

# A New National Service

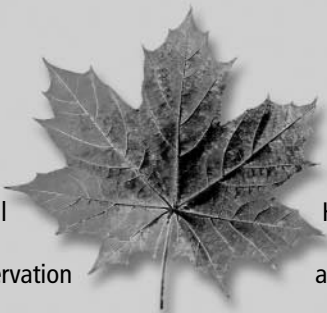
**Summary of the Corporate Plan**  
2004-05 to 2008-09

**Capital and Operating Budget**  
2004-05

 Canadian Museum of  
**NATURE**

**Canada**<sup>131</sup>

# Alliance of Natural History Museums of Canada



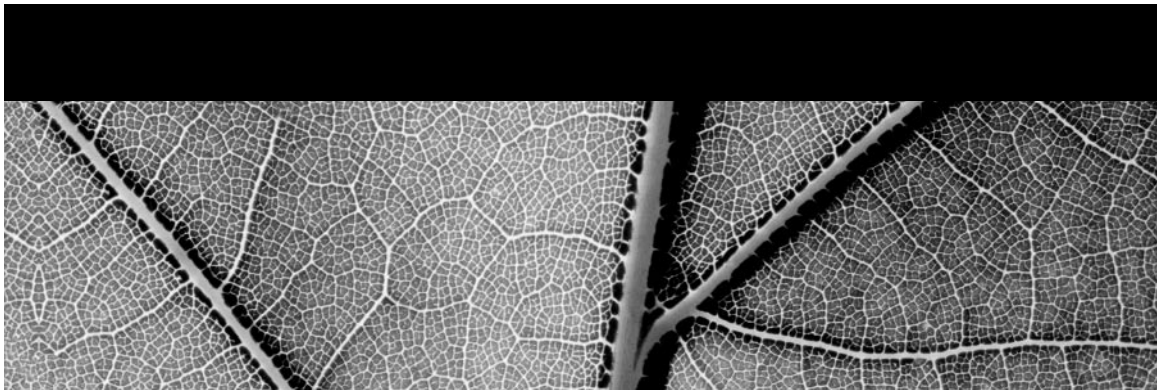
The Alliance of Natural History Museums of Canada is dedicated to the preservation and understanding of Canada's natural heritage. By working in partnership, the Alliance is able to provide enhanced public programming with national reach, contribute to informed decision making in areas of public policy, and enhance collections planning and development to facilitate public and scientific access to collections information.

## Members:

- Biodôme, Insectarium, Jardin botanique et Planétarium de Montréal
- Canadian Museum of Nature
- New Brunswick Museum
- Nova Scotia Museum of Natural History
- Prince of Wales Northern Heritage Centre
- Provincial Museum of Alberta
- Provincial Museum of Newfoundland and Labrador
- Royal British Columbia Museum
- Royal Saskatchewan Museum
- Royal Tyrrell Museum
- The Manitoba Museum
- Yukon Beringia Interpretive Centre



Alliance of  
**Natural History  
Museums** of Canada



# Canadian Museum of Nature

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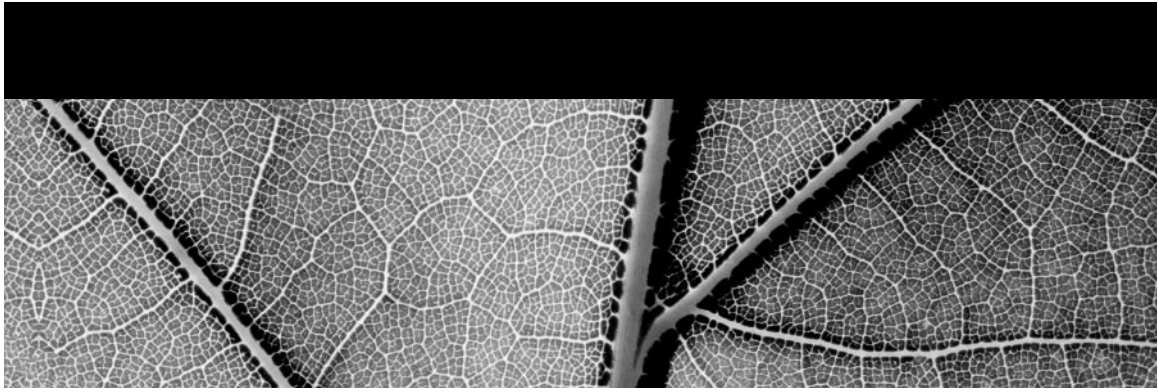
Patricia Stanley Beck, Saskatoon, Saskatchewan

\*CMN Trustee, Jordan Livingston passed away suddenly on August 12, 2003.  
Jordan was a valued Board member and will be sadly missed.

## EXECUTIVE STAFF

Joanne DiCosimo, President and Chief Executive Officer

Maureen Dougan, Vice-President, Corporate Services and Chief Operating Officer



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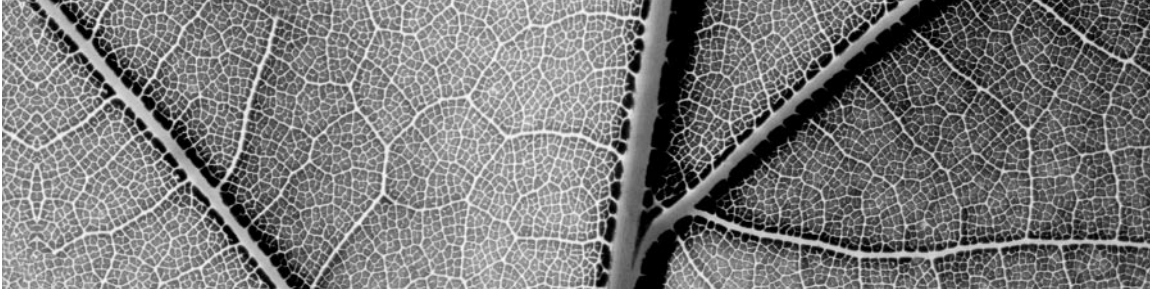
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## Mandate and Vision

The Canadian Museum of Nature (CMN) became a Crown corporation on July 1, 1990 under the *Museums Act*. It reports to Parliament through the Minister of Canadian Heritage.

The Museum's mandate is "to increase, throughout Canada and internationally, interest in, knowledge of, and appreciation and respect for the natural world." It fulfills this mandate "by establishing, maintaining and developing for research and posterity, a collection of natural history objects, with special but not exclusive reference to Canada, and by demonstrating the natural world, the knowledge derived from it and the understanding it represents."

As a public institution created by the federal government for the benefit of Canadians, CMN's strategic plan of the organization for 2003-2008 is: "Connecting People with Nature." CMN works to help people understand the constant and inescapable intersections of human society and nature, and to achieve this vision the Museum has defined the following key characteristics and qualities as cornerstones in fulfillment of its mandate:

- ▶ To be an engaging and trusted source of information for the development of a sound, knowledge-based relationship with the natural world;
- ▶ To work as a catalyst, coordinator or contributor in a Canada-wide network of natural history expertise and resources;
- ▶ To showcase, celebrate and encourage learning about the natural diversity of Canada and people's role and responsibility as members of larger natural communities;
- ▶ To be a valued contributor in informing and influencing Canadian public policy on natural science issues.



## Corporate Profile

CMN had its origins in the Geological Survey of Canada (GSC), formed in 1842. The GSC became the National Museum of Canada in 1927. The National Museum of Natural Sciences was officially established through the *National Museums Act* in 1968. In 1990, the *Museums Act* established CMN as an autonomous museum with an expanded mandate.

CMN has an important purpose – to lead Canadians in the adventure of discovering and understanding the natural world, and ultimately in learning how to live in balance with it. That adventure takes Canadian scientists into unexplored corners of this country and the world, under the sea and into the earth.

The collections held and protected by CMN – over 10 million specimens – are the fruit of over 150 years of painstaking exploration, observation and gathering. They form the heart of CMN and a basis for its contribution to Canada. The collections make it possible to analyze and address a variety of emerging challenges to the natural heritage of Canada.

