

**ANNUAL REPORT 2013-2014**

YOUR COUNTRY. YOUR HISTORY. YOUR MUSEUMS.

Canada



CANADIAN  
MUSEUM  
OF HISTORY  
-  
MUSÉE  
CANADIEN  
DE L'HISTOIRE



CANADIAN  
WAR  
MUSEUM  
-  
MUSÉE  
CANADIEN  
DE LA GUERRE

**CANADIAN MUSEUM  
OF HISTORY**

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War Museum: 819-776-8618

Canadian Museum of History

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[www.historymuseum.ca](http://www.historymuseum.ca)

Canadian War Museum

1 Vimy Place

Ottawa, ON K1A 0M8

[www.warmuseum.ca](http://www.warmuseum.ca)

Image on cover:

Regeneration Hall

Photo: Tom Arban

Image courtesy of

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of History

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# THE YEAR AT A GLANCE

## PARLIAMENT CREATES THE CANADIAN MUSEUM OF HISTORY

Following enactment of federal legislation transforming the Canadian Museum of Civilization into the **Canadian Museum of History**, for the first time ever, Canada has a national museum whose raison d'être is to explore, preserve and present the comprehensive story of our country and its people.

## NEW PERMANENT EXHIBITION ①

Presented at the Museum of History, the **Canadian Stamp Collection** features 3,000 postage stamps representing every Canadian stamp issued since 1851, providing colourful and revealing insights into Canada's past and present.

## MAJOR NEW SPECIAL EXHIBITIONS ②

**Snow** offered a fun and fascinating look at a substance that has profoundly affected Canada's history, culture and identity, and the personal lives of Canadians from coast to coast. **Peace - The Exhibition** broke new ground by exploring what Canadians have done in the name of peace and how those actions have shaped our country's history.

## SPECIAL DISPLAYS

Rarely displayed in public, the **Royal Proclamation of 1763** was presented at the Museum of History to mark the 250th anniversary of the document, which redefined forever the relationship between the British Crown and the First Peoples of North America. The War Museum put on display a jersey belonging to a member of the **RCAF Flyers hockey team**. Deemed the underdogs going into the 1948 Winter Olympic Games, the team went on to win gold for Canada.

## COMMEMORATIONS

The Museum of History presented a special display commemorating **Samuel de Champlain's historic journey** up the Ottawa River 400 years ago, complemented by the first public display of Champlain's recently discovered baptismal record. The end of the Korean War some 60 years ago was commemorated at the War Museum through special programming and the launch of **Korea 60**, an exhibition exploring Canada's role in the conflict.

## MAJOR ACQUISITIONS ③ ④

The **E. P. Taylor - Windfields Farm Collection** includes the 1964 Kentucky Derby trophy won by Canadian phenomenon Northern Dancer, a horse that captured the hearts of a nation. The **Victoria Cross** awarded to Sergeant Herman James Good honours his exceptional valour on the first day of the Amiens Offensive, a pivotal First World War battle, and pays testament to Canada's central role in that global conflict.

①



②



③





4 **RESEARCH**  
 The **Shishálh Archaeological Research Project** has discovered 5,000 year old artifacts that are shedding important new light on the ancient human history of B.C.'s Sunshine Coast. At the War Museum, researchers have begun to explore the **innovative concept of adaptation** as they seek to better understand how Canadians serving in the First World War coped with the extreme terror and misery of the Western Front.



5 **ANNIVERSARY** ⑤  
 For 20 years, Alex Janvier's spectacular abstract painting **Morning Star** has adorned the Grand Hall's domed ceiling in the Museum of History. To celebrate the anniversary, the Museum created an interactive website platform that draws a new focus on the masterpiece, unlocking its complex symbolism and profound meaning.

**HISTORY MUSEUM NETWORK**  
 Establishment of **Canada's first national network of history museums** continued to gain momentum under the leadership of the Canadian Museum of History, as an initial group representing 21 institutions met and agreed upon the membership process, initiating discussions on joint projects and collaborations.



6 **SPONSORSHIP**  
 The **Canadian Association of Petroleum Producers** (CAPP) has signed on as an Official Partner of the Museum of History and the National Presenting Sponsor of **1867**, a major exhibition on the birth of Confederation. CAPP's generous and vital funding will continue for at least five years, supporting the Museum's exhibitions and related programming across the country.

**NEW ART WORK** ⑥  
 The sculpture **'namaxsala** ("To Travel in a Boat Together") was an instant hit with visitors. The life-sized bronze wolf in a copper canoe was created by 'Namgis First Nation artist Mary Anne Barkhouse, as a call for humanity to respect the natural world.

**GOVERNANCE**  
 Two outstanding Western Canadians joined the Corporation's Board of Trustees: business leader **Robert C. Wilband** of Vancouver, and respected arts devotee and volunteer **Jean Giguère** of Winnipeg.

**AWARDS**  
 War Museum historian and author Dr. Tim Cook received the prestigious **Governor General's History Award for Popular Media** (the Pierre Berton Award) for his best-selling books about Canada's military history.

# MESSAGE FROM THE CHAIR

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



Our national Museums of human and military history ended the 2013-2014 fiscal year more focused in their efforts, more ambitious in their plans and more relevant to the country than ever before. The Board of Trustees is very pleased with the changes made and the progress achieved.

The year witnessed the birth of the Canadian Museum of History, the first museum ever devoted to telling the comprehensive story of this country and its people from earliest times to the present day. Although the Board bid a fond farewell to the Canadian Museum of Civilization, it welcomed the new name and mandate with enthusiasm. The change reflects the Board's long-held belief that telling our national stories – in all their richness and complexity – should be the Museum's clear and central purpose. We believe that is how the Museum can best meet the needs and interests of Canadians, especially as we approach the 150th anniversary of Confederation in 2017.

The Board is pleased to note the Museum's early and eager embrace of its new mandate. The most obvious example is the ongoing development of the Canadian History Hall. It will be the Museum's signature gallery and the largest and most comprehensive exhibition on Canadian history ever conceived. It is scheduled for completion by July 1, 2017. The Board is pleased with the development of the Canadian History Hall to date and is confident that the final product will be outstanding.

The Canadian War Museum saw the development and launch of an extraordinary, multi-year commemoration of the First World War Centenary. The Museum is marking the occasion with an ambitious, diverse and innovative line-up of exhibitions and activities. Most of the programming will be presented in the Museum's own galleries and in partner institutions across the country. But I would like to highlight two projects that exemplify the Museum's commitment to other forms of national outreach – a commitment heartily endorsed by the Board of Trustees.

## “Telling our national stories – in all their richness and complexity – should be the Museum’s clear and central purpose.”

The first project will provide free online access to a wealth of documents, images and sound recordings that illuminate the thoughts and experiences of Canadians who served during the First World War. This project will see the digitization and Web posting of some 15,000 images from sources such as personal diaries and photo albums, pilot log-books and sheet music collections, among others.

The second project is called Supply Line. It will use authentic artifacts from the First World War, plus high-quality reproductions, to connect school students with people and events from this pivotal chapter in Canadian history. The objects will be packaged into kits and sent to participating schools across the country, providing a unique opportunity for hands-on learning.

While the Museums of History and the War Museum are firmly rooted where most of their treasures can be safely stored, studied and displayed, both institutions also reach out to Canadians across the country through travelling exhibitions, social media, websites and most recently the History Museums Network. Through these innovative means, the Museums are greatly extending

their reach and enhancing their profile from coast to coast to coast. The Board commends them for doing so.

The Museums’ national mandate and focus is also reflected in the composition of the Board itself. Together, my fellow Trustees and I hail from cities large and small in six provinces. My colleagues include distinguished historians, authors, educators, business and community leaders, and advocates of Canadian arts and culture. Three have been appointed to the Order of Canada (Michael Bliss, James D. Fleck and Richard J. Gwyn). I am pleased to welcome our two newest Trustees. They are Robert Wilband, a respected business leader and mentor in the technology sector from Mayne Island, B.C., and Jean Giguère, an accomplished director, volunteer and advocate of the arts in Winnipeg.

I am honoured to lead such a strong and dedicated Board as it guides our national Museums of human and military history through these exciting and productive times.

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

# MESSAGE FROM THE PRESIDENT AND CEO

– Mark O’Neill

In December 2013, Parliament gave our institution a new name and a revised mandate. We have accepted with enthusiasm the exciting and historic challenge of transforming the Canadian Museum of Civilization Corporation into the Canadian Museum of History.

Our revised goals are clear and compelling: we will both broaden and sharpen our focus on Canadian history to preserve and present the *comprehensive* story of Canada and its people from earliest times to the present day; we will further expand our public outreach activities to engage more Canadians in their history and heritage, wherever they live in the country; we will redouble our efforts to foster new collaborations and partnerships within Canada’s cultural sector; and we will strive to secure greater sponsor and donor support from Canada’s corporate and philanthropic communities.

Like the Corporation it replaces, the Canadian Museum of History includes the Museum in Gatineau,

Quebec; the Canadian War Museum in Ottawa; and the Virtual Museum of New France, which exists only on the Internet. The institution’s core mandate is “to enhance Canadians’ knowledge, understanding and appreciation of events, experiences, people and objects that reflect and have shaped Canada’s history and identity.”

Our new mandate is unique. No other museum, past or present, has been tasked with preserving, interpreting and presenting the pan-Canadian story in its multiple dimensions, including social, political, spiritual, cultural, economic and military. Our new mandate is also vitally important. The inhabitants of this land and their forebears have built one of the most prosperous, inclusive, egalitarian and democratic countries the world has ever known. At the same time, Canadians acknowledge and grapple with their past mistakes and unresolved issues. Canada’s story, in all its complexity, deserves and needs to be told for the benefit of present and future



“Our new mandate is unique. It is also vitally important.”

generations. The new Canadian Museum of History will play a lead role in telling that story.

It will do so in part through the Canadian History Hall, which will be the signature gallery in the Museum’s Gatineau facility. The Hall will be the single largest and most comprehensive exhibition about Canadian history ever created. Its basic unit of development will be the story, with the elements presented chronologically – from the arrival of the first humans in what is now Canada, to contemporary historic events.

The Hall will represent the enormous diversity of the Canadian experience, and the many dimensions of our national life. It will strive to balance Canada’s regions, reflect fairly the history of women and men, fully integrate the experience of First Peoples, and balance the history of Anglophone and Francophone Canadians with other ethnic and cultural groups. It will celebrate our many collective achievements and shed light on some dark corners of our past. It will bring visitors into direct

contact with many touchstones of Canadian history. It will be eclectic, dynamic and engaging.

Simply put, the Canadian History Hall will bring our past to life, helping Canadians – and the world – to understand and appreciate who we are, where we’ve come from, and how we got here.

I fully appreciate the enormity of the challenge, but I am very encouraged by the progress achieved to date. By the end of the fiscal year, our professional staff had completed a thorough survey of Canada’s history, compiled a massive inventory of potential stories and artifacts, and begun shaping the Hall’s final narrative structure (with the assistance of advisory committees of outside historians and other experts). The exhibition that is beginning to emerge is going to be unrivalled in its quality, integrity and scope. It will do the country proud.

We also made significant progress this year on three of our other priorities: forging new partnerships, attracting new sponsors and donors, and extending our outreach across the country.

“The Canadian History Hall will bring our past to life, helping Canadians – and the world – to understand and appreciate who we are, where we’ve come from, and how we got here.”

Our forging of partnerships is best illustrated through our leadership role in the development of Canada’s first-ever national network of history museums. The network’s ultimate goal is to enhance public understanding of Canadian history by facilitating the production and sharing of exhibitions and public programs among its members. By year’s end, 21 institutions in eight provinces had signed on or had begun the membership process. That success bodes well for the future of the network, its members and their publics.

Our success in attracting new sponsors is exemplified by the agreements signed this year with the Canadian Association of Petroleum Producers (CAPP) and TD Bank Group. With funding from Canada’s Oil Sands Producers, CAPP will be an Official Partner and the National Presenting Sponsor of a major exhibition (and related programming) leading up to the 150th anniversary of Confederation. The five-year agreement has a total value of \$1 million, making it one of the largest ever signed by the Museum. TD Bank Group will provide critical support to the War Museum’s commemoration of the First World War Centenary, as National Presenting Sponsor and Official Partner.

Our fundraising efforts this year included the launch of the First World War Centenary Campaign. Among other things, the money raised will support the production and distribution of travelling exhibitions that will bring stories of Canada’s involvement in the

First World War to communities outside the National Capital Region, exemplifying our commitment to pan-Canadian outreach.

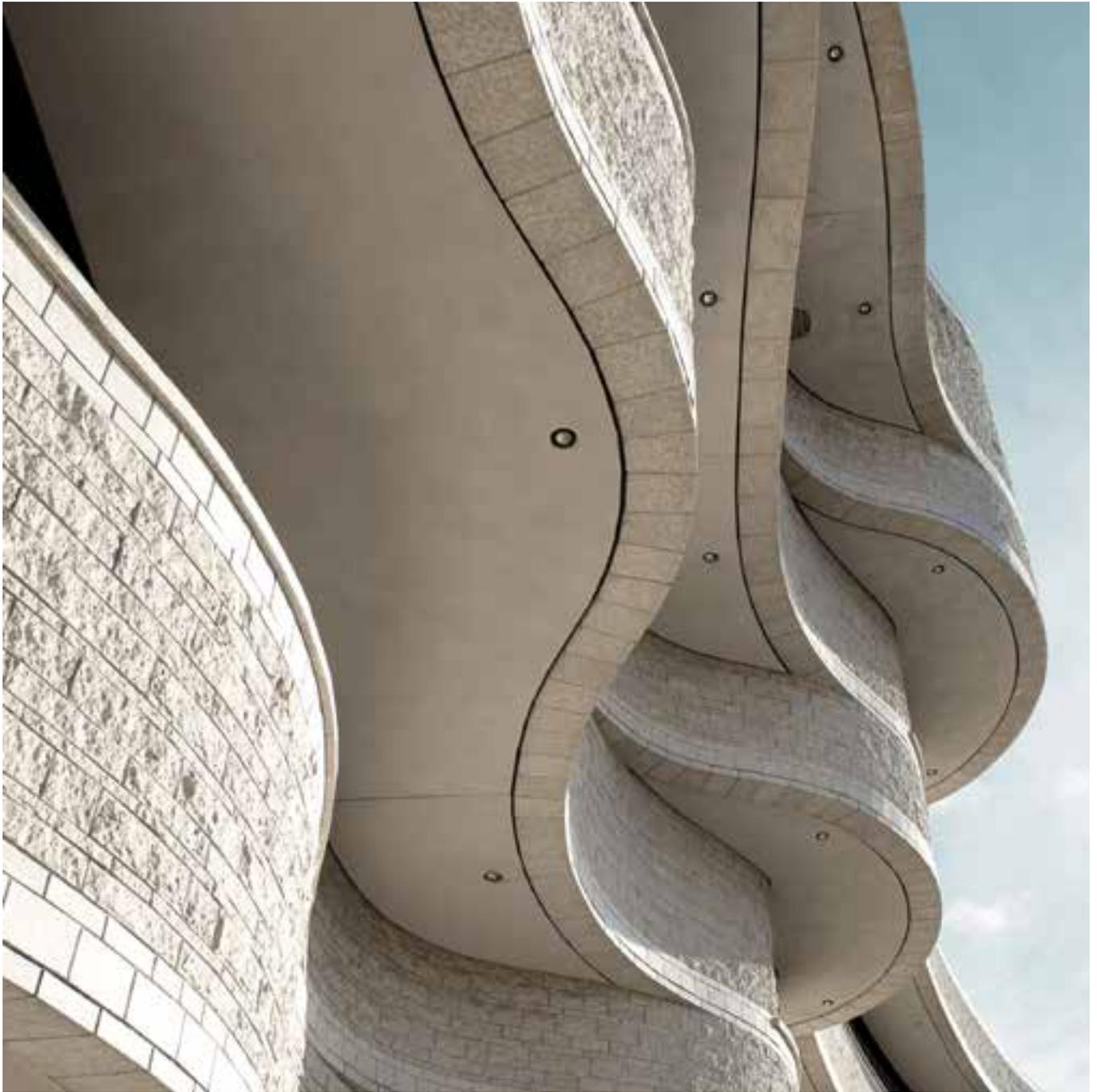
Finally, I am very pleased to note that the federal government is entrusting our institution with responsibility for the management and funding of both the Virtual Museum of Canada and the Online Works of Reference program. The Virtual Museum provides free and easy online access to digital content produced by Canada’s museums and by other institutions with a shared interest in preserving and promoting Canada’s history and culture. The Online Works of Reference program includes *The Canadian Encyclopedia* and *The Dictionary of Canadian Biography*. These are comprehensive and authoritative sources of Canadian historical and cultural content, and we are honoured to be entrusted with their stewardship.

