>

- (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

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Year ended March 31, 2012  
(In thousands of dollars)

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

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

	2012	2011
Balance at beginning of year	\$ 241,297	\$ 245,591
Add:		
Capital asset acquisitions	7,868	5,698
Capital asset disposals	(38)	-
Funded by prior year Parliamentary appropriations	(4,418)	(290)
Funded by current Parliamentary appropriations	3,412	5,408
Parliamentary appropriations deferred for capital asset acquisitions in future periods	4,085	4,754
Parliamentary appropriations received (note 15)	7,497	10,162
Less amounts recognized as revenue:		
Deferred capital contributions	(148)	(148)
Parliamentary appropriations	(14,660)	(14,308)
	(14,808)	(14,456)
	\$ 233,986	\$ 241,297

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# CANADIAN MUSEUM OF CIVILIZATION

Notes to the Financial Statements, page 19

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Year ended March 31, 2012  
(In thousands of dollars)

## 10. Employee future benefits:

	2012	2011	2010
Other non-pension post retirement liability (note 10(a))	\$ 4,131	\$ 3,886	\$ 3,650
Accumulated sick leave benefit liability (note 10(b))	280	244	208
Severance liability (note 10(c))	3,577	4,535	4,341
<b>Employee future benefits liability</b>	<b>\$ 7,988</b>	<b>\$ 8,665</b>	<b>\$ 8,199</b>

### (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:

	2012	2011
Accrued benefit liability, beginning of year	\$ 3,886	\$ 3,650
Expense for the year	350	324
Benefits payments	(105)	(88)
<b>Accrued benefit liability, end of year</b>	<b>\$ 4,131</b>	<b>\$ 3,886</b>

# CANADIAN MUSEUM OF CIVILIZATION

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Year ended March 31, 2012

(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:

	2012	2011
Accrued benefit liability, beginning of year	\$ 244	\$ 208
Expense for the year	36	36
Accrued benefit liability, end of year	\$ 280	\$ 244

### (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:

	2012	2011
Accrued benefit liability, beginning of year	\$ 4,535	\$ 4,341
Expense for the year	534	471
Benefits payments	(1,492)	(277)
Accrued benefit liability, end of year	\$ 3,577	\$ 4,535
Short-term portion	\$ 835	\$ 672
Long-term portion	2,742	3,863
	\$ 3,577	\$ 4,535

# CANADIAN MUSEUM OF CIVILIZATION

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Year ended March 31, 2012  
(In thousands of dollars)

## 10. Employee future benefits (continued):

The most recent projected actuarial valuation for other post retirement benefits, and full actuarial valuation for sick leave and severance benefits, was completed by an independent actuary as at March 31, 2012. 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:

	2012	2011
Accrued benefit obligation:		
Balance at beginning of year	\$ 8,665	\$ 8,199
Current service cost	547	534
Interest costs	303	298
Obligation amendment	70	-
Actuarial loss	157	-
Benefits paid	(1,597)	(366)
Total accrued benefit obligation, end of year	8,145	8,665
Unamortized losses	(157)	-
Total accrued benefit liability, end of year	7,988	8,665
Less: current portion of employee future benefits	(835)	(672)
	\$ 7,153	\$ 7,993

The obligation related to the severance benefit program was amended for some employees and resulted in an additional cost of \$70 for the period.

# CANADIAN MUSEUM OF CIVILIZATION

Notes to the Financial Statements, page 22

Year ended March 31, 2012  
(In thousands of dollars)

## 10. Employee future benefits (continued):

The significant actuarial assumptions used are as follows:

	2012	2011	2010
Discount rate used to determine accrued benefit obligation:			
Post retirement benefits	2.7%	3.8%	3.8%
Severance and sick leave benefits	2.3%	3.4%	3.4%
Inflation	2.0%	2.2%	2.2%
Rate of increase in dental benefit costs	8% every 4 years	2.2%	2.2%
Rate of increase in health care benefit costs	8% every 4 years	2.2%	2.2%
Real wage increase	1% for the first 10 years	1.0%	1.0%

### (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 at year end was 1.74 times the employee contribution (1.86 times for 2011).

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

	2012	2011
Corporation's contributions	\$ 3,026	\$ 3,059
Employees' contributions	1,580	1,499

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.

# CANADIAN MUSEUM OF CIVILIZATION

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Year ended March 31, 2012  
(In thousands of dollars)

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## 11. 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 \$13,140 (2011 - \$12,836) and recorded Museum operations revenue of \$391 (2011 - \$834) 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:

	2012	2011	2010
Accounts receivable	\$ 1,508	\$ 897	\$ 107
Accounts payable and accrued liabilities	4,737	2,185	2,160
Deferred revenues – goods and services	101	50	99

Year ended March 31, 2012  
(In thousands of dollars)

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## **12. 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.

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

## **13. 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

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Year ended March 31, 2012  
(In thousands of dollars)

## 13. 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 receivables, cash and long-term investments.

The maximum exposure to credit risk of the Corporation at March 31, 2012 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:

	2012	2011	2010
Government of Canada	\$ 1,508	\$ 897	\$ 107
Other governments	547	527	1,338
Consumers	352	786	467
Financial institutions	273	272	118
	<u>\$ 2,680</u>	<u>\$ 2,482</u>	<u>\$ 2,030</u>

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.