The scientific work of CMN considers a large range of time and space, and covers an enormous spectrum – from examining the evolution of the earth and the life on it to understanding polar environments in order to predict the impact of environmental change. In addition to their research, Museum scientists make a difference by leading and contributing to a large number of local, national and international organizations focused on preserving the natural heritage, as well as to many universities and respected publications. The Research and Collections divisions of the CMN are working together to find effective methods to share freely collection-based scientific data in distributed networks in Canada and abroad.

The Museum is constantly changing and opening up new territory for Canadians to explore. Signature exhibitions at the Museum's public galleries in Ottawa are complemented by special exhibitions that focus on particular aspects of the natural world, lively and original programmes of nature interpretation, workshops, films, lectures and demonstrations. Travelling exhibitions reach across Canada and internationally. As well, Canadians discover and explore the natural world through CMN multimedia products including **nature.ca**, the Museum's popular Web site, videos, CD-ROMs and television programmes as well as print publications.

The Board of Trustees is CMN's governing body, responsible to Parliament through the Minister of Canadian Heritage. The 11 members of the Board of Trustees are Governor-in-Council appointees from all regions of the country. Through accountability, strategic policy and planning frameworks, the Board provides corporate direction and delegates authority to the President for the management of CMN.

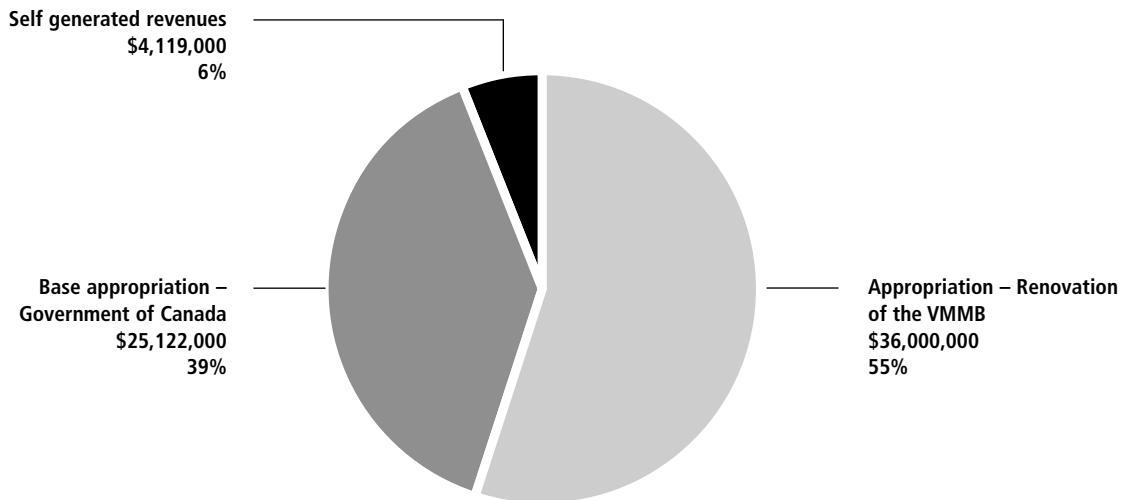
The Museum employs 173 full-time staff and outsources services where it is most cost-effective. CMN also benefits from the contribution of loyal and dedicated volunteers who assist in research, collections and educational programmes. CMN occupies two buildings within the National Capital Region (NCR): the Victoria Memorial Museum Building (VMMB) in Ottawa for exhibitions and public education, and the Natural Heritage Building (NHB) in Gatineau for collections, research, public education and administration.



# Financial Resources

In 2004-05, CMN will operate within a total budget of \$65,241,000, of which 94 percent comes from government appropriation, while the remaining 6 percent is self-generated (See figure 1).

*Figure 1: 2004-05 Resource Base*



*Figure 2: 2004-05 Infrastructure costs (excluding appropriation for VMMB renovation)*

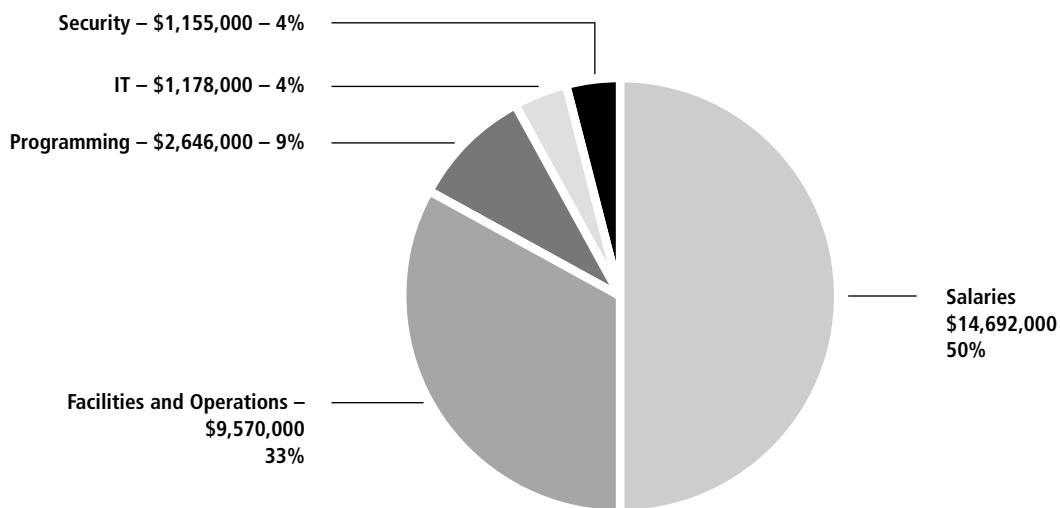


Figure 2 demonstrates that, when excluding appropriation for the renovations, non-discretionary costs (facilities, security and IT) and salaries consume 91 percent of the total of self-generated revenue plus base appropriation. The Museum's total flexibility for programming represents only 9 percent of its budget.



# External Environment

## EXTERNAL BUSINESS FACTORS/ISSUES

The local museum market is competitive, with four national museums investing resources to attract both local and tourist audiences. There is significant overlap among the tourist visitor bases of all major museums in the area. The Museum's assets are its focus on nature, the scientific foundation of its exhibitions and programmes, and its capacity to provide interactive experiences and encounters with real specimens of plants, animals, minerals and fossils.

## CUSTOMER EXPECTATIONS

Studies show that visiting the VMMB is usually a family experience and entertaining children is the dominant motivation for most Museum visitors. A national survey was undertaken by CMN in an effort to: 1) identify the subjects most likely to attract the interest of Canadians to the Museum and 2) determine the level of interest in two new initiatives: increased travelling exhibitions and increased Internet presence. Both initiatives were rated as generally good. The survey findings were integrated into public communications activities, and are being used to set some benchmarks in relation to Canadians' knowledge of and interest in natural history issues and familiarity with CMN.





## INTEREST IN THE ENVIRONMENT

A survey undertaken last year on behalf of CMN, in conjunction with Genome Canada, shows a clear gap between Canadians' level of knowledge and their level of interest in natural history: while only one in 10 described themselves as "very knowledgeable," about one in four said they were "very interested" in the topic. The data from the survey suggest that the strongest connection respondents make to the Museum is environmental, and that Canadians want CMN to be a source of substantive, credible information about pressing environmental issues. Information from the survey was a key contributor to the Museum's decision to select *environmental change* as the overarching issue and focus in the new strategic plan under the key themes of a) understanding the critical factors affecting change, b) understanding the human element and c) understanding the history of species and habitat distributions.

## GENERATING REVENUE

The Natural Partnerships Campaign to raise \$10 million will create new opportunities for the Museum. Funds raised from generous donors and sponsors will provide critical support to the Museum's Renewal initiative: the development of topical new permanent galleries; the creation of dynamic travelling exhibitions; and the presentation of innovative educational programmes. However, competition for donors and sponsors is strong in the National Capital Region and across the country. There is also a resistance in the other regions of Canada to contributing to an Ottawa-based museum that is perceived to still operate as a federal government department.