This was a watershed year in the long and celebrated story of Canada’s national museums of human and military history. As we look to the future, we do so with pride in our mission and with confidence in our ability to make this institution even more valued by present and future generations of Canadians from coast to coast.

**Mark O’Neill**

**THE LIVING EXPERIENCE OF CANADIAN HISTORY**

**THE CANADIAN MUSEUM OF HISTORY LETS YOU EXPERIENCE THE MILESTONES THAT SHAPE WHO WE ARE AS CANADIANS TODAY. WE ARE THE KEEPERS OF THE EVIDENCE. WE ENGAGE VISITORS THROUGH THE VOICES OF CANADIANS, ALLOWING THEM TO LIVE THE EXPERIENCE OF CANADIAN HISTORY, A HISTORY THAT IS AUTHENTIC, ALIVE AND UNFOLDING.**



- CURATORIAL BUILDING -

# UPDATE ON THE CANADIAN MUSEUM OF HISTORY

Canada's national museum of history welcomed a new era in its own history following the enactment of federal legislation on December 12, 2013 that transformed the Canadian Museum of Civilization into the Canadian Museum of History.

In addition to its new name, the Museum received a new mandate from Parliament. Under the new mandate, the Museum will tell the story of Canada and its people more comprehensively, inclusively and candidly than ever before. It will do so by focusing greater attention on the people, events and experiences that have shaped our country's development and helped to define the Canadian experience and underpin our national identity. The Museum will also continue to present special exhibitions exploring world history and cultures, and permanent exhibitions illuminating the historical achievements and continuing contributions of Canada's First Peoples.

The Museum's focus will extend from the arrival of the first humans on this continent about 13,500 years ago to the present day. Its research, collections, exhibitions and public programs will explore our human history in all its dimensions. The Museum will draw connections between our past and present, and help Canadians imagine their country's future.

Under its new mandate, the Museum will tell the story of Canada and its people more comprehensively, inclusively and candidly than ever before.



**The totem poles** are among the most iconic artifacts in the Museum. Reaching as high as 14 metres, they require an exhibition space of prodigious size.



The full scope of this vision will be embodied in the Museum's signature permanent gallery, the Canadian History Hall. The new History Hall will be developed over the next three years, with the opening scheduled to coincide with the 150th anniversary of Confederation, in 2017. It will be the single-largest exhibition on Canadian history ever created, occupying close to 4,000 square metres – half of the Museum's permanent exhibition space.

The exhibition's contents and storyline are now being developed by a 12 member team of in-house historians, archaeologists, cultural experts and other professionals. They are assisted by six advisory committees comprising more than two dozen outside scholars, Aboriginal leaders and other advisors.

### ***Morning Star***

For 20 years, Alex Janvier's spectacular abstract painting *Morning Star* has adorned the Grand Hall's domed ceiling in the Museum of History.



### **The Grand Hall**

Developed over many years, the Grand Hall is home to a permanent exhibition that explores the ancient and enduring cultures of the First Peoples of Canada's Pacific Northwest Coast.

A new, permanent exhibition space will be devoted to temporary exhibitions originating from other museums across the country. Featuring voices and perspectives from across the country, these exhibitions will complement the national narrative.

Three of the Museum's permanent galleries will remain. The **Canadian Children's Museum** will continue to invite young people and their adult companions on a great adventure to the far corners of the world, while the **Grand Hall** and **First Peoples Hall** will continue to illuminate the historical achievements and ongoing contributions of Canada's First Peoples.

# THE CORPORATION

The Canadian Museum of History is a federal Crown corporation that is responsible for two national museums: the Canadian Museum of History and the Canadian War Museum. Together, the Museums showcase Canada's national treasures and present exhibitions that preserve the memories and experiences of Canadians by exploring the events, people, themes and special objects that have helped shape the country, from earliest times to the present day.

## THE CANADIAN MUSEUM OF HISTORY

Located on the shores of the Ottawa River in Gatineau, Quebec, the Canadian Museum of History is one of Canada's largest and most popular cultural institutions, attracting over 1 million visitors each year. The Museum's principal role is to enhance Canadians' knowledge, understanding and appreciation of the events, experiences, people and objects that have shaped Canada's history and identity, as well as to foster appreciation of world history and culture. The Museum safeguards a collection of over 3 million artifacts and specimens, including some of Canada's most valued national treasures. It is also home to the Canadian Children's Museum and an IMAX® Theatre.



## THE HUMAN EXPERIENCE OF WAR

THE CANADIAN WAR MUSEUM REVEALS HUMAN STORIES THROUGH CANADA'S MILITARY HISTORY. IT NARRATES HISTORY THROUGH THE EYES OF PEOPLE WHO WITNESSED IT, EMPHASIZING THE HUMAN EXPERIENCE OF WAR, WHILE ITS AUTHENTIC, ARTIFACT-RICH COLLECTIONS LET VISITORS DRAW THEIR OWN CONCLUSIONS.



- MEMORIAL HALL -

## THE CANADIAN WAR MUSEUM

The Canadian War Museum is Canada's national museum of military history. Its mission is to promote public understanding of Canada's military history in its personal, national and international dimensions. In particular, it is 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, the Museum occupies one of Canada's most striking and iconic buildings. In addition, it houses a world-class art collection comprising over 13,000 works, including paintings by some of Canada's most celebrated artists. As a national centre for remembrance, education and historical research, the Museum is also a venue and facilitator for the informed discussion of military affairs – past, present and future.



## THE VIRTUAL MUSEUM OF NEW FRANCE

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

# THE YEAR IN REVIEW: ACHIEVEMENTS

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 Corporation has emphasized performance measures as a means of demonstrating the value of public funding and public services, as well as its relevance to Canadians.



## RESULTS BY PERFORMANCE MEASUREMENT INDICATOR

### LEGEND

- ▲ RESULTS WITHIN 10% OF TARGET OR SURPASSING TARGET
- RESULTS WITHIN 10-24% OF TARGET
- ▼ RESULTS 25% OR MORE OFF TARGET

# BRINGING THE MUSEUMS TO CANADIANS

The 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.

## SUMMARY OF PERFORMANCE

The Corporation met five of the established objectives in relation to this strategic direction through 1) the numerous exhibitions that travelled across Canada and abroad; 2) virtual attendance on the Corporation’s websites; 3) virtual attendance on the Virtual Museum of New France; 4) media presence; 5) artifact loans. These initiatives enabled the Museums to expand their efforts to become better known and more accessible, and to increase their relevance both nationally and internationally. However, objectives related to on-site and paid attendance were not met due to a decrease in tourism, coupled with lower than expected attendance for two major special exhibitions. Attendance projections will be reviewed for the coming fiscal year should this trend continue.

## 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 Corporation’s websites will become new platforms 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.

## NUMBER OF NEW OPENINGS FOR TRAVELLING EXHIBITIONS

2013-2014  
RESULT



24

2013-2014  
TARGET

24

2012-2013  
RESULT

23

## ANALYSIS

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

**ONSITE ATTENDANCE (IN 000'S)**

**2013-2014  
RESULT**



1,476

2013-2014  
TARGET

1,650

2012-2013  
RESULT

1,642

**ANALYSIS**

Overall attendance was down by 10.5%. This follows attendance trends at all museums in the National Capital Region, which were down by 7.4%. The **Vodou** and **Peace** exhibitions drew less attendance than forecasted.



**SPECIAL LOANS**

Some of the Museum of History's major loans included **14 works of art and artifacts** from the West Coast for an exhibition on Haida artist Charles Edenshaw presented at the Vancouver Art Gallery and the National Gallery of Canada. The Museum also loaned the **original astrolabe attributed to Samuel de Champlain** to the Champlain Trail Museum in Pembroke, Ontario. The astrolabe was exhibited as part of the 400th anniversary display on Champlain's journey up the Ottawa River.

Notable loans from the War Museum ranged from **15 historical paintings to a fighter pilot's dress jacket**. The paintings were featured in an exhibition marking the centennial of the Princess Patricia's Canadian Light Infantry Regiment, organized by the Princess Patricia's Museum (part of the Military Museums) in Calgary. The work dress jacket belonged to Second World War Squadron Leader George Starkey, recipient of the Distinguished Flying Cross.



**This carving**, on the face of a Chief's bentwood chest, is attributed to the Haida artist Charles Edenshaw. The chest was loaned to the Vancouver Art Gallery and the National Gallery of Canada.

**PAID ATTENDANCE (IN 000'S)**

**2013-2014  
RESULT**



645

2013-2014  
TARGET

730

2012-2013  
RESULT

719

**ANALYSIS**

Overall paid admission was down by 11.6%, which follows paid admission trends at most museums in the National Capital Region.



**VIRTUAL MUSEUM OF NEW FRANCE: WEB PAGES VIEWED (IN 000'S)**

**2013-2014  
RESULT**



938

2013-2014  
TARGET

449

2012-2013  
RESULT

796

**ANALYSIS**

As results exceeded the target, no action was required.

NUMBER OF WEB PAGES VIEWED (IN 000'S)

**ANALYSIS**

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

2013-2014  
RESULT



12,616

2013-2014  
TARGET

12,912

2012-2013  
RESULT

12,922



Above: A soldier in Korea.  
Facing page: A Tribe Called Red performed at the Indigenous and Urban program.

**INNOVATIVE PROGRAMMING**

**Indigenous and Urban** was a summer-long program of performances, exhibitions and presentations that showcased the cutting-edge and richly diverse talents of some of Canada's leading Aboriginal artists. In June 2013, the War Museum welcomed **Korean War veterans** from across Canada for a series of private and public events honouring their service.

**NUMBER OF MEDIA ITEMS/REPORTS (IN 000'S)**

**2013-2014  
RESULT**



5,161

2013-2014  
TARGET

4,000

2012-2013  
RESULT

6,070

**ANALYSIS**

As results exceeded the target, no action was required.

**MEDIA ATTENTION**

The creation of the new **Canadian Museum of History** generated headlines across the country. Also drawing significant media interest were the War Museum's commemoration of the **60th anniversary of the Korean armistice; a partnership agreement with the Manitoba Museum** in Winnipeg; and the exhibition **Champlain, the First Account**.





**NUMBER OF ARTIFACTS ON LOAN  
(INCLUDES NEW AND RENEWED LOANS)**

**ANALYSIS**

As results exceeded the target, no action was required.

**2013-2014  
RESULT**



1,915

**2013-2014  
TARGET**

1,600

**2012-2013  
RESULT**

1,857

# TRAVELLING EXHIBITIONS

THIS PAST YEAR, 13 EXHIBITIONS TRAVELLED TO 29 VENUES. ALL TOLD, THEY WERE SEEN BY MORE THAN 180,000 VISITORS IN COMMUNITIES ACROSS THE COUNTRY.

## 1812 (2-D VERSION)

1 Arthur Child Heritage Museum, Gananoque, ON  
June 1 to August 25, 2013

2 Peterborough Museum and Archives, Peterborough, ON  
September 14 to December 8, 2013

3 Grimsby Museum, Grimsby, ON  
January 4 to April 27, 2014

## 1812

4 Chatham-Kent Museum, Chatham, ON  
December 21, 2013 to March 16, 2014

5 St. Catharines Museum, St. Catharines, ON  
April 6 to August 18, 2013

## THE NAVY - A CENTURY IN ART

6 The Reach Gallery Museum Abbotsford, Abbotsford, BC  
September 26, 2013 to January 5, 2014

## EXPEDITION: ARCTIC, 1913-1918

7 Maritime Museum of the Atlantic, Halifax, NS  
April 29 to July 21, 2013

8 Nanaimo Museum, Nanaimo, BC  
August 12 to November 3, 2013

9 The Red Deer Museum + Art Gallery, Red Deer, AB  
November 25, 2013 to February 16, 2014

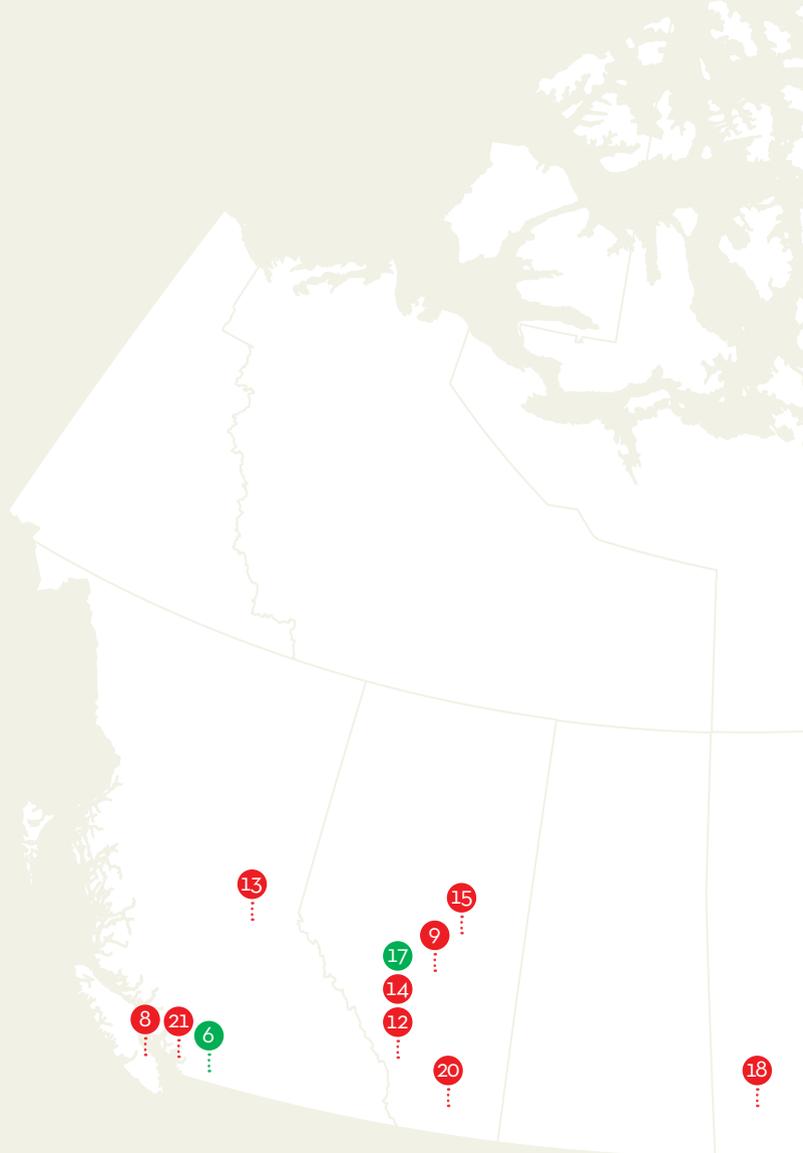
## HEART AND SOUL - QUEBEC FOLK ART

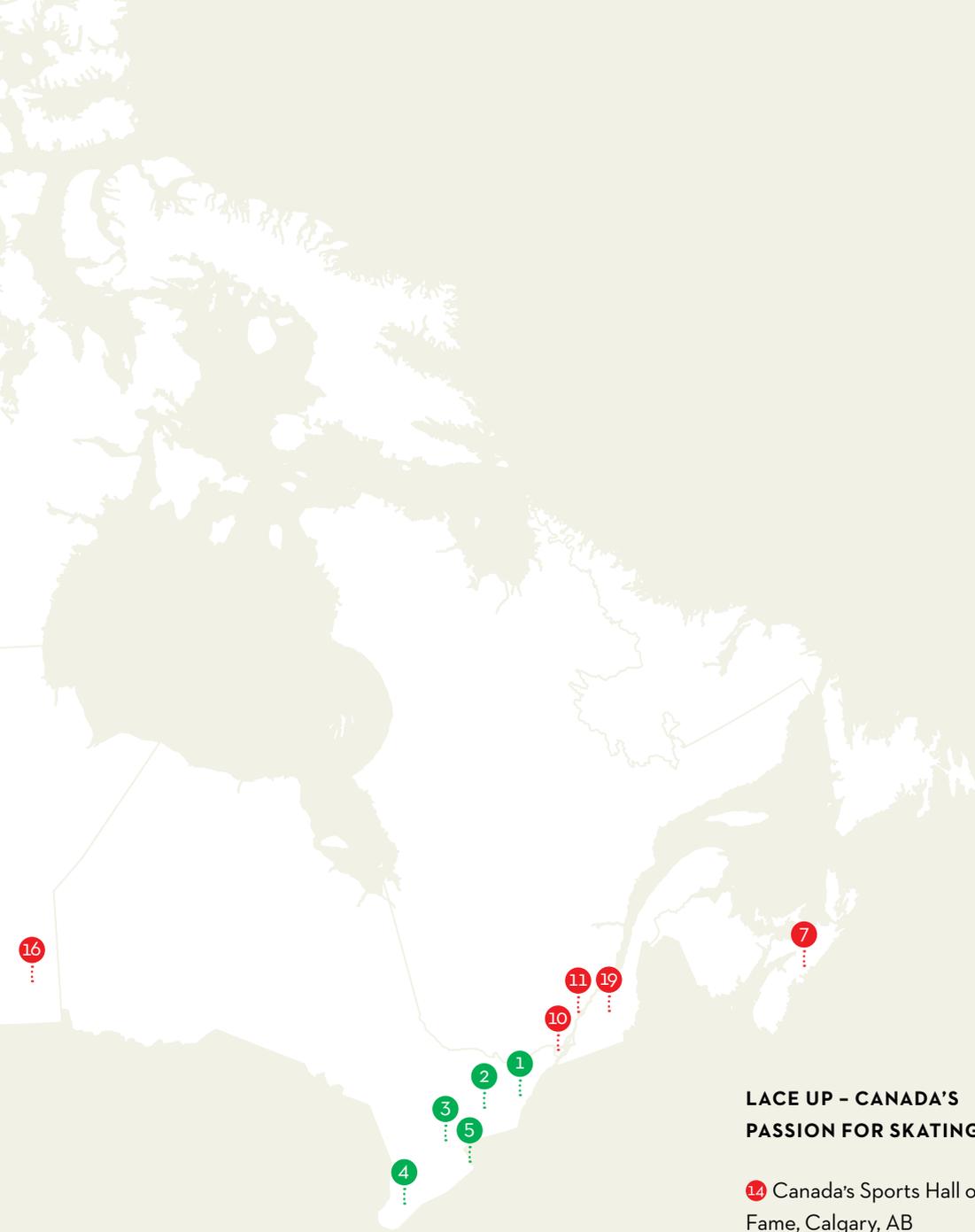
10 Château Ramezay - Musée et site historique, Montréal, QC  
May 20 to November 3, 2013