Year ended March 31, 2012  
(In thousands of dollars)

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### 13. 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 76% (2011 - 57%; 2010 - 71%) of the Corporation's accounts receivable, and no allowance has been provided for related to these amounts.

As at March 31, 2012 \$2,371 (2011 - \$1,916; 2010 - \$1,170) of the Corporation's accounts receivable were classified as current and due in 30 days or less.

As at March 31, 2012, \$309 (2011 - \$566; 2010 - \$860) of trade accounts receivable were past due, but not impaired.

(ii) Cash and long-term investments:

The Corporation manages its credit risk surrounding cash 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.

Year ended March 31, 2012  
(In thousands of dollars)

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### 13. 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.

(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 coupon rates. The Corporation does not have any debt instruments outstanding with fixed or variable interest rates at March 31, 2012 and 2011.

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, 2012 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 \$1,463 (2011 - \$1,427; 2010 - \$1,678), approximately 3.81% of the fair value of investments (2011 - 3.87%; 2010 - 4.79%).

(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 13(d).

Year ended March 31, 2012  
(In thousands of dollars)

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### 13. 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, 2012 the Corporation has a cash balance of \$9,523 (2011 - \$12,485; 2010 - \$6,277). 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

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Year ended March 31, 2012

(In thousands of dollars)

## 13. Financial risk management (continued):

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

	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 – MAVII notes	8,071	-	7,574	497
	35,290	27,219	7,574	497
<b>Total</b>	<b>\$ 38,414</b>	<b>\$ 30,343</b>	<b>\$ 7,574</b>	<b>\$ 497</b>

	March 31, 2011			
Total	Quoted prices in active markets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Investments – long-term bonds	\$ 29,262	\$ 29,262	\$ -	\$ -
Investments – MAVII notes	7,618	-	7,282	336
<b>Total</b>	<b>\$ 36,880</b>	<b>\$ 29,262</b>	<b>\$ 7,282</b>	<b>\$ 336</b>

Although some trading in MAVII 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 MAVII. The Corporation estimates the fair value of its MAVII using Level Two and Three hierarchy inputs by discounting expected future cash flows considering the best available data at March 31, 2012.

Year ended March 31, 2012  
(In thousands of dollars)

### 13. Financial risk management (continued):

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

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

In 2011, MAV II notes under classes A1, A2, B and C were transferred to Level 2 while the IA tracking notes remained 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:

MAVII notes	2012	2011
Balance, beginning of year	\$ 336	\$ 5,992
Principal repayments	(41)	(13)
Unrealized gain	202	1,639
Transfers out of Level 3	-	(7,282)
Balance, end of year	\$ 497	\$ 336

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

A gain on investments of \$1,639 was recorded in 2011 and is included in the statement of operations.

# CANADIAN MUSEUM OF CIVILIZATION

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Year ended March 31, 2012  
(In thousands of dollars)

## 14. Contractual obligations:

As at March 31, 2012, 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:

2012-13	\$	14,401	
2013-14		9,234	
2014-15		7,566	
2015-16		1,047	
2016-17		59	
2017 +		105	
	\$	32,412	

## 15. Parliamentary appropriations:

Parliamentary appropriations recognized as revenue:

	2012	2011
Main Estimates amount provided for operating and capital expenses	\$ 63,379	\$ 65,325
Supplementary estimates and transfers	1,819	5,893
Total Parliamentary appropriations approved in year	65,198	71,218
Less current year Parliamentary appropriations not recognized as revenue:		
Restricted for capital asset acquisitions (note 9)	(7,497)	(10,162)
Restricted for the National Collection Fund (note 4)	(2,000)	(2,000)
Restricted for specific purposes (note 8)	(90)	(190)
Add prior year Parliamentary appropriations recognized as revenue in current year:		
Amortization of deferred capital funding (note 9)	14,660	14,308
Restricted amounts used in current year	960	852
Parliamentary appropriations recognized as revenue	\$ 71,231	\$ 74,026

## 16. 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, 2012  
(In thousands of dollars)

	2012	2011
General admission and programmes	\$ 4,913	\$ 4,646
Facility rental and concessions	1,957	2,350
Boutique sales	1,716	1,725
Parking	1,662	1,447
IMAX	1,497	1,681
Memberships	247	238
Travelling exhibits	143	218
Publications	62	49
Royalties	20	119
Other	486	584
	<u>\$ 12,703</u>	<u>\$ 13,057</u>

# CANADIAN MUSEUM OF CIVILIZATION

## Schedule 2 - Expenses

Year ended March 31, 2012  
(In thousands of dollars)

	2012	2011
Personnel costs	\$ 34,748	\$ 34,340
Amortization of capital assets	14,808	14,456
Professional and special services	13,140	14,300
Property taxes	9,208	9,062
Utilities	3,115	3,022
Repairs and maintenance	3,073	3,532
Communications	2,438	1,924
Materials and supplies	1,895	1,966
Exhibit fabrication and rental	1,635	1,563
Marketing and advertising	1,447	1,531
Cost of goods sold	858	898
Travel	722	957
Collection acquisitions (note 6)	447	870
Royalties	376	456
Rentals	146	147
Building leases	85	79
Other	255	194
	<u>\$ 88,396</u>	<u>\$ 89,297</u>