## CMN ON-LINE

CMN is committed to investing in collections information and imaging, and to sharing this with others. The new 3-D Centre will take the lead in testing applications for museum imaging in collections documentation and preservation. It will also test new Web-based educational products for CMN's Web site, [nature.ca](http://nature.ca). CMN is planning joint product conceptualization with all sectors of the Museum, and with federal and Alliance of Natural History Museum partners. Existing partnerships in the Virtual Museum of Canada with Heritage Portfolio Agencies and data sharing with other museums will grow and change to suit the needs and response of the public. The Museum continues to make good progress in digitizing the national collections, with 533,117 records now electronically available out of a total of 2.5 million cataloguable records.

## ENGAGING CANADIANS

CMN plays a vital role in giving Canadians opportunities to learn more about each other, our vast country and its rich, diverse natural heritage. The Museum, through its research, collections and public education programmes, helps protect Canada's heritage and explains to Canadians the past, present and future of the natural world in a modern and interactive way. By encouraging Canadians to view Canada from the perspective of nature – which supersedes political boundaries – CMN makes a significant contribution to the national policy objective of fostering a shared commitment to a strong and cohesive Canada.



# Internal Analysis

## CORPORATE RESOURCES

- ▶ The employees and volunteers of CMN are its most important asset and the primary factor in its overall ability to serve Canadians and to realize its mandate.
- ▶ As part of the new vision of national service, CMN has taken a lead role in developing a consortium of natural history museums. This group was formally incorporated as the Alliance of Natural History Museums of Canada at the fifth meeting in September 2003 at the VM MB.
- ▶ Surveys undertaken on behalf of CMN suggest that Canadians want CMN to be a source of substantive, credible information about pressing environmental issues. New priorities for programming activities have been established with a focus on issues of relevance to Canadians – the overarching issue is *environmental change*.
- ▶ CMN is Canada's national repository for natural history collections. The Museum houses approximately 10 million specimens that are used by scientists across Canada and around the world in systematics research, ecological research and environmental monitoring.
- ▶ Research at CMN focuses on socially relevant topics where the Museum's expertise in systematics – the comprehensive study of natural history of minerals, fossils, plants and animals – is applied by scientists and decision-makers in the conservation of biodiversity and planning for wise use of resources.
- ▶ The Museum opened a 3-D Centre in January 2003, using leading edge technology developed by the National Research Council of Canada. The Centre can produce state-of-the-art digital images of CMN collection specimens and the Museum is actively seeking partnerships in exploring the application of the technology for museum work.
- ▶ Conservation research in assessing risks to the preservation of collections is improving CMN's efficiency in caring for collections by identifying areas of highest vulnerability. CMN staff members are contracted annually to conduct risk assessment training for the Smithsonian and other major collections-holding institutions around the world.

## CHALLENGES

### ▶ RENEWAL PROJECT

The renovation of the VM MB and the renewal of the exhibition galleries are significant aspects of the new vision to 2008 and the Museum's strengthened programme of national service. Significant deficiencies have been identified in recent years with the VM MB building, relating to both its functional and technical components. Ten building studies were conducted to analyze and document these deficiencies. The consensus of these studies was that a major asset rehabilitation of the VM MB is required in order to maintain the building as an operational museum and safe environment for visitors and staff. The Museum has received approval and funding and has begun the work which, when completed, will address all health and safety issues. The challenge facing CMN will be to refit the VM MB while remaining open to the public and to maximize revenues from commercial operations with reduced space and services.



### ► CHRONIC FACILITIES UNDER-FUNDING

CMN continues to suffer from chronic under-funding from Treasury Board to maintain its facilities. Although the CMN's financial needs have been brought forward several times through various forums by Treasury Board, CMN still remains without assurance of additional operating funds to meet the increased costs of operations at the VMNB and support for the capital lease obligations for the NHB. Insufficient funds were provided during the custody transfer process and there is no inflation protection. Discussions continue with the Treasury Board Secretariat and Canadian Heritage to improve and rationalize existing funding for the operation, maintenance and capitalization of CMN facilities under the aegis of the Expenditure Management Horizontal Review of Capital Assets of Canadian Heritage Portfolio organizations. This review could assist in identifying funds to buy back the NHB capital lease from Canaturm (Axor) and in providing CMN with funding to address recapitalization requirements for the NHB and the VMNB.

### ► VISION FOR CMN 2008

An intrinsic element of the implementation of the new strategic plan is the refit of the VMNB, with new galleries and programming on natural history issues relevant to Canadians. A major component of the new vision is greater emphasis on networks, partnerships and joint ventures with other national museums and museums across Canada, and with other institutions in the public and private sectors. These partnerships will assist in addressing the challenge of providing on-line access, information, and educational programmes and products to more Canadians. The ultimate goal is to increase CMN's ability to address environmental issues of concern to Canadians and to engage audiences in all regions of the country.

### ► NATIONAL LEADERSHIP

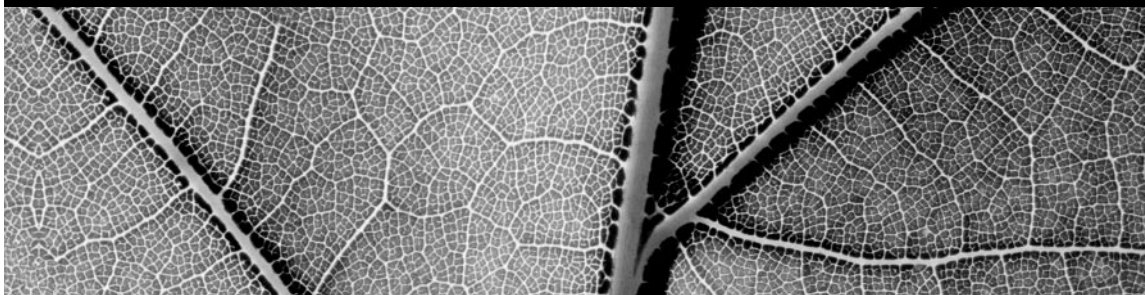
Since its inception, CMN has had a collections-based research programme in systematics – the science of identifying, naming, classifying and tracing the origins of living creatures and minerals. The results of this work are fundamental to the value of the natural history collections for Canada. A prime concern of Canadians is our changing environment. CMN's research findings and our irreplaceable scientific collections are invaluable in helping Canadians and decision makers understand environmental change and the human role in it.

### ► ON-LINE ACCESS TO INFORMATION RESOURCES

Increased access to electronic data permits greater use of CMN collections and related information for research and public education. While progress has been made, much remains to be done.

Strategic work is ongoing. Priority collections for upgrading and data input have been identified and staff is focused on these areas. The information needs and research questions of Canadians are guiding development of new on-line products and services. Partners have been contacted and negotiations are underway for joint efforts to conceive, develop and maintain up to date information resources and services.

Growing demand for access to CMN collections information is impeded by financial constraints. At the current level of resourcing, it will require work over decades to convert existing paper-based collection records to databases (2.5 million records) and integrate other uncatalogued material (500,000) into the information systems. The Museum has adopted a strategy to prioritize 350,000 records of this backlog. These, combined with the records entered to date (533,117), are believed to represent the most significant specimens under CMN care in relation to current activities. Clearly, with additional resources, much more could be accomplished even more quickly.



## Objective 1

To create and make accessible to the public relevant information about the environment and our place in it

CMN will be a resource for the development of a sound knowledge-based relationship between Canadians and the natural world. To that effect, the Museum will safeguard and develop collections; it will create new knowledge and increase public understanding of the complexity and diversity of the Canadian natural environment and of issues concerning Canadians' relationship with that environment.

### STRATEGIES

- ▶ Build an inventory of natural history issues relevant to Canadians
- ▶ Provide mechanisms for the gathering of external expert advice on programme planning and delivery
- ▶ Create and implement a framework that includes external advice in all strategic decisions requiring a national perspective
- ▶ Create programmes of research, collections development and documentation and educational activities that will address issues of relevance to Canadians

### ACCOMPLISHMENTS *(April 1 – September 30, 2003)*

Below are some of the accomplishments under Objective 1 for the first half of the fiscal year 2003-04.