## INUIT PRINTS - JAPANESE INSPIRATION

11 Musée des Abénakis, Odanak, QC  
June 6 to October 14, 2013

12 Alberta College of Art & Design, AB  
November 7 to December 14, 2013





**TRANSFORMATIONS –  
A. Y. JACKSON AND  
OTTO DIX**

**17** Glenbow Museum,  
Calgary, AB  
September 8, 2013 to  
January 19, 2014

**A QUEEN AND HER  
COUNTRY**

**18** The Central Museum  
of the Royal Regiment  
of Canadian Artillery,  
Shilo, MB  
May 26 to August 18, 2013

**TOP SECRET –  
MISSION TOY**

**19** Musée minéralogique et  
minier de Thetford Mines,  
Thetford Mines, QC  
May 17 to September 8, 2013

**WIND WORK, WIND  
PLAY – WEATHERVANES  
AND WHIRLIGIGS**

**20** Galt Museum and  
Archives, Lethbridge, AB  
June 1 to September 2, 2013

**21** Surrey Museum,  
Surrey, BC  
September 21 to  
December 21, 2013

**LACE UP – CANADA’S  
PASSION FOR SKATING**

**14** Canada’s Sports Hall of  
Fame, Calgary, AB  
April 20 to August 11, 2013

**15** Musée Héritage  
Museum, St. Albert, AB  
September 3 to  
November 3, 2013

**16** New Iceland Heritage  
Museum, Gimli, MB  
November 22, 2013 to  
February 16, 2014

**KIDS CELEBRATE!**

**13** The Exploration Place,  
Prince George, BC  
November 23, 2013 to  
February 16, 2014

**LEGEND**

- CANADIAN MUSEUM OF HISTORY
- CANADIAN WAR MUSEUM

# MUSEOLOGICAL EXCELLENCE AND RELEVANCE

The 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 Museums met the three established objectives in relation to this strategic direction through 1) permanent modules and temporary exhibitions; 2) key research projects; 3) artifact acquisitions. These initiatives allowed the Museums to broaden their national collections and curatorial research in order to better reflect Canadian narratives, symbols and achievements.

## NUMBER OF PERMANENT EXHIBITION MODULES AND TEMPORARY EXHIBITIONS OPENED

2013-2014 RESULT



17

2013-2014 TARGET

15

2012-2013 RESULT

19

## ANALYSIS

As results exceeded the target, no action was required.



**SPECIAL EXHIBITIONS**

**Snow**

December 6, 2013  
to September 28, 2014

**Moving with the River**

June 21, 2013  
to March 23, 2014

**Peace - The Exhibition**

May 31, 2013  
to January 5, 2014

**Two Views -  
Photographs by  
Ansel Adams and  
Leonard Frank**

September 20, 2013  
to March 23, 2014

**Vodou**

November 15, 2012  
to February 23, 2014

**Eleven Women  
Facing War**

February 8  
to April 21, 2013

**Kandahar - The  
Fighting Season**

November 1, 2012  
to September 13, 2013

**NEW PERMANENT EXHIBITION**

Presented at the Museum of History, the **Canadian Stamp Collection** features 3,000 postage stamps representing every Canadian stamp issue since 1851, providing colourful and revealing insights into Canada's past and present.





**MAJOR ACQUISITIONS**

The **E. P. Taylor - Windfields Farm Collection** includes the 1964 Kentucky Derby trophy won by Canadian phenomenon Northern Dancer, a horse that captured the hearts of a nation. The **Victoria Cross** awarded to Sergeant Herman James Good honours his exceptional valour on the first day of the Amiens Offensive, a pivotal First World War battle, and pays testament to Canada’s central role in that global conflict.

**NUMBER OF ARTIFACTS ACQUIRED**

2013-2014  
RESULT



2,871

2013-2014  
TARGET

2,000

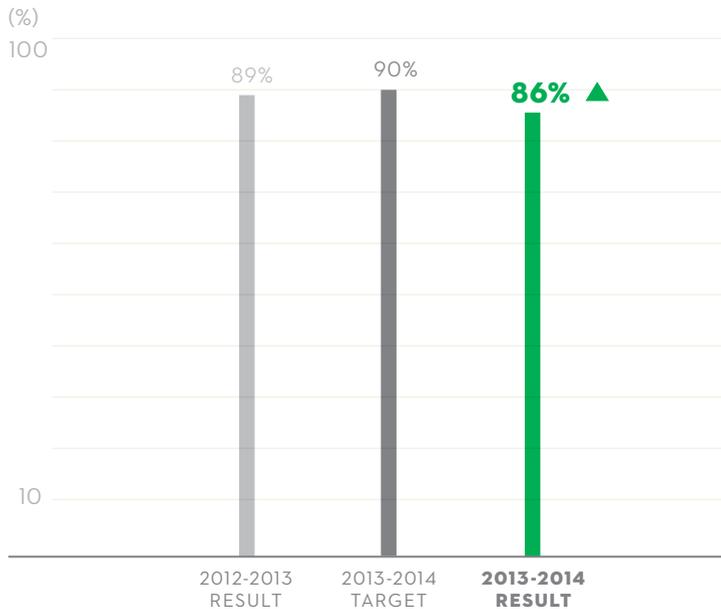
2012-2013  
RESULT

2,245

**ANALYSIS**

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

**PERCENTAGE OF KEY RESEARCH PROJECTS THAT ARE PROGRESSING AS PLANNED OR ARE COMPLETED**



**ANALYSIS**

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



**3-D graphics** such as this muskox skull allow students and researchers to quickly and reliably identify animal bones discovered at sites throughout the Arctic.

**RESEARCH PROJECTS**

The **Shíshálh Archaeological Research Project** has discovered 5,000 year old artifacts that are shedding important new light on the ancient human history of B.C.'s Sunshine Coast. The **Virtual Zooarchaeology of the Arctic Project** has developed 3-D computer graphics that allow archaeologists to quickly and reliably identify animal bones discovered at sites throughout the Arctic, enhancing knowledge of the region's human history while saving time and money. At the War Museum, researchers have begun to explore the innovative concept of **adaptation** as they seek to better understand how Canadians serving in the First World War coped with the extreme terror and misery of the Western Front.

**A FIRST RESEARCH STRATEGY FOR THE MUSEUMS**

Research is integral to every aspect of the Museums' work. For the first time, a strategy document provides a clear, comprehensive and flexible framework to guide those activities at both Museums over a 10 year period. It was developed after broad internal and external consultation and takes into consideration the role the Museums play in helping Canadians understand their country's history.

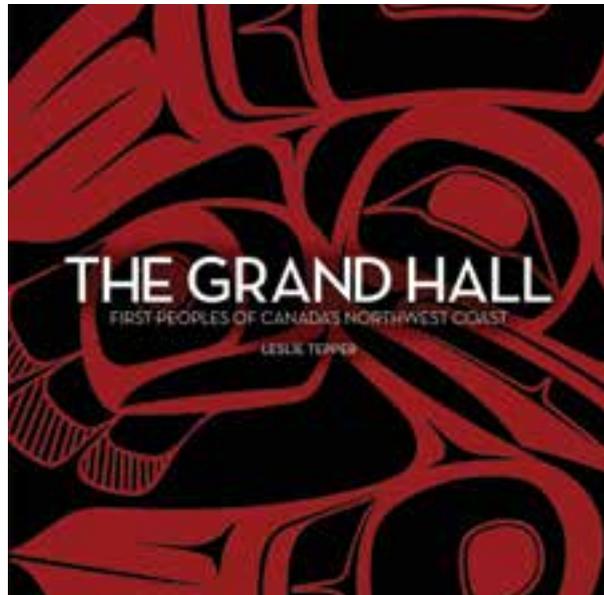
## NEW PUBLICATIONS

***First Peoples of Canada: Masterworks from the Canadian Museum of Civilization.*** This beautiful, full-colour book presents and interprets a collection of 150 objects that are spectacular expressions of creativity and ingenuity by Canada's First Peoples in both ancient and modern times. Co-authored by Museum of History curator Jean-Luc Pilon and former curator Nicholette Prince, the book received an Honorable Mention in the PROSE Awards, sponsored by the Association of American Publishers.

***Rewriting Marpole: The Path to Cultural Complexity in the Gulf of Georgia.*** Our understanding of prehistoric culture change in the Gulf of Georgia region of the Pacific northwest coast is enhanced by this book by Terence Clark, curator of Western Canadian Archaeology at the Museum of History.

***Du coq à l'âme - L'art populaire au Québec.*** This book seeks to define Quebec folk art while exploring its rich cultural and social history. Museum of History anthropologist Jean-François Blanchette examines everything from its traditional forms, often centuries old, to its most recent and unbridled form of expression: graffiti.

***Peace - The Exhibition.*** Canada has been shaped by people taking action to make peace possible: by acting as skilled negotiators, providing humanitarian aid, shouldering arms or demonstrating against wars and weapons. This souvenir catalogue by Amber Lloydlangston and Kathryn Lyons captures the rich history of peace in Canada. It invites all Canadians to better understand peace as a force for action and change in our past, and as an ongoing narrative today.



*The Grand Hall: First Peoples of Canada's Northwest Coast* is the first of the Museum's souvenir catalogues to focus on a permanent exhibition. Written by Leslie Tepper, this catalogue showcases ancient and contemporary works of Northwest Coast art, and provides an overview of the development of the hall. Historical photos of the totem poles and housefront paintings are shown next to the artifacts as they appear today.

# FOCUS ON RESULTS

The 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.

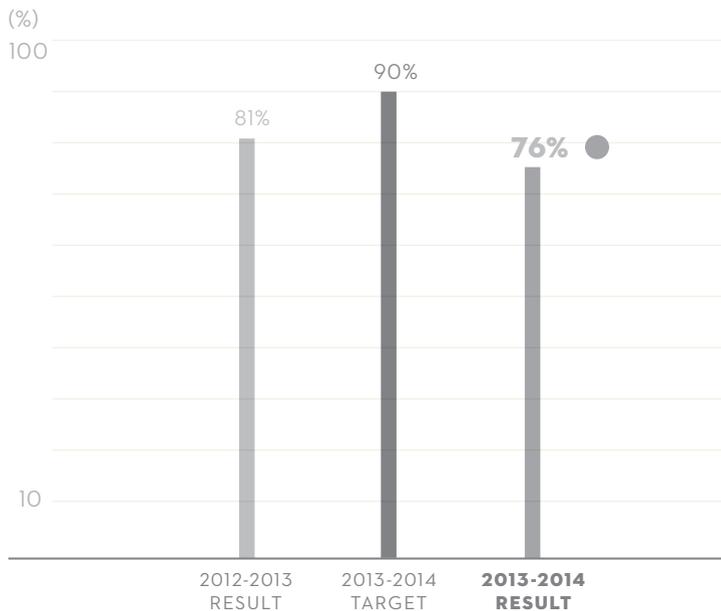
## PRIORITIES

- 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.

## SUMMARY OF PERFORMANCE

The Corporation met one of the established objectives in relation to this strategic direction through a number of capital projects approved by the Board of Trustees. These projects enabled the Museums to ensure the health and safety of visitors and staff, and to renew an infrastructure that has or is nearing the end of its lifecycle. The remaining objectives were not met. Performance goals were realigned to give priority to the Canadian History Hall project and the commemorations related to the anniversary of the First World War. The audit variance is attributed to the broadening of the scope of the Audit of Cash Handling.

## PERCENTAGE OF KEY PERFORMANCE GOALS IN THE CORPORATE PLAN THAT ARE PROGRESSING AS PLANNED



## ANALYSIS

Several corporate plan goals that were planned for this reporting period were put on hold and realigned as the corporate priority was and continues to be the Canadian History Hall project and the commemorations related to the anniversary of the First World War.



To left: An Objects Conservator treats a ski for display in the exhibition **Snow**. Above: This clock from Hiroshima is a symbol of nuclear disarmament and is featured in **Peace – The Exhibition**.

**NUMBER OF AUDITS AND REVIEWS COMPLETED**

2013-2014  
RESULT



2

2013-2014  
TARGET

3

2012-2013  
RESULT

3

**ANALYSIS**

The Audit of Cash Handling was delayed from April 2014 to June 2014 due to a broadening of the scope of the Audit. The results will be presented at the Board of Trustees meeting in June 2014.

**NUMBER OF FOLLOW-UP ACTIONS ON AUDIT RECOMMENDATIONS THAT ARE PROGRESSING AS PLANNED**

**2013-2014  
RESULT**



27

2013-2014  
TARGET

10

2012-2013  
RESULT

13

**ANALYSIS**

The variance is due to the recommendations and actions that stemmed from the Audit of Temporary Exhibitions and the 2013 Special Exam conducted by the Office of the Auditor General of Canada. The annual targets are set based on historical trends.

**NUMBER OF CAPITAL PROJECTS APPROVED BY THE BOARD OF TRUSTEES THAT ARE PROGRESSING AS PLANNED**

**2013-2014  
RESULT**



2

2013-2014  
TARGET

1

2012-2013  
RESULT

2

**ANALYSIS**

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

# FUNDING AND FUNDRAISING

The 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.

## SUMMARY OF PERFORMANCE

The Corporation met two of the established objectives in relation to this strategic direction through revenue-generating activities. These activities made it possible for the Museums to increase financial resources through a variety of supplementary sources. However, fundraising goals were not fully met. A new fundraising plan covering the next three years is in development. The plan will include new strategies to aid the Museums to reach their fundraising goals.

## DOLLAR VALUE OF FUNDRAISING ACTIVITIES (IN 000’S)

2013-2014  
RESULT



\$1,597

2013-2014  
TARGET

\$3,485

2012-2013  
RESULT

\$1,579

## ANALYSIS

Fundraising activities were below target in the areas of sponsorship and major giving. Although overall sponsorship revenue was below target, it is important to note the sponsorship of \$1 million from the Canadian Association of Petroleum Producers. The new fundraising plan, which includes campaigns to raise funds for the Canadian History Hall and the First World War Centenary will assist in reaching the Museums’ fundraising goals.