- ▶ *The Gee! in Genome* project delivered an exhibition that opened successfully in Ottawa and is fully booked for a national tour through 2007. The project also includes a Web site, [nature.ca/genome](http://nature.ca/genome), containing more than 200 pages in each official language, curriculum-based educational resources on genomics, explorations of relevant ethical issues, highlights of public forums and interactive games.
- ▶ Delivery of the new Genomics workshops for schools was a success, as were the Youth Forums on issues related to the science of genomics delivered to more than 800 high school students from eastern Ontario and western Quebec, with the participation of a number of government organizations and academic institutions. Forums targeted to youth and the general public will also take place in the host cities and the session outcomes will be posted on the Museum Web site.
- ▶ CMN used a national advisory committee in developing *The Gee! in Genome* project and developed a national review committee for the Fossil project. External advisors are being used in preliminary development of the Nature of Humans and Water signature galleries.
- ▶ New specimens were acquired to expand the collection. A total of 18,213 new records were created in the Collections Information Management System and the mineral database. With the recently acquired digital photo equipment, a selection of collections specimens was also made (virtually) available to scientists around the world without the cost and risks of shipping the actual specimens.



- ▶ CMN researchers were in the field across Canada and in Greenland, Norway and China recovering fossils and/or minerals to reconstruct past animal and environmental change. Researchers participated in a wide range of networking activities across Canada and abroad and additional research funding was acquired through grants.
- ▶ Two mobile interpretive kits were prepared to increase flexibility in the delivery of school programming in anticipation of renovation activities in the main exhibition building. New digital versions of the VMMB self-guided tour documents for school groups were also produced to allow the tours to be easily modified according to availability of galleries once construction begins.
- ▶ A National Museums Passport for visitors to the National Capital Region was developed and implemented this summer in partnership with the Canada Science and Technology Museum Corporation.

## PERFORMANCE MEASURES

Produce a minimum of 32 refereed publications annually on issues of relevance to Canadians. Have 662,000 collection records (equal to 25 percent of total collection units that can be catalogued) accessible electronically by 2007-08, with an average of 30,000 records entered annually. Increase the usage of CMN's collections by 2007-08 (Rate to be established at the end of 2003-04, after gathering one year of data.) Maintain the number of products and publications produced at 300 per year. Achieve 900 person/days of CMN presence during 2003-04 and a minimum of 3 person/days per province or territory. Increase the annual number of unique Web site visits to 3.75 million by the end of 2007-08.

## ACHIEVEMENTS AGAINST PERFORMANCE MEASURES

*(April 1, 2003 – September 30, 2003)*

Staff produced 39 referred publications. A total of 13,265 new records were created electronically. There were 4,786 transactions using CMN's collections and 153 products and publications were produced. CMN staff were present in Canadian provinces, territories or other countries for 867 days (2 provinces and 1 territory were not visited in the first two quarters). There were 1,431,671 unique Web site visits.

# Objective 2

To contribute to building the capacity of Canadian natural history museums to respond efficiently and effectively to natural history issues of relevance to Canadians

CMN will act as a catalyst, a coordinator and a contributor to develop a Canada-wide network of natural history expertise and resources. As a member of this network, the Museum will assist in building regional stories and comprehensive national perspectives on the issues of relevance to Canadians.

## STRATEGIES

- ▶ Create a national network of natural history museums
- ▶ Identify “quick hits” to consolidate the role of the network and generate momentum
- ▶ Develop national strategies for research, collections and education



## **ACCOMPLISHMENTS** *(April 1 – September 30, 2003)*

Below are some of the accomplishments under Objective 2 for the first half of the fiscal year 2003-04.

- ▶ CMN has taken a lead role in developing a consortium of natural history museums, which was formally incorporated as the Alliance of Natural History Museums of Canada. By September 2003, two projects were adopted and described within a project framework: a national collection strategy and a communications programme.
- ▶ CMN's Federal Biodiversity Information Partnership (FBIP) contributed to a presentation during the meeting of Federal-Provincial-Territorial Environment Ministers in Quebec City, to emphasize the importance of coordination mechanisms for biological informatics in Canada.
- ▶ In support of the national science curriculum, the School Programmes unit began development of curriculum-based school programming to engage Canadian students from grades 7 through 12 in exploring climate change in the Arctic.

## **PERFORMANCE MEASURES**

Undertake two projects/activities with the network in 2003-04. The measures of success for the projects will be identified once projects are fully developed and initiated.

## **ACHIEVEMENTS AGAINST PERFORMANCE MEASURES**

*(April 1, 2003 – September 30, 2003)*

Formalizing the network is 75 percent complete. Two projects were agreed upon and teams established for development of a national collection strategy and a communications programme.

# Objective 3

To provide vehicles to encourage public engagement in natural history issues and to contribute to informed public policy on those issues

CMN will support public awareness and facilitate participation in discussions of significance to our environment through dialogue and the transmission of new knowledge in natural history.

## **STRATEGIES**

- ▶ Create national forums to discuss, debate and share information on relevant environmental issues of concern to Canadians
- ▶ Develop and implement formal mechanisms to inform federal public policy on natural history issues
- ▶ Continue and enhance participation in the Canadian Museums Association



## ACCOMPLISHMENTS *(April 1 – September 30, 2003)*

Below are some of the accomplishments under Objective 3 for the first half of the fiscal year 2003-04.

- ▶ Collaboration between the Genome team and the National Forum Working Group established criteria for forums, including the Web. Two forums were held at the Museum in the weeks following the opening of *The Gee! in Genome*. Public and youth forums were also held in Vancouver in October and were planned for November and December 2003 while the exhibition is on display.
- ▶ As part of the Federal-Provincial-Territorial Working Group, CMN provided input to *Canada's Stewardship Agenda – Implementation of Priority Actions*. Three CMN projects are mentioned in the report, which was distributed at the meeting of the Joint Council of Ministers of Natural Resources in September.
- ▶ For the CMA's annual meeting in Winnipeg in May, staff developed a resource document and facilitated a one-day workshop. Museum staff also presented and/or participated in two other panel discussions and took part in the trade show to highlight travelling exhibitions, the Canadian CineMuse Network and the 3-D Centre.
- ▶ The Museum, in partnership with the Canadian College of Teachers, and in collaboration with CMA, has established the Museums and Schools Partnership Award. The award will be presented at the CMA's 2004 annual conference in Quebec City.

## PERFORMANCE MEASURES

Develop five new vehicles during 2003-04. Maintain current number of staff presentations annually (589 in 2002-03). Increase participation in the Canadian Museums Association (CMA) through presentations, participation in special interest groups, organizing committees, etc. (Rate to be established by the end of 2003-04).

## ACHIEVEMENTS AGAINST PERFORMANCE MEASURES

*(April 1, 2003 – September 30, 2003)*

One new vehicle was developed: Public Forums on Genomics as part of *The Gee! in Genome* project. Staff made 173 presentations to external audiences on various topics related to the Museum's areas of expertise and spent 58 person/days attending the CMA's annual conference; three presentations were made by CMN staff; and 21 days were spent participating in Committees and Interest Groups.

# Objective 4

To develop CMN's internal capacity to work in integrated, collaborative approaches

The Museum will pursue partnerships and emphasize integrated multi-disciplinary approaches. It will seek other like-minded organizations to develop products, services and perspectives that none can create separately. It will fulfill a national leadership role in the museum community by leading or participating in collaborative endeavours.

## STRATEGIES

- ▶ Implement a competency-building process that will enable museum staff to work in integrated approaches such as partnerships, networks and multi-disciplinary teams
- ▶ Develop external partnership guidelines
- ▶ Create a transition strategy



## **ACCOMPLISHMENTS** *(April 1 – September 30, 2003)*

Below are some of the accomplishments under Objective 4 for the first half of the fiscal year 2003-04.

- ▶ A multi-source feedback process was completed with the competencies development pilot project group. The next step is to complete individual learning plans for each participant to ensure their development needs are identified and to enable the Museum to support their learning requirements.
- ▶ To apply the partnership guidelines developed last fiscal year, a performance indicator reflecting CMN's definition of partnership, with supporting reference documents and evaluation grid, was implemented.
- ▶ A Centre for Traditional Knowledge representative was elected to the Canadian Aboriginal Science and Technology Society board of directors, providing a concrete link to the Aboriginal/scientific community and ensuring Traditional Knowledge a place in future conference agendas.
- ▶ CMN is applying a centralized review process to assess business cases and to set annual operating plans in the context of a multi-year framework. The process will ensure that CMN has secured the experience, infrastructure and resources necessary to fulfill the vision for the Museum in 2008.

## **PERFORMANCE MEASURES**

Increase the value of new partnerships undertaken by addressing an average of 50 percent of established partnership evaluation criteria by 2007-08.

## **ACHIEVEMENTS AGAINST PERFORMANCE MEASURES**

*(April 1, 2003 – September 30, 2003)*

Of the partnership agreements undertaken in fiscal year 2002-03, 13 reached the first anniversary of being signed. These achieved an average score of 61 percent against the criteria. Improvement in the overall value of partnerships can be achieved by increasing the number of national partners and having more joint projects that have a national impact and by reducing local partnerships with local impacts.

# Objective 5

To ensure that the Victoria Memorial Museum Building Renewal Project furthers the vision

Planning for the VMMB physical and programming renovation will be aligned with the principles of the new vision and with the other strategies pursued by the Museum.

## **STRATEGIES**

- ▶ Create a review mechanism to ensure that planning and programming decisions for the Victoria Memorial Museum Building are made in line with the principles of the new vision
- ▶ Co-develop the Water and Nature of Humans signature galleries with other museum partners with elements located in Ottawa as well as elsewhere in Canada
- ▶ Develop seminar sessions, with documentation, for presentation at the CMA and provincial museum association conferences, based on aspects of the renewal and rehabilitation projects of most interest to natural history museum network and other museums
- ▶ Launch renovated public spaces with a public lecture series of internationally important environmental thinkers, with associated workshops, films, etc., on a large scale





## ACCOMPLISHMENTS *(April 1 – September 30, 2003)*

Below are some of the accomplishments under Objective 5 for the first half of the fiscal year 2003-04.

- ▶ Rigorous governance structures for the renovation project were developed in interaction with the Treasury Board. The Renewal Committee continued to play a key role in project planning and review and to serve as liaison to CMN's Management Committee.
- ▶ A National Advisory Committee has been formed for the new Fossil Gallery project that includes representatives from the Royal Tyrrell and the Royal Saskatchewan Museums.
- ▶ Sessions on CMN's planning and consultation processes leading to the development of the vision and the new model of national service were delivered at national and international conferences. Extensive awareness building is ongoing with the CMA, the Canadian Association of Science Centres, the Alliance of Natural History Museums and others to provide reports in subsequent years on the VMMB renewal project.
- ▶ Fund-raising is underway to create an endowment fund to implement and sustain a national lecture series on People and the Environment.

## PERFORMANCE MEASURES

Maintain an attendance level that takes into account the impact of VMMB construction and renovations on visitors (VMMB: 228,000 visitors; NHB: 1,100 visitors). Strive to reach and maintain a visitor satisfaction level of 5.0 (very satisfied). Reach and maintain a market share of 15 percent by the end of 2007-08.

## ACHIEVEMENTS AGAINST PERFORMANCE MEASURES

*(April 1, 2003 – September 30, 2003)*

For level of audience reached, see figure 3 below. Visitor satisfaction level was 4.48 and average market share was 7.7 percent.

**Figure 3: Audience Reach**

(number of visitors)

	02-03 Actual for 12 months	03-04 Forecast for 12 months	03-04 Actual (2003/09/30) for 6 months
VMMB visitors	253,754	228,000	137,379
VMMB after hours	31,826	23,000	13,076
NCR outreach attendance	3,521	10,800	3,734
NHB visitors	1,403	1,100	406
National attendance	821,800	830,000	270,000
Web unique site visits	3,021,113	2,500,000	1,431,671
Multimedia (TV)	1,181,000	840,000	833,000



## Objective 6

### To establish and maintain an effective and efficient infrastructure of systems and facilities

CMN will ensure that all support systems of the institution promote maximum effectiveness and efficiency of operations and enable all work units to maximize their contribution to the service and value of the Museum.

#### STRATEGIES

- ▶ Address the Health and Safety infrastructure requirements for the Victoria Memorial Museum Building
- ▶ Administer real property
- ▶ Develop, modify or consolidate management processes to support the vision
- ▶ Provide a supportive working environment with opportunities for innovation and growth
- ▶ Maintain and improve knowledge management capabilities systems and services
- ▶ Improve and integrate frontline services to the public

#### ACCOMPLISHMENTS *(April 1 – September 30, 2003)*

Below are some of the accomplishments under Objective 6 for the first half of the fiscal year 2003-04.

- ▶ The necessary funds have been identified, all required federal government approvals obtained and the Renewal Project is now proceeding, guided by two primary considerations: a) ensuring the health and safety of visitors, employees and the collections during the project and b) managing the project within the budgetary envelope.
- ▶ A new Values and Ethics Code for the Museum was drafted that defines the corporate values identified in 2000, and includes a Conflict of Interest Policy.
- ▶ The Human Resources Management Framework was updated for the period 2003-2008. This framework focuses on four key result areas that address leadership, productivity, work environment and sustainability of the workforce.
- ▶ A new relationship model was developed for the CMN-HP agreement and a comprehensive update to current IT service contracts with HP was completed. This update provides CMN with significant new services and improved service levels at no additional cost. An analysis of the Museum's connectivity requirements was completed, leading to the implementation of a significantly improved Internet connection service and to the installation of Virtual Private Networking (VPN) services at the Museum.
- ▶ Guest Services piloted a visitor services manual and sold and/or renewed 764 memberships between April and October 2003.

#### PERFORMANCE MEASURES

Offer annually four days of professional development per employee to align competencies to the new vision. Increase and maintain the percentage of the salary budget expended on professional development (training) at two percent. In 2003-04, achieve a \$5.83 cost per user (when including Web users) and achieve \$16.19 cost per user (when excluding Web users). Maintain, operate and repair both facilities under CMN's custody to the same level as the recognized and accepted industry level for museums.



## ACHIEVEMENTS AGAINST PERFORMANCE MEASURES

*(April 1, 2003 – September 30, 2003)*

There was 2.4 days of professional development per employee taken. The percentage of the salary budget expended on professional development (training) was 0.76 percent. Cost per user was \$5.01 (including Web users) and \$13.96 (excluding Web users).

Real property operating costs for CMN's facilities are approximately 50 percent less (\$69.78 US) than average costs for comparable institutions in Canada, the US, Australia and England (\$126.60 US).

# Objective 7

## To increase CMN's self-generated revenue

CMN will seek to access additional resources in order to enhance its programme of services and its value to Canadians.

### STRATEGIES

- ▶ Build a strong philanthropic base of support for CMN
- ▶ Identify and secure private and public sponsorships, partnerships and alliances
- ▶ Develop and market education, collection and research products and services
- ▶ Develop and maximize commercial products and services

### ACCOMPLISHMENTS *(April 1 – September 30, 2003)*

Below are some of the accomplishments under Objective 7 for the first half of the fiscal year 2003-04.

- ▶ The Natural Partnerships Campaign to raise \$10 million (pledged commitments) established new target dates following the approval of the funding to address the infrastructure refit requirements for the VMMB and the confirmation of the construction schedule. CMN leveraged community profile for the Campaign, and secured cultivation and donor stewardship opportunities from VMMB-based events such as exhibition openings, panel sessions, Renewal Project information meetings and external partner functions.
- ▶ Community Campaign pledges continued to grow, nearing \$50,000 due to the efforts of a core group of Community volunteers, and the Family Campaign is nearing \$250,000. A Staff Campaign recognition event was held in May at which the staff's legacy gift of two *Chasmosaurus* mounts was unveiled on the plaza of the VMMB.
- ▶ The Federal Biodiversity Information Partnership (FBIP), formerly the Federal Biosystematics Partnership, secured \$600,000 from the eight federal science-based departments and agencies. The resources are being used to provide a proof-of-concept that the FBIP is an effective coordination mechanism for biodiversity information in Canada, in particular relating to issues of federal, provincial and territorial concern. The proof-of-concept project is data related to the West Nile virus.
- ▶ Volunteers contributed a total of 4,235 hours to the Museum for an economic value of \$69,835 (based on the average hourly wage for community, business and personal services in Canada).
- ▶ There were 73 full rental clients providing income of approximately \$151,000. Active members as of September 30, 2003 reached 1,720, a 22 percent increase over the same period last year. The Direct Mail, Royalties and Distribution revenue target of \$9,950 has been surpassed by 149 percent. Contracts were signed for the Canadian CineMuse Network with the California Institute of Technology, and Science World British Columbia.