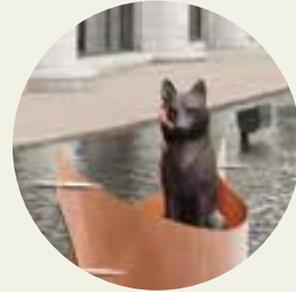
## SPONSORSHIP

The **Canadian Association of Petroleum Producers** (CAPP) is welcomed as an Official Partner of the Canadian Museum of History and the National Presenting Sponsor of the Museum's celebrations to mark the 150th anniversary of Confederation. Generous and vital funding from CAPP and from Canada's Oil Sands Producers will support the Museum's exhibitions, including **1867** – a major exhibition about the birth of Confederation – and related programming across the country.

The **RBC Aboriginal Training Program in Museum Practices** is a unique initiative that provides specialized professional and technical training to First Nations, Métis and Inuit people from across Canada. Support from the RBC Emerging Artists Project will assist Aboriginal interns who wish to enhance their skills in various aspects of museum work.

## COUNCIL OF MUSEUM CEOs

The President and Chief Executive Officer participates in the Council of Museum CEOs, which is a forum designed to facilitate collaboration with the other national museums to reduce costs, increase revenues and maximize strategic opportunities. In 2013–2014, the Corporation participated in two joint procurement exercises with other national museums. A new financial system was purchased and implemented jointly with the National Gallery of Canada, resulting in savings of almost 20 percent of the cost of the project. In addition, security services were jointly procured with the Canadian Museum of Nature, resulting in savings over the next five years.



## MAJOR GIFTS

The **family of prominent Canadian businessman E. P. Taylor** donated a large and historic collection documenting the prodigious achievements of Taylor's thoroughbred breeding and racing stable, Windfields Farm. The Farm's most notable success was Northern Dancer, whose victory in the 1964 Kentucky Derby sparked jubilation across Canada. Among the objects in the E. P. Taylor – Windfields Farm Collection are 97 racing trophies won by Northern Dancer and his stablemates.

Thanks to a major contribution from **John and Bonnie Buhler** of Winnipeg, a new and striking sculpture adorns the grounds of the Museum of History. Created by renowned 'Namgis First Nation artist Mary Anne Barkhouse, *'namaxsala* depicts a life-sized bronze wolf in a gleaming copper canoe.

Twenty years ago, Toronto philanthropists **Ralph and Roz Halbert** gave a remarkable gift to the people of Canada: Dene Suline artist Alex Janvier's tour de force *Morning Star*, which covers a massive domed ceiling in the Museum of History. This year, the Halberts renewed their support, helping the Museum create an interactive website that facilitates broader awareness and deeper understanding of the masterpiece.

**DOLLAR VALUE OF REVENUE-GENERATING ACTIVITIES (IN 000'S)**

2013-2014  
RESULT



\$14,100

2013-2014  
TARGET

\$14,471

2012-2013  
RESULT

\$14,912

**ANALYSIS**

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

**FIRST WORLD WAR CENTENARY CAMPAIGN**

The Canadian War Museum's \$3 million First World War Centenary Campaign continued to gain momentum in 2013-2014, with support from major donors directed toward special exhibitions, online research and digitization projects that illuminate the personal experiences of Canadians who served during the First World War. To date, Canadians have donated over \$1.1 million in gifts and pledges to the Campaign's projects.





**RBC  
Emerging Artists  
Project**

RBC Aboriginal  
Training Program in  
Museum Practices



CANADIAN ASSOCIATION  
OF PETROLEUM PRODUCERS

Official Partner and National  
Presenting Sponsor of the  
150th Anniversary of Confederation



National Presenting  
Sponsor of **1812**  
travelling exhibition



Media Partner  
for **Peace - The  
Exhibition**



Media Partners



National Supporting  
Sponsor of **1812**  
travelling exhibition

**DONOR COUNT KEEPS GROWING**

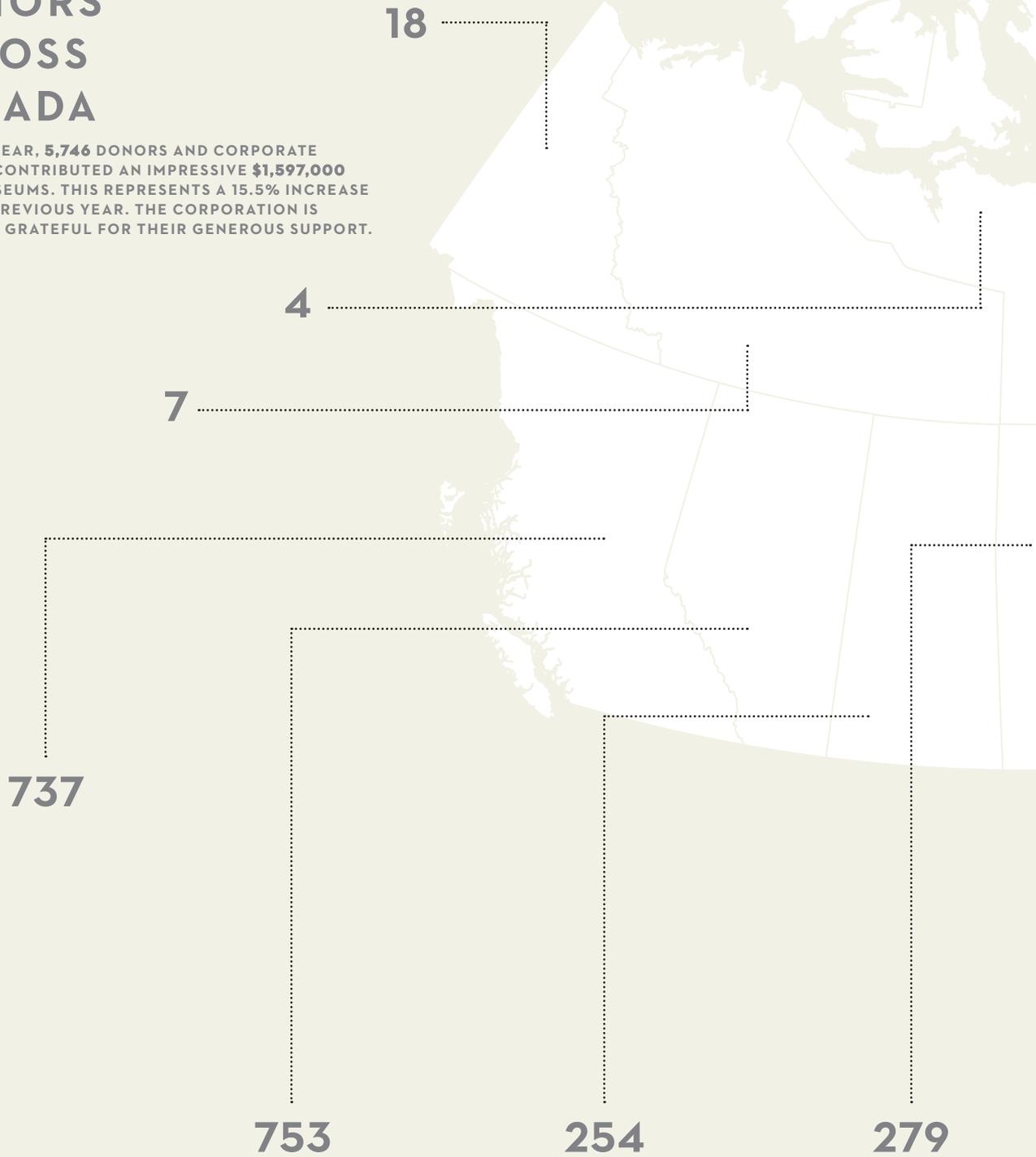
Thousands of Canadians from across the country donate to the the Museums' Annual Giving Campaign; in fact, over the last five years the number of Annual Campaign contributors has quadrupled - 5,726 donors contributed to the Campaign during the fiscal period, the most in the Museums' history. In 2013-2014, 32 percent of annual donors were inspired to contribute more than once; 13 percent donated three times or more; and the number of donors who give monthly increased by 43 percent from the previous year.

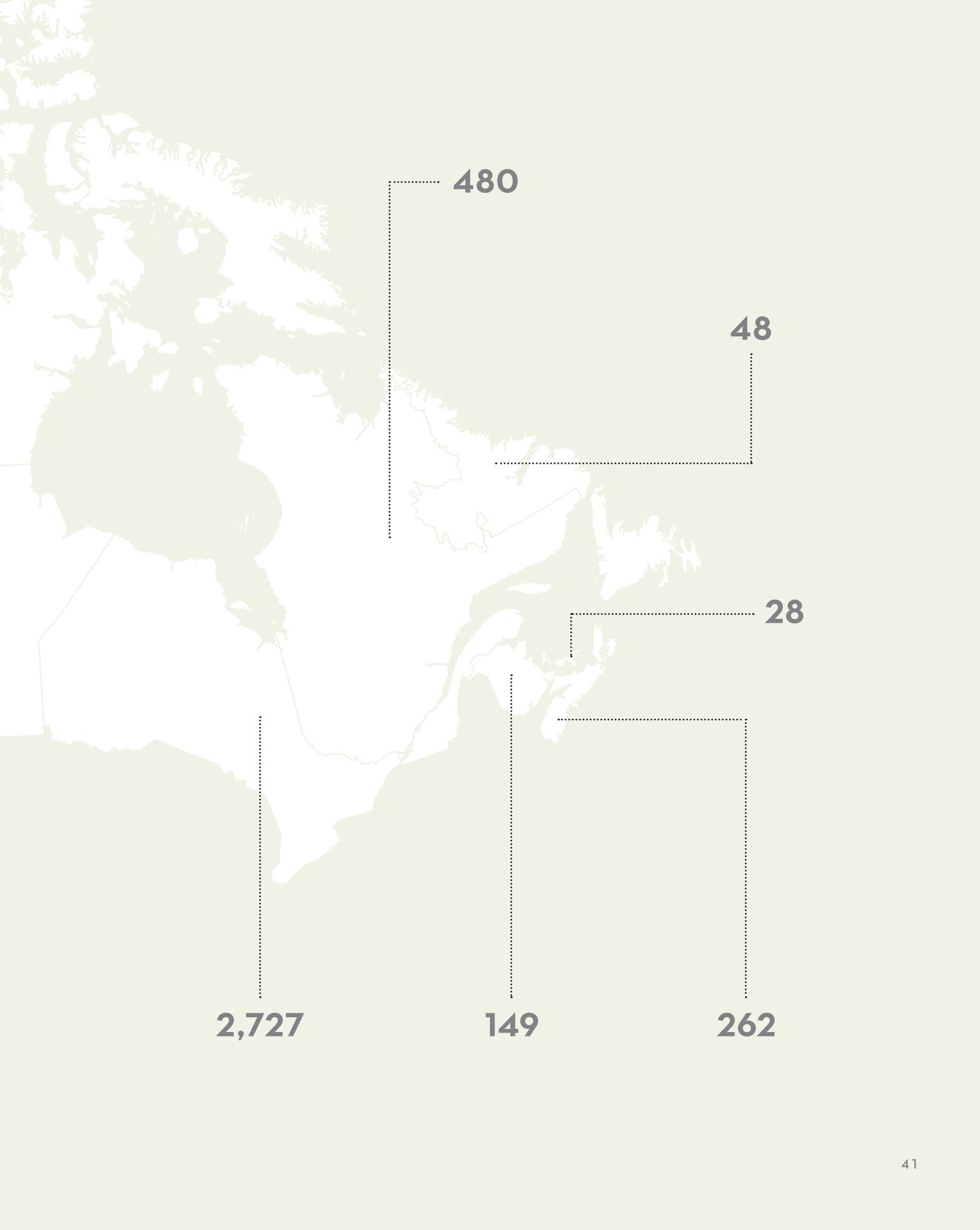
**FRIENDS SURPASS \$1 MILLION MILESTONE**

The Friends of the Canadian War Museum group has now donated over \$1 million to support and promote the Museum's programs and activities. This is in addition to the group's vital role in the Passing the Torch campaign, which raised more than \$16.5 million to fund building the new Museum and developing its exhibitions. The Museum congratulates the Friends for achieving this milestone, and expresses its gratitude and appreciation for everything the group has done – and continues to do – on behalf of the Museum.

# DONORS ACROSS CANADA

THIS PAST YEAR, **5,746** DONORS AND CORPORATE PARTNERS CONTRIBUTED AN IMPRESSIVE **\$1,597,000** TO THE MUSEUMS. THIS REPRESENTS A 15.5% INCREASE OVER THE PREVIOUS YEAR. THE CORPORATION IS EXTREMELY GRATEFUL FOR THEIR GENEROUS SUPPORT.





**2,727**

**149**

**262**

**480**

**48**

**28**

# GOVERNANCE

## THE BOARD OF TRUSTEES

The Corporation is governed by a Board of Trustees, whose 11 members are appointed by the Minister of Canadian Heritage and Official Languages with the approval of the Governor in Council. The Trustees are selected from across the country. The Board, accountable to Parliament through the Minister provides broad strategic direction and oversight with the assistance of six Committees and one Working Group.



*From left to right:*

Front row: James D. Fleck, Vice-Chair; William (Bill) Leach, Chair; Richard Gwyn, Trustee

Second row: Trustees Ken Langille, Andrea T. Bobkowicz

Third row: Trustees Jean Giguère, Judith Baxter, Michael Bliss

Back row: Trustees Christopher McCreery, Claude Thibault, Robert C. Wilband

### BOARD OF TRUSTEES COMMITTEES

- The **Executive Committee** assists in making decisions between Board meetings, as necessary.
- The **Audit Committee** serves as the Board's advisor on audit-related matters; ensures the maintenance of sound internal controls; and reviews internal audit plans, financial statements, and observations made by the Auditor General of Canada and relating to the Museum.
- The **Development Committee** advises and supports the Board and management in achieving greater self-sufficiency through fundraising.
- The **Finance Committee** advises the Board on accountability and planning in relation to financial matters such as financial reporting, the Corporation's investment policy and contracts, and other financial transactions over \$500,000.
- The **Governance Committee** advises the Board on matters related to corporate governance.
- The **Canadian War Museum Committee** provides advice on matters related to the Canadian War Museum, and includes members of the Board of Trustees and representatives from veterans' groups.
- The **Canadian History Hall Working Group** advises on matters related to the Canadian History Hall, which will open in 2017.



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

# MEMBERS OF THE BOARD

(AS OF MARCH 31, 2014)

## **WILLIAM (BILL) LEACH, CHAIR KARS, ONTARIO**

02-Feb-2012 – 01-Feb-2016

Lieutenant-General (Ret'd) Leach has had a varied and distinguished career as a high-ranking military officer, an executive in the private sector and a committed volunteer. Before retiring from the Canadian Forces (Regular) in 2000, after 40 years of service, Bill Leach was Chief of the Land Staff and Commander Land Force Command. He still holds one Honorary Appointment granted by the Minister of National Defence. He was an executive at Honeywell Canada and Mincom Australia. He is the immediate Past President and Chair on the Board of the Friends of the Canadian War Museum, serves on the Executive Committee of the Military Families Fund/Support Our Troops, and chairs the Defence and Security Committee of the Royal Canadian Legion. He is a recipient of the Canadian Order of Military Merit (Commander) and the U.S. Legion of Merit (Commander).

## **JAMES D. FLECK, VICE-CHAIR TORONTO, ONTARIO**

04-Oct-2012 – 03-Oct-2016

Dr. Fleck is an entrepreneur, academic and leading cultural philanthropist. In business, he founded Fleck Manufacturing Inc., and was Chairman of ATI Technologies and Alias Research. He is Professor Emeritus at The Rotman School, University of Toronto and taught at Harvard and York. In the non-profit sector, he was President of the Art Gallery of Ontario and is Chairman

of Business for the Arts, a national association of business leaders supporting the arts. In government, he served as Deputy Minister of Industry and Secretary of Cabinet for Premier Bill Davis. Dr. Fleck's many honours include the Order of Canada, the Queen Elizabeth II Diamond Jubilee Medal, the Edmund C. Bovey Award for Leadership Support of the Arts, the Ramon John Hnatyshyn Award for Voluntarism in the Performing Arts and the International Society for the Performing Arts' Angel Award.

## **JUDITH BAXTER, TRUSTEE CLIFTON ROYAL, NEW BRUNSWICK**

15-Dec-2011 – 14-Dec-2015

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

## **MICHAEL BLISS, TRUSTEE TORONTO, ONTARIO**

05-Apr-2012 – 04-Apr-2016

Professor Bliss, one of Canada's foremost historians and an award-winning author, taught at the University of Toronto for 38 years. While most of his 14 books, including *The Discovery of Insulin and William Osler: A Life in Medicine*, reflect his specialization in medical and Canadian history, he has also earned two National

Magazine awards for business and political writing. In 1988, he won the Royal Society of Canada's Tyrrell Medal for outstanding work in the history of Canada. Professor Bliss is a Member of the Order of Canada and Honorary Fellow of the Royal College of Physicians and Surgeons of Canada. He has been recognized with honorary degrees from McGill University, McMaster University, the University of British Columbia, University of Toronto, University of Prince Edward Island and the Medical College of Wisconsin.