## PERFORMANCE MEASURES

Achieve a target of \$1,299,000 for revenue-generating activities for 2003-04. Achieve a target of \$2,272,000 in fundraising activities for 2003-04. Achieve a per visitor gross sales income of \$6.07 per visitor by 2007-08.

## ACHIEVEMENTS AGAINST PERFORMANCE MEASURES

*(April 1, 2003 – September 30, 2003)*

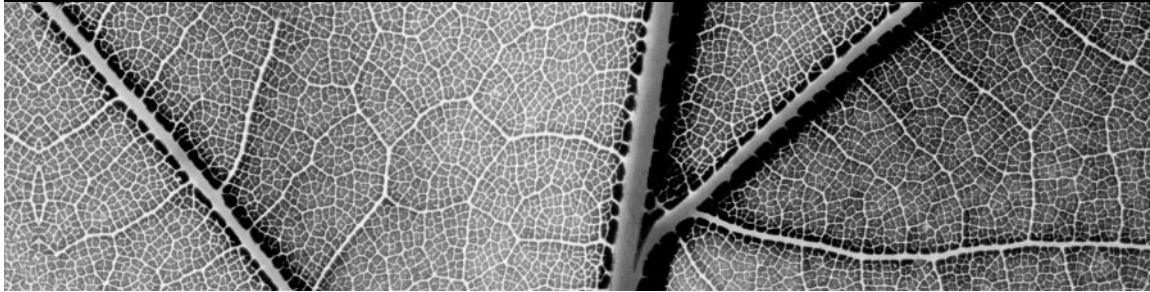
*Figure 4: Self-generated Revenue*

(in dollars)

	02-03 Actual	03-04 Forecast	03-04 Actual (2003/09/30)
Revenue-Generating Activities	1,985,000	1,299,000	1,037,000
Fundraising	1,345,000	2,272,000	751,000

Per visitor revenue was \$6.24.

## OBJECTIVES, STRATEGIES AND PERFORMANCE MEASURES FOR 2004-05 TO 2008-09



In order to fulfill its mandate and provide maximum public value, CMN develops and fulfills specific objectives and strategies and measures its success according to defined performance standards. The new CMN vision and strategic plan for 2003-2008 place particular emphasis on establishing the Museum's presence as a national institution; this presence is to be built from the solid foundation of CMN's principal bases of operations – the Victoria Memorial Museum Building and the Natural Heritage Building.

CMN is applying a centralized review process to assess business cases and to set annual operating plans in the context of a multi-year framework. The process will ensure that CMN has secured the experience, infrastructure and resources necessary to fulfill the vision for the Museum in 2008. Some activities and projects will be wound down. Others will be adapted to address more precisely the strategic priorities and the natural history issues identified as relevant to Canadians, especially *environmental change* – the priority issue and focus of the new strategic plan. Key priorities for action for 2004-2009 are as follows:

- ▶ Develop and promote the Museum's national service role
- ▶ Continue the refit and renewal of Museum facilities and signature public education projects
- ▶ Nurture and facilitate the development of the Alliance of Natural History Museums of Canada
- ▶ Bring the Natural Partnerships Campaign to a successful conclusion and develop a structure and systems to ensure external support and participation for the long term

The strategic plan includes seven objectives: five related to core tasks and two related to corporate services. As an ongoing management practice, and using the established Performance Measurement Framework, CMN evaluates and adjusts strategies to ensure the continued relevance and effectiveness of programmes, services and activities.

### OBJECTIVE 1

To create and make accessible to the public relevant information about the environment and our place in it

CMN research activities will be fully integrated with other CMN functions, recognized by peers and the public, and a range of research activities will address *environmental change*. There will be a national Collections plan and CMN will be recognized as an active participant in a national effort to make museum collections accessible and useful to Canadians across the country. CMN's educational projects will be recognized by client groups and peers as a key source of relevant information about the environment and our place in it.

### STRATEGIES

1. Create and make accessible programmes of research, collections development, documentation and services as well as a range of educational programmes and services that respond to and address the natural history issues of relevance to Canadians.
2. Expand joint efforts with other federal agencies and portfolio partners to create and distribute information resources for diverse Canadian audiences.



## PERFORMANCE MEASURES

Produce a minimum of 32 refereed publications annually on issues of relevance to Canadians. Have 692,000 collection records (equal to 25 percent of total collection units that can be catalogued) accessible electronically by 2008-09, with an average of 30,000 records entered annually. Increase the usefulness of CMN's collections by 2008-09 (Rate to be established at the end of 2003-04, after gathering one year of data.). Educational Programmes developed should have a minimum of 50 percent of the established attributes. Increase the annual number of unique Web site visits to 3.75 million by the end of 2008-09. Maximize the number of products, publications and services created per year.

## OBJECTIVE 2

To contribute to building the capacity of Canadian natural history museums and other heritage agencies to respond efficiently and effectively to natural history issues of relevance to Canadians

The Alliance of Natural History Museums of Canada (ANHMC) will have membership from all regions of Canada and a regular schedule of meetings. National strategies for collections and joint projects in research and education will be developed and implemented by the ANHMC. In addition, to address the broader needs of Canadians for museum products and services, a series of CMN initiated projects with a variety of federal partners will be undertaken. The CMN experience in these partnership ventures will be documented and shared with the museum and heritage communities.

## STRATEGIES

1. Develop and implement national strategies for research, collections and education in consultation and collaboration with the Alliance of Natural History Museums of Canada, other federal and external partners.
2. Organize and deliver – with partners and other agencies at professional meetings such as the CMA and CASC – reports and demonstrations of new processes, techniques and related capacities as examples of museum “best practices” and innovative approaches.

## PERFORMANCE MEASURES

Undertake two projects/activities with the Alliance of Natural History Museums of Canada addressing issues of relevance to Canadians in 2004-05. The measures of success will be identified and assessed once projects are fully developed and initiated. These measures will assess the level of capacity building achieved within Canadian natural history museums and other partners. Increase participation in the CMA and the CASC through presentations, participation in special interest groups, organizing committees, etc. (Rate to be established by the end of 2003-04).

## OBJECTIVE 3

To provide vehicles to encourage public engagement in natural history issues and to contribute to informed public policy on those issues

CMN will be regarded as a “Best Practices Leader” in the practice of engaging its key audiences through its exhibitions, public programming and the Web. CMN will be recognized as a valued contributor in the development of public and government policies.

## STRATEGIES

1. Create national forums to discuss debate and share information on relevant environmental issues of concern to Canadians.
2. Develop and implement formal mechanisms to inform public policy on natural history issues.
3. Demonstrate the commitment and involvement of the ANHMC and other partners in defining and presenting public policy options to Government.



## PERFORMANCE MEASURES

Develop five new forums during 2004-05. CMN is present in 20 national and international associations and organizations related to environmental change by end of 2004-05. Two options on public policy are presented to Government in 2004-05.

## OBJECTIVE 4

To develop CMN's internal capacity to work in integrated, collaborative approaches

An HR framework and the necessary HR tools will be in place to support CMN's business strategy. A majority of projects will be undertaken with partners. CMN will provide a supportive working environment with opportunities for innovation and growth.

## STRATEGIES

1. Through the application of the competency-based process, enable Museum staff to work in integrated approaches such as partnerships, networks and multi-disciplinary teams. This approach will be evident in ongoing programmes of training, succession planning, staffing and improved performance management.
2. Apply the partnership framework to assess current partnerships and to modify partnership arrangements as required.

## PERFORMANCE MEASURES

Offer annually four days of professional development per employee to align competencies to the new vision. Increase the value of new partnerships undertaken by addressing an average of 50 percent of the established partnership evaluation criteria by 2008-09.