**ANDREA T. BOBKOWICZ, TRUSTEE  
WESTMOUNT, QUEBEC**

22-Nov-2012 - 21-Nov-2016

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

**JEAN GIGUÈRE, TRUSTEE  
WINNIPEG, MANITOBA**

17-Dec-2013 - 16-Dec-2017

Jean Giguère, a distinguished leader in the Canadian arts and cultural community, has served on the boards of the Royal Winnipeg Ballet (where she is currently Chair Emeritus) and the Royal Manitoba Theatre Centre, and on the fundraising committee of the Canadian Museum for Human Rights. She spearheaded the formation and launch of Culture Days in Manitoba, and extended her commitment to the event through her work on the Culture Days National Executive Committee. She was also chair of the Canadian Arts Summit and is a Director of Business for the Arts. Ms. Giguère's extensive experience in board governance, fundraising and strategic planning made her the ideal inaugural recipient of the Winnipeg Art Council's Making a Difference Award for an outstanding volunteer. In 2013, she received the Queen Elizabeth II Diamond Jubilee Medal for her contribution to artistic life in Canada. This year, she was honoured with the Governor General's Ramon Hnatyshyn Award for Voluntarism in the Performing Arts.

**RICHARD J. GWYN, TRUSTEE****TORONTO, ONTARIO**

07-Mar-2013 – 06-Mar-2017

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

**KEN LANGILLE, TRUSTEE****NEW GLASGOW, NOVA SCOTIA**

07-Mar-2013 – 06-Mar-2017

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

**CHRISTOPHER MCCREERY, TRUSTEE****HALIFAX, NOVA SCOTIA**

05-Apr-2012 – 04-Apr-2016

Dr. McCreery is the Private Secretary to the Lieutenant Governor of Nova Scotia and Executive Director of Government House, Halifax. Author of more than 10 books, he holds a doctorate in Canadian Political History from Queen's University and is a recognized authority on Canadian honours, symbols and the role of the Crown in Canadian government. He has served on the Department of Canadian Heritage War of 1812

Advisory Committee, the Queen Elizabeth II Diamond Jubilee Committee and the Prime Minister's advisory committee on the appointment of the Governor General in 2010. Dr. McCreery is a Member of the Royal Victorian Order, a Fellow of the Royal Canadian Geographical Society and a Fellow of the Queen's University Centre for the Study of Democracy.

**CLAUDE THIBAUT, TRUSTEE**

***MONT-ROYAL, QUEBEC***

21-Jun-2012 - 20-Jun-2016

Claude Thibault is Chief Financial Officer of the Nuera Group of Companies, a privately-held holding company with subsidiaries in Canada and the United States.

Mr. Thibault is a seasoned finance executive with over 16 years as Chief Financial Officer of several other private and publicly-listed companies. He previously worked in Investment Banking and Corporate Finance, as Vice-President at Midland Walwyn Capital and KPMG. Mr. Thibault has served on a number of boards, including the Old Port of Montreal Corporation. He is a Chartered Professional Accountant (CPA, CA) and a Chartered Business Valuator, and he earned a MBA from McGill University.

**ROBERT C. WILBAND, TRUSTEE**

***VANCOUVER, BRITISH COLUMBIA***

06-Jun-2013 - 05-Jun-2017

Robert C. Wilband has over 40 years' experience in Canada and internationally as a business leader and board director, primarily in the technology sector. Until his retirement in 1999, he was President and Chief Executive Officer of Prologic Corporation of Richmond, British Columbia, a global leader in providing banking software with 350 corporate customers in 31 countries. Mr. Wilband, who has a master's degree in Business Administration, is also a Certified General Accountant. His honours include the Canada Export Award and the CIBC National Job Creation Award, and he is a lifetime member of the President's Club at Simon Fraser University, where he served as an Executive in Residence and Adjunct Professor. Mr. Wilband continues to act as a mentor in the technology sector, drawing on his extensive expertise in corporate governance, finance, marketing and business strategy development.

# EXECUTIVE MANAGEMENT

(AS OF MARCH 31, 2014)

The President and Chief Executive Officer, supported by an Executive management team, is accountable for the day-to-day administration of the Corporation's performance, its long-term viability and the achievement of its objectives.

## CORPORATE OFFICERS

**Mark O'Neill**, President and Chief Executive Officer

**David Loye**, Chief Operating Officer and Senior Vice-President

**Chrissie Unterhoffer**, Acting Corporate Secretary and Director of Strategic Planning

## EXECUTIVE COMMITTEE MEMBERS

**Jean-Marc Blais**, Director General, Canadian Museum of History and Vice-President of the Corporation

**Michèle Canto**, Director, Marketing and Business Operations

**Tony Glen**, Director, Collections, Canadian War Museum

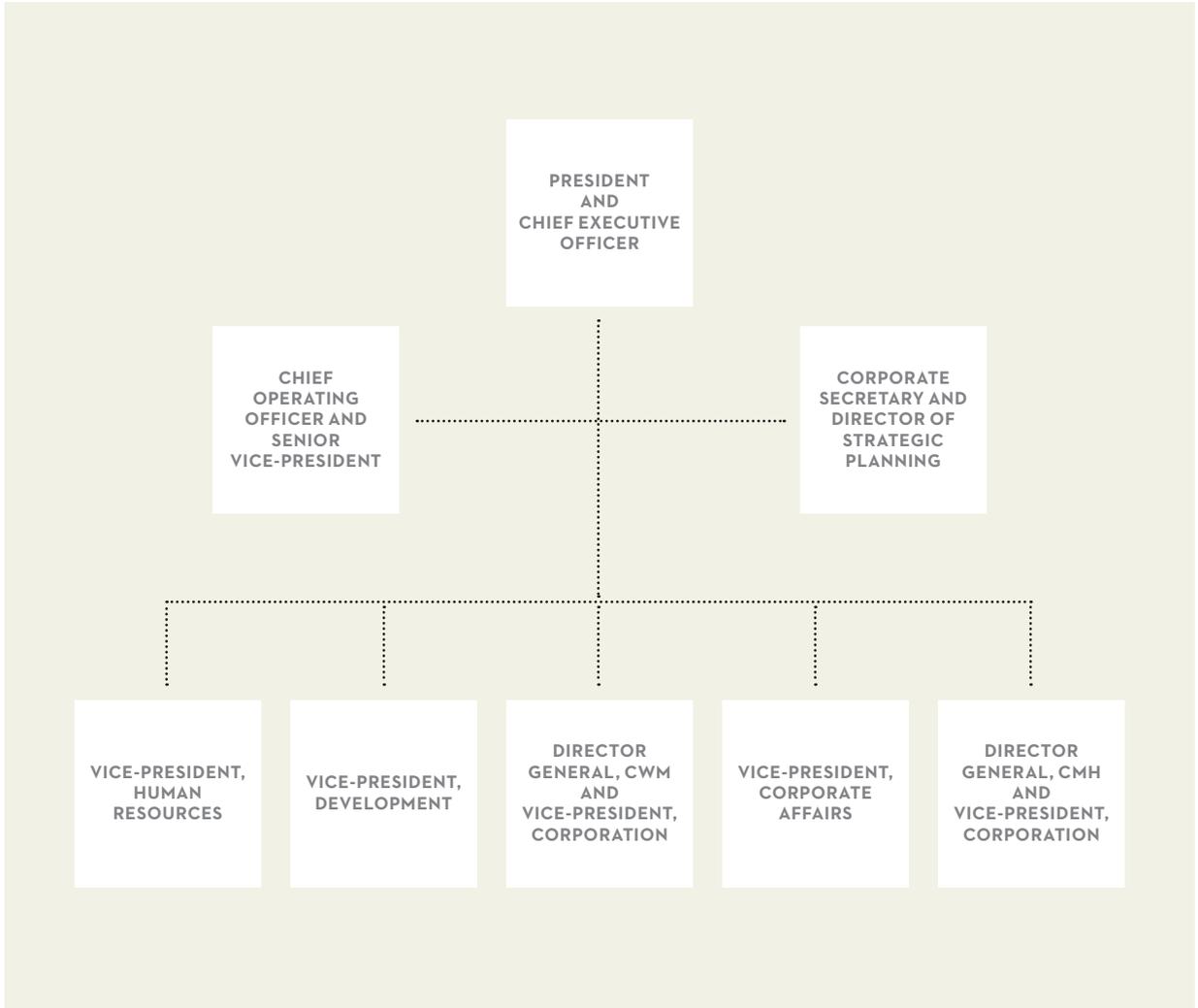
**Yves Gadler**, Vice-President, Development

**Elizabeth Goger**, Vice-President, Human Resources

**Dr. Dean Oliver**, Director, Research, Canadian Museum of History

**Chantal Schryer**, Vice-President, Corporate Affairs

**James Whitham**, Director General, Canadian War Museum and Vice-President of the Corporation



**HUMAN RESOURCES PRACTICES AND OFFICIAL LANGUAGES POLICY**

The Corporation follows human resource management practices. It is committed to a learning culture that promotes continuous development and training, and provides the necessary tools for adaptation in an ever-changing environment. It works proactively with the unions, the Public Service Alliance of Canada and the Professional Institute of the Public Service of Canada to address and resolve issues of concern, and to maintain a meaningful, professional and positive work climate.

In addition, the Corporation actively promotes the Government of Canada’s official languages policy through appropriate second-language training and validation testing. It continues to meet the high standards of client services to the general public in both official languages.

# DONORS AND SPONSORS

## THANK YOU FOR YOUR SUPPORT

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



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

**\$100,000 to \$249,999**

Canadian Association of Petroleum Producers  
Richard I. Thorman  
Windfields Farm Limited

**\$50,000 to \$99,999**

John and Bonnie Buhler  
Friends of the Canadian War Museum  
The RBC Foundation

**\$25,000 to \$49,999**

The E. W. Bickle Foundation  
The Commonwealth War Graves Commission

**\$10,000 to \$24,999**

John H. C. Clarry  
Embassy  
The Ralph and Roslyn Halbert Foundation  
The McLean Foundation  
The Salamander Foundation  
Estate of Mr. Charles Stewart  
Mr. and Mrs. William P. Wilder

**\$5,000 to \$9,999**

Elinor Gill Ratcliffe  
IODE Walter Baker Chapter  
The Henry White Kinnear Foundation  
HLCol William Dale Murray

**\$1,000 to \$4,999**

John Anderson  
Karen and Bill Barnett  
Raymond Beaulieu  
J. Michael Bliss  
Brookfield High School  
Alan S. Canavan  
Dawne Deeley  
John C. Franklin  
The Hon. Senator Irving R. Gerstein, C.M., O.Ont  
Michael J. and Anne Gough  
Scott Griffin  
Ernest Howard  
Marion Kelch  
Lower Canada College  
Dr. James W. C. MacDonald  
Meggitt Canada  
Bill and Doreen Motz  
Mark O'Neill  
Col Kevin Pehr  
Joan Porter  
Robert C. Wilband  
John Wilkes  
Donna Lee and J. W. Zaleski

**\$500 to \$999**

James Anderson  
MWO (Ret'd) Carl J. and Dorothy E. Arthurs  
S. Gordon Ash  
Fiona and Stephen Bamforth  
Judith Baxter  
Andrea T. and Aidan Bobkowicz  
Alan and Sheila Bottomley  
Shirley Brosseau  
Michèle Canto  
John Carter  
John Catto  
Maurice Corbett  
Sgt Robert Craig  
Barbara Currie  
J.C. D'Amours and Catherine Taylor  
Douglas Dennis  
Arthur B. C. Drache  
Maurice Dupasquier  
EF Educational Tours  
Russell and Carol Finch  
David Finley  
Jean and Dennis Giguère  
R. Allan Gould  
J. L. Granatstein  
Norman R. Hain  
Wib Hartwick  
Kevin B. Higgins  
William O. Hough  
Col Ian Isbester

The Jackman Foundation	<b>\$150 to \$499</b>	John Bufton
Maj (Ret'd) Frank and Anne Jefferies	Alberta Land & Lease Ltd.	Bruce Bullock
Dalton LaFolley	Penny W. Amos	Shirley Buote
Ken Langille	Col (Ret'd) Bruce W. Anderson	George A. Calder
William C. Leach	Marion E. Anderson	Shirley N. Calder
David and Rhonda Loye	William J. Armstrong	Betty and Aldo Campitelli
Kyle MacDonald	Frederick L. Arnold	Vincent Wm. Catalano
Colin A. Mackay	Roger Ashby	Guy Chaisson
Richard Maxfield	WO Donald and Jean Atkinson	Cdr Peter Chance
Col (Ret'd) D. B. McGibbon	Jean M. Augustine	J. George Charrier
Lt (Ret'd) Jessie (Lee) Middleton	Keith and Jean Avann	James W. Chipman
Arley K. Molloy	Gary J. Averbach	F. Wyn Christopher
Bruce J. Morrison	James and Eileen Baker	Donald B. Climo
Ronald Newman	Linda and Mitch Banks	John Clingen
Charles B. Nixon	Ian K. Barker	John P. T. Clough
David and Patricia Noakes	Sydney Barnett	Donald Lloyd Coish
John and Sylvie O'Driscoll	Earl H. and Joyce L. Barr	Collège Letendre
William George Perry	LCol (Ret'd) B. Grahame Baskerville	Harold Jack Cook
Melissa Phillips	Douglas Bean	Walter F. Cook
John Douglas Price	Beryl and Omar Beckett	Eugene J. Cooney
Richard W. Rinn	Robert M. Benjamin	Joseph H. Corbett
Royal Canadian Legion	Peter I. M. Benson	Corporation du Fort Saint-Jean
Lakefield Branch 77	Vera Besso	Nancy L. Court
Don and Jean Rutherford	Katherine A. Betts	Cecil Cowan
Gene R. Scissons	Joan Bond	Gabrielle Croteau-Robenhymer
Dean Scott	Donald Bonner	Raymond Culp
Selwyn House School	Douglas Boxall	Beryl Cunningham
St. Stephen Middle School	Peter Boyer	Wendy Cuthbert
Nancy and George Taylor	George A. Bradshaw	Brian and Lindsay Cuthbertson
Claude Thibault	Randolph Brake	John Darling
Robert Tucker	Domenic Bravi	Derek H. Davis
Ronald K. Watts	Nancy Brickwood	Edward and Sarah Deadman
	Lars Brink	Bronwen and Christopher Dearlove
	The Britton Smith Foundation	Maj (Ret'd) Murray G. Decker
	Maj James Brodeur	De La Salle Public High School
	Constance Christine Brodhead	Mary Frances DeRochie
	Graham A. Brown	George T. Dobson
	Iris Brown	MCpl Alden Dodge
	Anthony G. Bruce	
	Joe Bryant	

Gordon Douglas	William D. Gibb	David F. Holmes
Claude Drouin	Edmund G. and Gwendolyn Gigg	Marion V. Holmes
Robert Drummond	Lorna C. Gilbertson	Frank Honey
Leslie Vincent Dunn	Richard Gillians	Donald G. Hook
John S. Durnin	Maxine and Fred Gilliland	Thomas P. Hribar
LCol Rev Dennis Dwyer	Andrew Gilpin	Robert Hughes
Frieda Dym	Anthony Glen	Michael M. Hunter
Elizabeth Earle	Irwin H. Goertzen	Chris and Lola Ingersoll
John L. Easson	Glenys M. Goossens	Norman E. Jackman
Dr. Martin Eidinger	J. A. and Gloria Gorrill	George F. and Noreen Jackson
John O. Ellis	Kenneth and Paulette Greentree	Percy Jackson
Erich Erdmann	Cdr Anthony G. S. Griffin	Myrtle Jacobs
Patricia Evernden	Nan Margaret Griffiths	Cheryl L. Jay
Nancy Fanning	Charles and Kathleen Guy	Pat Jeffery
Graham Farquharson	D. A. Guzman	Kenneth Jewett
Lawrence Farries	Richard Gwyn	John McCrae Secondary School
John Feduck	Denise Halbauer	Dwayne Johnston
Dave and Pat Ferguson	Nell W. Haldane	M. T. Johnston
RAdm Patrick Finn	Joe Handyside	Brython Jones
Thérèse Vallée Fiorilli	Thomasina Hannan	Geoffrey Joyner
Murray M. Fisher	Brian Hansen	Ernest Jubinville
John Flannery	BGen (Ret'd) James I. Hanson	Juno Beach Academy of Canadian Studies
Lawrence E. J. Fleece	Cathy and David Harbinson	Paul Kavanagh
Capt (Ret'd) Peter Forsberg	Paul Harker	Verna Kavanaugh
Gilberte Blanchard-Fortier	Arthur J. Harris	Maj Terry B. Kelly
Ezra Milford Fox	Alevia Healey	Audrey Kenny
Gerald E. Fraser	James and Maryanne Healy	John Kersley
Eleanor Palmer Friesen	BGen Sheila A. Hellstrom	Douglas M. Kilpatrick
William Ja Frissell	John and Cathy Henderson	Janice L. King
LCdr M. F. Furlong	Ralph and Diana Hennessy	John W. R. King
G. T. Custom Work	Lawrence L. Herman	Kenneth Kinnear
Doreen Gabel	Lawrence Heron	George Knee
Robert L. Gable	LCol Robin C. Hesler	Lindsay Kuiack
Marielle S. Gagné	Doretha J. Hick	Pierre Lagueurx
Claude Galipeau	Marianne Hildes	Guy Lalande
James Gander	John A. and Mae Hill	Ralph Langtry
Henri François Gautrin	Ronald and Lavon Holgate	Lawrance M. Lashkevich
LCol (Ret'd) David V. Geary	Barry and Linda E. Holmes	Lyle Lawson
Georgina Gendreau		Jack F. Layton
Reg Gervais		

David D. Lemon	Cpl William O. Minish	Fay C. M. Reed
G. L. (Lou) Lesperance	Warren Mitchell	William W. Reid
Bernice Levitt	L/Cpl Donley Mogan	Cecil Reisner
Jim Lewis	Jerry E. Moore	Brenda Rennie-Koch
Douglas Lissaman	HCol (Ret'd) Desmond Morton	George Rice
John C. and D. Lorraine Little	Elisabeth Moulard	Thomas A. Ripley
Chesley Lockhart	Jack Moxam	A. Kent Robinson
M. A. Ben Loiselle	Rupert and Elaine Mullins	Bruce W. Robinson
Rebecca Lonsdale	John E. L. Murphy	LCol Joseph William and Christy M. Robinson
Norman Lyng	William M. Nauss	Margaret Rolstone
Dr. Ian MacDonald	MGen Philip Anthony Neatby	Walter Romanow
Angela MacDonell	Arthur Neill	Karen Rowbottom
B. MacDougall	Robert Nelson	Royal Canadian Legion Branch 109
Carole and Douglas MacFarlane	Joyce Neuburg	Royal Canadian Legion Branch 48
LGen Donald C. MacKenzie	Jean Newman	Nick M. Rudrick
Norman Mackenzie	Kenneth E. Nicholson	Delvin Rusaw
Roderick MacLennan	Dean F. Oliver	Donald Rutherford
Wayne MacPherson	Megan R. Ollivier	Loran and Gail Rutledge
Marion E. Magee	Mabel Oram	Dr. Brian H. Sabiston
George Mandryk	Orillia Unit 400	Beverly Schaeffer
Gen (Ret'd) Paul D. and Margaret Manson	ANAVETS in Canada	Chantal Schryer
René J. and Thérèse Marin	David and Joan Page	John B. and Donna Schwartzburg
Orville Marshall	Robert Pageau	Frank Scott
Helen Martin	Alexander and Heather Paine	Robert J. Seager
Betty Maskell	Peter R. Paterson	François Senécal-Tremblay
Elizabeth Mason	James Patton	Hannah Shannon
John and Nancy Matthews	Troy Pauls	Henry Shannon
William Mazzei	Martin Peach	Mark and Pat Shields
Michael McCormick	Donald E. Petican and Joan Burnett	Maj (Ret'd) James Shirley
Christopher McCreery	Dorothy Phillips	Sinclair Supply Ltd.
Nancy McFadyen	Rev Joshua Phillpotts	Sgt G. R. Slaght
Gordon M. and Susan M. McLennan	Joseph Pighin	James M. Slavens
Bernard and Patricia McNicholl	Robert Pinnell	Ben Smith
Capt Gerald A. Mendel	Dr. Michael Power	Donald F. Smith
Susan Merry	Christina Pratt	Michael D. Smith
Linda-Lou and Saban Mesetovic	Jean-Luc Préfontaine	Robert W. Smith
Larry S. Meyer	E. Jane Pryor and Walter Robert Hutchinson	Shiela M. Smith
William Milhausen	Pearl Quinney	Tom W. and Nell Smith
	Robert Rabjohn	
	John Redmond	

Augusta Vineberg Solomon  
 Wendy and Walter Somerville  
 Margaret M. Anita Spencer  
 John Spivey  
 Aryeh Stegenga  
 John R. Stephenson  
 Tom Stevens  
 F. John Stewart  
 Merlyn and Tom Stoate  
 Richard D. Storey  
 George Strmotich  
 Gray Styan  
 J. M. Sutcliffe  
 Eva and Ian Sutherland  
 Scott Sutherland and Lindsay DuVal  
 Edward Swinton and Eldred Cook  
 Al Tanenbaum  
 Capt Ray Thomson  
 John N. Tilley  
 Eric and Betty Tipping  
 Margaret Toth  
 Ralph Townsley  
 Brian and Wilma Traviss  
 Col (Ret'd) Roger W. Turnell  
 Vernon G. and Beryl A. O. Turner  
 Dr. John E. Udd  
 Louise Vanasse  
 Erica Viezner  
 Joseph and Ruth Viner  
 Christopher Waddell  
 Dave Walden  
 Nicholas Wall  
 Richard Warrell  
 Gordon and Joanne Watt  
 BGen Michael H. F. Webber  
 Bruce H. Weppler  
 R. A. White  
 Jack Whitmore  
 Ernest and Ann Wilkins  
 Iris Yvonne Willard

LCol Peter J. Williams  
 Michael Wilton  
 June and John (Jack) Winik  
 Gen (Ret'd) Ramsey M. Withers  
 George Al Woods  
 W. Russel Woods  
 Arthur Worth  
 Bernard and Isabel Wright  
 David Wysynski and  
 Maureen Sullivan  
 Cliff Yaffe  
 BGen (Ret'd) William J. Yost  
 Nadine and Theodore Zylstra

#### **Legacy circle**

*We are proud to acknowledge and thank the following individuals for providing a future gift to our Museums through a bequest, gift of life insurance or other planned giving arrangement.*

LGen (Ret'd) Charles H. Belzile  
 Jack L. Granatstein  
 VAdm Ralph L. Hennessy, DSC, CD  
 Col (Ret'd) Jarrott W. Holtzhauer  
 Ernest Howard  
 Paul Kavanagh  
 Gen (Ret'd) Paul D. Manson  
 Richard Iorweth Thorman  
 Douglas and Joanne Zbetnoff

#### **Benefactor PLUS Members**

Sylvie Morel  
 Marcia Krawll-Wetere

# 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.

## EXTERNAL ENVIRONMENT

The Corporation is highly dependent on revenues from attendance at its two museums which is directly influenced by the Canadian and global economies, and the travel and tourism market.

In its November 2013 Economic Update, the Department of Finance noted that the Canadian economy has continued to expand at a modest pace in 2013, enjoying the best performance of the G-7 countries since the global recession. It also noted that the global economy, particularly in Europe and the United States, remains fragile. Accompanying slow economic recovery is slow tourism spending. As reported by Statistics Canada, tourism spending remained mostly flat in the first three quarters of the year, and as per the Canadian Tourism Commission, international travel to Canada saw modest increases in the first three quarters of the year followed by a decrease in the fourth quarter.

## FINANCIAL OVERVIEW

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

However, the Corporation is still impacted by past funding reductions and cost containment measures, which include the 2007 Strategic Review (\$3.3 million), the Procurement Reform (\$0.9 million) and the 2010

freeze of incremental funding for payroll and operating costs (a similar freeze has been announced for 2014-15 and 2015-16). These measures, along with increasing costs to operate the Museum's buildings have resulted in an ongoing challenging fiscal environment.

To react to this challenging fiscal environment, the Corporation reviewed its activities and identified specific measures as part of a fiscal plan which was put in place at the beginning of the year to address the gap between planned expenditures and expected revenues. Each measure was carefully assessed to ensure the organization's core mandate was protected and impact on affected employees and visitors was minimized. As a result of these measures and proactive spending management by the organization, the Museum closed the year with a \$71 thousand surplus.

In December 2013 the Museum's name officially changed from the Canadian Museum of Civilization to the Canadian Museum of History. In addition to the name change, the Museum's mandate was updated to reflect the new direction of the museum. As part of this transformation the Museum will receive \$25 million over four years to transform two of its permanent galleries (Canada Hall and Face to Face) into a major permanent exhibition focused on Canadian history. In addition, the Museum will also create a temporary exhibition space to be used to delve into specific Canadian History topics. The \$25 million funding will be received as follows: \$1 million in 2012-13, \$1.5 million in 2013-14, \$5.5 million in 2014-15 and \$17 million in 2015-16. The new gallery is scheduled to open in 2017.

### **Statement of Operations**

The Corporation's net result of operations for the fiscal year 2013-14 reflects a surplus of \$71 thousand.

#### *Parliamentary Appropriations*

The Corporation's Parliamentary appropriations increased \$0.3 million in 2013-14, from \$71.4 million to \$71.7 million. This increase is mostly due to:

- Lower main estimates due to the expiry of Budget 2008 funding in 2012-13.
- Receipt of second year of funding for the transformation of the Canada Hall and Face to Face galleries.

#### *Revenues*

Operating revenues for the fiscal year were \$12.9 million, compared to \$13.2 million in prior year, which represents a 2.3% decrease year over year. This decrease is mainly attributable to the following:

- General admission revenues remained relatively flat compared to prior year. The decrease in paid admission at both museums (10.4%) was offset by an increase in admission price put in place early in the year.
- Facilities and concessions revenue increased 15.6% in 2013-14 due to higher facility rentals and food services revenues.
- IMAX attendance has decreased 24.9% in 2013-14 as 2012-13 was particularly successful with movies like *Dark Knight* and *To the Arctic*.

### Expenses

As outlined, the Museum implemented a targeted fiscal plan in 2013-14 to reduce its expenses and address its challenging fiscal environment. The Museum was successful in implementing its plan and achieving a balanced fiscal position a full year ahead of its target date.

The Corporation's operating expenses decreased \$3.7 million or 4.0% in 2013-14, from \$92.2 million in 2012-13 to \$88.5 million. This decrease is mainly attributable to:

- Collection acquisitions have decreased 27.3% or \$1.1 million, mainly due to the acquisition of the *Empress of Ireland* collection in 2012-13.
- Exhibit fabrication and rental decreased 20.7%, or \$0.7 million mostly due to rental fees for the Maya exhibition and fabrication for the War of 1812 exhibition.
- IT infrastructure and systems decreased 20.5% or \$0.5 million mostly due to the implementation of the fiscal plan and lower web development costs.

Expenses related to the transformation of the Canada Hall were \$0.3 million in 2012-13 and \$1.6 million in 2013-14.

### Statement of Financial Position

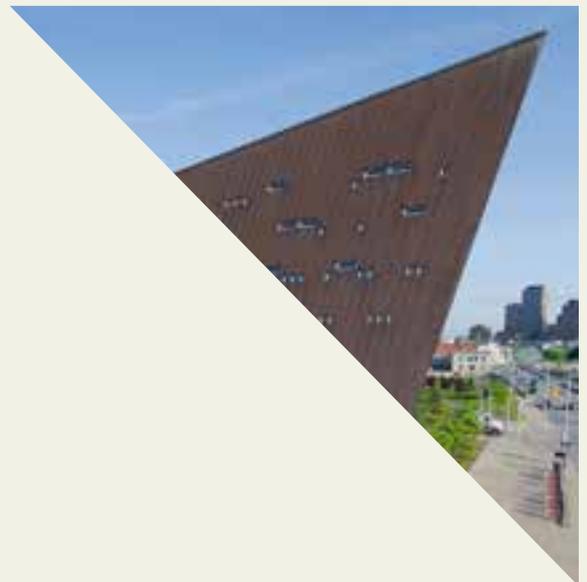
Cash has decreased to \$2.6 million as compared to \$12.4 million in 2012-13, mainly attributable to higher investments, lower accounts payable and employee future benefit liabilities.

At March 31, 2014, 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, 2014. 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, 2014, the fair values reported may change materially in subsequent periods which would have a direct impact on the net results of operations. At March 31, 2014, the MAVII notes were recorded at their estimated fair value of \$9.6 million, resulting in a gain on investment of \$0.7 million, which is included in the statement of remeasurement gains and losses.

The National Collection Fund has increased from \$9.0 million to \$10.4 million in 2013-14. This Fund has already shown its usefulness in allowing the Corporation to react to opportunities to enrich its collection and to preserve Canadian heritage through targeted acquisitions.

# FINANCIAL STATEMENTS

Year ended March 31, 2014



# 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.

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 History.



**David Loye**  
Chief Operating Officer



**Linda Hurdle**  
Chief Financial Officer

June 24, 2014

# 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 History, which comprise the statement of financial position as at 31 March 2014, and the statement of operations, statement of remeasurement gains and losses, statement of changes in net assets and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

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

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

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

**Opinion**

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Canadian Museum of History as at 31 March 2014, and the results of its operations, its remeasurement gains and losses, and its cash flows for the year then ended, in accordance with Canadian public sector accounting standards.

**REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

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

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

**Maurice Laplante, CPA, CA**

Assistant Auditor General  
for the Auditor General of Canada

24 June 2014  
Ottawa, Canada

**CANADIAN MUSEUM OF HISTORY**

## Statement of Financial Position

As at March 31

(In thousands of dollars)

	2014	2013
<b>Assets</b>		
Current assets:		
Cash	\$ 2,627	\$ 12,396
Investments (note 5)	4,435	3,097
Accounts receivable	4,013	3,235
Inventories	981	890
Prepaid expenses	438	384
	<u>12,494</u>	<u>20,002</u>
Restricted cash (note 8)	2,592	1,721
Restricted cash and investments – National Collection Fund (note 4)	10,417	8,971
Investments (note 5)	38,720	36,079
Collection (note 6)	1	1
Capital assets (note 7)	250,707	260,715
	<u>\$ 314,931</u>	<u>\$ 327,489</u>
<b>Liabilities and Equity</b>		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 15,039	\$ 18,673
Deferred contributions and deferred revenue (note 8)	7,210	3,750
Current portion of employee future benefits (note 10)	240	2,668
	<u>22,489</u>	<u>25,091</u>
Deferred contributions – National Collection Fund (note 4)	10,417	8,971
Deferred contributions related to capital assets (note 9)	213,471	225,101
Employee future benefits (note 10)	5,329	5,373
	<u>251,706</u>	<u>264,536</u>
Net assets:		
Unrestricted	19,490	19,419
Investment in capital assets	40,868	40,868
Accumulated remeasurement gains	2,867	2,666
	<u>63,225</u>	<u>62,953</u>
Contingencies (note 13)		
Contractual obligations (note 15)		
	<u>\$ 314,931</u>	<u>\$ 327,489</u>

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

Approved by the Board of Trustees:



Chairperson



Trustee

## CANADIAN MUSEUM OF HISTORY

### Statement of Operations

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

	2014	2013
<b>Revenues:</b>		
Donations and sponsorships (note 11)	\$ 2,680	\$ 2,883
Gain (loss) on investments	(146)	199
Interest	1,342	1,559
Operating (schedule 1)	12,906	13,154
	16,782	17,795
<b>Expenses (schedule 2):</b>		
Collect and research	13,060	16,122
Exhibit, educate and communicate	18,005	18,020
Accommodation	39,787	39,577
Corporate management	17,612	18,494
	88,464	92,213
Net result of operations before government funding	(71,682)	(74,418)
Parliamentary appropriations (note 16)	71,753	71,412
<b>Net result of operations</b>	<b>\$ 71</b>	<b>\$ (3,006)</b>