## OBJECTIVE 5

To ensure that the VMMB Renewal Project furthers the vision

The VMMB physical and programming renovation will be completed on schedule and within budget parameters while remaining open to the public. The safety and health of visitors, staff and collections will be ensured during the project. The project will demonstrably support CMN programming and corporate objectives.

## STRATEGIES

1. Address the Health and Safety infrastructure requirements for the VMMB.
2. Create a review mechanism to ensure that planning and programming decisions for the VMMB are made in line with the principles of the new vision.
3. Co-develop the Water, Nature of Humans and other programming with other museum partners, with elements located in Ottawa as well as elsewhere in Canada.
4. Maintain a base level of programming and visitor services at the VMMB during the Renewal Project to ensure that CMN and the VMMB remain visible and that the local audience is retained.

## PERFORMANCE MEASURES

Phase 1 and Phase 2 of VMMB physical and programming renovation project completed by end of 2006-07. Phase 3 and Phase 4 completed by end of 2008-09. Maintain an attendance level that takes into account the impact of VMMB construction and renovations on visitors (estimated visitors annually – 2004-05: 170,000, 2005-06: 125,000, 2006-07: 260,000, 2007-08: 260,000, 2008-09: 280,000). Reach and maintain a market share of 15 percent of visitors to national museums in the National Capital Region by the end of 2008-09.



## OBJECTIVE 6

### To maintain and improve an effective and efficient infrastructure of systems and facilities

CMN will ensure that all support systems of the institution promote maximum effectiveness and efficiency of operations and enable all work units to maximize their contribution to the service and value of the Museum to Canadians.

#### STRATEGIES

1. Administer real property.
2. Develop, modify or consolidate management and planning processes to support the vision.
3. Maintain and improve museum information management systems and services.

#### PERFORMANCE MEASURES

Maintain, operate and repair both the VMMB and the NHB at a level meeting or exceeding the recognized and accepted industry level for museums. Achieve a 50 percent reduction in time spent on planning by end of 2008-09. In 2004-05, achieve \$5.83 cost per user (when including Web users) and \$16.24 cost per user (when excluding Web users). Maintain and upgrade Museum information management systems and services through performance measures specific to each system and service.

## OBJECTIVE 7

### To increase CMN's self-generated revenue

CMN will access additional resources in order to enhance its programme of services and its value to Canadians. The Museum will have a budget in place for its fixed infrastructure costs that allows for prudent investment and well-managed implementation of its long-term capital plan and maintenance of infrastructure. Revenue-generating and commercial operations opportunities will be realized and on-going.

#### STRATEGIES

1. Build a strong philanthropic base of support for CMN by identifying and securing private and public sponsorships, partnerships, alliances and donations.
2. Develop market and maximize education, collection, research and commercial products and services.

#### PERFORMANCE MEASURES

Achieve targets for fundraising as set out in Figure 5. Achieve a level of self-generated revenue as set out in Figure 5. Achieve \$6.07 per visitor gross sales income by 2008-09.

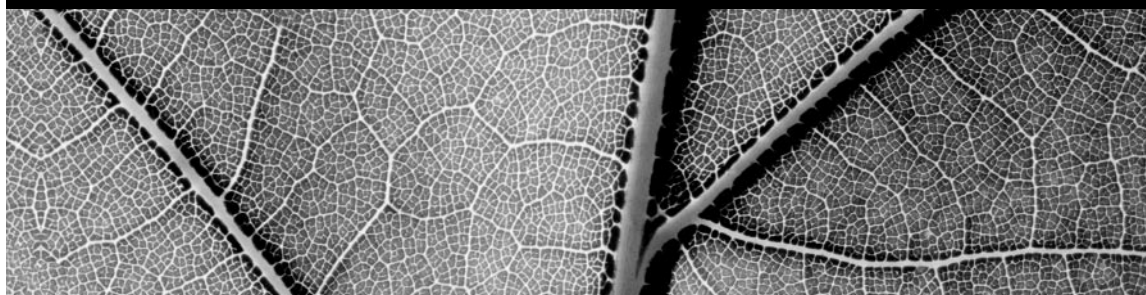
*Figure 5: Self-generated Revenue Targets*

(in dollars)

	04-05	05-06	06-07	07-08	08-09
Revenue-Generating Activities	851,350	809,111	1,198,745	1,215,100	1,414,000
Fundraising	3,268,000	3,155,000	4,695,000	1,805,000	905,000



## FINANCIAL SUMMARY



# Five-Year Financial Plan

The Financial Plan represents the Corporation's forecast over the five-year planning period 2004-05 to 2008-09. Table 1 shows the forecast by activity based upon approved reference levels and revenue forecasts for the current year and the planning period.

**NOTE:** Table 1 is a budget summary that is prepared on a cash basis and therefore cannot be compared directly to the audited financial statements for 2002-03.

*Table 1: Corporate Budget Summary by Activity*

(in thousands of dollars - except for staff levels)

	02-03 Actual	03-04 Forecast	04-05 Budget	05-06 Budget	06-07 Budget	07-08 Budget	08-09 Budget
Staff Levels	169	173	175	175	175	175	175
Research	5,295	4,512	4,840	4,910	4,912	4,912	4,912
Collections	6,128	6,087	6,365	6,461	6,465	6,465	6,465
Public Education	10,474*	10,581*	10,870	10,461	12,381	9,507	8,806
Renovation of the VMMB	3,000	18,000	36,000	30,000	27,000	24,000	24,000
Corporate Services	5,289	5,249	5,477	5,556	5,559	5,559	5,559
Governance	1,533	1,474	1,689	1,698	1,699	1,699	1,699
<b>Sub-total</b>	<b>31,719</b>	<b>45,903</b>	<b>65,241</b>	<b>59,086</b>	<b>58,016</b>	<b>52,142</b>	<b>51,441</b>
Less revenues	(3,330)	(3,250)	(4,119)	(3,964)	(5,894)	(3,020)	(2,319)
<b>Appropriations</b>	<b>28,389</b>	<b>42,653</b>	<b>61,122</b>	<b>55,122</b>	<b>52,122</b>	<b>49,122</b>	<b>49,122</b>

\* These figures have been reclassified to reflect the adoption of the activity "Renovation of the VMMB" for the Corporate Plan 2004-05.



# Annual Budget

## 2004-05 OPERATING AND CAPITAL BUDGET

The budgets have been formulated on the basis of the operating forecast and the programme activity structure and services required in support of these activities. Table 2 summarizes the operating and capital budget.

*Table 2: Summary of Operating and Capital Budget*

(in thousands of dollars)

	02-03 Actual	03-04 Approved	03-04 Forecast	04-05 Proposed
Operating	27,285	26,885	27,268	29,709
Capital	4,434	18,635	18,635	35,532
Less revenues	(3,330)	(3,571)	(3,250)	(4,119)
<b>Appropriations</b>	<b>28,389</b>	<b>41,949</b>	<b>42,653</b>	<b>61,122</b>

The increase in both appropriations and capital expenses from the 2003-04 forecasts to 2004-05 is due to the approval of additional investment in building renovations at the VMMB which will be capitalized and depreciated once important phases of the project are completed.

# Financial Statements

The financial statements forecasts have been prepared in accordance with Canadian generally accepted accounting principles consistent with those reported in the institution's annual report.