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

## CANADIAN MUSEUM OF HISTORY

### Statement of Remeasurement Gains and Losses

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

	2014	2013
Accumulated remeasurement gains, beginning of year	\$ 2,666	\$ 1,575
Unrealized gains (losses) attributed to:		
Long-term bonds maturing next fiscal period (note 5)	(108)	(101)
Long-term bonds (note 5)	(538)	69
Master asset vehicle notes (note 5)	714	1,162
Amounts reclassified to the Statement of Operations:		
Long-term bonds maturing next fiscal period (note 5)	132	79
Master asset vehicle notes (note 5)	1	(118)
Net change in accumulated remeasurement gains (losses) for the year	201	1,091
Accumulated remeasurement gains, end of year	\$ 2,867	\$ 2,666

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

## CANADIAN MUSEUM OF HISTORY

### Statement of Changes in Net Assets

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

	Unrestricted	Investment in capital assets	Accumulated remeasurement gains	2014	2013
Net assets, beginning of year	\$ 19,419	\$ 40,868	\$ 2,666	\$ 62,953	\$ 64,868
Net result of operations	71	-	-	71	(3,006)
Net change in accumulated remeasurement gains (losses)	-	-	201	201	1,091
Net assets, end of year	\$ 19,490	\$ 40,868	\$ 2,867	\$ 63,225	\$ 62,953

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

## CANADIAN MUSEUM OF HISTORY

### Statement of Cash Flows

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

	2014	2013
		Restated Note 3, 17
<b>Operating activities:</b>		
Cash receipts (clients)	\$ 13,568	\$ 13,038
Cash receipts (parliamentary appropriations)	59,857	56,482
Cash paid (employees)	(37,356)	(34,828)
Cash paid (suppliers)	(40,413)	(35,683)
Restricted contributions and related investment income	1,543	1,569
Interest received	1,327	1,570
Net cash through operating activities	(1,474)	2,148
<b>Investing activities:</b>		
Principal repayments of investments	55	491
Increase in restricted cash and investments	(10,034)	(5,064)
Decrease in restricted cash and investments	3,076	3,111
Net cash through investing activities	(6,903)	(1,462)
<b>Capital activities</b>		
Acquisition of capital assets	(4,527)	(6,204)
Recognition of film expense	-	378
Net cash through capital activities	(4,527)	(5,826)
<b>Financing activities</b>		
Parliamentary appropriations for the acquisition of capital assets	2,500	7,485
Increase (decrease) in cash and restricted cash	(10,404)	2,345
<b>Cash and restricted cash, beginning of year:</b>		
Cash	12,396	9,523
Restricted cash	4,596	5,124
	16,992	14,647
<b>Cash and restricted cash, end of year:</b>		
Cash	2,627	12,396
Restricted cash	3,961	4,596
	\$ 6,588	\$ 16,992

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

# CANADIAN MUSEUM OF HISTORY

Notes to the Financial Statements

Year ended March 31, 2014  
(In thousands of dollars)

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## 1. Mission and mandate:

The Canadian Museum of History (the “Corporation”), formerly named the Canadian Museum of Civilization, was established on December 12, 2013 through an amendment to the *Museums Act*. The Canadian Museum of History 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 Museum of History includes the Canadian War Museum.

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

*“to enhance Canadians’ knowledge, understanding and appreciation of events, experiences, people and objects that reflect and have shaped Canada’s history and identity, and also to enhance their awareness of world history and cultures.”*

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

### **Collect and research:**

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

### **Exhibit, educate and communicate:**

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

### **Accommodation:**

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

### **Corporate management:**

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

## 2. Significant accounting policies:

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

## CANADIAN MUSEUM OF HISTORY

Notes to the Financial Statements, page 2

Year ended March 31, 2014  
(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 are classified in the fair value category and investments in Master Asset Vehicle notes are designated in the fair value category. The unrealized gains or losses arising from changes in the fair value of investments in bonds and in Master Asset Vehicle notes are recognized through the Statement of Remeasurement Gains and Losses at each period end. Unrealized gains or losses arising from changes in the fair value of investments with restricted cash are reflected in the value of restricted cash.

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

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

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

#### (b) Cash:

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

#### (c) Inventories:

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

#### (d) Collection:

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

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

# CANADIAN MUSEUM OF HISTORY

Notes to the Financial Statements, page 3

Year ended March 31, 2014  
(In thousands of dollars)

## 2. Significant accounting policies (continued):

### (e) Capital assets:

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

Work in progress represents the costs incurred to date on a capital project that is incomplete and not in use, or for system implementations, when the system is not in production at the end of an accounting period. Incomplete capital projects are not amortized.

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

### (f) Foreign currency translation:

Transactions involving foreign currencies are translated into Canadian dollar equivalents using rates in effect at the time of those transactions. Monetary assets and liabilities denominated in foreign currencies are translated using rates at March 31. Realized gains and losses resulting from foreign currency translation are reported on the Statement of Operations.

## CANADIAN MUSEUM OF HISTORY

Notes to the Financial Statements, page 4

Year ended March 31, 2014  
(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.

##### (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 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. Actuarial gains (losses) are recognized on a systematic basis over the remaining service life of active employees covered by these sick leave benefits.

# CANADIAN MUSEUM OF HISTORY

Notes to the Financial Statements, page 5

Year ended March 31, 2014  
(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. As of April 1, 2013 employees no longer accumulate severance benefits upon resignation or retirement. Consequently, employees were given the choice to receive their severance benefit payment immediately, defer the payment until retirement or a combination of the two options, based on their continuous years of service with the Corporation as of March 31, 2013.

For periods ending after March 31, 2013, current service costs for these benefits ceased. For employees who have elected to defer payment, management determined the accrued benefit obligation using an actuarial accrued benefit method based upon assumptions and best estimates relating to factors such as discount rate, inflation, wage increases, anticipated turnover, 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.

### (h) Revenue recognition:

#### (i) Museum operations:

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

#### (ii) Memberships:

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

#### (iii) Travelling exhibits:

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

#### (iv) Interest on cash and investments:

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

## CANADIAN MUSEUM OF HISTORY

Notes to the Financial Statements, page 6

Year ended March 31, 2014  
(In thousands of dollars)

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### 2. Significant accounting policies (continued):

(h) Revenue recognition (continued):

(v) Cash sponsorships

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

(vi) Cash donations:

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

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

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

Contributions externally restricted for specific purposes are deferred on the Statement of Financial Position and recognized as revenue on the Statement of Operations in the period in which the related expenses are recognized. Restricted investment income is recognized as income in the Statement of Operations in the year that the related expenses are recognized.

(vii) In-kind sponsorships and artifact donations

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

# CANADIAN MUSEUM OF HISTORY

Notes to the Financial Statements, page 7

Year ended March 31, 2014  
(In thousands of dollars)

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## 2. Significant accounting policies (continued):

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

#### (viii) Parliamentary appropriations:

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

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

Parliamentary appropriations restricted for specific projects are deferred on the Statement of Financial Position and recognized as revenue on the Statement of Operations in the period that those expenses are incurred. Parliamentary appropriations that are not restricted to a specific purpose are recognized as revenue in the Statement of Operations in the period for which the appropriation is authorized.

#### (ix) Other revenues:

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

#### (x) Volunteer services:

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

### (i) Contingencies:

In the normal course of its operations, the Corporation becomes involved in various claims or legal actions. Some of these potential liabilities may become actual liabilities when one or more future events occur or fail to occur. To the extent that the future event is likely to occur or fail to occur, and a reasonable estimate of the loss can be made, an estimated liability is accrued and an expense recorded in the Corporation's financial statements.

### (j) Measurement uncertainty:

The preparation of financial statements in accordance with Canadian public sector accounting standards applicable for government not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of income and expenses for the year. Employee future benefits, contingent liabilities, valuation of Master Asset Vehicle notes, artifact donations and the estimated useful lives of capital assets are the

## CANADIAN MUSEUM OF HISTORY

Notes to the Financial Statements, page 8

Year ended March 31, 2014  
(In thousands of dollars)

### 2. Significant accounting policies (continued):

#### (j) Measurement uncertainty (continued):

most significant items where estimates are used. Actual results could differ significantly from those estimated.

### 3. Restatement of Cash Flow:

In the year, the Corporation noted the inclusion of non-cash items in its Statement of Cash Flow and has restated comparative figures. There was no impact on the net result of operations.

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

#### Summary of adjustments

##### Operating activities:

Net cash through operating activities, as at March 31, 2013:		
As previously reported	\$	3,668
Adjustment to cash receipts (clients)		(944)
Adjustment to cash receipts (parliamentary appropriations)		(16,292)
Adjustment to cash paid (employees)		4
Adjustment to cash paid (suppliers)		14,892
Adjustment to restricted contributions and related investment income		1,337
Adjustment to interest received		11
<b>Net cash through operating activities</b>	<b>\$</b>	<b>2,676</b>

##### Investing activities:

Net cash through investing activities, as at March 31, 2013:		
As previously reported	\$	(971)
Adjustment to increase in restricted cash and investments		(2,000)
Adjustment to decrease in restricted cash and investments		1,509
<b>Net cash through investing activities</b>	<b>\$</b>	<b>(1,462)</b>

## CANADIAN MUSEUM OF HISTORY

Notes to the Financial Statements, page 9

Year ended March 31, 2014  
(In thousands of dollars)

### 3. Restatement of Cash Flow (continued):

#### Capital activities:

Net cash through capital activities, as at March 31, 2013:

As previously reported	\$	(5,835)
Adjustment to acquisition of capital assets		9

<b>Net cash through capital activities</b>	<b>\$</b>	<b>(5,826)</b>
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#### Financing activities:

Net cash through financing activities, as at March 31, 2013:

As previously reported	\$	6,011
Adjustment to parliamentary appropriations for the acquisition of capital assets		1,474

<b>Net cash through financing activities</b>	<b>\$</b>	<b>7,485</b>
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## CANADIAN MUSEUM OF HISTORY

Notes to the Financial Statements, page 10

Year ended March 31, 2014  
(In thousands of dollars)

#### 4. National Collection Fund:

The National Collection Fund represents funds for the acquisition of artifacts by the Canadian Museum of History 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:

	Fair value	
	2014	2013
Cash	\$ 1,369	\$ 2,875
Government bond	9,048	6,096
<b>Balance, end of year</b>	<b>\$ 10,417</b>	<b>\$ 8,971</b>

At March 31, 2014, the Corporation held long-term government bonds with a face value of \$8,838 (2013 - \$5,930), annual yield percentages ranging from 2.1% to 2.8% (2013 - 2.1% to 2.7%), and maturity dates ranging from December 15, 2014 to December 1, 2019 (2013 - December 15, 2014 to December 8, 2016).

##### b) Deferred contributions:

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

	2014	2013
Deferred Parliamentary appropriations	\$ 8,438	\$ 7,225
Contributions from non-government entities	1,979	1,746
<b>Balance, end of year</b>	<b>\$ 10,417</b>	<b>\$ 8,971</b>

## CANADIAN MUSEUM OF HISTORY

Notes to the Financial Statements, page 11

Year ended March 31, 2014  
(In thousands of dollars)

### 4. National Collection Fund (continued):

Changes in the deferred contributions were as follows:

	2014	2013
Balance, beginning of year	\$ 8,971	\$ 7,903
Additions:		
Parliamentary appropriations restricted for the National Collection Fund (note 16)	1,000	2,000
Contributions from non-government entities received in the year	244	77
Deferred realized investment income	229	201
Unrealized gain (loss) on investments	(27)	2
Amounts transferred from deferred contributions (note 8)	-	113
	1,446	2,393
Deductions:		
Amounts recognized as revenue	-	(1,325)
Balance, end of year	\$ 10,417	\$ 8,971

### 5. Investments:

	Fair Value	
	2014	2013
Long-term bonds maturing next fiscal period	\$ 4,435	\$ 3,097
	\$ 4,435	\$ 3,097

#### (i) Long-term bonds maturing next fiscal period:

At March 31, 2014 the Corporation held long-term corporate and government bonds with a face value of \$4,385 (2013 - \$3,076), annual yield percentages ranging from 2.4% to 2.8% (2013 - 2.0% to 2.3%), and short-term maturity dates ranging from June 15, 2014 to March 8, 2015 (2013 - June 2, 2013 to July 17, 2013).

An unrealized loss on investments in this bond category of \$108 (2013 - \$101), and an amount reclassified to the Statement of Operations of \$132 (2013 - \$79), was included in the Statement of Remeasurement Gains and Losses.

## CANADIAN MUSEUM OF HISTORY

Notes to the Financial Statements, page 12

Year ended March 31, 2014  
(In thousands of dollars)

### 5. Investments (continued):

	Fair Value	
	2014	2013
Long-term bonds	\$ 29,155	\$ 27,173
Master Asset Vehicle notes	9,565	8,906
	\$ 38,720	\$ 36,079

(ii) Long-term bonds:

At March 31, 2014 the Corporation held long-term corporate and government bonds with a face value of \$27,825 (2013 - \$24,986), annual yield percentages ranging from 2.4% to 4.1% (2013 - 2.4% to 4.1%), and long-term maturity dates ranging from June 1, 2015 to September 1, 2023 (2013 - June 15, 2014 to December 1, 2022).

An unrealized loss on investments in this bond category of \$538 (gain in 2013 - \$69) was included in the Statement of Remeasurement Gains and Losses.

## CANADIAN MUSEUM OF HISTORY

Notes to the Financial Statements, page 13

Year ended March 31, 2014  
(In thousands of dollars)

### 5. Investments (continued):

(iii) Master Asset Vehicle Notes:

At March 31, 2014 the Corporation held the following Master Asset Vehicle (MAV II) notes:

Face value	2014	2013
Class A-1	\$ 6,653	\$ 6,653
Class A-2	2,574	2,574
Class B	467	467
Class C	300	300
Other Classes	971	1,027
	\$ 10,965	\$ 11,021

At March 31, 2014 the MAV II notes were recorded at their estimated fair value of \$9,565 (2013 - \$8,906), resulting in a fair value adjustment of \$659 (2013 - \$835). Principal repayments of \$55 (2013 - \$491) were received in the period and a gain on investments of \$714 (2013 - \$1,162) was included in the Statement of Remeasurement Gains and Losses. An amount of \$1 (2013 - \$118) was reclassified to the Statement of Operations from the Statement of Remeasurement Gains and Losses.

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

Criteria	2014	2013
	Assumptions	
<u>MAV II Notes</u>		
Expected term to maturity	2.78 years	3.78 years
Discount rates	1.70%, 2.47%, 3.15% and 4.68% for the A1, A2, B and C notes	2.82%, 4.20%, 5.59% and 7.99% for the A1, A2, B and C notes
Coupon rates	A1 and A2 notes: 1 month BA rate less 50 bps	A1 and A2 notes: 1 month BA rate less 50 bps
<u>MAV II IA Notes</u>		
Expected term to maturity	22.93 years	23.93 years
Discount rate	12.15%	11.55%
Coupon rate	1 month BA rate plus 50 bps	1 month BA rate plus 50bps

## CANADIAN MUSEUM OF HISTORY

Notes to the Financial Statements, page 14

Year ended March 31, 2014  
(In thousands of dollars)

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### 5. Investments (continued):

Since the fair values of the MAV II notes are determined using the foregoing assumptions and are based on the Corporation's assessment of market conditions as at March 31, 2014 the fair values reported may change materially in subsequent periods which would have a direct impact on the amounts recorded in the Statement of Remeasurement Gains and Losses. A 1.0% increase in the discount rate will decrease the fair value of the MAV II notes by approximately \$269 (2013 - \$333).

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

### 6. Collection:

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

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

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

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

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

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

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

## CANADIAN MUSEUM OF HISTORY

Notes to the Financial Statements, page 15

Year ended March 31, 2014  
(In thousands of dollars)

### 6. Collection (continued):

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

In the year, the Corporation acquired the E.P. Taylor – Windfield Farms Collection valued at \$1,774. In 2013, the Museum acquired the Empress of Ireland Collection valued at \$3,075.

During the fiscal year ended March 31, 2014, the Corporation purchased \$399 (2013 - \$2,106), and acquired through donation \$2,412 (2013 - \$1,762), of items for this collection.

The Museum did not record any revenues for the fiscal years ended March 31, 2014 or 2013 related to the sales of collection items.

### 7. Capital assets:

	Cost	Accumulated amortization	2014 Net book value	2013 Net book value
Land	\$ 40,868	\$ -	\$ 40,868	\$ 40,868
Buildings	356,909	175,668	181,241	190,164
Building improvements	85,205	59,709	25,496	26,663
Technical and informatics equipment	25,938	23,599	2,339	2,711
Office furniture and equipment	8,892	8,657	235	262
Motor vehicles	138	105	33	47
Work in progress	495	-	495	-
	<b>\$ 518,445</b>	<b>\$ 267,738</b>	<b>\$ 250,707</b>	<b>\$ 260,715</b>

The current year amortization expense is \$14,534 (2013 - \$14,896). Most of the expense \$13,669 (2013 - \$13,653) is allocated to accommodation expenses as it relates to the actual amortization of buildings and building improvements. Cost and accumulated amortization at March 31, 2013 amounted to \$513,942 and \$253,227 respectively.