## Statement 1 : Balance Sheet

(in thousands of dollars)

	2002-03 Results	2003-04 Forecast	2004-05 Pro forma	2005-06 Pro forma	2006-07 Pro forma	2007-08 Pro forma	2008-09 Pro forma
<b>Assets</b>							
<b>Current</b>							
Cash and short-term investments	5,974	6,296	6,625	6,991	7,497	8,041	8,622
Accounts receivable							
Trade	288	350	350	350	350	350	350
Government departments and agencies	1,961	700	700	700	700	700	700
Prepaid expenses	754	500	500	500	500	500	500
	<b>8,977</b>	<b>7,846</b>	<b>8,175</b>	<b>8,541</b>	<b>9,047</b>	<b>9,591</b>	<b>10,172</b>
Restricted cash, short-term investments and receivables	1,014	1,047	797	547	627	607	587
Collections	1	1	1	1	1	1	1
Capital assets	38,781	55,422	88,655	114,101	136,515	153,828	171,817
	<b>48,773</b>	<b>64,316</b>	<b>97,628</b>	<b>123,190</b>	<b>146,190</b>	<b>164,027</b>	<b>182,577</b>
<b>Liabilities</b>							
<b>Current</b>							
Accounts payable and accrued liabilities							
Trade	2,847	2,000	2,000	2,000	2,000	2,000	2,000
Government departments and agencies	2,236	2,000	2,000	2,000	2,000	2,000	2,000
Current portion - obligation under capital lease	219	241	267	294	325	359	396
Deferred revenue and parliamentary appropriation	2,951	50	50	50	150	150	150
Employee future benefits	184	219	254	289	324	359	394
	<b>8,437</b>	<b>4,510</b>	<b>4,571</b>	<b>4,633</b>	<b>4,799</b>	<b>4,868</b>	<b>4,940</b>
Obligation under capital lease	32,924	32,683	32,415	32,121	31,796	31,438	31,042
Deferred capital funding	9,522	27,313	61,733	88,178	111,594	129,908	148,899
Employee future benefits	1,436	1,465	1,494	1,524	1,554	1,585	1,617
Deferred contributions	962	712	462	212	192	172	152
	<b>53,281</b>	<b>66,683</b>	<b>100,675</b>	<b>126,668</b>	<b>149,935</b>	<b>167,971</b>	<b>186,650</b>
<b>Endowment</b>	<b>285</b>	<b>285</b>	<b>285</b>	<b>285</b>	<b>285</b>	<b>285</b>	<b>285</b>
Equity of Canada	(4,793)	(2,652)	(3,332)	(3,763)	(4,030)	(4,229)	(4,358)
	<b>48,773</b>	<b>64,316</b>	<b>97,628</b>	<b>123,190</b>	<b>146,190</b>	<b>164,027</b>	<b>182,577</b>



**Statement 2: Statement of Operations & Equity of Canada**

(in thousands of dollars)

	2002-03 Results	2003-04 Forecast	2004-05 Pro forma	2005-06 Pro forma	2006-07 Pro forma	2007-08 Pro forma	2008-09 Pro forma
<b>Revenue</b>							
Commercial operations	1,324	1,143	401	308	810	819	978
Contributions	1,345	1,670	3,268	3,155	4,695	1,805	905
Educational programmes	279	148	157	205	90	97	137
Interest income	243	250	250	250	250	250	250
Scientific services	85	34	38	41	44	44	44
Other	54	5	5	5	5	5	5
	<b>3,330</b>	<b>3,250</b>	<b>4,119</b>	<b>3,964</b>	<b>5,894</b>	<b>3,020</b>	<b>2,319</b>
<b>Expenses</b>							
Personnel costs	13,930	14,270	14,692	14,959	14,959	14,959	14,959
Interest on capital lease obligation	3,302	3,281	3,259	3,233	3,206	3,175	3,141
Operation and maintenance of buildings	2,704	2,019	3,930	3,924	3,683	3,534	2,548
Professional and special services	2,481	900	900	900	900	900	400
Depreciation of capital assets	1,693	1,994	2,299	2,538	5,468	6,434	7,106
Real property leases and taxes	1,604	1,758	1,758	1,758	1,758	1,758	1,758
Exhibitions	1,573	1,979	2,146	3,093	2,426	800	500
Information management infrastructure and systems	1,235	1,306	1,178	1,178	1,178	1,178	1,178
Marketing and communications	797	550	550	700	500	500	500
Repairs and maintenance	779	400	400	400	400	400	200
Travel	515	300	300	300	300	300	225
Freight and cartage	91	75	75	75	75	75	50
Purchase of objects for collections	25	4	4	4	4	4	4
Other	44	10	10	10	10	10	10
	<b>30,773</b>	<b>28,846</b>	<b>31,501</b>	<b>33,072</b>	<b>34,867</b>	<b>34,027</b>	<b>32,579</b>
<b>Net result of operations before government funding</b>	<b>(27,443)</b>	<b>(25,596)</b>	<b>(27,382)</b>	<b>(29,108)</b>	<b>(28,973)</b>	<b>(31,007)</b>	<b>(30,260)</b>
Parliamentary appropriation	25,378	27,737	26,702	28,677	28,706	30,808	30,131
<b>Net result of operations</b>	<b>(2,065)</b>	<b>2,141</b>	<b>(680)</b>	<b>(431)</b>	<b>(267)</b>	<b>(199)</b>	<b>(129)</b>
Equity of Canada, beginning of year	(2,728)	(4,793)	(2,652)	(3,332)	(3,763)	(4,030)	(4,229)
<b>Equity of Canada, end of year</b>	<b>(4,793)</b>	<b>(2,652)</b>	<b>(3,332)</b>	<b>(3,763)</b>	<b>(4,030)</b>	<b>(4,229)</b>	<b>(4,358)</b>

**Note:**

The Department of Finance provided borrowing authority to the Museum to enter into a long-term capital lease obligation to fund the Gatineau facility. The Statement of Operations and Equity of Canada therefore reflects interest on the capital lease obligation as well as amortization charges because of the recognition of the building as an asset. The accounting treatment of the costs associated with the Gatineau facility has a significant negative impact on the Museum's Statements of Operations and Equity of Canada. The Museum's financial position looks bad as the Equity position has become a negative value when in reality the Museum's financial position is solid. These negative financial statements severely hamper the Museum's ability to raise funds in the private sector. This long-term financial statement presentation will need to be resolved.



### Statement 3: Cash Flow Statement

(in thousands of dollars)

	2002-03 Results	2003-04 Forecast	2004-05 Pro forma	2005-06 Pro forma	2006-07 Pro forma	2007-08 Pro forma	2008-09 Pro forma
<b>Operating Activities</b>							
Cash receipts – customers	4,336	2,613	3,869	3,714	5,744	2,770	2,069
Cash receipts – parliamentary appropriation	23,488	25,578	25,590	27,138	24,240	25,375	24,027
Cash disbursements – suppliers and employees	(26,138)	(24,586)	(26,129)	(27,486)	(26,148)	(24,372)	(22,285)
Interest received	273	250	250	250	250	250	250
Interest paid	(3,303)	(3,281)	(3,259)	(3,233)	(3,206)	(3,175)	(3,141)
	<b>(1,344)</b>	<b>574</b>	<b>321</b>	<b>383</b>	<b>880</b>	<b>848</b>	<b>920</b>
<b>Financing Activities</b>							
Repayment of loan from the Department of Canadian Heritage	(377)	–	–	–	–	–	–
Appropriation used to purchase depreciable capital assets	3,922	18,635	35,532	27,984	27,882	23,747	25,095
Obligation under capital lease	(198)	(219)	(242)	(267)	(294)	(324)	(359)
Endowment increase	5	–	–	–	–	–	–
	<b>3,352</b>	<b>18,416</b>	<b>35,290</b>	<b>27,717</b>	<b>27,588</b>	<b>23,423</b>	<b>24,736</b>
<b>Investing Activities</b>							
Acquisition of capital assets	(4,434)	(18,635)	(35,532)	(27,984)	(27,882)	(23,747)	(25,095)
Decrease (increase) in restricted cash, short-term investments and receivables	5	(33)	250	250	(80)	20	20
	<b>(4,429)</b>	<b>(18,668)</b>	<b>(35,282)</b>	<b>(27,734)</b>	<b>(27,962)</b>	<b>(23,727)</b>	<b>(25,075)</b>
<b>(Decrease) increase in cash and short-term investments</b>	<b>(2,421)</b>	<b>322</b>	<b>329</b>	<b>366</b>	<b>506</b>	<b>544</b>	<b>581</b>
Cash and short-term investments, beginning of year	8,395	5,974	6,296	6,625	6,991	7,497	8,041
<b>Cash and short-term investments, end of year</b>	<b>5,974</b>	<b>6,296</b>	<b>6,625</b>	<b>6,991</b>	<b>7,497</b>	<b>8,041</b>	<b>8,622</b>