## CANADIAN MUSEUM OF HISTORY

Notes to the Financial Statements, page 16

Year ended March 31, 2014  
(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, travelling exhibits or cash grants and sponsorships that are not yet earned through the provision of goods and services.

Deferred contributions and deferred revenues are as follows:

	2014	2013
Deferred contributions from non-government sources	\$ 2,592	\$ 1,721
Deferred Parliamentary appropriations	2,840	1,181
<b>Total deferred contributions</b>	<b>5,432</b>	<b>2,902</b>
Deferred revenues – goods and services	1,363	673
Deferred revenues – grants and sponsorships	415	175
<b>Balance, end of year</b>	<b>\$ 7,210</b>	<b>\$ 3,750</b>

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

	2014	2013
Balance, beginning of year	\$ 2,902	\$ 1,591
<b>Additions:</b>		
Restricted contributions received from non-government sources	976	661
Restricted Parliamentary appropriations received (note 16)	1,659	984
Deferred investment income	17	10
	<b>2,652</b>	<b>1,655</b>
<b>Deductions:</b>		
Amounts transferred to the National Collection Fund (note 4)	-	(113)
Amounts recognized as revenue	(122)	(231)
	<b>(122)</b>	<b>(344)</b>
<b>Balance, end of year</b>	<b>\$ 5,432</b>	<b>\$ 2,902</b>

## CANADIAN MUSEUM OF HISTORY

Notes to the Financial Statements, page 17

Year ended March 31, 2014  
(In thousands of dollars)

### 9. Deferred contributions related to capital assets:

Deferred contributions related to capital assets is composed of:

	2014	2013
Used for acquisitions:		
Deferred capital contributions from non-government entities (note 9 (a))	\$ 2,037	\$ 2,105
Deferred capital funding through Parliamentary appropriations (note 9 (b))	207,601	217,540
	<u>209,638</u>	<u>219,645</u>
To be used for future acquisitions:		
Deferred capital funding through Parliamentary appropriations (note 9 (b))	3,833	5,456
	<u>\$ 213,471</u>	<u>\$ 225,101</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 HISTORY

Notes to the Financial Statements, page 18

Year ended March 31, 2014  
(In thousands of dollars)

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

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

	2014	2013
Balance at beginning of year	\$ 225,101	\$ 233,986
Add:		
Capital asset acquisitions	4,527	6,213
Capital asset disposals	(1)	-
Funded by prior year Parliamentary appropriations	(3,482)	(3,126)
Funded by current Parliamentary appropriations	1,044	3,087
Parliamentary appropriations deferred for capital asset acquisitions in future periods	1,860	2,924
Parliamentary appropriations received (note 16)	2,904	6,011
Less amounts recognized as revenue:		
Deferred capital contributions	(69)	(148)
Parliamentary appropriations	(14,465)	(14,748)
	(14,534)	(14,896)
Balance, end of year	\$ 213,471	\$ 225,101

## CANADIAN MUSEUM OF HISTORY

Notes to the Financial Statements, page 19

Year ended March 31, 2014  
(In thousands of dollars)

### 10. Employee future benefits:

	2014	2013
Other non-pension post-retirement liability (note 10(a))	\$ 4,592	\$ 4,337
Accumulated sick leave benefit liability (note 10(b))	258	261
Severance liability (note 10(c))	719	3,443
<b>Employee future benefits liability</b>	<b>\$ 5,569</b>	<b>\$ 8,041</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. 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 11.1 years.

Information, measured as at the balance sheet date, is as follows:

	2014	2013
Accrued benefit liability, beginning of year	\$ 4,337	\$ 4,131
Expense for the year	367	310
Benefits payments	(112)	(104)
<b>Accrued benefit liability, end of year</b>	<b>\$ 4,592</b>	<b>\$ 4,337</b>

## CANADIAN MUSEUM OF HISTORY

Notes to the Financial Statements, page 20

Year ended March 31, 2014  
(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. 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 11.1 years.

Information, measured as at the balance sheet date, is as follows:

	2014	2013
Accrued benefit liability, beginning of year	\$ 261	\$ 280
Expense for the year	33	30
Benefit usage	(36)	(49)
Accrued benefit liability, end of year	\$ 258	\$ 261

## CANADIAN MUSEUM OF HISTORY

Notes to the Financial Statements, page 21

Year ended March 31, 2014  
(In thousands of dollars)

### 10. Employee future benefits (continued):

#### (c) Severance benefits:

As of April 1, 2013 employees no longer accumulate severance benefits upon resignation or retirement. Consequently, employees were given the choice to receive their severance benefit payment immediately, defer the payment until retirement or a combination of the two options, based on their continuous years of service with the Corporation as of March 31, 2013. This benefit is not pre-funded and thus has no assets, resulting in a deficit equal to the accrued benefit obligation. Actuarial gains (losses) are recognized on a systematic basis over the remaining service life of active employees covered by these severance benefits which is 11.1 years.

Information, measured as at the balance sheet date, is as follows:

	2014	2013
Accrued benefit liability, beginning of year	\$ 3,443	\$ 3,577
Expense for the year	103	723
Benefits payments	(2,827)	(857)
Accrued benefit liability, end of year	\$ 719	\$ 3,443
Short-term portion	\$ 240	\$ 2,668
Long-term portion	479	775
	\$ 719	\$ 3,443

## CANADIAN MUSEUM OF HISTORY

Notes to the Financial Statements, page 22

Year ended March 31, 2014  
(In thousands of dollars)

### 10. Employee future benefits (continued):

The most recent extrapolated actuarial valuation for other post-retirement benefits, sick leave and severance benefits, was completed by an independent actuary as at March 31, 2014. 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:

	2014	2013
Accrued benefit obligation:		
Balance at beginning of year	\$ 8,936	\$ 8,145
Current service cost	244	450
Interest costs	179	198
Obligation amendment	-	401
Actuarial loss (gain)	(549)	752
Benefits paid	(2,975)	(1,010)
Total accrued benefit obligation, end of year	5,835	8,936
Unamortized actuarial losses	(266)	(895)
Total accrued benefit liability, end of year	5,569	8,041
Less: current portion of employee future benefits	(240)	(2,668)
	<u>\$ 5,329</u>	<u>\$ 5,373</u>

## CANADIAN MUSEUM OF HISTORY

Notes to the Financial Statements, page 23

Year ended March 31, 2014  
(In thousands of dollars)

### 10. Employee future benefits (continued):

The significant actuarial assumptions used are as follows:

	2014	2013
Discount rate used to determine accrued benefit obligation:		
Post retirement benefits	2.93%	2.45%
Severance and sick leave benefits	2.35%	2.15%
Inflation	2.0%	2.0%
Rate of increase in dental benefit costs	8% every 4 years	8% every 4 years
Rate of increase in health care benefit costs	8% every 4 years	8% every 4 years
Real wage increase	1% for the first 10 years	1% for the first 10 years

#### (d) Pension benefits:

All eligible employees of the Corporation are covered by the public service pension plan (the "Plan"), a contributory defined benefit plan established through legislation and sponsored by the Government of Canada. Contributions are required by both the employees and the Corporation. The Government of Canada sets the required employer contributions based on a multiple of the employees' required contribution. The required employer contribution rate is dependent on the employee's employment start date. For employment start dates before January 1, 2013, the Corporation's contribution rate effective at year end was 1.45 times (2013 – 1.64) the employee's contribution; and for employment start dates after December 31, 2012, the Corporation's contribution rate effective at year end was 1.43 times (2013 – 1.57) the employee's contribution.

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

	2014	2013
Corporation's contributions	\$ 3,250	\$ 3,155
Employees' contributions	1,885	1,886

## CANADIAN MUSEUM OF HISTORY

Notes to the Financial Statements, page 24

Year ended March 31, 2014  
(In thousands of dollars)

### 10. Employee future benefits (continued):

(d) Pension benefits (continued):

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.

### 11. Donations and sponsorships:

Donations and sponsorships revenue is composed of:

	2014	2013
Cash donations and sponsorships	\$ 268	\$ 1,121
In-kind sponsorships and artifact donations	2,412	1,762
Balance, end of period	\$ 2,680	\$ 2,883

### 12. Related party transactions:

The Corporation is related to all Government of Canada departments, agencies and Crown corporations. The Corporation enters into transactions with these entities in the normal course of business. These transactions are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties. During the year, the Corporation incurred expenses totalling \$14,013 (2013 - \$13,400) primarily related to property taxes and employer contributions to employee benefits. The Museum recorded operations revenue of \$268 (2013 - \$963) 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:

	2014	2013
Appropriations receivable	\$ 1,970	\$ 1,476
Refundable taxes	429	518
Other receivables	368	130
Accounts payable and accrued liabilities	7,431	9,187
Deferred revenues	305	-

## CANADIAN MUSEUM OF HISTORY

Notes to the Financial Statements, page 25

Year ended March 31, 2014  
(In thousands of dollars)

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### 13. Contingencies:

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

### 14. Financial risk management:

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

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

## CANADIAN MUSEUM OF HISTORY

Notes to the Financial Statements, page 26

Year ended March 31, 2014  
(In thousands of dollars)

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

#### (a) Credit risk:

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

The maximum exposure to credit risk of the Corporation at March 31, 2014 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:

	2014	2013
Government of Canada	\$ 2,808	\$ 2,133
Other governments	418	537
Consumers	510	304
Financial institutions	277	261
	<b>\$ 4,013</b>	<b>\$ 3,235</b>

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

## CANADIAN MUSEUM OF HISTORY

Notes to the Financial Statements, page 27

Year ended March 31, 2014  
(In thousands of dollars)

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

(a) Credit risk (continued):

(i) Accounts receivable (continued):

The Corporation establishes an allowance for doubtful accounts that reflects the estimated impairment of accounts receivable and is based on specific accounts considering the Corporation's knowledge of the financial condition of its customers, the aging of accounts receivable, and other applicable factors. Accounts receivable from governments comprise more than 80% (2013 - 82%) of the Corporation's accounts receivable, and no allowance has been provided for related to these amounts.

An aging of accounts receivable not impaired is as follows:

	2014	2013
Less than 30 days past billing date	\$ 3,669	\$ 2,770
30 to 60 days past billing date	152	251
61 to 90 days past billing date	114	102
Greater than 90 days past billing date	78	112
	<b>\$ 4,013</b>	<b>\$ 3,235</b>

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

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

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

(b) Market risk:

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

## CANADIAN MUSEUM OF HISTORY

Notes to the Financial Statements, page 28

Year ended March 31, 2014  
(In thousands of dollars)

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

#### (b) Market risk (continued):

##### (i) Currency risk:

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

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

##### (ii) Interest rate risk:

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

Financial assets and financial liabilities with variable interest rates expose the Corporation to cash flow interest rate risk. The Corporation's investments include both fixed rate bonds and floating rate notes.

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, 2014 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 a net amount of approximately \$1,432 (2013 - \$1,190), approximately 3.32% of the fair value of investments (2013 - 3.04%).

# CANADIAN MUSEUM OF HISTORY

Notes to the Financial Statements, page 29

Year ended March 31, 2014  
(In thousands of dollars)

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## 14. Financial risk management (continued):

### (c) Liquidity risk:

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

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

At March 31, 2014 the Corporation has a cash balance of \$2,627 (2013 - \$12,396). The Corporation's accounts payable and accrued liabilities are composed of \$13,157 (2013 - \$16,858) in trade payables, and \$1,882 (2013 - \$1,815) in salaries and benefits payable, with 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.

## CANADIAN MUSEUM OF HISTORY

Notes to the Financial Statements, page 30

Year ended March 31, 2014  
(In thousands of dollars)

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

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

	March 31, 2014			
Total	Quoted prices in active markets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Investments – long-term bonds maturing next fiscal period	\$ 4,435	\$ 4,435	\$ -	\$ -
Investments – long-term bonds	29,155	29,155	-	-
Investments – MAV II notes	9,565	-	9,346	219
	38,720	29,155	9,346	219
<b>Total</b>	<b>\$ 43,155</b>	<b>\$ 33,590</b>	<b>\$ 9,346</b>	<b>\$ 219</b>

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

There is a significant amount of uncertainty in estimating the amount and timing of cash flows associated with MAV II. The Corporation estimates the fair value of its MAV II using Level 2 and 3 hierarchy inputs by discounting expected future cash flows considering the best available data at March 31, 2014.

## CANADIAN MUSEUM OF HISTORY

Notes to the Financial Statements, page 31

Year ended March 31, 2014  
(In thousands of dollars)

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

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

In 2013 and 2014, MAV II notes under classes A1, A2, B and C were at Level 2 and the MAV II IA notes were at Level 3. There were no purchases, sales and issues in the year.

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

MAV II notes	2014	2013
Balance, beginning of year	\$ 241	\$ 497
Principal repayments	(55)	(491)
Unrealized gain	34	71
Realized gain (loss)	(1)	164
Balance, end of year	\$ 219	\$ 241

A gain on investments of \$714 was recorded (2013 - \$1,162) and is included in the Statement of Remeasurement Gains and Losses. A realized loss of \$1 (gain in 2013 - \$118) was reclassified from the Statement of Remeasurement Gains and Losses to the Statement of Operations.

## CANADIAN MUSEUM OF HISTORY

Notes to the Financial Statements, page 32

Year ended March 31, 2014  
(In thousands of dollars)

### 15. Contractual obligations:

As at March 31, 2014, 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:

2014-15	\$	10,867
2015-16		4,155
2016-17		2,043
2017-18		229
2018-19		111
2019 +		363
	\$	17,768

### 16. Parliamentary appropriations:

Parliamentary appropriations recognized as revenue:

	2014	2013
Main Estimates amount provided for operating and capital expenses	\$ 57,419	\$ 62,454
Supplementary estimates and transfers	5,432	2,002
Total Parliamentary appropriations approved in year	62,851	64,456
Less current year Parliamentary appropriations not recognized as revenue:		
Restricted for capital asset acquisitions (note 9)	(2,904)	(6,011)
Restricted for the National Collection Fund (note 4)	(1,000)	(2,000)
Restricted for specific purposes (note 8)	(1,659)	(984)
Add prior year Parliamentary appropriations recognized as revenue in current year:		
Amortization of deferred capital funding (note 9)	14,465	14,748
Restricted amounts used in current year	-	67
National Collection Fund used in the current year	-	1,136
Parliamentary appropriations recognized as revenue	\$ 71,753	\$ 71,412

## CANADIAN MUSEUM OF HISTORY

Notes to the Financial Statements, page 33

Year ended March 31, 2014  
(In thousands of dollars)

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### 17. Comparative figures:

The Statement of Cash Flows has been adjusted in order to reclassify the uninvested portion of restricted cash as part of cash. As a result, prior year figures for cash as of April 1, 2012 and March 31, 2013 were increased respectively by \$5,124 and \$4,596.

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

## CANADIAN MUSEUM OF HISTORY

### Schedule 1 - Operating Revenues

Year ended March 31, 2014  
(In thousands of dollars)

	2014	2013
General admission and programmes	\$ 4,849	\$ 4,823
Facility rental, events and concessions	2,649	2,291
Boutique sales	1,801	1,834
Parking	1,684	1,699
IMAX	1,158	1,583
Memberships	258	250
Travelling exhibits	234	252
Publications	38	64
Other	235	358
	<b>\$ 12,906</b>	<b>\$ 13,154</b>

## CANADIAN MUSEUM OF HISTORY

### Schedule 2 - Expenses

Year ended March 31, 2014  
(In thousands of dollars)

	2014	2013
Personnel costs	\$ 34,882	\$ 35,012
Amortization of capital assets	14,534	14,896
Property taxes	9,649	9,326
Building operations	6,926	7,023
Professional and special services	3,595	3,545
Repairs and maintenance	2,996	2,943
Utilities	2,983	2,974
Collection acquisitions (note 6)	2,811	3,868
Exhibit fabrication and rental	2,711	3,417
IT infrastructure and systems	2,033	2,557
Marketing and advertising	1,488	1,764
Materials and supplies	1,088	1,525
Cost of goods sold	952	1,026
Travel and hospitality	762	956
Royalties	305	447
Other	749	934
	<b>\$ 88,464</b>	<b>\$ 92,213</b>

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